

Tualatin Valley Fire and Rescue  
**Notes to the Basic Financial Statements**

June 30, 2011

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**I. Summary of significant accounting policies**

**A. Reporting entity**

Tualatin Valley Fire and Rescue, a Rural Fire Protection District, is an Oregon municipal corporation, which, operating under Oregon Revised Statutes Chapter 478 as a Rural Fire Protection District provides fire protection within Washington, Clackamas, and Multnomah counties.

The power and authority given to the District is vested in a Board of Directors, each member being elected for a four-year term. The Board of Directors has the statutory authority to adopt and modify the budget; levy taxes; control all assets, including facilities and properties; authorize borrowing, or long-term debt issuances; sign contracts, and develop the programs to be provided. The responsibility and accountability over all funds and fiscal matters are vested in the Board of Directors. The District is responsible for its debts and is entitled to surpluses. No separate agency receives a financial benefit from nor imposes a financial burden on the District.

The Board of Directors appoints the Fire Chief of the District. The activities under the purview of the Fire Chief are within the scope of the reporting entity and the Fire Chief is accountable to the Board of Directors for the activities being managed.

The District is the primary, special purpose government responsible for all fire protection within its service areas. As a result, all significant activities have been included in the government-wide financial statements. The District's financial statements represent those of a stand-alone government, as there are no component units.

**B. Government-wide and fund financial statements**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

The entity-wide statements and governmental fund statements have been combined as allowed for single-purpose governmental activities. The Statement of Net Assets and the Governmental Funds Balance Sheet have been combined into a single presentation, with adjustments indicated to move from fund totals to the entity-wide totals. Similarly, the Statement of Activities and the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance have also been combined. Eliminations have been made to minimize the double counting of internal activities. *Governmental activities* are financed primarily through property taxes, investment earnings, grants and contributions, and charges for services to other governments.

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Separate financial statements are provided for the internal service fund and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

**C. Measurement focus, basis of accounting, and financial statement presentation**

The government-wide financial information (Statement of Net Assets and Statement of Activities) is reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the internal service fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

Property taxes are recognized as revenues in the year for which they are levied. Grants are recognized as revenue as soon as all eligibility requirements have been met.

The governmental fund financial information uses a flow of *current financial resources measurement focus*. With this measurement focus, generally only current assets and current liabilities are included in 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 fund balance. The governmental fund types are maintained using the *modified accrual basis of accounting*, whereby revenues are recorded in the accounting period in which they become susceptible to accrual, i.e., both measurable and available, and expenditures are recorded at the time the related fund liabilities are incurred, except for: (1) interfund transactions for services, which are recorded on the accrual basis; (2) interest expense on long-term debt, which is recorded as due; (3) insurance premiums and other short term contracts benefiting more than one fiscal year are recorded when paid; and (4) accrued compensated absences, which are recorded when payment is due.

Revenue is determined to be measurable when the transaction amount is determinable and available when it is collectible within the current fiscal year or soon enough thereafter to pay liabilities of the current fiscal year.

The District considers revenues available if they are collected within 60 days of year-end, with the exception of investment interest, which is recognized when earned. The most significant revenue source, which is measurable and available under the modified accrual basis of accounting, is property tax revenue.

For the Internal Service Fund, a proprietary fund type, the District reports insurance refunds received and claims paid as operating revenues and expenses, respectively. Other amounts are reported as non-operating.

The District reports the following major governmental funds:

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- The *General Fund* is the District's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund, either legally or by Board direction. The principal revenue source is property taxes. Primary expenditures are for public safety. In addition, certain funds budgeted as Special Revenue Funds are reported as part of the General Fund because their source of funds is primarily transfers from the General Fund.
  
- The *Capital Projects Fund*; a capital projects fund type, accounts for the general obligation bond debt issuances and the related site acquisitions and construction costs for new and existing facilities, as well as the purchase of public safety emergency response apparatus. The principal resources are proceeds from debt issuance.

Additionally, the District reports the following fund types:

- Non-major governmental funds, including special revenue, debt service and other capital projects funds are reported in the aggregate.
  
- The *internal service fund* type includes the District's *Insurance Fund* and is used to account for the accumulation of resources used for payment of claims and losses that are less than the District's deductible limits for insurance coverage. The principal revenue sources are interest income and insurance refunds.
  
- The *fiduciary funds* account for assets held by the District in a trustee capacity under the terms of formal trust agreements. The District's trust funds are two pension trust funds, the *Pension Trust Fund*, and the *Volunteer Length of Service Award Plan (LOSAP) Fund*. The *Pension Trust Fund* accounts for the accumulation of resources for the District's pension plan for employees who retired prior to July 16, 1981, and for the payments to these retirees and beneficiaries thereunder. Compensation levels and years of service were frozen as of June 30, 1981, for purposes of computing plan benefits. The principal revenue source is earnings on investments. The *Volunteer LOSAP Fund* accounts for the accumulation of resources for the District's Length of Service Award Plan for volunteer firefighters. The principal sources of revenue are employer contributions and earnings on investments.

Private sector standards of accounting and reporting issued prior to December 1, 1989, generally are followed in internal service fund financial statements to the extent that these standards do not conflict with or contradict the guidance of the Governmental Accounting Standards Board (GASB). The District has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial information.

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**D. Assets, liabilities, and net assets or equity**

**1. Cash and cash equivalents**

The District considers cash on hand, demand deposits, and short-term highly liquid investments with a maturity of three months or less, when purchased, to be cash and cash equivalents. Investments maintained in the Oregon Local Government Investment Pool are carried at cost, which approximates fair value, and are classified as a cash equivalent. Fair value of the investments in the Oregon Local Government Investment Pool is the same as the value of the pool shares. Short-term investments classified as cash equivalents are carried at amortized cost.

**2. Investments**

Investments other than U.S. Government agency securities are carried at fair value. Investments in U.S. Government agency securities are carried at amortized cost, which approximates fair value. Fair value is based on current market prices. Changes in the fair value of investments are recognized as revenue.

**3. Receivables**

Property taxes, all of which are receivable from property owners within the District, are assessed on January 1 and become a lien against the property as of July 1 each year. Taxes are payable in three installments on November 15, February 15, and May 15. Taxes unpaid and outstanding on May 15 are considered delinquent. Accounts are periodically reviewed for collectability. At June 30, 2011, no allowance for doubtful accounts is considered necessary.

**4. Supplies inventory and prepaid items**

Inventory of supplies is stated at the lower of cost (first-in, first-out method) or market. In the governmental funds statements, expenditures are recognized when inventories are consumed (consumption method) rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the government-wide statements based on the purchases method. One exception is in the Grants Fund, where prepaid insurance is recorded in the governmental statement based on the consumption method.

**5. Restricted assets**

Proceeds from the District's general obligation bonds are classified as restricted assets on the Balance Sheet/Statement of Net Assets because their use is limited by applicable bond covenants. The Capital Projects Fund

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is used to report proceeds of bond issuances that are restricted for use in construction. Where both restricted and unrestricted resources are available, it is the District's policy to expend restricted resources first, then unrestricted as necessary.

**6. Capital assets**

Capital assets are stated at cost. Donated assets are recorded at their estimated fair market value at the date of donation. The District defines capital assets as assets with an initial cost of more than \$5,000 and an estimated useful life greater than one year. Replacements, which improve or extend the life of property, are capitalized. Interest incurred during construction is not capitalized as a capital asset. Maintenance, repairs, and equipment replacements of a routine nature are charged to expenditures/expenses as incurred and are not capitalized.

Capital assets are depreciated using the straight-line method over the following useful lives:

Buildings and improvements	15 - 30 years
Fire apparatus and other vehicles	4 - 17 years
Furniture, fixtures, and equipment	4 - 10 years

**7. Liabilities for compensated absences**

Accumulated accrued compensated absences for vacation, deferred vacation and personal leave benefits are accrued when incurred in the Statement of Net Assets and Statement of Activities. A liability for those amounts is reported in governmental funds only if they have matured as a result of employee retirements or resignations. Accumulated sick leave does not vest and is, therefore, recorded when leave is taken.

**8. Long-term debt**

Long-term debt is reported as a liability in the Statement of Net Assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the related debt using the straight-line method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial information, bond premiums and discounts, as well as bond issuance costs, are recognized when incurred. The face amount of the debt issued, premiums, and discounts received on debt issuances, are reported as other financing sources and uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

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**9. Fund equity**

In March 2009, the Governmental Accounting Standards Board (GASB) issued Statement No.54, *Fund Balance Reporting and Governmental Fund-type Definitions*. The objective of this Statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund-type definitions. This Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed on the use of the resources reported in governmental funds. Under this Standard, the prior fund balance classifications of reserved, designated and unreserved/undesignated were replaced with five new classifications – nonspendable, restricted, committed, assigned, and unassigned.

- Nonspendable fund balance represents amounts that are not in a spendable form. The nonspendable fund balance represents inventories and prepaid items.
- Restricted fund balance represents amounts that are legally restricted by outside parties for a specific purpose (such as debt covenants, grant requirements, donor requirements, or other governments) or are restricted by law (constitutionally or by enabling legislation).
- Committed fund balance represents funds formally set aside by the governing body for a particular purpose. The Board may commit fund balance by resolution. The Board may also modify or rescind commitments by resolution.
- Assigned fund balance represents amounts that are constrained by the expressed intent to use resources for specific purposes that do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the governing body or by an official to whom that authority has been given by the governing body. Both the Fire Chief and the Chief Financial Officer have been given this authority by the Board.
- Unassigned fund balance is the residual classification of the General Fund. Only the General Fund may report a positive unassigned fund balance. Other governmental funds would report any negative residual fund balance as unassigned.

The Board of Directors has approved the following order of spending regarding fund balance categories: Restricted resources are spent first when both restricted and unrestricted (committed, assigned or unassigned) resources are available for expenditures. When unrestricted resources are spent, the order of spending is committed (if applicable), assigned (if applicable) and lastly, unassigned fund balance.

To preserve a sound financial system and to provide a stable financial base, the governing body has adopted a minimum ending fund balance policy to be a balance sufficient to meet five months of operating costs in the General Fund.

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**10. Retirement plans**

Substantially all of the District's employees are participants in the State of Oregon Public Employees Retirement System (OPERS). Contributions to OPERS are made on a current basis as required by the plan and are charged as expenses/expenditures.

The District maintains a single-employer defined benefit pension plan for certain former employees who retired prior to July 16, 1981. Actuarially determined contributions to the pension plan are funded annually by the District.

The District has a volunteer Length of Service Award Plan (LOSAP) benefiting its volunteer firefighters. Actuarially determined contributions to the LOSAP are funded annually by the District.

**II. Stewardship, compliance, and accountability**

**A. Budgetary information**

The District budgets all funds in accordance with the requirements of state law. All funds are budgeted on the modified accrual basis of accounting, except for the Insurance, Pension Trust, and Volunteer LOSAP Funds, which are budgeted on the accrual basis of accounting. The General Fund and its sub-funds are budgeted and adopted as individual funds. They are combined in the Supplemental Section of this report.

The Board of Directors adopts the original budget by resolution prior to the beginning of the District's fiscal year (July 1 through June 30). The Board resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations. Total personnel services, materials and services, capital outlay, and transfers out and contingencies are the levels of control established by the resolution with the exception of the General Fund, where those same appropriation levels are defined by division levels. The detailed budget document, however, is required to contain more specific detailed information for the above mentioned expenditure categories and management may revise the detailed line item budgets within appropriation categories.

Unexpected additional resources may be added to the budget through the use of a supplemental budget and appropriation resolution. Supplemental budgets less than 10 percent of the fund's original budget may be adopted by the Board of Directors at a regular Board meeting. A supplemental budget greater than 10 percent of the fund's original budget requires hearings before the public, publication in newspapers, and approval by the Board of Directors. Original and supplemental budgets may be modified by the use of appropriation transfers between the levels of control. Such transfers require approval by the Board of Directors. The District adopted one budget transfer resolution during the year ended June 30, 2011. Appropriations lapse at year-end.

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**III. Detailed notes on all accounts**

**A. Cash, cash equivalents and investments**

**1. Deposits and investments**

The District maintains separate accountability by fund for cash, cash equivalents, and investment accounts. Deposits with financial institutions include bank demand deposits and time certificates of deposit. The combined total book balance at June 30, 2011 was \$44,556,117 and the total bank balance was \$45,183,526. The District's demand deposits are fully insured by the Federal Deposit Insurance Corporation; remaining bank deposits are insured to \$250,000. Remaining amounts are secured in accordance with Oregon Revised Statutes 295 under a collateral program administered by the Oregon State Treasurer, which is a shared liability structure for participating bank depositories, protecting public funds though still not guaranteeing that all funds are 100 percent protected. In general, bank depositories are required to pledge collateral valued at least 10 percent of their quarter-end public fund deposits if they are well capitalized, 25 percent if they are adequately capitalized or 110 percent of their quarter-end public fund deposits if they are undercapitalized or assigned to pledge 110 percent by the Office of State Treasurer. In the event of a bank failure, the entire pool of collateral pledged by all qualified Oregon public funds bank depositories is available to repay deposits of public funds of government entities.

At June 30, 2011, the District's cash, cash equivalents, and investments are comprised of the following:

Cash on hand	\$	900
Cash with county assessors		329,903
Deposits with financial institutions		44,556,117
State of Oregon Local Government Investment Pool		43,118,309
Investments:		
Open-ended mutual funds		507,796
		<u>\$ 88,513,025</u>

Cash and investments are reflected on the basic financial statements as follows:

	<b>Governmental Activities</b>	<b>Fiduciary Funds</b>
Cash and cash equivalents:		
Unrestricted	\$ 60,396,022	\$ 416,750
Restricted	27,192,457	
Investments:		507,796
Total cash, cash equivalents, and investments	<u>\$ 87,588,479</u>	<u>\$ 924,546</u>

The Oregon State Treasury Finance Division administers the LGIP. It is an open-ended no-load diversified portfolio offered to any agency, political subdivision or public corporation of the state that by law is made the custodian of, or

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had control of, any fund. The LGIP is commingled with the State's short-term funds. In seeking to best serve local governments of Oregon, the Oregon Legislature established the Oregon Short-Term Fund Board. The purpose of the Board is to advise the Oregon State Treasury in the management and investment options of the LGIP. Cost approximates the District's fair value in the LGIP.

**2. Custodial credit risk**

Custodial credit risk is the risk that, in the event of failure of the counterparty, the District will not be able to recover the value of its investments that are in the possession of an outside party. At June 30, 2011, the District does not have investments exposed to custodial credit risk.

**3. Interest rate risk**

As a means of managing its exposure to fair value loss arising from increasing interest rates, the District's governmental funds investment policies limit maturities to 18 months. Generally, short-term investment funds will be invested for periods less than 12 months. Identified amounts in those funds may be available for investment periods up to 18 months. Investments with a maturity of 12 months or more shall be limited to U.S. Agency or U.S. Treasury securities.

**4. Credit risk**

State statutes govern the District's investment policy. Permissible investments for governmental funds include general obligations of the United States Government and its agencies, obligations of the States of Oregon, California, Idaho, and Washington that have a rating at settlement of AA or better, A-1 rated commercial paper and bankers' acceptances, Aa rated corporate bonds, time deposits, repurchase agreements, and the State of Oregon LGIP. The Pension Trust funds maintain a separate investment policy following fiduciary and trust investment guidelines and that allow investment in mutual funds in addition to the above investment types.

The LGIP was created to offer a short-term investment alternative to Oregon local governments. The investments are regulated by the Oregon Short-Term Fund Board, which is not registered with the U.S. Securities and Exchange Commission as an investment company, and approved by the Oregon Investment Council (ORS 294.805 to 294.898). Separate financial statements for the Oregon Short-Term Fund are available from the Oregon State Treasurer. The State of Oregon LGIP and money market account are unrated for credit quality.

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**B. Capital assets**

Capital assets activity for the year ended June 30, 2011 was as follows:

	<b>Balance June 30, 2010</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance June 30, 2011</b>
<b>Governmental activities:</b>				
Non-depreciable capital assets				
Land	\$ 10,744,660	\$ 680,900		\$ 11,425,560
Construction in progress	20,435,195	2,372,680	\$ (20,083,739)	2,724,136
Total capital assets, not being depreciated	<u>31,179,855</u>	<u>3,053,580</u>	<u>(20,083,739)</u>	<u>14,149,696</u>
Depreciable capital assets				
Buildings and improvements	28,610,246	25,231,004	(900,411)	52,940,839
Fire apparatus and other vehicles	26,395,638	1,478,217	(449,443)	27,424,412
Furniture, fixtures, and equipment	6,440,435	2,893,570	(276,337)	9,057,668
Total depreciable capital assets	<u>61,446,319</u>	<u>29,602,791</u>	<u>(1,626,191)</u>	<u>89,422,919</u>
Less accumulated depreciation for:				
Buildings and improvements	(14,862,360)	(1,269,454)	812,159	(15,319,655)
Fire apparatus and other vehicles	(11,206,343)	(1,626,709)	439,308	(12,393,744)
Furniture, fixtures, and equipment	(4,787,655)	(597,116)	273,300	(5,111,471)
Total accumulated depreciation	<u>(30,856,358)</u>	<u>(3,493,279)</u>	<u>1,524,767</u>	<u>(32,824,870)</u>
Total capital assets being depreciated, net	<u>30,589,961</u>	<u>26,109,512</u>	<u>(101,424)</u>	<u>56,598,049</u>
Total capital assets, net of depreciation	<u>\$ 61,769,816</u>	<u>\$ 29,163,092</u>	<u>\$ (20,185,163)</u>	<u>\$ 70,747,745</u>

All depreciation is charged to Public Safety in the Statement of Activities.

**C. Interfund receivables, payables, and transfers**

An interfund receivable of \$71,033 was recorded in the General Fund, payable from non-major governmental funds for reimbursement of personnel and materials and services used in regional emergency preparedness and recruit training.

For the year ended June 30, 2011, \$339,434 was paid into the District's Pension Trust and Volunteer LOSAP Funds (fiduciary funds) during the year. This expenditure in the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance was reported as a transfer from the General Fund on a budgetary basis.

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**D. Operating Leases**

The District leases copiers under non-cancelable operating leases. The total cost for these leases amounted to approximately \$55,961 for the year ended June 30, 2011. Future payments are due as follows:

<u>Ending June 30,</u>	<u>Amount</u>
2012	\$ 66,469
2013	59,623
2014	56,033
2015	31,086
2016	6,687
	<u>\$ 219,898</u>

**E. Long-term debt**

**1. Bonds payable**

The District was authorized by its voters in November 2006, to issue \$77,500,000 of general obligation bonds. The District has outstanding bonds payable from the \$20,000,000 issuance of 20-year bonds dated April 11, 2007, with stated interest rates on specific maturities ranging from 4.0 percent to 5.0 percent, the \$14,000,000 issuance of 15-year bonds dated March 17, 2009, with stated interest rates ranging from 3.0 percent to 4.375 percent, the \$15,000,000 issuance of 20-year bonds dated June 16, 2009, with stated interest rates ranging from 3.0 percent to 4.25 percent and the \$23,500,000 issuance of 20-year bonds dated June 2, 2011, with stated interest rates ranging from 2.0 percent to 5.0 percent. All these bond issues were for purposes of funding station construction and command center projects, seismic improvements, and to purchase land and fire apparatus. At June 30, 2011, the District had \$5,000,000 of remaining authority to issue bonds.

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Annual debt service requirements to maturity for the bonds are as follows:

Issue Date	Original Issue	Principal			Outstanding at June 30, 2011	Due Within One Year	Interest Rates
		Outstanding at June 30, 2010	Additions	Reductions			
<u>General Obligation Bonds:</u>							
April 11, 2007	\$ 20,000,000	\$ 17,000,000		\$ (1,000,000)	\$ 16,000,000	1,000,000	4.00 - 5.00%
March 17, 2009	14,000,000	13,440,000		(960,000)	12,480,000	960,000	3.00 - 4.375%
June 16, 2009	15,000,000	14,445,000		(560,000)	13,885,000	570,000	3.00 - 4.25%
June 2, 2011	23,500,000		23,500,000		23,500,000	865,000	2.00 - 5.00%
Total General Obligation Bonds		44,885,000	23,500,000	(2,520,000)	65,865,000	3,395,000	
<u>Unamortized Premium</u>		340,280	1,249,264	(25,326)	1,564,218	82,585	
Total		\$ 45,225,280	\$ 24,749,264	\$ (2,545,326)	\$ 67,429,218	\$ 3,477,585	

Outstanding issues are callable as follows:

- April 11, 2007 - at par plus accrued interest beginning April 1, 2017
- March 17, 2009 - at par plus accrued interest beginning March 1, 2019
- June 16, 2009 - at par plus accrued interest beginning June 15, 2019
- June 2, 2011 - at par plus accrued interest beginning June 1, 2021

Future bond maturities are as follows:

<u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 3,395,000	\$ 2,520,412	\$ 5,915,412
2013	3,420,000	2,419,635	5,839,635
2014	3,450,000	2,315,835	5,765,835
2015	3,485,000	2,211,285	5,696,285
2016	3,525,000	2,105,885	5,630,885
2017-2021	18,400,000	8,600,325	27,000,325
2022-2026	18,395,000	4,731,856	23,126,856
2027-2031	11,795,000	1,278,725	13,073,725
	<u>\$ 65,865,000</u>	<u>\$ 26,183,958</u>	<u>\$ 92,048,958</u>

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**2. Compensated absences**

Compensated absences activity for the year ended June 30, 2011, was as follows:

	<u>Balance</u> <u>June 30, 2010</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2011</u>	<u>Current</u> <u>Portion</u>
<b>Governmental activities:</b>					
Compensated absences	\$ 4,852,502	\$ 6,401,523	\$ (5,047,200)	\$ 6,206,825	\$ 3,655,820

Due to the current financial resources focus of the governmental funds, only the portion of the accrued compensated absences related to retirements or resignations as of June 30, 2011, is recorded on the balance sheet. The entire balance is reported on the Statement of Net Assets. Also, for the governmental activities, compensated absences are generally liquidated by the General Fund.

**F. Reconciliation of Governmental Fund Statements to Entity-wide Statements of Net Assets and Activities**

Governmental fund balances differ from net assets as presented in the Statement of Net Assets due to the differences in measurement focus between the fund and entity-wide statements. Fund balance as presented in the governmental funds balance sheet reconciles to net assets in the Statement of Net Assets through consideration of the following:

Fund balance in the Governmental Fund Balance Sheet	\$ 82,311,789
Items that are not current financial resources or liabilities, and thus are not reported in the fund statements:	
Unamortized bond issuance costs	229,530
Other post employment benefit	31,014
Capital assets, net	70,747,745
Accrued compensated absences	(6,206,825)
Net pension obligation	(774,807)
Long-term debt	(67,429,218)
Prepaid items	1,093,098
Accrued interest payable on long-term debt	(408,334)
Deferred revenue recognized on full accrual basis	2,891,751
Net assets of Internal Service Funds combined with total governmental activities	<u>639,112</u>
Net assets in the Statement of Net Assets	<u>\$ 83,124,855</u>

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Similarly, changes in fund balance reconcile to changes in net assets in the Statement of Activities through consideration of the following:

Net changes in fund balances	\$ 16,910,983
Amounts that are not considered current financial resources or uses are not reported in the funds, but are considered on the full accrual basis in the Statement of Activities:	
Net increases in capital assets (\$12,471,208) less depreciation for the year (\$3,493,279)	8,977,929
Property taxes not meeting the measurable and available criteria	(147,519)
Expenditures in the Statement of Activities that do not require the use of current financial resources, and therefore, are not reported as expenditures in governmental funds.	1,093,098
Certain revenues recognized as measurable and available in the current year	(24,456)
Net increase in accrued compensated absences	(1,354,324)
Other post employment benefit	35,650
Net increase in net pension obligations	(26,411)
Issuance of long-term debt provides current financial resources to governmental funds, however, they have no effect on Net Assets	(24,749,264)
Payments on long-term debt and related expenses	2,565,599
Amounts considered current financial resources and reported in the funds, but which are not considered in the full accrual Statement of Activities:	
Change in net assets of Internal Service fund combined with total governmental activities	<u>(12,813)</u>
Net change in net assets	<u><u>\$ 3,268,472</u></u>

**IV. Other information**

**A. Risk management**

The District is exposed to various risks of loss related to torts, theft of or damage to and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The District, through its General Fund, purchases commercial insurance. Deductibles are generally at \$5,000 or less and natural disasters have a deductible of \$100,000. Settled claims have not exceeded commercial coverage in any of the last three fiscal years.

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The District's industrial accident insurance policies allow a three-year retrospective annual premium adjustment until claims experience becomes available. Alternatively, the District may annually elect to close out one or more of the open claim years. Claim years for fiscal 2008, 2009, 2010 and 2011 remain open. The District's maximum liability for premiums related to these four open claim years is approximately \$1.2 million which represents the difference between the maximum possible premium less the premium paid. If the claims experience for any of these open claim years is favorable, the District could receive a refund of a portion of the premiums paid.

**B. Related party transactions**

The District contracts with Washington County Consolidated Communications Agency (WCCCA), an ORS 190 entity, which is an intergovernmental entity created by agreement of local governments. WCCCA functions as a 911 dispatch agency. The District is a participating member of the agreement. During the year ended June 30, 2011, the District paid \$1,383,200 to WCCCA for dispatch fees and \$4,567 for equipment maintenance charges. WCCCA paid the District \$9,000 for contracted medical director services and \$80 for nursing services that the District provided to WCCCA for the year ended June 30, 2011.

**C. Deferred compensation plan**

The District offers all employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457(b). The plan, available to all District employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. Under terms of the bargaining agreement, participating employees, who meet length of service requirements, receive a District matching contribution in an amount ranging from 3.5 percent to 5.5 percent of base wages. The District makes a similar match ranging from 1.0 percent to 3.0 percent for non-bargaining employees. The District's contribution during fiscal year 2011 was \$983,583, of which \$841,328 was made for the bargaining unit employees.

**D. Employee retirement systems and pension plans**

**1. Oregon Public Employees Retirement System (PERS)**

**Plan Description** - The Oregon Public Employees Retirement System (PERS or "the System") provides statewide defined benefit and defined contribution retirement plans for units of state government, political subdivisions, community colleges, and school districts. For the District and state agencies, community colleges, school districts, and political subdivisions that have joined the State and Local Government Rate Pool, PERS is a cost-sharing, multiple-employer system. PERS is administered under Oregon Revised Statutes (ORS) Chapter 238, Chapter 283A, and Internal Revenue Code 401(a) by the Public Employees Retirement Board. The Board has the authority under state statutes to amend the Plan's benefits and contribution rates. PERS issues financial reports, available to the

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public, that include financial statements and required supplementary information. The reports can be obtained from the Oregon Public Employees Retirement System, PO Box 23700, Tigard, Oregon 97281-3700, or by calling 503-598-7377.

The Plans offer retirement and disability benefits, post-employment healthcare benefits, annual cost of living increases, and death benefits to Plan members and beneficiaries. Benefits differ depending upon employee entry date. PERS Tier One and Tier Two plans, and the Oregon Public Service Employee's Retirement Plan (OPSRP) established for public employees hired after August 29, 2003, are established by state statutes to provide benefits for state and local governments and their employees. The authority to establish and amend the benefit provisions of the plan rests with the Oregon Legislature.

**Funding Policy** - The required employee contribution of six percent is paid by the District as a result of a collective bargaining agreement. Prior to December 31, 2003, the employee's six percent contribution was made to the PERS ORS 238 plans. Effective January 1, 2004, this same six percent contribution was required to be remitted to the Individual Account Program (IAP) for all eligible employees under the ORS 238A Individual Account Program plan. The District also contributes the remaining amounts necessary to pay benefits when due. The employer rate adopted by the PERS board based on the December 31, 2007 actuarial valuation for the District for fiscal year 2010-11 was 10.90 percent for Tier One and Tier Two employees. For OPSRP employees, the District remitted contributions based on employee class. The OPSRP contribution rates were 4.55 percent for general service employees and 7.26 percent for police and fire employees.

**Annual Pension Cost** - The District is required by ORS 238.225 to contribute at an actuarially determined rate for the qualifying employees. The District's contributions to PERS were approximately \$6,446,000 for 2011, \$6,148,000 for 2010, and \$6,822,000 for 2009, equal to the required contributions each year.

## **2. Single-Employer Defined Benefit Pension Plan**

**Plan Description** - The District maintains a single-employer defined benefit pension plan for those former employees of Washington County Fire Protection District No. 1 (a merged District), who retired prior to July 16, 1981. Compensation levels and years of service were frozen for benefit purposes as of June 30, 1981. The amortization period for this plan is closed. The plan is accounted for on a flow of economic resources measurement focus and uses the accrual basis of accounting. Benefits are recognized when incurred. Administrative costs are paid with plan assets and consist primarily of professional services.

The Plan is maintained for four retired employees and three beneficiaries. Benefits paid are based upon the former employees' years of service and a percentage of their average monthly compensation prior to June 30, 1981.

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The Plan is administered by the Fire Chief. Benefits under this plan consist of payments to retirees. Amendments to the plan may be made at the discretion of the Board. Investments consist primarily of investments in the Oregon Local Government Investment Pool and open-end mutual funds.

**Actuarial Methods and Assumptions** - The total actuarial present value of accumulated plan benefits as of June 30, 2010, the date of the latest actuarial valuation, was \$2,921,875. All benefits are vested. Significant actuarial assumptions used in the valuation included (a) rate of return of 3.5 percent (reduced from 5% in the previous valuation), (b) cost of living increases of 1.5% to 2% percent for the 1976 Plan retirees and 2.0% to 3.5% percent for 1973 Plan retirees, and (c) mortality based upon static table pursuant to IRS Treasury Regulation §1.430(h)(3)-1 for 2010 valuations. Because all pension participants are retired, the actuarial valuation of liabilities was performed by discounting expected future cash flows at the assumed rate of interest earned by assets. Assets are actuarially valued at market value. Unfunded liabilities are amortized over a 9-year open amortization period.

**Funded Status** - Based on the June 30, 2010 actuarial valuation, the annual pension costs are \$330,355. The Net Pension Obligation (NPO) as of June 30, 2011 is estimated at \$774,259. Pension benefits for retirees and beneficiaries for future years will be made on a pay-as-you-go basis. As benefits are paid over the remaining lifetime of the current participants, it is expected that the Net Pension Obligation will trend toward zero over the remaining lifetime of the current participants.

The Plan does not issue stand-alone financial reports.

**Three-Year Trend Information**

<b>Year Ended June 30,</b>	<b>Annual Pension Cost (APC)</b>	<b>Percentage of APC Contributed</b>	<b>Net Pension Obligation</b>
2011	\$341,918	99%	\$774,259
2010	330,355	0	770,000
2009	225,184	0	439,645

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**Annual Pension Cost and Net Pension Obligation, June 30, 2011:**

	<b>Pension Trust Fund</b>
Annual Required Contribution	\$ 370,803
Interest on NPO	26,950
Adjustment for NPO	(55,835)
Annual Pension Cost	341,918
 Contributions - actuarially projected	 (337,659)
Increase in Net Pension Obligation	4,259
 Net Pension Obligation (Asset) - beginning of year	 770,000
Net Pension Obligation (Asset) - end of year	\$ 774,259

**Condensed Statement of Net Assets, June 30, 2011:**

	<b>Pension Trust Fund</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 452
Total assets	452
<b>NET ASSETS</b>	
Held in trust for pension benefits	\$ 452

**Changes in Net Assets for the year ended June 30, 2011:**

	<b>Pension Trust Fund</b>
<b>ADDITIONS</b>	
Employer contributions	\$ 300,160
Miscellaneous	40
Total additions	300,200
<b>DEDUCTIONS</b>	
Benefits	301,910
Other	29
Total deductions	301,939
 Change in net assets	 (1,739)
 Total net assets, July 1, 2010	 2,191
Total net assets, June 30, 2011	\$ 452

Tualatin Valley Fire and Rescue  
**Notes to the Basic Financial Statements**

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**3. Volunteer Length of Service Award Plan (LOSAP)**

**Plan Description** - The District adopted a Volunteer Length of Service Award Plan (LOSAP) effective July 1, 1998, for its volunteer firefighters. The District Finance Division administers investments and the investment mix consists primarily of investments in the Oregon Local Government Investment Pool and open-end mutual funds.

This plan is accounted for as a single employer defined benefit plan and provides length of service award benefits of a lump sum amount based upon years of service. The Fire Chief, as the Plan Administrator, administers the plan and the Board of Directors provides oversight. Amendments to the plan may be made at the discretion of the Board. Vesting occurs after five years of service and service benefits are limited to 25 years. Volunteers are eligible for full retirement benefits after age 55. However, reduced benefits are available for vested volunteers after separation from service prior to age 55.

**Actuarial Methods and Assumptions** - The June 30, 2010 actuarial valuation, the latest available, included rate of return of five percent and mortality based upon a static table for annuitants described in Treasury Regulation §1.430(h)(3)-1 for valuation dates occurring in 2010. The aggregate cost method is used to determine the normal cost for Annual Required Contribution (ARC) and Annual Pension Cost (APC). The entry age normal actuarial cost method is used to determine the Actuarial Accrued Liability (AAL) for the disclosure of the funded status and funding progress of the program. Assets are actuarially valued at market value. Under the aggregate cost method, the unfunded value of all benefits expected to be paid from the plan is spread over the expected working career of all participants for the group as a whole (not as a sum of individual allocations), in such a way that annual costs are expected to remain level. This method does not identify or separately amortize the unfunded actuarial accrued liability. The actuarially determined annual required contribution in fiscal year 2011 was \$53,611, which was greater than the actual contribution of \$39,274. There is no explicit assumption for future inflation, as benefits are not tied to inflation.

**Funded Status and Funding Progress** – As of June 30, 2010, the District's actuarial accrued liability (AAL) for benefits was \$982,436 and the actuarial value of assets was \$801,161, resulting in an unfunded actuarial accrued liability (UAAL) of \$181,275. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

The plan does not issue stand-alone financial reports.

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**Three-Year Trend Information**

<b>Year Ended June 30,</b>	<b>Annual Pension Cost (APC)</b>	<b>Percentage of APC Contributed</b>	<b>Net Pension Obligation (Asset)</b>
2011	\$61,426	64%	\$548
2010	61,254	64%	(21,604)
2009	38,238	157%	(43,584)

**Annual Pension Cost and Net Pension Obligation, June 30, 2011:**

	<u><b>Volunteer LOSAP Fund</b></u>
Annual Required Contribution	\$ 53,611
Interest on NPO	(1,080)
Adjustment for NPO	8,895
Annual Pension Cost	<u>61,426</u>
Contributions	<u>(39,274)</u>
Increase in Net Pension Obligation	22,152
Net Pension Obligation (Asset) - beginning of year	<u>(21,604)</u>
Net Pension Obligation - end of year	<u><u>\$ 548</u></u>

**Condensed Statement of Net Assets, June 30, 2011:**

	<u><b>Volunteer LOSAP Fund</b></u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 416,298
Investments	<u>507,796</u>
Total assets	<u>924,094</u>
<b>NET ASSETS</b>	
Held in trust for pension benefits	<u><u>\$ 924,094</u></u>

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**Condensed Statement of Changes in Net Assets, for the year ended June 30, 2011:**

	<b>Volunteer LOSAP Fund</b>
<b>ADDITIONS</b>	
Contributions:	
Employer	\$ 39,274
Total contributions	39,274
Investment earnings:	
Interest	2,097
Dividends	6,550
Miscellaneous	440
Net increase in the fair value of investments	101,388
Net investment earnings	110,475
Total additions	149,749
<b>DEDUCTIONS</b>	
Benefits	26,815
Total deductions	26,815
Change in net assets	122,934
Total net assets, July 1, 2010	801,160
Total net assets, June 30, 2011	\$ 924,094

**E. Other post-employment benefits (OPEB)**

**1. Health Benefit Retiree Program**

**Plan Description** - The District's Health Benefit Retiree Program was established in accordance with Oregon Revised Statutes (ORS) 243.303. ORS stipulate that for the purpose of establishing healthcare premiums, the rate must be based on all plan members, including both active employees and retirees. The District accounts for the resources and expenditures associated with funding this single-employer program through the Retiree Medical Insurance Stipend Fund, a special revenue fund. The District's Health Benefit Retiree Program has two components: the Explicit Benefit Plan and the Self-Pay Health Plan. The Explicit Benefit Plan is comprised of several agreements made between the District and various employees and employee groups. Under the plan, certain union and non-union retirees are eligible for an explicit benefit in the form of either a monthly stipend or subsidized medical benefits. This plan is closed to current active employees. The Self-Pay Health Plan is provided in accordance with ORS 243.303, which requires that early retirees, including those ineligible for an explicit benefit, be allowed to continue their health care coverage at their own expense. Since union actives continue their coverage through the Union Trust, only non-union actives are eligible to continue their coverage under the District's health plan after retirement. The difference between retiree claims costs, which because of the effect of age is generally higher in

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comparison to all plan members, and the amount of retiree healthcare premiums represents the District's implicit employer contribution. The District did not establish an irrevocable trust (or equivalent arrangement) to account for the plan.

**Funding Policy** – Under the Explicit Benefit Plan, based upon past contractual arrangements with the District's bargaining unit, the District currently pays amounts for medical insurance for retirees until they reach 65 years of age. This benefit is determined by the retiring employee's years of service and ranges from \$50 to \$100 per month. A similar arrangement was extended to the retired non-bargaining employees. Under the Self-Pay Health Plan, the District makes no contributions. As of June 30, 2011, the date of the most recent actuarial valuation, there were 109 active employees and 61 retirees and surviving spouses included in the Health Benefit Retiree Program.

**Annual OPEB Cost and Net OPEB Obligation** - The District's annual other postemployment benefit cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance within the parameters of GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the OPEB obligation at the end of the year:

	<b><u>2011</u></b>
Annual required contribution	\$ 148,553
Interest on Net OPEB Obligation	139
Adjustment to ARC for Net OPEB Obligation	<u>(237)</u>
Annual OPEB cost	148,455
Expected contributions	<u>(184,105)</u>
Increase (decrease) in net OPEB obligation	(35,650)
Net OPEB obligation - beginning of year	<u>4,636</u>
Net OPEB obligation (asset) - end of year	<u><u>\$ (31,014)</u></u>

The District's annual OPEB cost, the contribution, the percentage of annual OPEB cost contributed to the plans, and the net OPEB obligation for 2011 were as follows:

<b>Fiscal Year</b>	<b>Annual</b>	<b>% of Annual OPEB</b>	<b>Net OPEB</b>
<b><u>Ending</u></b>	<b><u>OPEB Cost</u></b>	<b><u>Cost Contributed</u></b>	<b><u>Obligation</u></b>
			<b><u>(Asset)</u></b>
2011	\$ 148,455	124.01 %	\$ (31,014)
2010	135,015	93.57	4,636
2009	135,136	102.99	(4,046)

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**Funded Status and Funding Progress** - As of June 30, 2011, the District's actuarial accrued liability (AAL) for benefits was \$1,806,831, and the actuarial value of assets was zero, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,806,831 on a covered payroll of \$8,460,763. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. For the governmental activities, OPEBs are generally liquidated by the General Fund.

**Actuarial Methods and Assumptions** – Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events into the future. Examples include assumptions about the future employment, mortality, claim cost, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contribution of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The actuarial cost method used to determine the Annual Required Contribution (ARC) for this plan was the Entry Age Normal (EAN) method. Under this method, the District adopted the Level Dollar alternative to apply the EAN method, where the unfunded value of all benefits expected to be paid from the plan is spread over the expected working career of all participants in such a way that annual costs are expected to remain level. The actuarial assumptions included a discount rate of three percent and a 55 percent assumption of participants who elect medical coverage at retirement; ten percent of whom will also elect to continue dental coverage at retirement. They also assume medical and vision premiums would increase at 8.5 percent inflation for the current year, grading down to an annual rate of five percent after eight years, which is consistent with expectations for long-term health care cost inflation. An open period was used for the medical portion of the plan and a closed period was used to amortize the unfunded liability attributed to the stipend. There is no explicit assumption for future inflation, as benefits are not tied to inflation. The demographic assumptions, such as mortality rates, disability incidence rates, retirement rates, and withdrawal rates, are the same as those used by Oregon PERS.

## **2. PERS Retirement Health Insurance Account (RHIA)**

**Plan Description** – As a member of Oregon Public Employees Retirement System (OPERS) the District contributes to the Retirement Health Insurance Account (RHIA) for each of its eligible employees. RHIA is a cost-sharing multiple-employer defined benefit post-employment healthcare plan administered by OPERS. RHIA pays a monthly contribution toward the cost of Medicare companion health insurance premiums of eligible retirees. Oregon Revised Statutes (ORS) 238.420 established this trust fund. Authority to establish and amend the benefit provisions of RHIA reside with the Oregon Legislature. The plan is closed to new entrants after January 1, 2004. OPERS issues a

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publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to OPERS, PO Box 23700, Tigard, OR 97281-37400.

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

Participating employers are contractually required to contribute to RHIA at a rate assessed each year by OPERS, and the District currently contributes .29% of annual covered Tier 1 and Tier 2 payroll and .19% of OPSRP payroll. The OPERS Board of Trustees sets the employer contribution rates based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The District's contribution to RHIA for the year ended June 30, 2011, 2010 and 2009 were approximately \$112,000, \$102,500 and \$131,000 respectively.

### **3. Retiree Health Plan For Local 1660 Members**

**Plan Description** – The District contributes to the IAFF Local 1660 Union Health Trust, a cost-sharing multiple-employer defined benefit post-employment healthcare plan administered by Local 1660. The Health Trust provides medical benefits to retired employees of participating fire districts. The authority to establish and amend benefit provisions remains with Local 1660. The Health Trust issues a publicly available financial report that includes financial statements and required supplementary information for the retiree health plan. That report may be obtained by writing to Mr. Rocky L. Hanes, President, IAFF Local 1660, P.O. Box 1904, Lake Oswego, OR 97035.

**Funding Policy** - Local 1660 sets the contribution requirements for the retirees of the participating employers and they may be amended by the Local 1660 board of trustees. Currently, retirees must self-pay for their retiree health

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coverage and health coverage is only available until attainment of age 65. Retired members and beneficiaries receiving benefits contribute an average of \$1,162 and \$142 per month for medical and dental coverage to age 65.

Participating fire districts are contractually required to contribute at a monthly per employee rate negotiated with Local 1660. The negotiated per employee rate reflects the on-going net claims costs for retired members, but is not directly based on the *annual required contribution of the employers (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years.

The District's contributions to the Union Health Trust specifically for retiree benefits for the plan years ended June 30, 2011, 2010 and 2009 were \$8,940, \$9,540 and \$11,140 respectively, which equaled the required contributions as negotiated for each year.

**F. Commitments and contingencies**

On March 29, 2011, the Board voted to authorize the District to enter into two Construction Management/General Contractors agreements to provide professional services and construction of two fire stations in the future. These projects will be completed during the 2011-12 year.

As of June 30, 2011, the District is committed under various accepted bid agreements and contracts for approximately \$602,300 for goods, services and construction of facilities.

The District has been named in litigation regarding property damage during a fire. The District's Oregon Tort liability limits are limited to \$50,000 for property damage and the District's insurance company is vigorously defending the merits of the claim. The District expects the risk of any loss to be negligible.

**G. Restatement of beginning fund balance**

The District has restated its June 30, 2010 fund balance to reflect the retrospective classification of fund balance categories that resulted by implementation of GASB Statement No. 54. The following discloses the restatement of fund balances as of the beginning of the fiscal year resulting from the aggregation into the General Fund of funds not meeting the criteria for separate reporting under GASB 54:

	General Fund	Nonmajor Funds
Fund balances, beginning of the year, as previously reported	\$ 38,261,159	\$ 16,286,803
Restatement - aggregate funds	8,056,103	(8,056,103)
Fund balances, beginning of the year, as restated	\$ 46,317,262	\$ 8,230,700

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**H. Reclassification of beginning fund balance**

Also as a result of the implementation of GASB Statement No. 54 the District has reclassified its July 1, 2010 fund balances to reflect the retrospective classification of fund balances to the categories introduced by the Statement. The following discloses the reclassification of fund balances as of the beginning of the fiscal year:

	General Fund	Capital Projects Fund	Non-major Funds	Totals
Fund Balances at July 1, 2010, as previously reported:				
Reserved for supplies inventory	\$ 281,282			\$ 281,282
Reserved for retiree medical insurance	215,414			215,414
Reserved for debt service			\$ 1,207,841	1,207,841
Reserved for capital projects		\$ 10,852,844		10,852,844
Unreserved, reported in:				-
General Fund	37,979,877			37,979,877
Special Revenue Funds	7,840,689		90,554	7,931,243
Capital Projects Funds			6,932,305	6,932,305
Total Fund Balances	\$ 46,317,262	\$ 10,852,844	\$ 8,230,700	\$ 65,400,806
 Fund Balances at July 1, 2010, as reclassified:				
Fund balances:				
Non-spendable	\$ 281,282			\$ 281,282
Restricted for capital projects		\$ 10,852,844		10,852,844
Restricted for grant activities			\$ 90,554	90,554
Restricted for debt service			1,207,841	1,207,841
Committed to capital purchases	7,840,689			7,840,689
Committed to postemployment health benefits	215,414			215,414
Assigned to capital projects			6,932,305	6,932,305
Unassigned	37,979,877			37,979,877
Total fund balances	\$ 46,317,262	\$ 10,852,844	\$ 8,230,700	\$ 65,400,806