

**CITY OF WEST LINN, OREGON
ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2001**



PAULY, ROGERS AND CO., P.C.
CERTIFIED PUBLIC ACCOUNTANTS
TIGARD, OREGON 97223



CITY OF WEST LINN, OREGON
ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2001

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City of West Linn, Oregon

Annual Financial Report
For The Fiscal Year Ended June 30, 2001

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City of West Linn, Oregon

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Introductory Section



City of West Linn, Oregon

CITY COUNCIL MEMBERS AS OF JUNE 30, 2001

<u>NAME</u>	<u>TERM EXPIRES</u>
David Dodds, Mayor 18931 Old River Drive West Linn, OR 97068	December 31, 2002
Michael P. Kapigian 19482 View Drive West Linn, OR 97068	December 31, 2002
David M. Tripp 4999 Prospect Street West Linn, OR 97068	December 31, 2002
Bill Wilson 19363 Willamette Drive West Linn, OR 97068	December 31, 2002
Norman B. King 19420 Wilderness Drive West Linn, OR 97068	December 31, 2002

Scott A. Burgess, City Manager

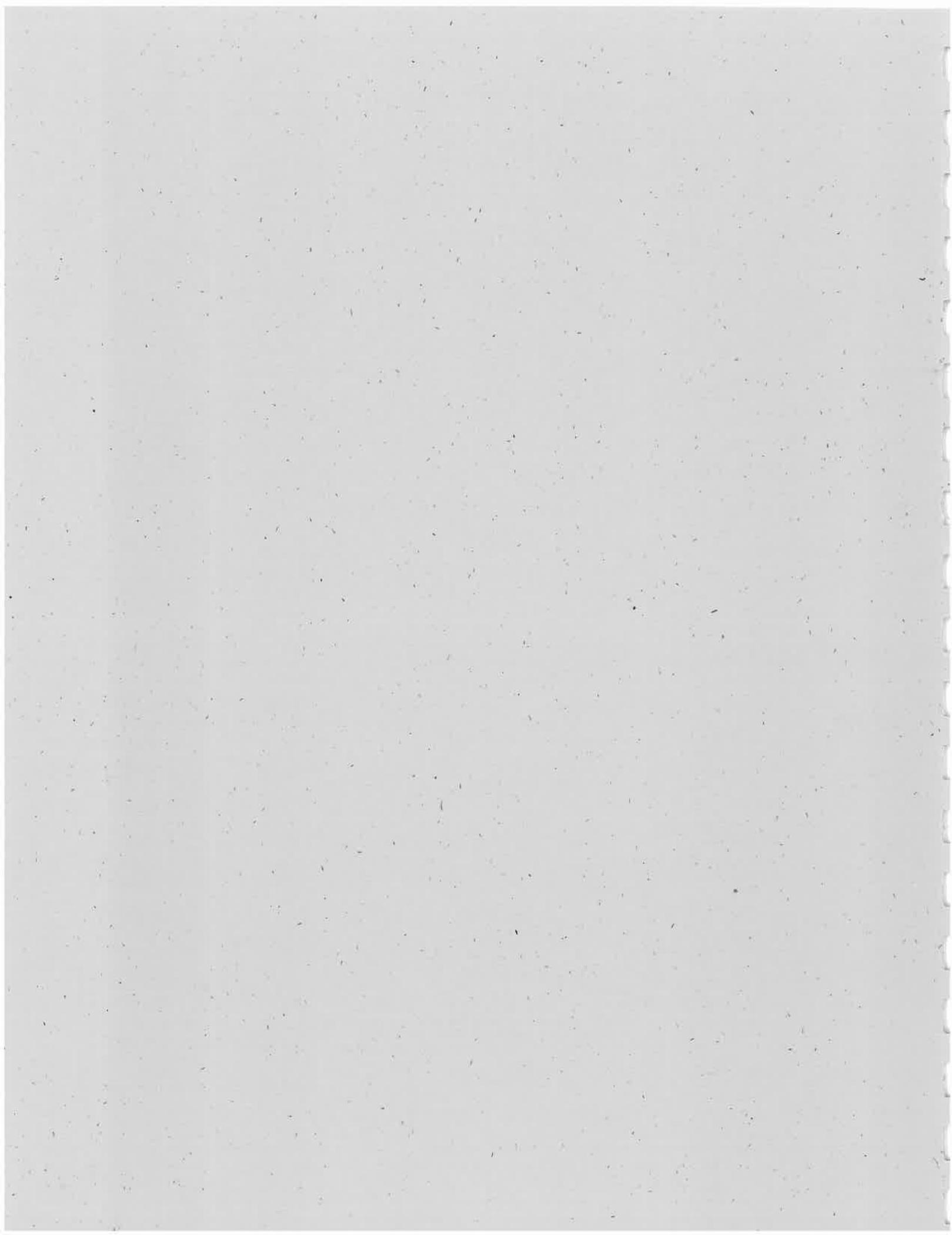
Administrative Offices
22500 Salamo Road
West Linn, Oregon 97068

Legal Counsel:

Ramis, Crew, Corrigan and Bachrach, LLP
1727 N.W. Hoyt Street
Portland, Oregon 97209

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Financial Section





PAULY, ROGERS AND CO., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

- 12700 SW 72ND AVENUE • TIGARD, OREGON 97223
- (503) 620-2632 • FAX (503) 684-7523

February 21, 2002

(Except for Note 15, for which the date is July 3, 2002)

To the Honorable Mayor and
Members of the City Council
City of West Linn
West Linn, Oregon

INDEPENDENT AUDITORS' REPORT

We have audited the general purpose financial statements of the City of West Linn, Oregon, as of and for the year ended June 30, 2001 as listed in the table of contents. The general purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these 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 general purpose 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 the City of West Linn, Oregon, as of June 30, 2001 and the results of its operations, and the cash flows of its proprietary fund types and nonexpendable trust fund for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The supplementary data of combining and individual fund and account group statements and other financial schedules, as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements. Such information 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.

As indicated in Note 15 to the general purpose financial statements, certain omissions of amounts receivable in the enterprise funds in the originally issued financial statements of the City were discovered by management. These omissions resulted in an understatement of certain revenues, accounts payable, and accounts receivable. Accordingly, the accompanying general purpose financial statements have been restated to correct the error.

Pauly, Rogers and Co., P.C.

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City of West Linn, Oregon

General Purpose Financial Statements

City of West Linn, Oregon
Combined Balance Sheet
All Fund Types and Account Groups

June 30, 2001

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
ASSETS AND OTHER DEBITS				
Equity in Pooled Cash and Investments	\$ 2,241,980	\$ 6,570,998	\$ 84,006	\$ 5,577,215
Restricted Cash				
Cash Held by County Treasurer	26,633	16,234	4,220	
Cash with Fiscal Agent			350	
Property Taxes Receivable	227,158	134,419	74,554	
Accounts Receivable	284,509	10,015		
Accrued Interest Receivable	6,055	27,081	-	21,817
Security Deposits	11,960			
Due from Other Governments	110,522	103,321		
Inventory				
Prepaid Expenditures			-	
Fixed Assets, Net				
Investment in South Fork Water Board				
Amount Available for Bonded Debt Service				
Amount to be Provided for Bonded Debt Service				
Total Assets and Other Debits	\$ 2,908,817	\$ 6,862,068	\$ 163,130	\$ 5,599,032
LIABILITIES, FUND EQUITY AND OTHER CREDITS				
Liabilities:				
Accounts Payable	\$ 350,529	\$ 255,780	\$	\$ 72,150
Accrued Salaries and Payroll Taxes	433,962	142,717		
Accrued Liabilities	50,188			
Due to Other Governments	46,226			
Deposits Payable	102,588	72,812		
Contract Retainage Payable	-	-		
Deferred Revenue	770,382	107,333	58,283	
Matured Interest Payable			350	
Bonds Payable				
Total Liabilities	1,753,875	578,642	58,633	72,150
Fund Equity and Other Credits:				
Contributed Capital				
Investment in General Fixed Assets				
Retained Earnings				
Fund Balances:				
Reserved for Endowments				
Reserved for System Development		2,977,198		
Unreserved:				
Designated for Debt Service			104,497	
Undesignated	1,154,942	3,306,228		5,526,882
Total Fund Equity and Other Credits	1,154,942	6,283,426	104,497	5,526,882
Total Liabilities and Fund Equity	\$ 2,908,817	\$ 6,862,068	\$ 163,130	\$ 5,599,032

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

Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)	
Enterprise	Internal Service	Nonexpendable Trust	General Fixed Assets	General Long-Term Debt	June 30, 2001	June 30, 2000
\$ 3,217,418 153,854	\$ 269,442	\$ 219,473	\$	\$	\$ 18,180,532 153,854 47,087 350 436,131	\$ 13,151,984 - 47,087 350 379,848
832,038 13,694	1,085 1,884	967			1,127,647 71,498 11,960	1,213,539 55,470 11,960
2,114 74,194	37,974				215,957 112,168 -	720,637 129,405 145,969
19,581,062 4,549,914	45,335		26,232,557		45,858,954 4,549,914 104,497 15,940,503	39,443,776 3,960,180 165,127 8,239,873
<u>\$ 28,424,288</u>	<u>\$ 355,720</u>	<u>\$ 220,440</u>	<u>\$ 26,232,557</u>	<u>\$ 16,045,000</u>	<u>\$ 86,811,052</u>	<u>\$ 67,665,205</u>
\$ 371,426 110,272 126,746 52,600 1,270	\$ 25,020 8,179	\$	\$	\$	\$ 1,074,905 576,679 168,639 172,972 228,000 1,270 935,998 350	\$ 952,772 667,680 156,029 459,343 488,028 825 793,206 350
1,800,000				16,045,000	17,845,000	8,405,000
<u>2,462,314</u>	<u>33,199</u>	<u>-</u>	<u>-</u>	<u>16,045,000</u>	<u>21,003,813</u>	<u>11,923,233</u>
21,663,890 4,298,084	61,135 261,386		26,232,557		21,725,025 26,232,557 4,559,470	21,725,025 20,135,811 4,034,142
		220,440			220,440 2,977,198 104,497 9,988,052	169,400 2,859,397 165,127 6,653,070
<u>25,961,974</u>	<u>322,521</u>	<u>220,440</u>	<u>26,232,557</u>	<u>-</u>	<u>65,807,239</u>	<u>55,741,972</u>
<u>\$ 28,424,288</u>	<u>\$ 355,720</u>	<u>\$ 220,440</u>	<u>\$ 26,232,557</u>	<u>\$ 16,045,000</u>	<u>\$ 86,811,052</u>	<u>\$ 67,665,205</u>

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

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City of West Linn, Oregon
Combined Statement of Revenues, Expenditures and
Changes in Fund Balances
All Governmental Fund Types

For the Year Ended June 30, 2001

	Governmental Fund Types				Totals (Memorandum Only)	
	General	Special Revenue	Debt Service	Capital Projects	2001	2000
REVENUES:						
Taxes	\$ 3,453,634	\$ 2,056,746	\$ 1,115,381	\$ -	\$ 6,625,761	\$ 5,811,708
Intergovernmental Revenues	372,286	1,775,764	-	-	2,148,050	2,750,516
Franchise Fees	1,226,864	109,214	-	-	1,336,078	1,203,596
Licenses and Permits	202,583	753,589	-	-	956,172	1,007,483
Fines and Forfeitures	344,096	-	-	-	344,096	410,965
Charges for Services	1,056,415	-	-	-	1,056,415	1,779,113
Systems Development Fees	-	1,245,109	-	-	1,245,109	1,179,614
Contributions, Donations and Fund Raising	-	73,702	-	-	73,702	266,069
Interest Earnings	96,214	374,414	13,619	254,055	738,302	625,935
Reimbursements	-	971,819	-	-	971,819	-
Miscellaneous	246,399	79,573	15,213	-	341,185	195,991
Total Revenues	6,998,491	7,439,930	1,144,213	254,055	15,836,689	15,230,990
EXPENDITURES:						
Current:						
General Government	2,770,526	1,785,628	-	4,804,185	9,360,339	10,529,730
Cultural and Recreation	2,046,845	902,179	-	-	2,949,024	2,758,678
Public Safety	2,282,745	3,277,510	-	-	5,560,255	5,707,342
Highways and Streets	-	1,125,983	-	-	1,125,983	2,260,277
Sanitation	-	690,173	-	-	690,173	975,046
Debt Service:						
Principal	-	-	560,000	-	560,000	270,000
Interest	-	-	644,843	-	644,843	313,676
Total Expenditures	7,100,116	7,781,473	1,204,843	4,804,185	20,890,617	22,814,749
Excess of Revenues Over (Under) Expenditures	(101,625)	(341,543)	(60,630)	(4,550,130)	(5,053,928)	(7,583,759)
Other Financing Sources (Uses):						
Proceeds of Debt	-	-	-	8,101,234	8,101,234	3,572,793
Operating Transfers In	596,719	1,321,130	-	-	1,917,849	2,075,525
Operating Transfers Out	(790,527)	(665,328)	-	(117,148)	(1,573,003)	(1,489,354)
Total Other Financing Sources (Uses)	(193,808)	655,802	-	7,984,086	8,446,080	4,158,964
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(295,433)	314,259	(60,630)	3,433,956	3,392,152	(3,424,795)
Fund Balances, June 30, 2000	1,450,375	5,969,167	165,127	2,092,926	9,677,595	13,102,389
Fund Balances, June 30, 2001	\$ 1,154,942	\$ 6,283,426	\$ 104,497	\$ 5,526,882	\$ 13,069,747	\$ 9,677,594

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

City of West Linn, Oregon
Combined Statement of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
All Governmental Fund Types

For the Year Ended June 30, 2001

	Governmental Fund Types					
	General			Special Revenue		
	Original and Supplemental Budgets	Actual	Variance Favorable (Unfavorable)	Original and Supplemental Budgets	Actual	Variance Favorable (Unfavorable)
REVENUES:						
Taxes	\$ 3,393,610	\$ 3,453,634	\$ 60,024	\$ 2,064,352	\$ 2,056,746	\$ (7,606)
Intergovernmental Revenues	237,689	372,286	134,597	1,930,090	1,775,764	(154,326)
Franchise Fees	1,101,011	1,226,864	125,853	111,098	109,214	(1,884)
Licenses and Permits	355,400	202,583	(152,817)	718,604	753,589	
Fines and Forfeitures	358,000	344,096	(13,904)			
Charges for Services	1,030,091	1,056,415	26,324			
System Development Fees				1,183,744	1,245,109	61,365
Contributions, Donations and Fund Raising				310,950	73,702	(237,248)
Interest Earnings	87,620	96,214	8,594	215,105	374,414	159,309
Reimbursements				939,652	971,819	32,167
Miscellaneous	87,250	246,399	159,149	12,300	79,573	67,273
Total Revenues	6,650,671	6,998,491	347,820	7,485,895	7,439,930	(45,965)
EXPENDITURES:						
Current:						
General Government	3,532,559	2,770,526	762,033	2,252,692	1,584,705	667,987
Cultural and Recreation	2,091,967	2,046,845	45,122	1,426,422	902,179	524,243
Public Safety	2,321,506	2,282,745	38,761	3,353,450	3,230,028	123,422
Highways and Streets				1,022,266	793,267	228,999
Sanitation				1,373,932	690,175	683,757
Debt Service:						
Principal						
Interest						
Contingency				3,735,315	-	3,735,315
Special Fire Reserve				136,011	-	136,011
Reserve for Equipment Replacement				142,702	-	142,702
Reserve for Future Debt Service						
Total Expenditures	7,946,032	7,100,116	845,916	13,442,790	7,200,354	6,242,436
Excess of Revenues Over (Under) Expenditures	(1,295,361)	(101,625)	1,193,736	(5,956,895)	239,576	6,196,471
Other Financing Sources (Uses):						
Proceeds of Debt						
Special Payments				(678,428)	(581,119)	97,309
Operating Transfers In	636,884	596,719	(40,165)	1,371,648	1,321,130	(50,518)
Operating Transfers Out	(790,527)	(790,527)	-	(705,492)	(665,328)	40,164
Total Other Financing Sources (Uses)	(153,643)	(193,808)	(40,165)	(12,272)	74,683	86,955
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(1,449,004)	(295,433)	1,153,571	(5,969,167)	314,259	6,283,426
Fund Balances, June 30, 2000	1,449,004	1,450,375	1,371	5,969,167	5,969,167	-
Fund Balances, June 30, 2001	\$ -	\$ 1,154,942	\$ 1,154,942	\$ -	\$ 6,283,426	\$ 6,283,426

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

						Totals (Memorandum Only)			
Debt Service			Capital Projects			Year Ended June 30, 2001			Year Ended June 30, 2000
Original and Supplemental Budgets	Actual	Variance Favorable (Unfavorable)	Original and Supplemental Budgets	Actual	Variance Favorable (Unfavorable)	Original and Supplemental Budgets	Actual	Variance Favorable (Unfavorable)	Actual
\$ 1,102,865	\$ 1,115,381	\$ 12,516	\$ 375,000	\$ -	\$ (375,000)	\$ 6,560,827	\$ 6,625,761	\$ 64,934	\$ 5,811,708
						2,542,779	2,148,050	(394,729)	2,750,516
						1,212,109	1,336,078	123,969	1,203,596
						1,074,004	956,172	(117,832)	1,007,483
						358,000	344,096	(13,904)	410,965
						1,030,091	1,056,415	26,324	1,779,113
						1,183,744	1,245,109	61,365	1,179,614
			105,000	-	(105,000)	415,950	73,702	(342,248)	266,069
6,720	13,619	6,899	169,000	254,055	85,055	478,445	738,302	259,857	625,935
						939,652	971,819	32,167	-
150	15,213	15,063				99,700	341,185	241,485	195,991
1,109,735	1,144,213	34,478	649,000	254,055	(394,945)	15,895,301	15,836,689	(58,612)	15,230,990
			10,229,503	4,804,185	5,425,318	16,014,754	9,159,416	6,855,338	10,512,534
						3,518,389	2,949,024	569,365	2,758,678
						5,674,956	5,512,773	162,183	5,697,540
						1,022,266	793,267	228,999	1,746,251
						1,373,932	690,175	683,757	718,511
540,000	560,000	(20,000)				540,000	560,000	(20,000)	270,000
604,394	644,843	(40,449)				604,394	644,843	(40,449)	313,676
			445,990	-	445,990	4,181,305	-	4,181,305	-
						136,011	-	136,011	-
						142,702	-	142,702	-
130,468	-	130,468				130,468	-	130,468	-
1,274,862	1,204,843	70,019	10,675,493	4,804,185	5,871,308	33,339,177	20,309,498	13,029,679	22,017,190
(165,127)	(60,630)	104,497	(10,026,493)	(4,550,130)	5,476,363	(17,443,876)	(4,472,809)	12,971,067	(6,786,200)
-	-	-	8,101,234	8,101,234	-	8,101,234	8,101,234	-	3,572,793
-	-	-	-	-	-	(678,428)	(581,119)	97,309	(797,559)
-	-	-	-	-	-	2,008,532	1,917,849	(90,683)	2,075,525
-	-	-	(167,667)	(117,148)	50,519	(1,663,686)	(1,573,003)	90,683	(1,489,354)
-	-	-	7,933,567	7,984,086	50,519	7,767,652	7,864,961	97,309	3,361,405
(165,127)	(60,630)	104,497	(2,092,926)	3,433,956	5,526,882	(9,676,224)	3,392,152	13,068,376	(3,424,795)
165,127	165,127	-	2,092,926	2,092,926	-	9,676,224	9,677,595	1,371	13,102,389
\$ -	\$ 104,497	\$ 104,497	\$ -	\$ 5,526,882	\$ 5,526,882	\$ -	\$ 13,069,747	\$ 13,069,747	\$ 9,677,594

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

City of West Linn, Oregon
Combined Statement of Revenues, Expenses and
Changes in Retained Earnings
All Proprietary Fund Types and Nonexpendable Trust Fund

For the Year Ended June 30, 2001

	Proprietary Fund Types		Fiduciary	Totals	
	Enterprise	Internal Service	Fund Type Nonexpendable Trust	(Memorandum Only)	
				2001	2000
OPERATING REVENUES:					
Charges for Services	\$ 3,819,708	\$ 417,248	\$ -	\$ 4,236,956	\$ 3,579,401
Connection Fees	49,227	-	-	49,227	485,120
Other Operating Revenues	111,890	-	-	111,890	22,311
Total Operating Revenues	3,980,825	417,248	-	4,398,073	4,086,832
OPERATING EXPENSES:					
Salaries and Wages	880,441	98,853	-	979,294	684,698
System Repairs and Maintenance	122,620	-	-	122,620	78,531
Operating Supplies, Repairs and Services	483,292	130,142	-	613,434	449,910
Gasoline and Diesel Fuel	-	72,024	-	72,024	66,337
South Fork Water Board Expenses	834,893	-	-	834,893	804,960
Utilities	93,153	-	-	93,153	83,655
Insurance	35,829	-	-	35,829	36,756
Administrative Charges from General Fund	890,995	54,136	-	945,131	619,468
Depreciation	506,272	9,341	-	515,613	502,103
Total Operating Expenses	3,847,495	364,496	-	4,211,991	3,326,418
Operating Income	133,330	52,752	-	186,082	760,414
NON-OPERATING REVENUES (EXPENSES):					
Interest Income	213,693	25,381	12,239	251,313	174,602
Donations	-	-	38,801	38,801	-
Net Income from Joint Venture	589,734	-	-	589,734	674,895
Interest Expense and Bond Issuance Fees	(144,656)	-	-	(144,656)	-
Total Non-Operating Revenues (Expenses)	658,771	25,381	51,040	735,192	849,497
Income Before Operating Transfers & Special Payments	792,101	78,133	51,040	921,274	1,609,911
OTHER FINANCING SOURCES (USES)					
Operating Transfers In	800,000	-	-	800,000	800,000
Operating Transfers Out	(924,846)	(220,000)	-	(1,144,846)	(1,386,171)
Net Income (Loss)	667,255	(141,867)	51,040	576,428	1,023,740
RETAINED EARNINGS / FUND BALANCE, June 30, 2000					
	3,630,829	403,253	169,400	4,203,482	3,179,742
RETAINED EARNINGS / FUND BALANCE, June 30, 2001					
	\$ 4,298,084	\$ 261,386	\$ 220,440	\$ 4,779,910	\$ 4,203,482

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

City of West Linn, Oregon
Combined Statement of Cash Flows
All Proprietary Fund Types and Nonexpendable Trust Fund

For the Year Ended June 30, 2001

	Proprietary Fund Types		Fiduciary Fund Type	Totals (Memorandum Only)	
	Enterprise	Internal Service	Nonexpendable Trust	2001	2000
CASH FLOWS FROM OPERATING ACTIVITIES:					
Received from Customers	\$ 4,635,505	\$ 416,163	\$ -	\$ 5,051,668	\$ 4,748,119
Paid to Suppliers	(1,675,558)	(436,563)		(2,112,121)	(2,024,187)
Payments to Employees for Services	(880,441)	(98,853)		(979,294)	(684,698)
Payment to Tri-City Service District	(1,010,933)			(1,010,933)	(651,490)
Other Operating Revenues	111,890			111,890	22,311
Payments - to Other City Funds	(856,017)	(54,136)		(910,153)	(619,468)
Net Cash Provided by (Used by) Operating Activities	324,446	(173,389)	-	151,057	790,587
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Special Payments	-	-		-	(14,962)
Donations	-	-	38,801	38,801	-
Net Cash Provided by (Used by) Noncapital Financing Activities	-	-	38,801	38,801	(14,962)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Proceeds of Bond Sale	1,800,000	-		1,800,000	-
Interest Expense and Bond Issue Fees	(144,656)	-		(144,656)	-
Acquisition of Capital Assets	(823,319)	(10,784)		(834,103)	(1,063,748)
Net Cash Provided by (Used by) Capital and Related Financing Activities	832,025	(10,784)	-	821,241	(1,063,748)
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest Earnings	213,693	24,678	11,931	250,302	173,656
Net Increase (Decrease) in Equity in Pooled Cash and Investments	1,370,164	(159,495)	50,732	1,261,401	(114,467)
Equity in Pooled Cash and Investments, June 30, 2000	2,001,108	428,937	168,741	2,598,786	2,713,253
Equity in Pooled Cash and Investments, June 30, 2001	\$ 3,371,272	\$ 269,442	\$ 219,473	\$ 3,860,187	\$ 2,598,786
Unrestricted Pooled Cash and Investments	\$ 3,217,418				
Restricted Cash	153,854				
Total Pooled Cash and Investments	\$ 3,371,272				

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

City of West Linn, Oregon
Combined Statement of Cash Flows
All Proprietary Fund Types and Nonexpendable Trust Fund

For the Year Ended June 30, 2001

	Proprietary Fund Types		Fiduciary	Totals	
	Enterprise	Internal Service	Fund Type Nonexpendable Trust	(Memorandum Only)	
				2001	2000
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED BY) OPERATING ACTIVITIES:					
Operating Income	\$ 133,330	\$ 52,752	\$ -	\$ 186,082	\$ 775,376
Adjustment to Reconcile Operating Income (Loss) to Net Cash Provided by (Used by)					
Operating Activities:					
Depreciation	506,272	9,341		515,613	502,103
Operating transfer in	800,000			800,000	800,000
Operating transfer out	(924,846)	(220,000)		(1,144,846)	(1,386,171)
Changes in Assets and Liabilities:					
Accounts Receivable	(38,094)	(1,085)		(39,179)	(116,841)
Accrued Interest Receivable	(7,675)			(7,675)	-
Due From Other Governments	(2,114)				
Inventory	22,263	(5,026)		17,237	(28,556)
Accounts Payable	98,728	(10,840)		87,888	18,205
Other Accrued Liabilities	49,778	1,469		51,247	34,322
Due to Other Governments	(325,641)			(325,641)	189,704
Meter Connections Deposits	14,452			14,452	439
Contract Retainage Payable	(2,006)			(2,006)	2,006
Total Adjustments	191,116	(226,141)	-	(32,910)	15,211
Net Cash Provided by (Used by) Operating Activities	\$ 324,446	\$ (173,389)	\$ -	\$ 153,172	\$ 790,587

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

City of West Linn, Oregon

Notes to General Purpose Financial Statements

1. The Reporting Entity and Summary of Significant Accounting Policies:

The general purpose financial statements of the City of West Linn, Oregon (City) 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:

The Financial Reporting Entity

The City of West Linn, Oregon was incorporated in 1913 and operates under the provision of its own charter and applicable State law with a Manager-Council form of government. The Mayor, who serves a two-year term, chairs City Council meetings. The Mayor and Council vote on all ordinances and legislative powers of the City and determine matters of policy. The City Manager is appointed by the City Council. Other City department heads are appointed by the City Manager.

The City of West Linn provides a full range of municipal services to the community which includes police and fire protection, emergency medical services, traffic control and improvement, street maintenance and improvement, water, sewer and storm drain service, planning and zoning regulation (building inspection and regulation), community library service, municipal court and parks and recreation.

Generally accepted accounting principles require that these financial statements present the City of West Linn (the primary government) and all component units, if any. Component units, as established by the Governmental Accounting Standards Board (GASB) Statement No. 14, are separate organizations that are included in the City's reporting entity because of the significance of their operational or financial relationships with the City. The City of West Linn has no component units.

Joint Venture

The South Fork Water Board (SFWB) operates a water distribution system jointly with the City and the City of Oregon City. Revenues earned by SFWB are expended for the continued operation and maintenance of facilities within the municipal boundaries of these cities. Upon dissolution of the SFWB, the net assets will be shared 50 percent to each city. The SFWB is governed by a five member board composed of three appointees from Oregon City and two from West Linn. As more fully discussed in the notes, the City's net investment and its share of the operating results of the SFWB are reported in the City's Water Revenue Fund (an Enterprise Fund). Complete financial statements for the SFWB can be obtained from the City of Oregon City Finance Department, 320 Warner-Milne Road, Oregon City, Oregon 97045. The investment in South Fork Water Board is accounted for using the equity method.

Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The financial statements of the General, Special Revenue, Debt Service and Capital Projects 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.

The Enterprise, Internal Service and Nonexpendable Trust funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities

City of West Linn, Oregon

Notes to General Purpose Financial Statements

associated with the operation of these funds are included on the balance sheets. Operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

The financial statements of the General, Special Revenue, Debt Service, Capital Projects and Agency funds are maintained using the modified accrual basis of accounting under which revenues are recognized when susceptible to accrual (when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred.

Exceptions to the modified accrual basis of accounting for these funds are revenues for grants that are recorded as earned and interest on general long-term debts that are recorded as due.

Those revenues susceptible to accrual are property taxes and assessment liens receivable (which are collected within 60 days after year end) interest revenue, state, county and local shared revenue and federal and state grants.

The accrual basis of accounting is utilized by the Enterprise, Internal Service and Nonexpendable Trust funds. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. The Proprietary Funds have applied all Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins issued on or before November 30, 1989, unless those pronouncements conflict or contradict Governmental Accounting Standards Board (GASB) pronouncements.

The City reports deferred revenue on its combined balance sheet. Deferred revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received by the government before it has a legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

Agency Funds are custodial in nature (assets equal liabilities) and do not involve the measurement of operations.

Cash and Investments

The City maintains a cash and investment pool that is available for use by all funds, except the Deferred Compensation Fund. Each fund type's portion of this pool is displayed on the combined balance sheet as "Equity in Pooled Cash and Investments". The investments of the Deferred Compensation Fund are held separately from those of other City funds.

For purposes of the statement of cash flows, the Proprietary and Nonexpendable Trust Funds consider cash to include cash and investments in the common pool since it has the general characteristics of demand deposit accounts in that the Proprietary and Nonexpendable Trust Funds may deposit additional cash at any time and also effectively may withdraw cash at any time without prior notice or penalty.

Investments, included in cash and investments, are carried at cost, which approximate market value, except for investments in the Deferred Compensation Fund, which are stated at market value.

City of West Linn, Oregon

Notes to General Purpose Financial Statements

Receivables

Uncollected property taxes receivable which have been collected within sixty days following year-end are considered measurable and available and are recognized as revenue. The remaining balance is recorded as deferred revenue because it is not deemed available to finance operations of the current period. Uncollected taxes are deemed to be substantially collectible or recoverable through liens. Property taxes become a lien against the property and are levied as of July 1 each year and are payable in three installments on November 15, February 15, and May 15. Discounts are allowed if the amount due is received by November 15 or February 15. Taxes unpaid and outstanding on May 16 are considered delinquent. All property taxes are due from property owners within the City.

The State of Oregon has a constitutional limit on property taxes for schools and nonschool government operations. Under the provisions of the limitation, tax revenues are separated into those for the public school system and those for local government operations other than the public school system. The limitation specifies \$10.00 is the maximum allowable tax for each \$1,000 of property real market value imposed on by local governments other than the public school system. Although the aggregate of nonschool local government taxes in the City does not currently exceed \$10.00 per \$1,000 of assessed value; this limitation may effect the availability of future tax revenues for the City.

Assessments receivable are recognized at the time owners are assessed for property improvements. Assessments receivable expected to be collected within sixty days following year end are considered measurable and available and are recognized as revenues. All other assessments receivable are offset by deferred revenue and, accordingly, have not been recorded as revenue.

Receivables for the Proprietary Fund Types are recorded as revenue as earned, including services earned but not billed. The Proprietary Fund Type receivables relate to billing for residential and commercial customers utilizing the City's water and sewer services.

Receivables for federal and state grants, and state, county and local shared revenue are recorded as revenue in all fund types as earned.

Inventory

Inventories of operating supplies and repair parts in the Proprietary Funds are valued at the lower of cost or market (average cost) and charged against operations as used.

Fixed Assets

The City does not maintain a detailed fixed asset register. The June 30, 2001 fixed assets balances were determined by adding current acquisitions, at cost, to the estimated values at June 30, 2000, and deleting the estimated cost of deletions, if applicable. General fixed assets are not capitalized in the governmental 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 stated at historical cost. In case of donations or gifts, fixed assets are stated at fair market value at the date of donation.

Maintenance and repairs are charged to expenditures in various governmental funds as incurred and not capitalized. Depreciation is not recorded on general fixed assets. Upon disposal, the General Fixed Assets Account Group is relieved of the related cost; proceeds from sales of general fixed assets are recorded as revenues of the appropriate fund.

City of West Linn, Oregon

Notes to General Purpose Financial Statements

Expenditures for public domain fixed assets (streets, sidewalks, curbs and gutters, lighting systems, and similar assets) that are immovable and of value only to the City as a governmental unit are reported as expenditures as incurred and not capitalized.

Fixed assets in the Proprietary Fund Types are stated at cost or, in the case of donations or gifts, at the appraised market value at the time received. Maintenance and repairs are expensed as incurred. Replacements that improve or extend the lives of property are capitalized. Depreciation is computed on the straight-line method over the estimated useful lives of the related assets. Upon disposal of such assets, the accounts are relieved of the related costs and accumulated depreciation and resulting gains or losses are reflected in operations. Depreciation on contributed fixed assets is recorded as an expense of operations and charged to retained earnings. Depreciation is recognized beginning with the month the asset is placed in service.

Depreciation is computed over the asset's estimated useful lives as follows:

Building and improvements	50 years
Water system	50 years
Equipment	5 - 30 years

Capitalized Interest

Interest costs are capitalized in the Proprietary Fund Types as part of the costs of fixed assets during the period of construction based on the related weighted average net borrowing costs incurred. Interest earned on temporary investments acquired with the proceeds of such borrowed funds from the date of borrowing until the assets are ready for their intended use is used to reduce the interest costs capitalized on the constructed assets. During fiscal 2001 no interest was capitalized.

Long-term Debt

Long-term debt directly related and expected to be paid from the Enterprise Funds is included in such funds. All other unmatured long-term debt is recorded in the General Long-term Debt Account Group. Repayment of General Long-term Debt Account Group liabilities will be made from the Governmental Fund Types.

Compensated Absences

Earned but unpaid vacation pay is recorded as an expense or expenditure in the Proprietary Fund Types and Governmental Fund Types when earned. The entire amount of \$246,152 accrued in the Governmental Fund Types and included in accrued salaries is recognized as expenditures in the funds because the City has provided currently available financial resources for these expenditures. Earned but unpaid sick pay does not vest and is recorded as an expense or expenditure when paid.

Contributed Capital

Contributed capital in the Proprietary Fund Types represents the accumulation of contributions in the form of cash or other assets which generally do not have to be returned to the contributor. Such contributions are recorded directly to contributed capital and, accordingly, are not recognized as revenue. The following transactions are recorded as contributions in the Proprietary Fund Types:

- Fixed assets contributed by developers.
- Fixed assets contributed from other funds.
- Contributions from customers for the acquisition of fixed assets (mainly connection fees).
- Residual equity transfers from other funds.

City of West Linn, Oregon

Notes to General Purpose Financial Statements

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 Special Payments in the reimbursing fund and as Reimbursements From Other Funds in the fund that is reimbursed.

Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

Reservations of Fund Balance

Reserves for endowments and system development represent portions of fund balances legally segregated for specific future use.

Budget

A budget is prepared and legally adopted 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 budgetary basis of accounting for all budgeted funds is the same as generally accepted accounting principles basis for the governmental fund types. A budget is also prepared and legally adopted for all other fund types in accordance with the provisions of the Oregon Local Budget Law.

The resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations. The resolution establishes a departmental level of control for the General Fund. For all other fund types the levels of control are personal services, materials and services, capital outlay, special payments, contingency and transfers. 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 newspaper and approval by the City Council. Original and supplemental budgets may be modified by the use of appropriation transfers between the level of control. Such transfers require approval by the City Council. The City adopted one supplemental budget and made one appropriation transfer during the year ended June 30, 2001. Appropriations lapse as of year-end.

Comparative Data

Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the City's financial position and results of operations. However, comparative data have not been presented for all statements because their inclusion would make certain statements unduly complex and difficult to understand.

Totals (Memorandum Only) Columns

The Totals (Memorandum Only) columns on the general purpose financial statements represent an aggregate of the columnar statements by fund type and account group. Data in these columns do not present financial position, results of operations or cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in aggregation of this data.

City of West Linn, Oregon

Notes to General Purpose Financial Statements

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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. Description of Funds and Account Groups:

The City uses funds and account groups to report on its financial position, results of its operations and cash flows. 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 reported in the funds.

Governmental Fund Types

General Fund

The General Fund accounts for the financial operations of the City not accounted for in any other fund. The principal sources of revenue are property taxes, shared state revenues, franchise fees and licenses and permits. Primary expenditures are for general government, public safety and cultural and recreation.

Special Revenue Funds

These funds account for revenue derived from specific tax or other earmarked revenue sources, including federal and state grand awards, which are legally restricted to finance particular functions or activities. Funds included in this category are:

- Street Fund
- State Revenue Sharing Fund
- Library Levy Fund
- 911 Emergency Communications Fund
- Cable TV / Public Access Fund
- Street Improvement Fund
- Solid Waste Recycling Program Fund
- Street Serial Levy Fund
- Police Serial Levy Fund
- Fire Serial Levy Fund
- Arts Commission Fund
- Community Center Operating Fund
- Public Education Government Fund
- System Development Fund
- Storm Drain Fund
- Building Inspection Fund
- Public Works Support Services Fund
- 1999 Federal Grant Fund
- 2000 Federal Grant Fund

City of West Linn, Oregon

Notes to General Purpose Financial Statements

Debt Service Fund

The Debt Service Fund accounts for payment of general obligation bond principal and interest. Its principal revenue source is property taxes.

Capital Projects Fund

The Capital Projects Funds account for resources used for the acquisition or construction of capital facilities and equipment. They include:

- Capital Development Fund
- Senior Center Construction Fund
- Integrated M.I.S. Fund
- Bolton Pump Station Construction Fund
- Park Bond Fund #2
- Library Construction Fund
- City Hall Building Fund

Proprietary Fund Types

Enterprise Funds

These funds account for the financial operation of self-supporting activities that render services on a user charge basis to the general public. Included are the following:

- Water Fund (includes the combined activity of two budgetary funds)
- Sewer Fund (includes the combined activity of two budgetary funds)

Internal Service Funds

The Vehicle/Equipment Maintenance Fund accounts for the maintenance of the City's vehicles and equipment. Charges are made to other City funds to recover the costs of providing services.

The Insurance Fund accounts for all costs incurred by the City under its insurance programs, primarily unemployment insurance claims up to policy deductible limits. Funding sources are revenues from investment income, proceeds from insurance claims and charges to other funds.

Fiduciary Fund Types

Nonexpendable Trust Fund

The Caufield Trust Fund accounts for an endowment held by the City under terms of a bequest. The principal of the Trust Fund may not be expended.

Account Groups

General Fixed Assets Account Group

This account group accounts for the City's investment in fixed assets with the exception of those assets held by the Proprietary Fund Types.

City of West Linn, Oregon

Notes to General Purpose Financial Statements

General Long-term Debt Account Group

This account group accounts for the City's general long-term bonded debt other than debt recorded in the Proprietary Fund Types.

3. Equity in Pooled Cash and Investments:

The City maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is presented on the combined balance sheet as "Equity in Pooled Cash and Investments". Cash and investments, carried at cost except for certain agency investments, are comprised of the following at June 30, 2001:

Cash on hand	\$ 1,850
Demand deposits with financial institutions	683,171
Certificate of deposit	11,960
Investments	17,649,367
Total	<u>\$ 18,346,348</u>

Cash and investments are reflected on the combined balance sheet as follows:

Equity in pooled cash and investments	\$ 18,178,801
Restricted cash	153,854
Security deposits	11,960
Total	<u>\$ 18,344,615</u>

Deposits

Deposits with financial institutions include bank demand deposits and time deposits. The total bank balance per the bank statements is \$1,436,848. \$100,000 of these deposits were covered by federal depository insurance. The balance was fully collateralized in accordance with state law. Oregon Revised Statutes require the depository institution to maintain on deposit with a collateral pool manager securities having a value of not less than 25% of the outstanding certificates of participation issued by the pool manager.

Investments

The City's investments are categorized as follows:

1. Insured or registered, or securities held by the City or its agent in the City's name.
2. Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the City's name.
3. Uninsured and unregistered, with securities held by the counterparty, or by its agent; but not in the City's name.

City of West Linn, Oregon
Notes to General Purpose Financial Statements

At June 30, 2001 the carrying amount and market value of the investments were:

	Categories			Carrying Amount
	1	2	3	
State bonds	\$ 99,752	\$ -	\$ -	\$ 99,752
Corporate bonds	2,872,915			2,872,915
	<u>\$ 2,972,667</u>	<u>\$ -</u>	<u>\$ -</u>	2,972,667

Investment not subject to categorization:

Oregon state treasurer's local government investment pool, variable interest rate	14,676,700
Total	<u>\$ 17,649,367</u>

4. Contracts Receivable:

Contracts receivable represents amounts due from certain property owners for payments arising from sewer connection services provided to these property owners. The contract is collateralized by a lien against the benefited property and, therefore, an allowance for uncollectible amounts is not deemed necessary.

5. Fixed Assets:

The changes in fixed assets for the fiscal year ended June 30, 2001 are as follows:

	Enterprise Funds		
	Balance June 30, 2000	Additions	Balance June 30, 2001
Land and land improvements	\$ 491,406	\$ 10,680	\$ 502,086
Buildings and improvements	1,897,947	-	1,897,947
Water and sewer system	22,042,113	-	22,042,113
Equipment	1,056,009	47,794	1,103,803
Vehicles	336,629	30,515	367,144
Construction in progress	1,021,694	734,331	1,756,025
Total Fixed Assets	26,845,798	823,320	27,669,118
Less accumulated depreciation	(7,581,784)	(506,272)	(8,088,056)
Total Net Fixed Assets	<u>\$ 19,264,014</u>	<u>\$ 317,048</u>	<u>\$ 19,581,062</u>

City of West Linn, Oregon

Notes to General Purpose Financial Statements

	Internal Service Funds		
	Balance June 30, 2000	Additions	Balance June 30, 2001
Buildings	\$ 26,328	\$ -	\$ 26,328
Equipment	110,922	10,784	121,706
Vehicles	26,003		26,003
Total Fixed Assets	163,253	10,784	174,037
Less accumulated depreciation	(119,361)	(9,341)	(128,702)
Total Net Fixed Assets	\$ 43,892	\$ 1,443	\$ 45,335

	General Fixed Assets Account Group		
	Balance June 30, 2000	Additions	Balance June 30, 2001
Land and land improvements	\$ 11,278,360	\$ 940,538	\$ 12,218,898
Buildings and improvements	2,192,273	4,527,016	6,719,289
Equipment	3,585,089	344,615	3,929,704
Vehicles	2,077,834	124,129	2,201,963
Leasehold improvements	204,109	-	204,109
Construction in progress	798,146	160,447	958,593
Total Fixed Assets	\$ 20,135,812	\$ 6,096,745	\$ 26,232,557

6. Deferred Compensation Plans:

The City offers its employees deferred compensation plans created in accordance with Internal Revenue Code (IRC) Section 457. There are four separate plans. The plans, available to all City employees, permit employees 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.

The June 30, 2001, deferred compensation assets include the accumulation of amounts deferred since the inception of the plan and investment earnings thereon, less participant withdrawals. The assets of the plans are held by the plan administrator for the sole benefit of the participants and are not considered assets and liabilities of the City.

City of West Linn, Oregon
Notes to General Purpose Financial Statements

7. Long-term Debt:

General Obligation Bonds

General obligation bonds consist of the unmatured balance of four issues with interest rates ranging from 2.6% to 5.4% (original issue \$13,315,000). Maturities of bond principal and interest are as follows:

Fiscal Year	Principal				Future Interest
	Outstanding June 30, 2000	Issued	Matured and Paid	Outstanding June 30, 2001	
2001	\$ 430,000	\$ 130,000	\$ 560,000	\$ -	\$ -
2002	505,000	10,000		515,000	563,641
2003	395,000	30,000		425,000	541,591
2004	320,000	60,000		380,000	523,306
2005	335,000	70,000		405,000	506,968
2006-2021	6,420,000	3,600,000		10,020,000	4,489,421
Total	\$ 8,405,000	\$ 3,900,000	\$ 560,000	\$ 11,745,000	\$ 6,624,927

Full Faith and Credit Obligation Bonds

Full faith and credit obligation bonds, issued October 30, 2000, consist of the unmatured balance of one issue with interest rates ranging from 4.3% to 5.25% (original issue \$4,300,000). Maturities of bond principal and interest are as follows:

Fiscal Year	Principal				Future Interest
	Outstanding June 30, 2000	Issued	Matured and Paid	Outstanding June 30, 2001	
2001	\$ -	\$ -	\$ -	\$ -	\$ -
2002	-	130,000		130,000	209,232
2003	-	140,000		140,000	203,357
2004	-	145,000		145,000	197,051
2005	-	150,000		150,000	190,450
2006-2020	-	3,735,000		3,735,000	1,733,693
Total	\$ -	\$ 4,300,000	\$ -	\$ 4,300,000	\$ 2,533,783

City of West Linn, Oregon
Notes to General Purpose Financial Statements

Water System Revenue Obligation Bonds

Water system obligation obligation bonds, issued October 3, 2000, consist of the unmatured balance of one issue with interest rates ranging from 4.7% to 6.0% (original issue \$1,800,000). Maturities of bond principal and interest are as follows:

Fiscal Year	Principal		Matured and Paid	Outstanding June 30, 2001	Future Interest
	Outstanding June 30, 2000	Issued			
2001	\$ -	\$ -	\$ -	\$ -	\$ -
2002	-	50,000	-	50,000	101,070
2003	-	55,000	-	55,000	98,547
2004	-	55,000	-	55,000	95,811
2005	-	60,000	-	60,000	92,862
2006-2020	-	1,580,000	-	1,580,000	856,065
Total	\$ -	\$ 1,800,000	\$ -	\$ 1,800,000	\$ 1,244,355

Contracts Payable

In 1998 the City entered into a lease-financing agreement with Bank of America, to finance the acquisition of a citywide management information system, LAN/WAN systems, other computer equipment and software in an aggregate principal amount of not more than \$600,000. In February 1999, the City made the first of twenty-eight quarterly payments of \$24,971.81. Commitments under the 1998 Financing Agreement are as follows:

Fiscal Year	Payments	Principal Portion	Interest Portion	Balance at June 30 Year-end
2002	\$ 99,887	\$ 80,028	\$ 19,859	\$ 406,238
2003	99,887	83,567	16,320	322,671
2004	99,887	87,262	12,625	235,409
2005	99,887	91,120	8,767	144,289
2006	99,887	95,149	4,738	49,140
2007	49,944	49,140	803	-
Total	\$ 549,379	\$ 486,266	\$ 63,112	

City of West Linn, Oregon

Notes to General Purpose Financial Statements

8. Pension Plan:

Plan Description

The City is a member of the State of Oregon Public Employees Retirement System (PERS) an agent multiple-employer defined benefit public employee retirement system. All employees of the City are covered by the plan after six months of employment. The Public Employees Retirement Plan is a defined benefit pension plan to which employees and employer both contribute. Benefits are established by State statutes and consist of a retirement benefit paid for life upon a qualifying retirement, which is generally age 58. Benefits fully vest on reaching 5 years of service. The plan requires, and it is the policy of the City, to fund all current and prior service pension costs. The total pension contribution for fiscal year 2001 was \$810,253. This was comprised of \$477,411 in employer contributions and \$332,842 of employee contributions.

The 6 percent employee contribution, established by law, of \$332,842 was paid by the City in accordance with collective bargaining agreements.

The City's payroll for employees covered by PERS for 2000-2001 was \$5,536,032. The City's total payroll was \$5,841,107.

The rate of employer contribution to the plan is set periodically by the Public Employees Retirement Board, based upon actuarial evaluations. Under the plan, a contribution rate is determined for each employer. The City's employer contribution rate for fiscal year 2001 was 8.09 percent of employee compensation. The rate will increase to 8.81 percent effective July 1, 2001.

The PERS Board has statutory authority to revise employer contributions as necessary to ensure the promised benefits will be funded on a sound basis.

GASB Statement No. 27 disclosures are based on the actuarial assumptions and methods contained in the December 31, 1999 Actuarial Valuation of the PERS plan. The Actuarial Value of Assets is equal to Market Value. Liabilities and contributions are calculated using the Entry Age Actuarial Cost Method. The Unfunded Actuarial Liability is amortized as a level percentage of covered payroll over an open thirty year period.

The significant actuarial assumptions used in the December 31, 1997 valuation include (1) a rate of return on present and future investments of 8% per year, (2) projected salary increases of 4.25% per year attributable to general wage adjustments, with additional increases for promotion and longevity that vary by age and service, (3) projected automatic cost of living benefit increases of 2% per year, and (4) demographic assumptions that have been chosen to best estimate emerging experience of the system members.

City of West Linn, Oregon
Notes to General Purpose Financial Statements

Contribution information for the years ended June 30, 2001, 2000 and 1999 were as follows:

Year Ended June 30	Employer Contributions		Net Pension Obligation	Employee Contributions		Total Contributions
	Annual Pension Cost (APC)	Percentage of APC Contributed		Paid by Employer	Paid by Employee	
2001	\$ 477,411	100%	\$ -	\$ 332,842	\$ -	\$ 810,253
2000	415,927	100%	-	291,014	-	706,941
1999	383,088	100%	-	275,181	-	658,269

Funding Status:

The information presented below is the latest available. PERS only performs actuarial valuations on a biennial basis.

Dec. 31 Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Actuarial Assets in Excess of (Less than) Accrued Liability	Funded Percent	Covered Payroll	Overfunded (Underfunded) Actuarial Liability as a % of Payroll
1999	\$ 25,828,917	\$ 24,877,287	\$ 951,630	104%	\$ 5,244,047	18%
1997	\$ 15,423,979	\$ 14,598,019	\$ 825,960	106%	\$ 5,245,167	16%
1995	\$ 10,263,057	\$ 10,628,586	\$ (365,529)	97%	\$ 4,367,416	-8%

Trend information showing the system's progress in accumulating sufficient assets to pay benefits when due may be found in the June 30, 1999 stand-alone audit report of the Oregon Public Employees Retirement System. A copy of that report may be obtained by writing PERS, P.O. Box 23700, Tigard, OR 97281-3700.

9. Contributed Capital:

There were no changes in contributed capital during the year ended June 30, 2001.

10. Segment Information:

The City maintains two enterprise funds which provide water and sewer services. Segment information as of and for the year ended June 30, 2001 is as follows:

City of West Linn, Oregon
Notes to General Purpose Financial Statements

	Water Fund	Sewer Fund	Total
Operating revenues	\$ 1,961,148	\$ 1,562,400	\$ 3,523,548
Depreciation expense	240,426	265,846	506,272
Operating income	(305,671)	(77,919)	(383,590)
Proceeds of debt	1,740,548	-	1,740,548
Operating transfers in	363,636	436,364	800,000
Operating transfers out	(800,000)	(124,846)	(924,846)
Net income (loss)	1,685,064	350,475	2,035,539
Fixed assets (net)	11,162,623	8,418,439	19,581,062
Investment in South Fork Water Board	4,549,914	-	4,549,914
Contributed capital	12,108,439	9,555,451	21,663,890
Total assets	17,242,213	10,595,938	27,838,151
Total working capital	1,229,066	1,970,216	3,199,282
Total fund equity	16,941,603	10,388,655	27,330,258

The investment in South Fork Water Board (SFWB) is accounted for on the equity method. Significant financial information for the SFWB as of and for the year ended June 30, 2001 is as follows:

Operating revenues	\$ 2,968,481
Operating income	1,259,044
Net income	1,179,467
Total assets	15,391,915
Total working capital	3,186,052
Bonds payable	5,943,848
Contributed capital	779,310
Total SFWB equity	9,099,827

11. Risk Management:

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Except for unemployment compensation, the City purchases commercial insurance to minimize its exposure to these risks. There has been no reduction in commercial insurance coverage from fiscal year 2000 to 2001. Workers compensation claims are insured through incurred loss retrospective policies. Settled claims have not exceeded this commercial coverage for any of the past three years. The City is self-insured for unemployment compensation claims. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. The Insurance Fund has recorded the following changes in the balance of claims liabilities for the years ended June 30, 2001 and 2000 as follows:

	2001	2000
Unpaid claims, beginning of year	\$ -	\$ -
Incurred claims	14,963	4,680
Claim payments	(14,963)	(4,680)
Unpaid claims, end of year	\$ -	\$ -

City of West Linn, Oregon

Notes to General Purpose Financial Statements

12. Commitments and Contingencies:

The City has an agreement with the Tri-City Service District to treat sewage wastewater. Pertinent terms of this agreement are as follows:

- The City will process and review all permit applications for hookup and inspection thereof; operate and maintain local collection facilities; bill and collect user charges, and bill and collect connection charges.
- The City will collect and remit all connection and user charges to the District, except for a portion to reimburse administrative costs and maintain the City's sewer system.
- Should the District fail to perform services outlined in this agreement, the City can terminate the agreement upon 30 days written notice.

The City entered into a Cooperative Improvement Agreement with the State of Oregon Department of Transportation (ODOT) in fiscal year 1997 for a street improvement project with total estimated costs of approximately \$1,575,000. ODOT will pay up to \$746,000 of the total project costs; the balance to complete the project is solely the responsibility of the City. Actual construction on the project commenced late in fiscal year 1998.

13. Property Tax Limitations:

The State of Oregon has a constitutional limit on property taxes for schools and nonschool government operations. The limitation provides that property taxes for nonschool operations are limited to \$10.00 for each \$1,000 of property market value. This limitation does not apply to taxes levied for principal and interest on general obligation bonded debt. Also, the State of Oregon has a second limit on property taxes by replacing the previous constitutional limits on tax bases with a rate and value limit.

This second limit has reduced the amount of operating property tax revenues available to the City for its 1997-98 fiscal year, and thereafter. This reduction will be accomplished by rolling assessed property values back to their 1995-96 values less 10% and limiting future assessment value growth of each property to no more than 3% per year, subject to certain exceptions. Taxes levied to support bonded debt are exempted from the reductions. The Constitution also sets restrictive voter approval requirements for most tax and many fee increases and new bond issues.

City of West Linn, Oregon
Notes to General Purpose Financial Statements

14. Expenditures In Excess Of Budgeted Amounts

Expenditures of the various funds were within authorized appropriations, except in the following funds:

<u>Fund</u>	<u>Appropriation</u>	<u>Amount</u>
General	City Manager's Office	\$ 35,605
General	Parks Department	15,690
Library Levy	Materials and Services	36,522
Cable TV/Public Access	Materials and Services	9,545
Solid Waste Recycling Program	Materials and Services	783
Solid Waste Recycling Program	Special Payments	1,645
Street Serial Levy	Transfers to Other Funds	1
Police Serial Levy	Special Payments	7,413
System Development	Special Payments	31,544
Debt Service	Principal	20,000
Debt Service	Interest	40,449
City Hall Building	Capital Outlay	22,877
Water	Special Payments	5,726
Water Bond Construction	Materials and Services	9,170
Environmental Service	Special Payments	32,310
Vehicle/Equipment Maintenance	Special Payments	3,833

15. Correction of Error – Current Year General Purpose Financial Statements (Note dated July 3, 2002)

In July 2002, management of the City determined that certain amounts receivable, related to utility billings for amounts earned but unbilled at year-end, had not been included in the financial statements for the year ended June 30, 2001. **These omissions have been corrected in the accompanying combined financial statements.** The correction of the error increases revenues, retained earnings (fund balance for budgetary presentation) and accounts receivable in the Water Fund by \$273,247, and increases accounts receivable by \$310,076, the accounts payable by \$126,746, and the revenues and retained earnings (fund balance for budgetary presentation) by \$184,030 in the Sewer Fund. The correction of this error did not effect cash flow.

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Supplementary Data

General Fund

This fund accounts for the financial operations of the City which are not accounted for in any other fund. Principal sources of revenue are property taxes, franchise fees, licenses and permits, and state shared revenue. Primary expenditures are for public safety, general government, culture and recreation.

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City of West Linn, Oregon
General Fund
Balance Sheet

June 30, 2001

ASSETS

Equity in Pooled Cash and Investments	\$	2,241,980
Cash Held by County Treasurer		26,633
Property Taxes Receivable		227,158
Accounts Receivable		284,509
Accrued Interest Receivable		6,055
Security Deposits		11,960
Due from Other Governments		110,522
		<hr/>
Total Assets	\$	<u>2,908,817</u>

LIABILITIES AND FUND BALANCE

Liabilities:

Accounts Payable	\$	350,529
Accrued Salaries and Payroll Taxes		433,962
Accrued Liabilities		50,188
Due to Other Governments		46,226
Deposits Payable		102,588
Deferred Revenue		770,382
		<hr/>
Total Liabilities		1,753,875
Fund Balance		
Undesignated		<hr/> 1,154,942
		<hr/>
Total Liabilities and Fund Balance	\$	<u>2,908,817</u>

City of West Linn, Oregon
General Fund
Statement of Revenues, Expenditures and
Changes in Fund Balance

For the Year Ended June 30, 2001

REVENUES:

Taxes	\$ 3,453,634
Intergovernmental Revenues	372,286
Franchise Fees	1,226,864
Licenses and Permits	202,583
Fines and Forfeitures	344,096
Charges for Services	1,056,415
Interest Earnings	96,214
Miscellaneous	246,399
	<hr/>
Total Revenues	6,998,491
	<hr/>

EXPENDITURES:

General Government	2,770,526
Cultural and Recreation	2,046,845
Public Safety	2,282,745
	<hr/>
Total Expenditures	7,100,116
	<hr/>
Excess of Expenditures Over Revenues	(101,625)
	<hr/>

OTHER FINANCING SOURCES (USES):

Operating Transfers In	596,719
Operating Transfers Out	(790,527)
	<hr/>
Total Other Financing Sources (Uses)	(193,808)
	<hr/>

Excess of Expenditures and Other Financing Uses Over Revenues and Other Financing Sources	(295,433)
	<hr/>

FUND BALANCE, June 30, 2000	1,450,375
	<hr/>

FUND BALANCE, June 30, 2001	\$ 1,154,942
	<hr/> <hr/>

City of West Linn, Oregon
General Fund
Schedule of Revenues and Expenditures
Budget and Actual

For the Year Ended June 30, 2001

	Original and Supplemental Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Property taxes:			
Current Year's Levy	\$ 3,253,510	\$ 3,311,862	\$ 58,352
Prior Years' Levies	125,000	132,211	7,211
Interest on Delinquent Taxes	15,100	9,561	(5,539)
Total Property Taxes	<u>3,393,610</u>	<u>3,453,634</u>	<u>60,024</u>
Intergovernmental Revenues:			
Cigarette Taxes	54,804	46,832	(7,972)
Liquor Taxes	177,885	235,641	57,756
Federal, State and Other Grants	5,000	89,813	84,813
Total Intergovernmental Revenues	<u>237,689</u>	<u>372,286</u>	<u>134,597</u>
Franchise Fees:			
Cable Television	66,011	114,754	48,743
Northwest Natural Gas	240,000	282,685	42,685
U.S. West Communications	155,000	160,892	5,892
Portland General Electric	640,000	668,533	28,533
Total Franchise Fees	<u>1,101,011</u>	<u>1,226,864</u>	<u>125,853</u>
Licenses and Permits:			
Alarm Permits	14,200	13,130	(1,070)
Business Licenses	54,000	36,077	(17,923)
Home Occupation	6,000	6,378	378
City Liquor Licenses	1,200	940	(260)
Dog Licenses	36,000	54,076	18,076
Zoning and Land Use Fees	236,000	65,867	(170,133)
Street Tree Permits and Fees	8,000	26,115	18,115
Total Licenses and Permits	<u>355,400</u>	<u>202,583</u>	<u>(152,817)</u>
Fines and Forfeitures	<u>358,000</u>	<u>344,096</u>	<u>(13,904)</u>

City of West Linn, Oregon
General Fund
Schedule of Revenues and Expenditures
Budget and Actual

For the Year Ended June 30, 2001

	Original and Supplemental Budget	Actual	Variance Favorable (Unfavorable)
Charges for Services:			
Fire Protection Charges	\$ 131,500	\$ 131,500	\$ -
Lien Search Charges	10,000	10,325	325
Park Facility User Charges	190,000	190,382	382
Accounting and Financial Services	238,069	238,069	-
Administrative Services	264,864	264,864	-
Planning & Development Services	82,158	82,158	-
Parks Department Charges and Services	5,000	35,567	30,567
Police Reports, Etc.	2,000	2,115	115
Court Attorney Fees	6,500	5,072	(1,428)
SDC Administrative Fees	100,000	96,363	(3,637)
Total Charges for Services	1,030,091	1,056,415	26,324
Interest Earnings:			
Interest Earned on Investments	80,000	88,975	8,975
Interest on Unsegregated Taxes	7,620	7,239	(381)
Total Interest Earnings	87,620	96,214	8,594
Miscellaneous:			
Donations and Contributions	6,000	5,103	(897)
Customer Service Charges	150	-	(150)
DARE Program	100	50	(50)
Insurance Reimbursements	10,000	92,883	82,883
Library Fines and Revenues	33,000	34,541	1,541
Tax Title Land Sales	1,500	3,914	2,414
Other	36,500	109,908	73,408
Total Miscellaneous Revenues	87,250	246,399	159,149
Total Revenues	6,650,671	6,998,491	347,820

City of West Linn, Oregon
General Fund
Schedule of Revenues and Expenditures
Budget and Actual

For the Year Ended June 30, 2001

	<u>Original and Supplemental Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
OTHER FINANCING SOURCES - TRANSFERS FROM OTHER FUNDS			
Library Levy Fund	\$ 636,884	\$ 596,719	\$ (40,165)
Total Revenues and Other Financing Sources	<u>7,287,555</u>	<u>7,595,210</u>	<u>307,655</u>

	<u>Original and Supplemental Appropriations</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
EXPENDITURES:			
Total City Council	\$ 64,189	\$ 44,247	\$ 19,942
Total City Manager's Office	609,655	645,260	(35,605)
Total Finance Department	564,345	529,612	34,733
Total Information Services Department	271,767	197,237	74,530
Total Library Department	963,973	903,161	60,812
Total Municipal Court Department	205,119	197,488	7,631
Total Police Department	2,003,675	2,001,785	1,890
Total Fire Department	112,712	83,472	29,240

City of West Linn, Oregon
General Fund
Schedule of Revenues and Expenditures
Budget and Actual

For the Year Ended June 30, 2001

	<u>Original and Supplemental Appropriations</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Total Planning and Development Department	\$ 779,477	\$ 560,087	\$ 219,390
Total Parks Department	1,127,994	1,143,684	(15,690)
Total General Facility Services	188,295	186,877	1,418
Total General Services Department	<u>1,054,831</u>	<u>607,206</u>	<u>447,625</u>
Total Expenditures	<u>7,946,032</u>	<u>7,100,116</u>	<u>845,916</u>
OTHER FINANCING USES - TRANSFERS TO OTHER FUNDS			
Arts Commission Fund	3,500	3,500	-
Fire Serial Levy Fund	739,424	739,424	-
Community Center Operating Fund	<u>47,603</u>	<u>47,603</u>	<u>-</u>
Total Other Financing Uses	<u>790,527</u>	<u>790,527</u>	<u>-</u>
Total Expenditures and Other Financing Uses	8,736,559	7,890,643	845,916
Excess of expenditures over revenues	<u>(1,449,004)</u>	<u>(295,433)</u>	<u>1,153,571</u>
FUND BALANCE - June 30, 2000	<u>1,449,004</u>	<u>1,450,375</u>	<u>1,371</u>
FUND BALANCE - June 30, 2001	<u>\$ -</u>	<u>\$ 1,154,942</u>	<u>\$ 1,154,942</u>

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Special Revenue Funds

The Special Revenue Funds account for revenues derived from specific taxes or other earmarked revenue sources, which are legally restricted to finance particular functions or activities. Funds included in this fund category are:

- < Street Fund - accounts for the receipt and expenditure of state gasoline taxes apportioned to cities under Article IX, Section 3 of the Constitution of the State of Oregon.
- < State Revenue Sharing Fund - accounts for the receipt and expenditure of revenue sharing funds received from the State of Oregon.
- < Library Levy Fund - accounts for the receipt and expenditure of funds received from a county-wide library serial levy, which is apportioned to city libraries by Clackamas County, Oregon.
- < 911 Emergency Communication Fund - accounts for the receipt and expenditure of funds received from a telephone tax for emergency communications systems.
- < Cable TV Public Access Fund - accounts for the receipt and expenditure of funds received from television cable system franchise fees for public access television.
- < Street Improvement Fund - accounts for the receipt and expenditure of internal charges assessed to finance improvements to the City's existing roadway system.
- < Solid Waste Recycling Program Fund - accounts for the receipt and expenditure of recycling program revenues.
- < Street Serial Levy Fund - accounts for the receipt and expenditure of taxes received from a ten-year serial levy. Proceeds from the serial levy will be used to finance street maintenance and improvements.
- < Police Serial Levy Fund - accounts for the receipt and expenditure of taxes received from a three-year serial levy. Proceeds from the serial levy are used to provide police personnel and services at their present level, and to finance new vehicle and equipment purchases.
- < Fire Serial Levy Fund - accounts for the receipt and expenditure of taxes received from a three-year serial levy. Proceeds from the serial levy are used to increase fire personnel and services.
- < Arts Commission Fund - accounts for the receipt and expenditure of fund received for arts commission activities.
- < Community Center Operating Fund - accounts for the receipt and expenditure of fund received for community center activities.
- < Public Education Government Fund - accounts for receipt and expenditure of franchise fee revenues to operate, supervise and promote public education and governmental access cable channel.
- < System Development Fund - account for receipt and expenditure of system development charges. These charges are imposed on properties which, as part of their development and use, create the need for these facilities.
- < Storm Drain Fund - accounts for the planning, design, construction, regulation, maintenance and administration of the City's storm drainage system.

- < Building Inspection Fund – accounts for the receipt and expenditure of building permit revenues to enforce the city building code, inspect construction in the city and promote public safety.
- < Public Works Support Services Fund – accounts for the receipt and expenditure of license and permit revenues from public works construction projects.
- < 1999 Federal Grant Fund – accounts for the receipt and expenditure of the 1999 federal law enforcement grant.
- < 2000 Federal Grant Fund – accounts for the receipt and expenditure of the 2000 federal law enforcement grant.

City of West Linn, Oregon
Combining Balance Sheet
All Special Revenue Funds

June 30, 2001

	Street Fund	State Revenue Sharing Fund	Library Levy Fund	911 Emergency Communications Fund	Cable TV Public Access Fund	Street Improvement Fund	Solid Waste Recycling Program Fund	Police Serial Levy Fund
ASSETS								
Equity in Pooled Cash and Investments	\$ 370,879	\$ 974,580	\$ 675,962	\$ 77,155	\$ 14,588	\$ 586	\$ 59,988	\$ 481,176
Cash Held by County Treasurer	23							7,182
Property Taxes Receivable	-							59,572
Accounts Receivable							5,050	
Accrued Interest Receivable	2,047	3,214	3,559	487	73		244	1,188
Due from Other Governments	78,620			24,701				
Total Assets	\$ 451,569	\$ 977,794	\$ 679,521	\$ 102,343	\$ 14,661	\$ 586	\$ 65,282	\$ 549,118
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts Payable	\$ 28,235	\$ -	\$ 55,457	\$ (190)	\$ 878	\$ 586	\$ 144	\$ 2,816
Accrued Salaries and Payroll Taxes	28,947							79,859
Deposits Payable								
Deferred Revenue	-							46,571
Total Liabilities	57,182	-	55,457	(190)	878	586	144	129,246
Fund Balances:								
Reserved for Systems Development								
Undesignated	394,387	977,794	624,064	102,533	13,783	-	65,138	419,872
Total Fund Balances	394,387	977,794	624,064	102,533	13,783	-	65,138	419,872
Total Liabilities and Fund Balances	\$ 451,569	\$ 977,794	\$ 679,521	\$ 102,343	\$ 14,661	\$ 586	\$ 65,282	\$ 549,118

Fire Serial Levy Fund	Arts Commission Fund	Community Center Operating Fund	Public Education Government Fund	System Development Fund	Storm Drain Fund	Building Inspection Fund	Public Works Support Services Fund	1999 Federal Grant Fund	2000 Federal Grant Fund	Total
\$ 188,384 9,029 74,847	\$ 5,984	\$ (11,968)	\$ 278,665	\$ 3,161,639	\$ 17,438	\$ 165,807	\$ 97,610	\$ 2,735	\$ 9,790	\$ 6,570,998
	18	(81)	1,476	4,965 14,168		414	243	7	24	16,234 134,419 10,015 27,081 103,321
<u>\$ 272,260</u>	<u>\$ 6,002</u>	<u>\$ (12,049)</u>	<u>\$ 280,141</u>	<u>\$ 3,180,772</u>	<u>\$ 17,438</u>	<u>\$ 166,221</u>	<u>\$ 97,853</u>	<u>\$ 2,742</u>	<u>\$ 9,814</u>	<u>\$ 6,862,068</u>
\$ 15,547	\$ -	\$ 89 2,069	\$ -	\$ 130,762	\$ 2,341 9,294	\$ 7,486 12,699	\$ 7,451 9,849	\$ 1,714	\$ 2,464	\$ 255,780
58,512	2,250			72,812						142,717 72,812 107,333
<u>74,059</u>	<u>2,250</u>	<u>2,158</u>	<u>-</u>	<u>203,574</u>	<u>11,635</u>	<u>20,185</u>	<u>17,300</u>	<u>1,714</u>	<u>2,464</u>	<u>578,642</u>
198,201	3,752	(14,207)	280,141	2,977,198	5,803	146,036	80,553	1,028	7,350	2,977,198 3,306,228
<u>198,201</u>	<u>3,752</u>	<u>(14,207)</u>	<u>280,141</u>	<u>2,977,198</u>	<u>5,803</u>	<u>146,036</u>	<u>80,553</u>	<u>1,028</u>	<u>7,350</u>	<u>6,283,426</u>
<u>\$ 272,260</u>	<u>\$ 6,002</u>	<u>\$ (12,049)</u>	<u>\$ 280,141</u>	<u>\$ 3,180,772</u>	<u>\$ 17,438</u>	<u>\$ 166,221</u>	<u>\$ 97,853</u>	<u>\$ 2,742</u>	<u>\$ 9,814</u>	<u>\$ 6,862,068</u>

City of West Linn, Oregon
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
All Special Revenue Funds
For the Year Ended June 30, 2001

	Street Fund	State Revenue Sharing Fund	Library Levy Fund	911 Emergency Communications Fund	Cable TV/ Public Access Fund	Street Improvement Fund	Solid Waste Recycling Program Fund	Street Serial Levy Fund	Police Serial Levy Fund
REVENUES:									
Taxes	\$	\$	\$	\$	\$	\$	\$	\$ -	\$ 911,518
Intergovernmental Revenues	979,859	117,960	556,034	98,282					
Franchise Fees					76,503		32,711		
Licenses and Permits									
System Development Fees									
Contributions, Donations and Fund Raising					-				
Interest Earnings	23,730	41,605	47,503	6,734	1,343	-	2,793		12,517
Reimbursements									
Miscellaneous	28,544						1,067		14,116
Total Revenues	1,032,133	159,565	603,537	105,016	77,846	-	36,571	-	938,151
EXPENDITURES:									
General Government		3,038	123,459		74,855		25,062		
Cultural and Recreation									
Public Safety				136,166					1,065,655
Highways and Streets	1,120,033					1,005			
Sanitation (water, sewer, and storm drain)									
Total Expenditures	1,120,033	3,038	123,459	136,166	74,855	1,005	25,062	-	1,065,655
Excess of Revenues Over (Under) Expenditures	(87,900)	156,527	480,078	(31,150)	2,991	(1,005)	11,509	-	(127,504)
OTHER FINANCING SOURCES (USES):									
Operating Transfers In	68,609	337,148	-	-	-	-	-	-	-
Operating Transfers Out	-	-	(596,719)	-	-	(54,626)	-	(13,983)	-
Total Other Financing Sources (Uses)	68,609	337,148	(596,719)	-	-	(54,626)	-	(13,983)	-
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(19,291)	493,675	(116,641)	(31,150)	2,991	(55,631)	11,509	(13,983)	(127,504)
FUND BALANCES, June 30, 2000	413,678	484,119	740,705	133,683	10,792	55,631	53,629	13,983	547,376
FUND BALANCES, June 30, 2001	\$ 394,387	\$ 977,794	\$ 624,064	\$ 102,533	\$ 13,783	\$ -	\$ 65,138	\$ -	\$ 419,872

Fire Serial Levy Fund	Arts Commission Fund	Community Center Operating Fund	Public Education Government Fund	System Development Fund	Storm Draia Fund	Building Inspection Fund	Public Works Support Services Fund	1999 Federal Grant Fund	2000 Federal Grant Fund	Total
\$ 1,145,228	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,363	\$ 10,266	\$ 2,056,746
-	-	-	-	-	-	599,297	154,292	-	-	1,775,764
-	-	-	-	1,245,109	-	-	-	-	-	109,214
-	-	-	-	-	-	-	-	-	-	753,589
-	-	-	-	-	-	-	-	-	-	1,245,109
-	3,278	4,818	-	65,606	-	-	-	-	-	73,702
2,737	357	1,060	19,240	191,222	-	4,607	18,631	107	228	374,414
-	-	-	-	-	-	-	971,819	-	-	971,819
17,821	-	121	-	8,932	-	537	8,435	-	-	79,573
<u>1,165,786</u>	<u>3,635</u>	<u>5,999</u>	<u>19,240</u>	<u>1,510,869</u>	<u>-</u>	<u>604,441</u>	<u>1,153,177</u>	<u>13,470</u>	<u>10,494</u>	<u>7,439,930</u>
-	-	-	28,185	-	-	458,405	1,072,624	-	-	1,785,628
2,060,103	6,520	73,134	-	822,525	-	-	-	12,442	3,144	902,179
-	-	-	-	4,945	-	-	-	-	-	3,277,510
-	-	-	-	565,598	124,575	-	-	-	-	1,125,983
-	-	-	-	-	-	-	-	-	-	690,173
<u>2,060,103</u>	<u>6,520</u>	<u>73,134</u>	<u>28,185</u>	<u>1,393,068</u>	<u>124,575</u>	<u>458,405</u>	<u>1,072,624</u>	<u>12,442</u>	<u>3,144</u>	<u>7,781,473</u>
<u>(894,317)</u>	<u>(2,885)</u>	<u>(67,135)</u>	<u>(8,945)</u>	<u>117,801</u>	<u>(124,575)</u>	<u>146,036</u>	<u>80,553</u>	<u>1,028</u>	<u>7,350</u>	<u>(341,543)</u>
739,424	3,500	47,603	-	-	124,846	-	-	-	-	1,321,130
-	-	-	-	-	-	-	-	-	-	(665,328)
<u>739,424</u>	<u>3,500</u>	<u>47,603</u>	<u>-</u>	<u>-</u>	<u>124,846</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>655,802</u>
(154,893)	615	(19,532)	(8,945)	117,801	271	146,036	80,553	1,028	7,350	314,259
353,094	3,137	5,325	289,086	2,859,397	5,532	-	-	-	-	5,969,167
<u>\$ 198,201</u>	<u>\$ 3,752</u>	<u>\$ (14,207)</u>	<u>\$ 280,141</u>	<u>\$ 2,977,198</u>	<u>\$ 5,803</u>	<u>\$ 146,036</u>	<u>\$ 80,553</u>	<u>\$ 1,028</u>	<u>\$ 7,350</u>	<u>\$ 6,283,426</u>

City of West Linn, Oregon
Street Fund
Schedule of Revenues and Expenditures
Budget and Actual

For the Year Ended June 30, 2001

	<u>Original and Supplemental Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:			
State Gas Tax	\$ 943,873	\$ 979,859	\$ 35,986
Interest Earnings	15,000	23,730	8,730
Developer Contributions	15,000	5,000	(10,000)
Miscellaneous	12,000	23,543	11,543
Total Revenues	<u>985,873</u>	<u>1,032,132</u>	<u>46,259</u>
OTHER FINANCING SOURCES - TRANSFERS FROM OTHER FUNDS			
Street Serial Levy Fund	13,982	13,983	1
Street Improvement Fund	54,626	54,626	-
Total Revenues and Other Financing Sources	<u>1,054,481</u>	<u>1,100,741</u>	<u>46,260</u>
EXPENDITURES:			
Personal Services	363,990	358,744	5,246
Materials and Services	432,505	384,103	48,402
Capital Outlay	201,947	44,471	157,476
Contingency	80,247	-	80,247
Total Expenditures	<u>1,078,689</u>	<u>787,318</u>	<u>291,371</u>
SPECIAL PAYMENTS:			
General Fund:			
Accounting and Financial Services	16,052	16,052	-
Planning and Development Services	50,359	50,359	-
Administrative Services	27,220	27,220	-
Public Works Support Services			
Operation Services	42,073	49,104	(7,031)
Engineering Services	170,871	138,262	32,609
GIS Services	18,804	17,489	1,315
Vehicle/Equipment Maintenance Fund	<u>64,092</u>	<u>34,229</u>	<u>29,863</u>
Total Special Payments	<u>389,471</u>	<u>332,715</u>	<u>56,756</u>
Total Expenditures and Special Payments	<u>1,468,160</u>	<u>1,120,033</u>	<u>348,127</u>
Excess of expenditures over revenues	<u>(413,679)</u>	<u>(19,292)</u>	<u>394,387</u>
FUND BALANCE - June 30, 2000	<u>413,679</u>	<u>413,678</u>	<u>(1)</u>
FUND BALANCE - June 30, 2001	<u>\$ -</u>	<u>\$ 394,386</u>	<u>\$ 394,386</u>

City of West Linn, Oregon
State Revenue Sharing Fund
Schedule of Revenues and Expenditures
Budget and Actual

For the Year Ended June 30, 2001

	Original and Supplemental Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
State Revenue Sharing	\$ 100,000	\$ 117,960	\$ 17,960
Interest Earnings	20,000	41,605	21,605
Total Revenues	120,000	159,565	39,565
OTHER FINANCING SOURCES - TRANSFERS FROM OTHER FUNDS			
City Hall Building Fund	167,667	117,148	(50,519)
Insurance Fund	220,000	220,000	-
Total Revenues and Other Financing Sources	507,667	496,713	(10,954)
EXPENDITURES:			
Capital Outlay	600,000	3,038	596,962
Contingency	391,786	-	391,786
Total Expenditures	991,786	3,038	988,748
Excess (deficiency) of revenues over (under) expenditures	(484,119)	493,675	977,794
FUND BALANCE - June 30, 2000	484,119	484,119	-
FUND BALANCE - June 30, 2001	\$ -	\$ 977,794	\$ 977,794

City of West Linn, Oregon
Library Levy Fund
Schedule of Revenues and Expenditures
Budget and Actual

For the Year Ended June 30, 2001

	Original and Supplemental Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
County Library Levy	\$ 563,760	\$ 556,034	\$ (7,726)
Interest Earnings	38,000	47,503	9,503
	<hr/>	<hr/>	<hr/>
Total Revenues	601,760	603,537	1,777
EXPENDITURES:			
Materials and Services	61,000	97,522	(36,522)
Capital Outlay	28,995	25,937	3,058
Contingency	615,585	-	615,585
	<hr/>	<hr/>	<hr/>
Total Expenditures	705,580	123,459	582,121
OTHER FINANCING USES - TRANSFERS TO OTHER FUNDS			
General Fund	636,884	596,719	40,165
	<hr/>	<hr/>	<hr/>
Total Expenditures and Other Financing Uses	1,342,464	720,178	622,286
	<hr/>	<hr/>	<hr/>
Excess of expenditures over revenues	(740,704)	(116,641)	624,063
	<hr/>	<hr/>	<hr/>
FUND BALANCE - June 30, 2000	740,704	740,705	1
	<hr/>	<hr/>	<hr/>
FUND BALANCE - June 30, 2001	\$ -	\$ 624,064	\$ 624,064
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

City of West Linn, Oregon
911 Emergency Communications Fund
Schedule of Revenues and Expenditures
Budget and Actual

For the Year Ended June 30, 2001

	<u>Original and Supplemental Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:			
911 Emergency Telephone Tax	\$ 88,828	\$ 98,282	\$ 9,454
Interest Earnings	3,000	6,734	3,734
Total Revenues	<u>91,828</u>	<u>105,016</u>	<u>13,188</u>
EXPENDITURES:			
Materials and Services	100,258	86,451	13,807
Capital Outlay	100,785	49,715	51,070
Contingency	24,468	-	24,468
Total Expenditures	<u>225,511</u>	<u>136,166</u>	<u>89,345</u>
Excess of expenditures over revenues	<u>(133,683)</u>	<u>(31,150)</u>	<u>102,533</u>
FUND BALANCE - June 30, 2000	<u>133,683</u>	<u>133,683</u>	<u>-</u>
FUND BALANCE - June 30, 2001	<u>\$ -</u>	<u>\$ 102,533</u>	<u>\$ 102,533</u>

City of West Linn, Oregon
Cable TV / Public Access Fund
Schedule of Revenues and Expenditures
Budget and Actual

For the Year Ended June 30, 2001

	Original and Supplemental Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Franchise Fees - Cable TV	\$ 61,098	\$ 76,503	\$ 15,405
Interest Earnings	400	1,343	943
Total Revenues	61,498	77,846	16,348
EXPENDITURES:			
Materials and Services	63,633	73,178	(9,545)
Contingency	6,480	-	6,480
Total Expenditures	70,113	73,178	(3,065)
SPECIAL PAYMENTS:			
General Fund			
Accounting and Financial Services	1,677	1,677	-
Vehicle/Equipment Maintenance Fund	500	-	500
Total Special Payments	2,177	1,677	500
Total Expenditures and Special Payments	72,290	74,855	(2,565)
Excess (deficiency) of revenues over (under) expenditures	(10,792)	2,991	13,783
FUND BALANCE - June 30, 2000	10,792	10,792	-
FUND BALANCE - June 30, 2001	\$ -	\$ 13,783	\$ 13,783

City of West Linn, Oregon
Street Improvement Fund
Schedule of Revenues and Expenditures
Budget and Actual

For the Year Ended June 30, 2001

	Original and Supplemental Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Interest Earnings	\$ -	\$ -	\$ -
Total revenues	-	-	-
EXPENDITURES:			
Capital Outlay	1,005	1,005	-
OTHER FINANCING USES-TRANSFERS OUT To Street Fund	54,626	54,626	-
Total Expenditures and Other Financing Uses	55,631	55,631	-
Excess of expenditures over revenues	(55,631)	(55,631)	-
FUND BALANCE - June 30, 2000	55,631	55,631	-
FUND BALANCE - June 30, 2001	\$ -	\$ -	\$ -

City of West Linn, Oregon
Solid Waste Recycling Program Fund
Schedule of Revenues and Expenditures
Budget and Actual

For the Year Ended June 30, 2001

	<u>Original and Supplemental Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:			
Franchise Fees	\$ 50,000	\$ 32,711	\$ (17,289)
Interest Earnings	4,000	2,793	(1,207)
Miscellaneous	-	1,067	1,067
	<hr/>	<hr/>	<hr/>
Total Revenues	54,000	36,571	(17,429)
EXPENDITURES:			
Materials and Services	6,550	7,333	(783)
Contingency	84,995	-	84,995
	<hr/>	<hr/>	<hr/>
Total Expenditures	91,545	7,333	84,212
SPECIAL PAYMENTS:			
General Fund:			
Accounting and Financial Services	3,256	3,256	-
Public Works Support Services	10,474	12,119	(1,645)
Administrative Services	2,354	2,354	-
	<hr/>	<hr/>	<hr/>
Total Special Payments	16,084	17,729	(1,645)
	<hr/>	<hr/>	<hr/>
Total Expenditures and Special Payments	107,629	25,062	82,567
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	(53,629)	11,509	65,138
	<hr/>	<hr/>	<hr/>
FUND BALANCE - June 30, 2000	53,629	53,629	-
	<hr/>	<hr/>	<hr/>
FUND BALANCE - June 30, 2001	\$ -	\$ 65,138	\$ 65,138
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

City of West Linn, Oregon
Street Serial Levy Fund
Schedule of Revenues and Expenditures
Budget and Actual

For the Year Ended June 30, 2001

	Original and Supplemental Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Interest Earnings	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING USES - TRANSFERS TO OTHER FUNDS			
Street Fund	<u>13,982</u>	<u>13,983</u>	<u>(1)</u>
Total Expenditures and Other Financing Uses	<u>13,982</u>	<u>13,983</u>	<u>(1)</u>
Excess of expenditures over revenues	<u>(13,982)</u>	<u>(13,983)</u>	<u>(1)</u>
FUND BALANCE - June 30, 2000	<u>13,982</u>	<u>13,983</u>	<u>1</u>
FUND BALANCE - June 30, 2001	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of West Linn, Oregon
Police Serial Levy Fund
Schedule of Revenues and Expenditures
Budget and Actual

For the Year Ended June 30, 2001

	<u>Original and Supplemental Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:			
Property Taxes:			
Current Year's Levy	\$ 878,173	\$ 868,892	\$ (9,281)
Prior Years' Levies	32,000	39,792	7,792
Interest on Delinquent Taxes	4,220	2,834	(1,386)
Tax Title Land Sales	100	1,057	957
Interest Earnings	2,290	12,517	10,227
Miscellaneous	-	13,059	13,059
	<hr/>	<hr/>	<hr/>
Total Revenues	916,783	938,151	21,368
EXPENDITURES:			
Personal Services	835,876	822,693	13,183
Materials and Services	26,069	10,073	15,996
Capital Outlay	198,000	185,408	12,592
Contingency	364,147	-	364,147
	<hr/>	<hr/>	<hr/>
Total Expenditures	1,424,092	1,018,173	405,919
SPECIAL PAYMENTS			
Vehicle/Equipment Maintenance Fund	40,069	47,482	(7,413)
	<hr/>	<hr/>	<hr/>
Total Expenditures and Special Payments	1,464,161	1,065,655	398,506
	<hr/>	<hr/>	<hr/>
Excess of expenditures over revenues	(547,378)	(127,504)	419,874
	<hr/>	<hr/>	<hr/>
FUND BALANCE - June 30, 2000	547,378	547,376	(2)
	<hr/>	<hr/>	<hr/>
FUND BALANCE - June 30, 2001	\$ -	\$ 419,872	\$ 419,872
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

City of West Linn, Oregon
Fire Serial Levy Fund
Schedule of Revenues and Expenditures
Budget and Actual

For the Year Ended June 30, 2001

	<u>Original and Supplemental Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:			
Property Taxes:			
Current Year's Levy	\$ 1,103,319	\$ 1,091,673	\$ (11,646)
Prior Years' Levies	41,200	49,994	8,794
Interest on Delinquent Taxes	5,440	3,561	(1,879)
Tax Title Land Sales	200	1,328	1,128
Interest Earnings	27,880	2,737	(25,143)
Miscellaneous	-	16,493	16,493
	<hr/>	<hr/>	<hr/>
Total Revenues	1,178,039	1,165,786	(12,253)
OTHER FINANCING SOURCES - TRANSFERS FROM OTHER FUNDS			
General Fund	739,424	739,424	-
	<hr/>	<hr/>	<hr/>
Total Revenues and Other Financing Sources	1,917,463	1,905,210	(12,253)
EXPENDITURES:			
Materials and Services	2,067,933	2,060,103	7,830
Contingency	66,613	-	66,613
Special Fire Reserve	136,011	-	136,011
	<hr/>	<hr/>	<hr/>
Total Expenditures	2,270,557	2,060,103	210,454
Excess of expenditures over revenues	(353,094)	(154,893)	198,201
	<hr/>	<hr/>	<hr/>
FUND BALANCE - June 30, 2000	353,094	353,094	-
	<hr/>	<hr/>	<hr/>
FUND BALANCE - June 30, 2001	\$ -	\$ 198,201	\$ 198,201
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

City of West Linn, Oregon
Arts Commission Fund
Schedule of Revenues and Expenditures
Budget and Actual

For the Year Ended June 30, 2001

	Original and Supplemental Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Contributions, Donations and Fund Raising	\$ 3,950	\$ 3,278	\$ (672)
Interest Earnings	-	357	357
Total Revenues	3,950	3,635	(315)
OTHER FINANCING SOURCES - TRANSFERS FROM OTHER FUNDS			
General Fund	3,500	3,500	-
Total Revenues and Other Financing Sources	7,450	7,135	(315)
EXPENDITURES			
Materials and Services	7,450	6,520	930
Contingency	3,136	-	3,136
Total Expenditures	10,586	6,520	4,066
Excess (deficiency) of revenues			
Excess of expenditures over revenues	(3,136)	615	3,751
FUND BALANCE - June 30, 2000	3,136	3,137	1
FUND BALANCE - June 30, 2001	\$ -	\$ 3,752	\$ 3,752

City of West Linn, Oregon
Community Center Operating Fund
Schedule of Revenues and Expenditures
Budget and Actual

For the Year Ended June 30, 2001

	Original and Supplemental Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Recreation Program Fees	\$ 15,000	\$ 4,138	\$ (10,862)
Senior Center Donations	12,000	680	(11,320)
Interest Earnings	100	1,060	960
Miscellaneous Revenue	-	121	121
	<hr/>	<hr/>	<hr/>
Total Revenues	27,100	5,999	(21,101)
OTHER FINANCING SOURCES - TRANSFERS FROM OTHER FUNDS			
General Fund	47,603	47,603	-
	<hr/>	<hr/>	<hr/>
Total Revenues and Other Financing Sources	74,703	53,602	(21,101)
EXPENDITURES:			
Personal Services	38,328	36,807	1,521
Materials and Services	41,700	36,327	5,373
	<hr/>	<hr/>	<hr/>
Total Expenditures	80,028	73,134	6,894
	<hr/>	<hr/>	<hr/>
Excess of expenditures over revenues	(5,325)	(19,532)	(14,207)
	<hr/>	<hr/>	<hr/>
FUND BALANCE - June 30, 2000	5,325	5,325	-
	<hr/>	<hr/>	<hr/>
FUND BALANCE - June 30, 2001	\$ -	\$ (14,207)	\$ (14,207)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

City of West Linn, Oregon
Public Education Government Fund
Schedule of Revenues and Expenditures
Budget and Actual

For the Year Ended June 30, 2001

	Original and Supplemental Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Interest Earnings	\$ 13,800	\$ 19,240	\$ 5,440
Total Revenues	<u>13,800</u>	<u>19,240</u>	<u>5,440</u>
EXPENDITURES:			
Capital Outlay	72,850	28,185	44,665
Contingency	87,332	-	87,332
Reserve for Equipment Replacement	142,702	-	142,702
Total Expenditures	<u>302,884</u>	<u>28,185</u>	<u>274,699</u>
Excess of expenditures over revenues	<u>(289,084)</u>	<u>(8,945)</u>	<u>280,139</u>
FUND BALANCE - June 30, 2000	<u>289,084</u>	<u>289,086</u>	<u>2</u>
FUND BALANCE - June 30, 2001	<u>\$ -</u>	<u>\$ 280,141</u>	<u>\$ 280,141</u>

City of West Linn, Oregon
System Development Fund
Schedule of Revenues and Expenditures
Budget and Actual

For the Year Ended June 30, 2001

	Original and Supplemental Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Federal, State and Other Grants	\$ 210,000	\$ -	\$ (210,000)
System Development Fees:			
Street Fund	167,096	32,020	(135,076)
Storm Drain Fund	95,000	52,623	(42,377)
Water Fund	240,000	81,067	(158,933)
Sewer Fund	60,000	59,548	(452)
Parks Fund	400,000	812,648	412,648
Tanner Basin Storm SDC Fund	3,500	2,196	(1,304)
Tanner Basin Water SDC Fund	25,000	24,741	(259)
Tanner Basin Sewer SDC Fund	6,500	5,335	(1,165)
Street SDC Reimbursement Fund	22,998	12,615	(10,383)
Storm Drain SDC Reimbursement Fund	8,000	7,335	(665)
Water SDC Reimbursement Fund	106,000	88,559	(17,441)
Sewer SDC Reimbursement Fund	42,000	36,855	(5,145)
Park SDC Reimbursement Fund	7,650	29,567	21,917
Interest Earnings	89,635	191,222	101,587
Contributions from Developers	265,000	65,606	(199,394)
Miscellaneous Revenue	-	8,932	8,932
Total Revenues	1,748,379	1,510,869	(237,510)
EXPENDITURES:			
Materials and Services	142,320	109,904	32,416
Capital Outlay	2,463,008	1,246,620	1,216,388
Contingency	1,997,449	-	1,997,449
Total Expenditures	4,602,777	1,356,524	3,246,253
SPECIAL PAYMENTS:			
General Fund:			
Parks Department Charges	5,000	36,544	(31,544)
Total Expenditures and Special Payments	4,607,777	1,393,068	3,214,709
Excess (deficiency) of revenues over (under) expenditures	(2,859,398)	117,801	2,977,199
FUND BALANCES - June 30, 2000	2,859,398	2,859,397	(1)
FUND BALANCES - June 30, 2001	\$ -	\$ 2,977,198	\$ 2,977,198

City of West Linn, Oregon
Storm Drain Fund
Schedule of Revenues and Expenditures
Budget and Actual

For the Year Ended June 30, 2001

	<u>Original and Supplemental Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:			
OTHER FINANCING SOURCES - TRANSFERS FROM OTHER FUNDS			
Environmental Service Fund	\$ 124,846	\$ 124,846	\$ -
EXPENDITURES:			
Capital Outlay	130,379	124,575	5,804
Excess (deficiency) of revenues over (under) expenditures	(5,533)	271	5,804
FUND BALANCE - June 30, 2000	5,533	5,532	(1)
FUND BALANCE - June 30, 2001	<u>\$ -</u>	<u>\$ 5,803</u>	<u>\$ 5,803</u>

City of West Linn, Oregon
Building Inspection Fund
Schedule of Revenues and Expenditures
Budget and Actual

For the Year Ended June 30, 2001

	<u>Original and Supplemental Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:			
Building Permit Fees	\$ 500,000	\$ 596,097	\$ 96,097
Plan Check Fees	-	3,200	3,200
Interest Earnings	-	4,607	4,607
Miscellaneous Revenue	-	537	537
Total Revenues	<u>500,000</u>	<u>604,441</u>	<u>104,441</u>
EXPENDITURES:			
Personal Services	366,520	361,407	5,113
Materials and Services	40,213	28,462	11,751
Capital Outlay	15,900	12,545	3,355
Contingency	13,065	-	13,065
Total Expenditures	<u>435,698</u>	<u>402,414</u>	<u>33,284</u>
SPECIAL PAYMENTS:			
General Fund:			
Accounting and Financial Services	7,037	7,037	-
Planning and Development Services	14,330	14,330	-
Administrative Services	29,959	29,959	-
City Hall Office Rent	7,600	-	7,600
Vehicle/Equipment Maintenance Fund	5,376	4,665	711
Total Special Payments	<u>64,302</u>	<u>55,991</u>	<u>8,311</u>
Total Expenditures and Special Payments	<u>500,000</u>	<u>458,405</u>	<u>41,595</u>
Excess of revenues over expenditures	<u>-</u>	<u>146,036</u>	<u>146,036</u>
FUND BALANCE - June 30, 2000	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - June 30, 2001	<u>\$ -</u>	<u>\$ 146,036</u>	<u>\$ 146,036</u>

City of West Linn, Oregon
Public Works Support Services
Schedule of Revenues and Expenditures
Budget and Actual

For the Year Ended June 30, 2001

	Original and Supplemental Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Public Inspection Charges	\$ 215,104	\$ 130,046	\$ (85,058)
Engineer Building Review Fees	3,000	11,395	8,395
Public Works Construction Permits and Fees	500	12,851	12,351
Interest Earnings	100	18,631	18,531
Miscellaneous Revenue	-	8,435	8,435
Total Revenues	218,704	181,358	(37,346)
REIMBURSEMENTS FROM OTHER FUNDS			
Public Works Operations Service Charges	271,971	315,096	43,125
Public Works Engineering Service Charges	510,981	510,981	-
Public Works GIS Service Charges	156,700	145,742	(10,958)
Total Reimbursements	939,652	971,819	32,167
Total Revenues and Reimbursements	1,158,356	1,153,177	(5,179)
EXPENDITURES:			
Personal Services	787,433	739,002	48,431
Materials and Services	167,981	166,869	1,112
Capital Outlay	41,617	41,227	390
Total Expenditures	997,031	947,098	49,933
SPECIAL PAYMENTS:			
General Fund:			
Accounting and Financial Services	17,608	17,608	-
Administrative Services	103,587	103,587	-
City Hall Office Rent	30,393	-	30,393
Vehicle/Equipment Maintenance Fund	9,737	4,331	5,406
Total Special Payments	161,325	125,526	35,799
Total Expenditures and Special Payments	1,158,356	1,072,624	85,732
Excess of revenues over expenditures	-	80,553	80,553
FUND BALANCE - June 30, 2000	-	-	-
FUND BALANCE - June 30, 2001	\$ -	\$ 80,553	\$ 80,553

City of West Linn, Oregon
1999 Federal Grant Fund
Schedule of Revenues and Expenditures
Budget and Actual

For the Year Ended June 30, 2001

	<u>Original and Supplemental Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:			
Federal, State and Other Grants	\$ 13,363	\$ 13,363	\$ -
Interest Earnings	500	107	(393)
	<hr/>	<hr/>	<hr/>
Total Revenues	13,863	13,470	(393)
EXPENDITURES			
Materials and Services	13,863	12,442	1,421
	<hr/>	<hr/>	<hr/>
Excess of revenues over expenditures	-	1,028	1,028
	<hr/>	<hr/>	<hr/>
FUND BALANCE - June 30, 2000	-	-	-
	<hr/>	<hr/>	<hr/>
FUND BALANCE - June 30, 2001	<u>\$ -</u>	<u>\$ 1,028</u>	<u>\$ 1,028</u>

City of West Linn, Oregon
2000 Federal Grant Fund
Schedule of Revenues and Expenditures
Budget and Actual

For the Year Ended June 30, 2001

	Original and Supplemental Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Federal, State and Other Grants	\$ 10,266	\$ 10,266	\$ -
Interest Earnings	400	228	(172)
	<hr/>	<hr/>	<hr/>
Total Revenues	10,666	10,494	(172)
EXPENDITURES			
Materials and Services	10,666	3,144	7,522
	<hr/>	<hr/>	<hr/>
Excess of revenues over expenditures	-	7,350	7,350
	<hr/>	<hr/>	<hr/>
FUND BALANCE - June 30, 2000	-	-	-
	<hr/>	<hr/>	<hr/>
FUND BALANCE - June 30, 2001	<u>\$ -</u>	<u>\$ 7,350</u>	<u>\$ 7,350</u>

Debt Service Fund

The Debt Service Fund accounts for payment of general obligation bond principal and interest. The principal source of revenue is from property taxes.

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City of West Linn, Oregon
Debt Service Fund
Balance Sheet

June 30, 2001

ASSETS

Equity in Pooled Cash and Investments	\$	84,006
Cash Held by County Treasurer		4,220
Cash with Fiscal Agent		350
Property Taxes Receivable		<u>74,554</u>
Total Assets	\$	<u><u>163,130</u></u>

LIABILITIES AND FUND BALANCE

Liabilities:

Deferred Revenue	\$	58,283
Matured Interest Payable		<u>350</u>
Total Liabilities		58,633

Fund Balance

Unreserved		
Designated for Debt Service		<u>104,497</u>
Total Liabilities and Fund Balance	\$	<u><u>163,130</u></u>

City of West Linn, Oregon
Debt Service Fund
Statement of Revenues, Expenditures and
Changes in Fund Balance

For the Year Ended June 30, 2001

REVENUES:	
Taxes	\$ 1,115,381
Interest Earnings	13,619
Miscellaneous	<u>15,213</u>
Total Revenues	<u>1,144,213</u>
EXPENDITURES:	
Debt Service:	
Principal	560,000
Interest	<u>644,843</u>
Total Expenditures	<u>1,204,843</u>
Excess of expenditures over revenues	(60,630)
FUND BALANCE, June 30, 2000	<u>165,127</u>
FUND BALANCE, June 30, 2001	<u><u>\$ 104,497</u></u>

City of West Linn, Oregon
Debt Service Fund
Schedule of Revenues and Expenditures
Budget and Actual

For the Year Ended June 30, 2001

	Original and Supplemental Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Property Taxes:			
Current Year's Levy	\$ 1,093,665	\$ 1,087,991	\$ (5,674)
Prior Years' Levies	9,200	27,390	18,190
Interest on Delinquent Taxes	1,220	1,951	731
Tax Title Land Sales	100	976	876
Interest Earnings	5,500	11,668	6,168
Miscellaneous	50	14,237	14,187
Total Revenues	1,109,735	1,144,213	34,478
EXPENDITURES:			
Debt Service:			
Principal	540,000	560,000	(20,000)
Interest	604,394	644,843	(40,449)
Reserve for Future Debt Service	130,468	-	130,468
Total Expenditures	1,274,862	1,204,843	70,019
Excess of expenditures over revenues	(165,127)	(60,630)	104,497
FUND BALANCE - June 30, 2000	165,127	165,127	-
FUND BALANCE - June 30, 2001	\$ -	\$ 104,497	\$ 104,497

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Capital Projects Funds

The Capital Projects Funds account for resources used for the acquisition and construction of capital facilities and equipment.

**City of West Linn, Oregon
Capital Projects Funds
Combining Balance Sheet**

June 30, 2001

	<u>Capital Development Fund</u>	<u>Senior Center Construction Fund</u>	<u>Integrated M.I.S. Fund</u>
ASSETS			
Equity in Pooled Cash and Investments	\$ 513,693	\$ 219,850	\$ 38,948
Accrued Interest Receivable	2,422	969	666
Total Assets	<u>\$ 516,115</u>	<u>\$ 220,819</u>	<u>\$ 39,614</u>
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts Payable	\$ -	\$ 3,649	\$ 6,663
Fund Balances			
Undesignated	<u>516,115</u>	<u>217,170</u>	<u>32,951</u>
Total Liabilities and Fund Balances	<u>\$ 516,115</u>	<u>\$ 220,819</u>	<u>\$ 39,614</u>

Bolton Pump Station Construction Fund	Park Bond Fund #2	Library Construction Fund	City Hall Building Fund	Total
\$ 660	\$ 1,246,505	\$ 3,550,715	\$ 6,844	\$ 5,577,215
-	8,958	8,802	-	21,817
<u>\$ 660</u>	<u>\$ 1,255,463</u>	<u>\$ 3,559,517</u>	<u>\$ 6,844</u>	<u>\$ 5,599,032</u>
\$ 148	\$ 43,674	\$ 18,016	\$ -	\$ 72,150
512	1,211,789	3,541,501	6,844	5,526,882
<u>\$ 660</u>	<u>\$ 1,255,463</u>	<u>\$ 3,559,517</u>	<u>\$ 6,844</u>	<u>\$ 5,599,032</u>

City of West Linn, Oregon
Capital Projects Funds
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances

For the Year Ended June 30, 2001

	<u>Capital Development Fund</u>	<u>Senior Center Construction Fund</u>	<u>Integrated M.I.S. Fund</u>
REVENUES:			
Intergovernmental Revenues			
Donations			
Interest Earnings	\$ 31,925	\$ 12,251	\$ 5,765
Total Revenues	31,925	12,251	5,765
EXPENDITURES			
General Government	-	31,694	56,684
Excess of Revenues Over (Under) Expenditures	31,925	(19,443)	(50,919)
OTHER FINANCING SOURCES (USES)			
Proceeds of Debt	-	-	-
Operating Transfers Out	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	31,925	(19,443)	(50,919)
FUND BALANCES, June 30, 2000	<u>484,190</u>	<u>236,613</u>	<u>83,870</u>
FUND BALANCES, June 30, 2001	<u>\$ 516,115</u>	<u>\$ 217,170</u>	<u>\$ 32,951</u>

Bolton Pump Station Construction Fund	Park Bond Fund #2	Library Construction Fund	City Hall Building Fund	Total
\$ 512	\$ 79,689	\$ 109,731	\$ 14,182	\$ 254,055
512	79,689	109,731	14,182	254,055
-	156,153	414,617	4,145,037	4,804,185
512	(76,464)	(304,886)	(4,130,855)	(4,550,130)
-	-	3,846,387	4,254,847	8,101,234
-	-	-	(117,148)	(117,148)
-	-	3,846,387	4,137,699	7,984,086
512	(76,464)	3,541,501	6,844	3,433,444
-	1,288,253	-	-	2,092,926
<u>\$ 512</u>	<u>\$ 1,211,789</u>	<u>\$ 3,541,501</u>	<u>\$ 6,844</u>	<u>\$ 5,526,370</u>

Capital Development Fund
Schedule of Revenues and Expenditures
Budget and Actual

For the Year Ended June 30, 2001

	Original and Supplemental Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Interest Earnings	\$ 21,800	\$ 31,925	\$ 10,125
Total revenues	<u>21,800</u>	<u>31,925</u>	<u>10,125</u>
EXPENDITURES:			
Capital Outlay	60,000	-	60,000
Contingency	445,990	-	445,990
Total Expenditures	<u>505,990</u>	<u>-</u>	<u>505,990</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(484,190)</u>	<u>31,925</u>	<u>516,115</u>
FUND BALANCE - June 30, 2000	<u>484,190</u>	<u>484,190</u>	<u>-</u>
FUND BALANCE - June 30, 2001	<u>\$ -</u>	<u>\$ 516,115</u>	<u>\$ 516,115</u>

City of West Linn, Oregon
Senior Center Construction Fund
Schedule of Revenues and Expenditures
Budget and Actual

For the Year Ended June 30, 2001

	Original and Supplemental Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Federal, State and Other Grants	\$ 375,000	\$ -	\$ (375,000)
Senior Center Donations	20,000	-	(20,000)
Interest Earnings	-	12,251	12,251
	<hr/>	<hr/>	<hr/>
Total Revenues	395,000	12,251	(382,749)
EXPENDITURES			
Capital Outlay	631,613	31,694	599,919
	<hr/>	<hr/>	<hr/>
Excess of expenditures over revenues	(236,613)	(19,443)	217,170
	<hr/>	<hr/>	<hr/>
FUND BALANCE - June 30, 2000	236,613	236,613	-
	<hr/>	<hr/>	<hr/>
FUND BALANCE - June 30, 2001	\$ -	\$ 217,170	\$ 217,170
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

City of West Linn, Oregon
Integrated M.I.S. Fund
Schedule of Revenues and Expenditures
Budget and Actual

For the Year Ended June 30, 2001

	<u>Original and Supplemental Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
Interest Earnings	\$ 1,200	\$ 5,765	\$ 4,565
EXPENDITURES			
Capital Outlay	85,070	56,684	28,386
Excess of expenditures over revenues	(83,870)	(50,919)	32,951
FUND BALANCE - June 30, 2000	83,870	83,870	-
FUND BALANCE - June 30, 2001	<u>\$ -</u>	<u>\$ 32,951</u>	<u>\$ 32,951</u>

City of West Linn, Oregon
Bolton Pump Station Construction Fund
Schedule of Revenues and Expenditures
Budget and Actual

For the Year Ended June 30, 2001

	<u>Original and Supplemental Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:			
Interest Earnings	\$ -	\$ 512	\$ 512
FUND BALANCE - June 30, 2000	-	-	-
FUND BALANCE - June 30, 2001	<u>\$ -</u>	<u>\$ 512</u>	<u>\$ 512</u>

City of West Linn, Oregon
Park Bond Fund #2
Schedule of Revenues and Expenditures
Budget and Actual

For the Year Ended June 30, 2001

	Original and Supplemental Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Donations & Contributions	\$ 85,000	\$ -	\$ (85,000)
Interest Earnings	1,000	79,689	78,689
Total Revenues	86,000	79,689	(6,311)
EXPENDITURES:			
Materials and Services	157,500	28,642	128,858
Capital Outlay	1,216,753	127,511	1,089,242
Total Expenditures	1,374,253	156,153	1,218,100
Excess of expenditures over revenues	(1,288,253)	(76,464)	1,211,789
FUND BALANCE - June 30, 2000	1,288,253	1,288,253	-
FUND BALANCE - June 30, 2001	\$ -	\$ 1,211,789	\$ 1,211,789

City of West Linn, Oregon
Library Construction Fund
Schedule of Revenues and Expenditures
Budget and Actual

For the Year Ended June 30, 2001

	Original and Supplemental Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Interest Earnings	\$ 110,000	\$ 109,731	\$ (269)
OTHER FINANCING SOURCES - PROCEEDS FROM ISSUANCE OF DEBT			
Bond Sale Proceeds	3,846,387	3,846,387	-
Total Revenues and Other Financing Sources	<u>3,956,387</u>	<u>3,956,118</u>	<u>(269)</u>
EXPENDITURES:			
Materials and Services	30,000	27,223	2,777
Capital Outlay	3,926,387	387,394	3,538,993
Total Expenditures	<u>3,956,387</u>	<u>414,617</u>	<u>3,541,770</u>
Excess of revenues over expenditures	<u>-</u>	<u>3,541,501</u>	<u>3,541,501</u>
FUND BALANCE - June 30, 2000	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - June 30, 2001	<u>\$ -</u>	<u>\$ 3,541,501</u>	<u>\$ 3,541,501</u>

City of West Linn, Oregon
City Hall Building Fund
Schedule of Revenues and Expenditures
Budget and Actual

For the Year Ended June 30, 2001

	Original and Supplemental Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Interest Earnings	\$ 35,000	\$ 14,182	\$ (20,818)
OTHER FINANCING SOURCES - PROCEEDS FROM ISSUANCE OF DEBT			
Full Faith and Credit Obligation Sale Proceeds	4,254,847	4,254,847	-
Total Revenues and Other Financing Sources	<u>4,289,847</u>	<u>4,269,029</u>	<u>(20,818)</u>
EXPENDITURES:			
Materials and Services	62,075	62,055	20
Capital Outlay	4,060,105	4,082,982	(22,877)
Total Expenditures	<u>4,122,180</u>	<u>4,145,037</u>	<u>(22,857)</u>
OTHER FINANCING USES - TRANSFERS TO OTHER FUNDS			
State Revenue Sharing Fund	167,667	117,148	50,519
Total Expenditures and Other Financing Uses	<u>4,289,847</u>	<u>4,262,185</u>	<u>27,662</u>
Excess of revenues over expenditures	<u>-</u>	<u>6,844</u>	<u>6,844</u>
FUND BALANCE - June 30, 2000	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - June 30, 2001	<u>\$ -</u>	<u>\$ 6,844</u>	<u>\$ 6,844</u>

Enterprise Funds

These funds account for the financial operation of self-supporting activities that render services on a user charge to the general public. Funds included in this fund category are:

- < Water Fund - accounts for the City's water utility operations.
- < Sewer Fund - accounts for the City's sewer utility operations.

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City of West Linn, Oregon
Enterprise Funds
Combining Balance Sheet

June 30, 2001

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Total</u>
ASSETS			
Current Assets:			
Equity in Pooled Cash and Investments	\$ 1,212,183	\$ 2,005,235	\$ 3,217,418
Restricted Cash	153,854	-	153,854
Accounts Receivable	374,560	457,478	832,038
Accrued Interest Receivable	4,385	9,309	13,694
Due from Other Governments	-	2,114	2,114
Inventory	57,941	16,253	74,194
	<hr/>	<hr/>	<hr/>
Total Current Assets	1,802,923	2,490,389	4,293,312
Fixed Assets, Net	11,162,623	8,418,439	19,581,062
Investment in South Fork Water Board	4,549,914	-	4,549,914
	<hr/>	<hr/>	<hr/>
Total Assets	<u>\$ 17,515,460</u>	<u>\$ 10,908,828</u>	<u>\$ 28,424,288</u>
LIABILITIES AND FUND EQUITY			
Current Liabilities:			
Accounts Payable	\$ 195,976	\$ 175,450	\$ 371,426
Meter Connection Deposits	52,600	-	52,600
Accrued Liabilities	77,595	32,677	110,272
Contract Retainage Payable	-	1,270	1,270
Bonds Payable	1,800,000	-	1,800,000
	<hr/>	<hr/>	<hr/>
Total Current Liabilities	2,126,171	336,143	2,462,314
Fund Equity:			
Contributed Capital	12,108,439	9,555,451	21,663,890
Retained Earnings	3,280,850	1,017,234	4,298,084
	<hr/>	<hr/>	<hr/>
Total Fund Equity	15,389,289	10,572,685	25,961,974
Total Liabilities and Fund Equity	<u>\$ 17,515,460</u>	<u>\$ 10,908,828</u>	<u>\$ 28,424,288</u>

City of West Linn, Oregon
Enterprise Funds
Combining Statement of Revenues, Expenses and
Changes in Retained Earnings

For the Year Ended June 30, 2001

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Total</u>
OPERATING REVENUES:			
Charges for Services	\$ 2,153,086	\$ 1,666,622	\$ 3,819,708
Connection Fees	49,227	-	49,227
Other Operating Revenues	32,082	79,808	111,890
	<hr/>	<hr/>	<hr/>
Total Operating Revenues	2,234,395	1,746,430	3,980,825
OPERATING EXPENSES:			
Salaries and Wages	442,440	438,001	880,441
System Repairs and Maintenance	50,719	71,901	122,620
Operating Supplies, Repairs and Services	256,017	227,275	483,292
South Fork Water Board Expenses	834,893	-	834,893
Utilities	74,728	18,425	93,153
Insurance	18,884	16,945	35,829
Administrative Charges from General Fund	289,069	601,926	890,995
Depreciation	240,426	265,846	506,272
	<hr/>	<hr/>	<hr/>
Total Operating Expenses	2,207,176	1,640,319	3,847,495
Operating Loss	<hr/>	<hr/>	<hr/>
	27,219	106,111	133,330
NON-OPERATING REVENUES (EXPENSES):			
Interest Income	96,817	116,876	213,693
Net Income from Joint Venture	589,734	-	589,734
Interest Expense and Bond Issuance Fees	(144,656)	-	(144,656)
	<hr/>	<hr/>	<hr/>
Total Non-Operating Revenues	541,895	116,876	658,771
Income Before Operating Transfers & Special Payments	569,114	222,987	792,101
OTHER FINANCING SOURCES (USES)			
Operating Transfers In	363,636	436,364	800,000
Operating Transfers Out	(800,000)	(124,846)	(924,846)
	<hr/>	<hr/>	<hr/>
Net Income	132,750	534,505	667,255
RETAINED EARNINGS, June 30, 2000	<hr/>	<hr/>	<hr/>
	3,148,100	482,729	3,630,829
RETAINED EARNINGS, June 30, 2001	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	\$ 3,280,850	\$ 1,017,234	\$ 4,298,084

City of West Linn, Oregon
Enterprise Funds
Combining Statement of Cash Flows

For the year ended June 30, 2001

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Total</u>
Cash Flows from Operating Activities:			
Received from Customers	\$ 2,565,564	\$ 2,069,941	\$ 4,635,505
Paid to Suppliers	(1,099,587)	(575,971)	(1,675,558)
Payments to Employees for Services	(442,440)	(438,001)	(880,441)
Payment to Tri-City Service District	(1,010,933)	-	(1,010,933)
Other Operating Revenues	32,082	79,808	111,890
Payments - to Other City Funds	(254,091)	(601,926)	(856,017)
Net Cash Provided by (Used by) Operating Activities	<u>(209,405)</u>	<u>533,851</u>	<u>324,446</u>
Cash Flows from Capital and Related Financing Activities			
Proceeds of Bond Sale	1,800,000	-	1,800,000
Interest Expense and Bond Issue Fees	(144,656)	-	(144,656)
Acquisition of Capital Assets	(773,180)	(50,139)	(823,319)
Net Cash Provided by (Used by) Financing Activities	<u>882,164</u>	<u>(50,139)</u>	<u>832,025</u>
Cash Flows from Investing Activities			
Interest Earnings	<u>96,817</u>	<u>116,876</u>	<u>213,693</u>
Net Increase in Equity in Pooled Cash and Investments	769,576	600,588	1,370,164
Equity in Pooled Cash and Investments, June 30, 2000	<u>596,461</u>	<u>1,404,647</u>	<u>2,001,108</u>
Equity in Pooled Cash and Investments, June 30, 2001	<u>\$ 1,366,037</u>	<u>\$ 2,005,235</u>	<u>\$ 3,371,272</u>
Unrestricted Pooled Cash and Investments	\$ 1,212,183	2,005,235	3,217,418
Restricted Cash	<u>153,854</u>	<u>-</u>	<u>153,854</u>
Total Pooled Cash and Investments	<u>\$ 1,366,037</u>	<u>\$ 2,005,235</u>	<u>\$ 3,371,272</u>

City of West Linn, Oregon
Enterprise Funds
Combining Statement of Cash Flows

For the year ended June 30, 2001

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Total</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY (USED BY) OPERATING ACTIVITIES:			
Operating Income	\$ 27,219	\$ 106,111	\$ 133,330
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used by) Operating Activities:			
Depreciation	240,426	265,846	506,272
Operating transfer in	363,636	436,364	800,000
Operating transfer out	(800,000)	(124,846)	(924,846)
Changes in Assets and Liabilities:			
Accounts Receivable	(12,163)	(25,931)	(38,094)
Accrued Interest Receivable	(2,674)	(5,001)	(7,675)
Due from Other Governments	-	(2,114)	(2,114)
Inventory	27,595	(5,332)	22,263
Accounts Payable	74,876	23,852	98,728
Other Accrued Liabilities	33,269	16,509	49,778
Due to Other Governments	(176,040)	(149,601)	(325,641)
Meter Connections Deposits	14,452	-	14,452
Contract Retainage Payable	-	(2,006)	(2,006)
Total Adjustments	(236,624)	427,740	191,116
Net Cash Provided by (Used by) Operating Activities	<u>\$ (209,405)</u>	<u>\$ 533,851</u>	<u>\$ 324,446</u>

City of West Linn, Oregon
Water Fund
Schedule of Revenues and Expenditures
Budget and Actual

For the Year Ended June 30, 2001

	<u>Original and Supplemental Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:			
Service Charges and Other Fees:			
Water Sales	\$ 2,063,180	\$ 2,153,086	\$ 89,906
Water Connection Fees	51,750	49,227	(2,523)
Miscellaneous Revenues:			
Customer Service Charges	7,500	6,980	(520)
Interest Earnings	34,242	75,670	41,428
Other Revenues	15,590	25,102	9,512
Total Revenues	<u>2,172,262</u>	<u>2,310,065</u>	<u>137,803</u>
OTHER FINANCING SOURCES - TRANSFERS FROM OTHER FUNDS			
Water Bond Construction Fund	363,636	363,636	-
Total Revenues and Other Financing Sources	<u>2,535,898</u>	<u>2,673,701</u>	<u>137,803</u>
EXPENDITURES:			
Personal Services	\$ 471,039	\$ 442,440	\$ 28,599
Materials and Services	1,403,418	1,108,778	294,640
Capital Outlay	97,576	38,850	58,726
Contingency	675,952	-	675,952
Total Expenditures	<u>2,647,985</u>	<u>1,590,068</u>	<u>1,057,917</u>
SPECIAL PAYMENTS:			
General Fund:			
Accounting/Financial Services	74,966	74,966	-
Planning/Development Services	7,424	7,424	-
Public Works Support Services	56,016	64,810	(8,794)
Administrative Services	34,176	34,176	-
Engineering Services	88,466	90,204	(1,738)
Bond Interest and Fees	76,684	59,643	17,041
GIS Services	18,804	17,489	1,315
Vehicle/Equipment Maintenance Fund	26,238	39,788	(13,550)
Total Special Payments	<u>382,774</u>	<u>388,500</u>	<u>(5,726)</u>
Total Expenditures and Special Payments	<u>\$ 3,030,759</u>	<u>\$ 1,978,568</u>	<u>\$ 1,052,191</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(494,861)</u>	<u>695,133</u>	<u>1,189,994</u>
FUND BALANCE - June 30, 2000	<u>494,861</u>	<u>507,760</u>	<u>12,899</u>
FUND BALANCE - June 30, 2001	<u>\$ -</u>	<u>\$ 1,202,893</u>	<u>\$ 1,202,893</u>

City of West Linn, Oregon
Water Bond Construction Fund
Schedule of Revenues and Expenditures
Budget and Actual

For the Year Ended June 30, 2001

	Original and Supplemental Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Interest Earnings	\$ 27,500	\$ 21,147	\$ (6,353)
OTHER FINANCING SOURCES - PROCEEDS FROM ISSUANCE OF DEBT			
Bond Sale Proceeds	1,784,554	1,800,000	15,446
Total Revenues and Other Financing Sources	1,812,054	1,821,147	9,093
EXPENDITURES:			
Materials and Services	136,956	146,126	(9,170)
Capital Outlay	932,004	734,331	197,673
Total Expenditures	1,068,960	880,457	188,503
OTHER FINANCING USES - TRANSFERS TO OTHER FUNDS			
Water Fund	363,636	363,636	-
Environmental Services Fund	436,364	436,364	-
Total Other Financing Uses	800,000	800,000	-
Total Expenditures and Other Financing Uses	1,868,960	1,680,457	188,503
Excess (deficiency) of revenues over (under) expenditures	(56,906)	140,690	197,596
FUND BALANCE - June 30, 2000	56,906	56,906	-
FUND BALANCE - June 30, 2001	\$ -	\$ 197,596	\$ 197,596

City of West Linn, Oregon
Water Fund
Reconciliation of Revenues and Expenditures (Budgetary)
to Revenues and Expenses (GAAP)

For the Year Ended June 30, 2001

	<u>Revenues</u>	<u>Expenditures</u>
Budgetary Basis Funds:		
Water Fund	\$ 2,673,701	\$ 1,978,568
Water Bond Construction Fund	21,147	1,680,457
	<hr/>	<hr/>
Revenues and Expenditures - Budgetary Basis	2,694,848	3,659,025
Adjustments:		
Net Income from Joint Venture	589,734	
Accrued Interest		25,561
Depreciation Expense		240,426
Expenditures Capitalized		(773,180)
	<hr/>	<hr/>
Revenues and Expenses - GAAP Basis	<u>\$ 3,284,582</u>	<u>\$ 3,151,832</u>

Comprised as follows:

Operating Revenues, Expenses	\$ 2,234,395	\$ 2,207,176
Non-operating Revenues:		
Net Income from Joint Venture	589,734	
Interest Income	96,817	
Non-operating Expenses:		
Interest Expense and Bond Issue Fees		144,656
Operating Transfer In (Out)	<hr/>	<hr/>
	363,636	800,000
	<hr/>	<hr/>
	<u>\$ 3,284,582</u>	<u>\$ 3,151,832</u>

City of West Linn, Oregon
Sewer Fund
Schedule of Revenues and Expenditures
Budget and Actual

For the Year Ended June 30, 2001

	<u>Original and Supplemental Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:			
Miscellaneous Revenues:			
Interest Earnings	\$ 5,000	\$ 39,568	\$ 34,568
Other Earnings	-	56,068	56,068
Total Revenues	<u>5,000</u>	<u>95,636</u>	<u>90,636</u>
EXPENDITURES:			
Materials and Services	208,850	6,430	202,420
Capital Outlay	213,268	15,732	197,536
Contingency	219,858	-	219,858
Total Expenditures	<u>641,976</u>	<u>22,162</u>	<u>619,814</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(636,976)</u>	<u>73,474</u>	<u>710,450</u>
FUND BALANCE - June 30, 2000	<u>636,976</u>	<u>640,714</u>	<u>3,738</u>
FUND BALANCE - June 30, 2001	<u>\$ -</u>	<u>\$ 714,188</u>	<u>\$ 714,188</u>

City of West Linn, Oregon
Environmental Service Fund
Schedule of Revenues and Expenditures
Budget and Actual

For the Year Ended June 30, 2001

	<u>Original and Supplemental Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:			
Service Charges and Other Fees:			
Sewer Charges	\$ 1,204,000	\$ 1,226,207	\$ 22,207
Storm Drain charges	426,360	440,415	14,055
Miscellaneous Revenues:			
Interest Earnings	30,000	77,308	47,308
Other Revenues	-	23,740	23,740
Total Revenues	<u>1,660,360</u>	<u>1,767,670</u>	<u>107,310</u>
OTHER FINANCING SOURCES - TRANSFERS FROM OTHER FUNDS			
Water Bond Construction Fund	436,364	436,364	-
Total Revenues and Other Financing Sources	<u>2,096,724</u>	<u>2,204,034</u>	<u>107,310</u>
EXPENDITURES:			
Personal Services	557,882	438,001	119,881
Materials and Services	597,877	284,211	313,666
Capital Outlay	23,154	34,407	(11,253)
Contingency	875,776	-	875,776
Total Expenditures	<u>2,054,689</u>	<u>756,619</u>	<u>1,298,070</u>
SPECIAL PAYMENTS:			
General Fund:			
Accounting/Financial Services	101,818	101,818	-
Administrative Services	57,335	57,335	-
Planning/Development Services	10,045	10,045	-
Public Works Supporting Services	138,993	160,815	(21,822)
Engineering Services	206,064	236,935	(30,871)
GIS Services	37,608	34,978	2,630
Vehicle/Equipment Maintenance Fund	61,658	43,905	17,753
Total Special Payments	<u>613,521</u>	<u>645,831</u>	<u>(32,310)</u>
Total Expenditures and Special Payments	<u>2,668,210</u>	<u>1,402,450</u>	<u>1,265,760</u>
OTHER FINANCING USES - TRANSFERS TO OTHER FUNDS			
Storm Drain Fund	124,846	124,846	-
Total Expenditures and Other Financing Uses	<u>2,793,056</u>	<u>1,527,296</u>	<u>1,265,760</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(696,332)</u>	<u>676,738</u>	<u>1,373,070</u>
FUND BALANCE - June 30, 2000	<u>696,332</u>	<u>696,332</u>	<u>-</u>
FUND BALANCE - June 30, 2001	<u>\$ -</u>	<u>\$ 1,373,070</u>	<u>\$ 1,373,070</u>

City of West Linn, Oregon
Sewer Fund
Reconciliation of Revenues and Expenditures (Budgetary)
to Revenues and Expenses (GAAP)

For the Year Ended June 30, 2001

	<u>Revenues</u>	<u>Expenditures</u>
Budgetary Basis Funds:		
Sewer Fund	\$ 95,636	\$ 22,162
Environmental Service Fund	2,204,034	1,527,296
	<hr/>	<hr/>
Revenues, Expenditures, and Transfers - Budgetary Basis	2,299,670	1,549,458
Adjustments:		
Depreciation Expense		265,846
Expenditures Capitalized		(50,139)
		<hr/>
Revenues and Expenses - GAAP Basis	<u>\$ 2,299,670</u>	<u>\$ 1,765,165</u>
Comprised as follows:		
Operating Revenues, Expenses	\$ 1,746,430	\$ 1,640,319
Non-operating Revenues		
Interest Income	116,876	
Operating Transfer (Out)	<hr/>	<hr/>
	436,364	124,846
	<hr/>	<hr/>
	<u>\$ 2,299,670</u>	<u>\$ 1,765,165</u>

Internal Service Funds

Funds included in this category are:

- < The Vehicle/Equipment Maintenance Fund - accounts for the maintenance of the City's vehicles and equipment. Charges are made to other City funds to recover the costs of providing services.
- < The Insurance Fund - accounts for all costs incurred by the City under its insurance programs, primarily unemployment insurance claims up to policy deductible limits. Funding sources are revenues from investment income, proceeds from insurance claims and charges to other funds.

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City of West Linn, Oregon
Internal Service Funds
Combining Balance Sheet

June 30, 2001

	Vehicle/ Equipment Maintenance Fund	Insurance Fund	Total
ASSETS			
Current Assets:			
Equity in Pooled Cash and Investments	\$ 73,335	\$ 196,107	\$ 269,442
Accounts Receivable	-	1,085	1,085
Accrued Interest Receivable	-	1,884	1,884
Inventory	37,974	-	37,974
	<hr/>	<hr/>	<hr/>
Total Current Assets	111,309	199,076	310,385
Fixed Assets, Net	45,335	-	45,335
	<hr/>	<hr/>	<hr/>
Total Assets	<u>\$ 156,644</u>	<u>\$ 199,076</u>	<u>\$ 355,720</u>
LIABILITIES AND FUND EQUITY			
Liabilities:			
Accounts Payable	\$ 17,588	\$ 7,432	\$ 25,020
Accrued Liabilities	3,314	4,865	8,179
	<hr/>	<hr/>	<hr/>
Total Liabilities	20,902	12,297	33,199
Fund Equity:			
Contributed Capital	61,135	-	61,135
Retained Earnings	74,607	186,779	261,386
	<hr/>	<hr/>	<hr/>
Total Fund Equity	135,742	186,779	322,521
	<hr/>	<hr/>	<hr/>
Total Liabilities and Fund Equity	<u>\$ 156,644</u>	<u>\$ 199,076</u>	<u>\$ 355,720</u>

City of West Linn, Oregon
Internal Service Funds
Combining Statement of Revenues, Expenses and
Changes in Retained Earnings

For the Year Ended June 30, 2001

	Vehicle/ Equipment Maintenance Fund	Insurance Fund	Total
	<u> </u>	<u> </u>	<u> </u>
OPERATING REVENUES:			
Charges for Services	\$ 388,143	\$ 29,105	\$ 417,248
	<u> </u>	<u> </u>	<u> </u>
OPERATING EXPENSES:			
Salaries and Wages	98,853		98,853
Operating Supplies, Repairs and Services	110,935	19,207	130,142
Gasoline and Diesel Fuel	72,024		72,024
Administrative Charges from General Fund	51,100	3,036	54,136
Depreciation	9,341		9,341
	<u> </u>	<u> </u>	<u> </u>
Total Operating Expenses	342,253	22,243	364,496
	<u> </u>	<u> </u>	<u> </u>
Operating Income	45,890	6,862	52,752
	<u> </u>	<u> </u>	<u> </u>
NONOPERATING REVENUES:			
Interest Income	88	25,293	25,381
	<u> </u>	<u> </u>	<u> </u>
OPERATING TRANSFERS:			
Operating Transfers Out	-	(220,000)	(220,000)
	<u> </u>	<u> </u>	<u> </u>
Net Income (Loss)	45,978	(187,845)	(141,867)
	<u> </u>	<u> </u>	<u> </u>
RETAINED EARNINGS, June 30, 2000	28,629	374,624	403,253
	<u> </u>	<u> </u>	<u> </u>
RETAINED EARNINGS, June 30, 2001	\$ 74,607	\$ 186,779	\$ 261,386
	<u> </u>	<u> </u>	<u> </u>

City of West Linn, Oregon
Internal Service Funds
Combining Statement of Cash Flows

For the Year Ended June 30, 2001

	Vehicle/ Equipment Maintenance Fund	Insurance Fund	Total
Cash Flows from Operating Activities:			
Receipts - From Other City Funds	\$ 388,143	\$ 28,020	\$ 416,163
Paid to Suppliers	(198,509)	(238,054)	(436,563)
Payments to Employees for Services	(98,853)	-	(98,853)
Payments - To Other City Funds	(51,100)	(3,036)	(54,136)
Net Cash Provided by (Used by) Operating Activities	39,681	(213,070)	(173,389)
Cash Flows from Capital and Related Financing Activities			
Acquisition of Capital Assets	(10,784)	-	(10,784)
Cash Flows from Investing Activities			
Interest Earnings	184	24,494	24,678
Net Increase (Decrease) in Equity in Pooled Cash and Investments	29,081	(188,576)	(159,495)
Equity in Pooled Cash and Investments - June 30, 2000	44,254	384,683	428,937
Equity in Pooled Cash and Investments - June 30, 2001	<u>\$ 73,335</u>	<u>\$ 196,107</u>	<u>\$ 269,442</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED BY) OPERATING ACTIVITIES:			
Operating Income	\$ 45,890	\$ 6,862	\$ 52,752
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used by) Operating Activities:			
Depreciation	9,341	-	9,341
Operating Transfer Out	-	(220,000)	(220,000)
Changes in Assets and Liabilities:			
Accounts Receivable	-	(1,085)	(1,085)
Inventory	(5,026)	-	(5,026)
Accounts Payable	(13,059)	2,219	(10,840)
Accrued Liabilities	2,535	(1,066)	1,469
Total Adjustments	(6,209)	(219,932)	(226,141)
Net Cash Provided by (Used by) Operating Activities	\$ 39,681	\$ (213,070)	\$ (173,389)

City of West Linn, Oregon
Vehicle/Equipment Maintenance Fund
Schedule of Revenues and Expenditures
Budget and Actual

For the Year Ended June 30, 2001

	Original and Supplemental Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Interest Earnings	\$ 1,400	\$ 88	\$ (1,312)
REIMBURSEMENTS FROM OTHER FUNDS:			
General Fund:			
City Manager's Office	2,768	2,727	(41)
Police Department	134,099	138,739	4,640
Engineering Department	6,059	2,019	(4,040)
Operation Support	3,678	2,312	(1,366)
Parks Department	45,675	68,956	23,281
General Services Department	1,412	3,321	1,909
Building Inspection Fund	5,376	4,665	(711)
Street Fund	64,092	34,229	(29,863)
Water Fund	26,238	39,788	13,550
Environmental Services Fund	61,658	43,905	(17,753)
Cable TV Public Access Fund	500	-	(500)
Police Serial Levy	40,069	47,482	7,413
Total Reimbursements	391,624	388,143	(3,481)
Total Revenues and Reimbursements	393,024	388,231	(4,793)
EXPENDITURES:			
Personal Services	133,925	98,853	35,072
Materials and Services	205,590	187,984	17,606
Capital Outlay	10,995	10,784	211
Contingency Budget	8,169	-	8,169
Total Expenditures	358,679	297,621	61,058
SPECIAL PAYMENTS			
General Fund:			
Accounting and Financial Services	14,675	14,675	-
Public Works Support Services	24,415	28,248	(3,833)
Administrative Services	8,177	8,177	-
Total Special Payments	47,267	51,100	(3,833)
Total Expenditures and Special Payments	405,946	348,721	57,225
Excess (deficiency) of revenues over (under) expenditures	(12,922)	39,510	52,432
FUND BALANCE - June 30, 2000	12,922	28,629	15,707
FUND BALANCE - June 30, 2001	\$ -	\$ 68,139	\$ 68,139

City of West Linn, Oregon
Vehicle/Equipment Maintenance Fund
Reconciliation of Revenues and Expenditures (Budgetary)
to Revenues and Expenses (GAAP)

For the Year Ended June 30, 2001

	<u>Revenues</u>	<u>Expenditures</u>
Budgetary Basis Funds		
Revenues and Expenditures - Budgetary Basis	\$ 388,231	\$ 348,721
Adjustments:		
Depreciation Expense		9,341
Expenditures Capitalized		(10,784)
Inventory Adjustment		(5,026)
	<u>388,231</u>	<u>(5,026)</u>
Revenues and Expenses - GAAP Basis	<u>\$ 388,231</u>	<u>\$ 342,253</u>
Comprised as follows:		
Operating Revenues, Expenses	\$ 388,143	\$ 342,253
Non-operating Revenues:		
Interest	<u>88</u>	
	<u>\$ 388,231</u>	<u>\$ 342,253</u>

City of West Linn, Oregon
Insurance Fund
Schedule of Revenues and Expenditures
Budget and Actual

For the Year Ended June 30, 2001

	<u>Original and Supplemental Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES:			
Charges for Services	\$ 27,300	\$ 29,105	\$ 1,805
Interest Earnings	21,400	25,293	3,893
Total Revenues	<u>48,700</u>	<u>54,398</u>	<u>5,698</u>
EXPENDITURES:			
Materials and Services	80,000	19,207	60,793
Contingency	120,289	-	120,289
Total Expenditures	<u>200,289</u>	<u>19,207</u>	<u>181,082</u>
SPECIAL PAYMENTS:			
General Fund:			
Accounting and Financial Services	980	980	-
Administrative Services	2,056	2,056	-
Total Special Payments	<u>3,036</u>	<u>3,036</u>	<u>-</u>
OTHER FINANCING USES - TRANSFERS TO OTHER FUNDS			
State Revenue Sharing fund	220,000	220,000	-
Total Expenditures and Other Financing Uses	<u>423,325</u>	<u>242,243</u>	<u>181,082</u>
Excess of expenditures over revenues	(374,625)	(187,845)	186,780
FUND BALANCE - June 30, 2000	<u>374,625</u>	<u>374,624</u>	<u>(1)</u>
FUND BALANCE - June 30, 2001	<u>\$ -</u>	<u>\$ 186,779</u>	<u>\$ 186,779</u>

City of West Linn, Oregon

Insurance Fund

**Reconciliation of Revenues and Expenditures (Budgetary)
to Revenues and Expenses (GAAP)**

For the Year Ended June 30, 2001

	<u>Revenues</u>	<u>Expenditures</u>
Budgetary Basis Funds		
Revenues and Expenditures - Budgetary Basis	\$ 54,398	\$ 242,243
Revenues and Expenses - GAAP Basis	<u>\$ 54,398</u>	<u>\$ 242,243</u>
Comprised as follows:		
Operating Revenues, Expenses	\$ 29,105	\$ 22,243
Non-operating Revenues		
Interest	25,293	
Operating Transfer Out		<u>220,000</u>
	<u>\$ 54,398</u>	<u>\$ 242,243</u>

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Fiduciary Fund

This fund accounts for resources received and held by the City in a fiduciary capacity:

- < Nonexpendable Trust Fund – Caufield Trust Fund - accounts for an endowment held by the City under terms of a bequest. The principal of the trust fund may not be expended.

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City of West Linn, Oregon
Caufield Trust Fund
Balance Sheet

June 30, 2001

ASSETS

Equity in Pooled Cash and Investments	\$	219,473
Accrued Interest Receivable		<u>967</u>
Total Assets	\$	<u><u>220,440</u></u>

FUND BALANCE

Fund Balance		
Reserved for Endowments	\$	<u><u>220,440</u></u>

City of West Linn, Oregon
Caufield Trust Fund
Schedule of Revenues and Expenditures
Budget and Actual

For the Year Ended June 30, 2001

	Original and Supplemental Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Interest Income	\$ 10,000	\$ 12,239	\$ 2,239
Library Donations	38,801	38,801	-
Total Revenues	48,801	51,040	2,239
EXPENDITURES:			
Contingency	38,801	-	38,801
Endowment Reserve	179,400	-	179,400
Total Expenditures	218,201	-	218,201
Excess (deficiency) of revenues over (under) expenditures	(169,400)	51,040	220,440
FUND BALANCE - June 30, 2000	169,400	169,400	-
FUND BALANCE - June 30, 2001	\$ -	\$ 220,440	\$ 220,440

General Fixed Assets Account Group

- This account group accounts for the City's investment in fixed assets with the exception of those assets held by the Proprietary Fund Types.

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City of West Linn, Oregon

Statement of General Fixed Assets - By Source

June 30, 2001

GENERAL FIXED ASSETS

Land and Land Improvements	\$ 12,218,898
Buildings and Improvements	6,719,289
Equipment	3,929,704
Vehicles	2,201,963
Leasehold Improvements	204,110
Construction in Progress	958,593
	<hr/>
Total General Fixed Assets	<u>\$ 26,232,557</u>

INVESTMENT IN GENERAL FIXED ASSETS BY SOURCE

General Fund	\$ 1,739,617
Street Fund	214,072
State Revenue Sharing	585,269
Library Levy Fund	141,483
911 Emergency Communications Fund	182,641
Cable TV Public Access Fund	11,158
Street Improvement Fund	110,831
Solid Waste Recycling Fund	13,160
Police Serial Levy Fund	701,419
Fire Serial Levy Fund	872,597
Public Education Government Fund	216,405
System Development Fund	3,213,538
Storm Drain Fund	193,517
Capital Development Fund	49,185
Senior Center Construction Fund	248,235
Integrated M.I.S. Fund	722,295
Park Bond #1 Fund	4,537,533
Park Bond #2 Fund	2,285,185
Library Bond Construction Fund	394,160
Building Inspection Fund	12,545
Public Works Support Services Fund	41,227
City Hall Building Fund	4,082,982
Investment in General Fixed Assets at June 30, 1990 and prior	5,663,503
	<hr/>
Total Investment in General Fixed Assets	<u>\$ 26,232,557</u>

City of West Linn, Oregon

Schedule of Changes in General Fixed Assets - By Source

For the Year Ended June 30, 2001

	<u>Land and Land Improvements</u>	<u>Buildings and Improvements</u>	<u>Equipment</u>	<u>Vehicles</u>
Balances, June 30, 2000	\$ 11,278,360	\$ 2,192,273	\$ 3,585,089	\$ 2,077,834
Add:				
Expenditures (Retirements) From:				
General Fund	73,355	23,759	74,407	(61,243)
Street Fund		1,187	9,844	
State Revenue Sharing Fund	3,038			
County Library Levy			25,937	
911 Emergency Fund			49,715	
Police Serial Levy Fund			36	185,372
Public Education Government Fund			28,185	
System Development Fund	782,669			
Senior Center Construction Fund		31,694		
Integrated M.I.S. Fund			56,684	
Library Construction Fund		387,394		
Park Bond #2 Fund	81,476		46,035	
Storm Drain Fund				
Building Inspection Fund			12,545	
Public Works Support Services Fund			41,227	
City Hall Building Fund		4,082,982		
Total Additions	<u>940,538</u>	<u>4,527,016</u>	<u>344,615</u>	<u>124,129</u>
Deduct				
Transfers				
Balances, June 30, 2001	<u>\$ 12,218,898</u>	<u>\$ 6,719,289</u>	<u>\$ 3,929,704</u>	<u>\$ 2,201,963</u>

<u>Leasehold Improvements</u>	<u>Construction in Progress</u>	<u>Total</u>
\$ 204,110	\$ 798,146	\$ 20,135,812
		110,278
	34,627	45,658
		3,038
		25,937
		49,715
	1,005	186,413
		28,185
	240	782,909
		31,694
		56,684
		387,394
		127,511
	124,575	124,575
		12,545
		41,227
		4,082,982
<hr/>	<hr/>	<hr/>
-	160,447	6,096,745
<hr/>	<hr/>	<hr/>
		-
<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
\$ 204,110	\$ 958,593	\$ 26,232,557

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General Long-Term Debt Account Group

This account group accounts for the City's general long-term bonded debt other than debt recorded in the Proprietary Fund Types. The City's general long-term bonded debt is backed by the full faith and credit of the City.

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City of West Linn, Oregon
Statement of General Long-Term Debt

June 30, 2001

ASSETS

Amount to be Provided for Bonded Debt Service	\$ 104,497
Amount Available for Bonded Debt Service	<u>15,940,503</u>
Total Assets	<u><u>\$ 16,045,000</u></u>

LIABILITY

Bonds Payable	<u><u>\$ 16,045,000</u></u>
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City of West Linn, Oregon

Schedule of Bond Principal and Bond Interest Transactions

For the Year Ended June 30, 2001

Issued	Interest Rates	Series	Principal			
			Original Issue	Outstanding June 30, 2000	Matured and Paid	Issued
GENERAL OBLIGATION:						
34060	2.60-4.70 %	1993	\$ 1,415,000	\$ 490,000	\$ (195,000)	\$ 295,000
36130	4.00-4.70	1998	4,400,000	4,315,000	(165,000)	4,150,000
36434	4.25-5.30	1999	3,600,000	3,600,000	(70,000)	3,530,000
	5.00-5.40	2000			(130,000)	3,900,000
FULL FAITH AND CREDIT OBLIGATION:						
	4.30-5.25 %	2000	4,300,000	-	-	4,300,000
WATER SYSTEM REVENUE OBLIGATION:						
	4.70-6.00 %	2000	1,800,000	-	-	1,800,000
			<u>\$ 15,515,000</u>	<u>\$ 8,405,000</u>	<u>\$ (560,000)</u>	<u>\$ 10,000,000</u>
						<u>\$ 17,845,000</u>

	Interest Rates	Series	Interest			
			Outstanding June 30, 2000	Matured	Paid	Outstanding June 30, 2001
GENERAL OBLIGATION:						
25112	4.75-4.95 %		\$ 350	\$ -	\$ -	\$ 350
34060	2.60-4.70		-	28,942	28,942	-
36130	4.00-4.70		-	185,478	185,478	-
36434	4.25-5.30		-	313,184	313,184	-
	5.00-5.40		-	117,239	117,239	-
			<u>\$ 350</u>	<u>\$ 644,843</u>	<u>\$ 644,843</u>	<u>\$ 350</u>

City of West Linn, Oregon
Combined Schedule of Property Tax Transactions
All Funds

For the Year Ended June 30, 2001

<u>Tax Year</u>	<u>Taxes Uncollected June 30, 2000</u>	<u>Add Levy Extended by Assessor</u>	<u>Discounts Allowed</u>	<u>Cancellation Adjustments</u>	<u>Interest</u>	<u>Collections</u>	<u>Taxes Uncollected June 30, 2001</u>	<u>Unsegre- gated June 30, 2000</u>
2000-01		\$ 6,884,928	\$ (157,090)	\$ (26,399)	\$ 3,217	\$ (6,422,057)	\$ 282,599	-
1999-00	\$ 278,502	-	-	(20,402)	7,059	(132,049)	98,652	\$ 34,458
1998-99	91,749	-	-	(2,834)	5,350	(49,770)	39,372	5,123
1997-98	40,246	-	-	(883)	427	(26,817)	10,004	2,969
1996-97	11,160	-	-	1,022	1,121	(7,253)	1,808	4,242
1995-96 & Prior	5,273	-	-	(113)	323	(1,493)	3,696	294
Total Prior	426,930	-	-	(23,210)	14,280	(217,382)	153,532	47,086
Grand Total	\$ 426,930	\$ 6,884,928	\$ (157,090)	\$ (49,609)	\$ 17,497	\$ (6,639,439)	\$ 436,131	\$ 47,086

	<u>Property Taxes</u>		<u>Interest on Property Taxes</u>	<u>Collections</u>		<u>Total Tax Collections as of June 30, 2001</u>	<u>Property Taxes Uncollected June 30, 2001</u>	<u>Deferred Revenue June 30, 2001</u>
	<u>Current Year Levy</u>	<u>Prior Years' Levies</u>		<u>July 1 - August 31, 2000</u>	<u>July 1 - August 31, 2001</u>			
General Fund	\$ 3,353,490	\$ 100,420	\$ 9,589	\$ 39,712	\$ (49,576)	\$ 3,453,634	\$ 227,158	\$ 177,581
Debt Service Fund	1,100,635	20,804	1,986	8,227	(16,271)	1,115,381	74,554	58,283
Police Serial Levy Fund	879,458	30,223	2,886	11,952	(13,001)	911,518	59,572	46,571
Fire Serial Levy Fund	1,104,948	37,972	3,626	15,017	(16,335)	1,145,228	74,847	58,512
Total	\$ 6,438,531	\$ 189,419	\$ 18,087	\$ 74,908	\$ (95,183)	\$ 6,625,761	\$ 436,131	\$ 340,947

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***Audit Comments and
Disclosures Required
By State Regulations***



PAULY, ROGERS AND CO., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

-
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 - (503) 620-2632 • FAX (503) 684-7523

February 21, 2002

AUDITORS' COMMENTS AND DISCLOSURES

Oregon Administrative Rules 162-10-000 through 162-16-000 of 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. Certain required disclosures, statements and schedules are set forth in preceding pages of this report. Additional required comments and disclosures related to our audit of such statements and schedules are set forth as follows:

REPORT ON INTERNAL ACCOUNTING CONTROL

We have audited the general purpose financial statements of the City of West Linn, Oregon, as of and for the year ended June 30, 2001, and have issued our report thereon dated February 21, 2002.

In planning and performing our audit of the general purpose financial statements of the City of West Linn, Oregon, for the year ended June 30, 2001, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure. Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the specific internal control structure elements does not reduce to a relatively low level the risk that errors and irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

This report is intended for the information of management, the Mayor, City Council, and the State of Oregon, Secretary of State, Division of Audits. However, this report is a matter of public record and its distribution is not limited.

ACCOUNTING RECORDS

The City's accounting records are adequate for audit, except for the lack of detailed fixed asset records as noted in our management letter dated February 21, 2002.

AUDITORS' COMMENTS AND DISCLOSURES

BUDGET TRANSACTIONS

Expenditures of the various funds were within authorized appropriations, except for the items noted in Note 15 to the general purpose financial statements. The City adopted its budget for the year in substantially all of the Special Revenue funds by appropriating at the department level. For these funds the City had only one operating unit (department). Accordingly, the budget was deemed to have been adopted at the levels prescribed by Oregon Local Budget Law.

2000-2001 and 2001-2002 BUDGETS

The budgets adopted by the City for the current and ensuing fiscal year were reviewed during the audit. It was determined that budget preparation and adoption procedures followed by the City were in compliance with the Oregon Local Budget Law.

STATE HIGHWAY FUNDS

The City's compliance with requirements of Article IX, Section 3a of the Oregon Constitution and ORS 294 and 373 was reviewed and found to comply with the restrictions on the use of revenue from taxes on motor vehicle use and fuel.

COLLATERAL SECURING BANK DEPOSITS

Collateral pledged by the depositories was adequate at all times during the year to meet requirements of Oregon Law. Each depository is required by OR Chapter 295 to maintain securities having a value of not less than 25% of the face amount of the collateral certificate issued by the pool manager, for funds deposited in the depository in excess of the amounts insured by the Federal Deposit Insurance Corporation. Deposits in the State Local Government Investment Pool and Deferred Compensation are not required to be collateralized.

INVESTMENTS

The City's investments for the year ending June 30, 2001 were reviewed and found to comply with the legal requirements pertaining to the investment of public funds contained in ORS 294.035.

PUBLIC CONTRACTS AND PURCHASING

The City's procedures for awarding public contracts were reviewed and found to be in compliance with ORS Chapter 279.

INSURANCE AND FIDELITY BONDS

Details concerning insurance and fidelity bond coverage were reviewed during the audit. The coverage provided appears to meet legal requirements. We do not have the professional expertise to state whether the insurance coverage is adequate.

STATUTORY BONDED DEBT LIMITATION

The City's bonded debt outstanding was well within the limitation established by Oregon Law.

AUDITORS' COMMENTS AND DISCLOSURES

OUTSTANDING WARRANTS

The City did not have any outstanding endorsed warrants at June 30, 2001.

PROGRAMS FUNDED FROM OUTSIDE SOURCES

We reviewed and tested, to the extent we considered necessary in the circumstances, transactions and reports relative to federal and state grant programs. Since federal financial expenditures were less than \$300,000, it was not necessary to perform, nor did we perform, tests in accordance with the requirements of U.S. OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

Pauley, Rogus and Co, P.C.

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