

LAKE COUNTY, OREGON

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

For the Year Ended June 30, 2012

# LAKE COUNTY, OREGON

513 Center Street  
Lakeview, Oregon 97630

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2012

Prepared by:

Lake County Treasurer and Finance Department

Ann Crumrine  
Treasurer

Jay Collins  
Business Services Director



LAKE COUNTY, OREGON

June 30, 2012

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INTRODUCTORY SECTION





## **LAKE COUNTY TREASURER**

***513 Center Street  
Lakeview, Oregon 97630  
Phone (541) 947-6030  
Fax (541) 947-6015***

December 28, 2012

To the Honorable Lake County Commissioners and the Citizens of Lake County:

We are pleased to provide you with the Comprehensive Annual Financial Report of Lake County for the fiscal year ended June 30, 2012. This report is published to fulfill the requirement for annual financial statements in Oregon Revised Statute 291.040

This report consists of management's representation concerning the finances of Lake County (County). Consequently, management assumes full responsibility for the completeness and reliability of all information presented in this report. To provide a reasonable basis for making these representations, management of the County has established an internal control framework. The framework is designed to protect the County's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the County's financial statements in conformity with generally accepted accounting principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the County's framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. We believe the information presented is accurate in all material respects.

Oster Professional Group audited the County's financial statements for the fiscal year ended June 30, 2012. The goal of the independent audit was to provide reasonable assurance that the financial statements are free of material misstatement. Based on the audit, the auditors concluded that there was a reasonable basis for rendering an unqualified opinion that the financial statements for fiscal year 2012 are fairly represented in accordance with GAAP. Their audit included a broader, federally mandated "Single Audit" designed to meet the needs of federal agencies that provide aid to the County. The standards governing single audit engagements require the auditor to report on the County's internal controls and compliance with legal requirements, particularly as they relate to federal awards. The audit report is the first component in the financial section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

## **Profile of the Government**

The County provides services to Lake County's citizens through a wide range of programs including human services, public safety, economic and community development, transportation, and administrative support. Lake County's primary government as reported in the accompanying financial statements consists of approximately 35 funds, including general fund, general capital projects, and special revenue funds. Lake County currently accounts for three enterprise funds as well. A more detailed discussion of the reporting entity can be found in Note 1 to the basic financial statements.

Lake County's Commissioners adopt a budget on an annual basis, where the fiscal year begins July 1 and ends June 30. This annual budget serves as the foundation for the County's financial planning and control. An appropriation resolution approved before July 1 during regular meetings includes appropriations which are at the department then category level for General Fund, but at the fund then category level for all other funds. Accordingly, the legal level of budgetary control is at the category level for most funds, but department and category level for General Fund. The resolution process approved by the County Commissioners provides the legal authority to transfer expenditure authority between appropriations. Management can reallocate within an appropriation without Commissioner's approval. The following budgeted appropriated fund types have been established to account for the County's budgetary activities: general funds, special revenue funds, and enterprise funds. Additional information about the budget process and budgetary monitoring are presented in the notes to the required supplementary information.

## **Local Economy**

Lake County is the third largest county by land mass in the State of Oregon at 8,340 square miles. It is the 4<sup>th</sup> smallest in population at 7,895. Lake County's largest incorporated community is Lakeview, also the county seat, reporting a population of 2,474, and is located at the southern end of the county. 73.5% of the land located in Lake County is owned by the Federal or State government.

Lake County's economy is based on the forestry and agricultural industries, with most nonfarm employment coming from the trade, transportation and utility sector providing 339 jobs. Natural Resources & Mining is the second largest sector in private nonfarm employment, with 277 jobs. The Government sector including federal, state and local, provides nearly half of all nonfarm employment in Lake County with 984 jobs. In 2011, wood products manufacturing provided the largest payrolls of private sector employers with 16.9% of all payrolls at \$6.2 million per year, and also provides the most employment of any one private industry at 166 jobs. Education and Health Services combined make up the second highest in private payrolls at 10.6%, 88 jobs and \$3.9 million per year. Median household income for Lake County for 2010 was \$41,105.



Unemployment in Lake County continues to be higher than the state and national averages and as of July 2012 was 13.2% compared to the state average of 8.7%. Employment projections depend greatly on federal policies surrounding federal land management and also government austerity measures. Lake County must retain the existing base and continue diversifying. The renewable energy potential, and specifically the Iberdrola Biomass facility and geothermal development, could have very positive impacts to employment and the economy in Lake County. A learning center that focuses on renewable energy and forestry education would also positively impact the economic vitality of Lakeview and Lake County. Lake County could also benefit from marketing its unique recreational opportunities and low cost of living to professionals, whom aided by technology, can live and perform their work from anywhere.

Lake County's population over the age of 25 that does not hold a high school or equivalent diploma stands at 11.8%. Unemployment statistics also reflect this educational component, with 15% of unemployment claims filed during 2010 in Lake County coming from individuals whom had attained less than a high school diploma or GED. Only about 1 in 4 of unemployment claims filed in 2010 in Lake County came from individuals completing some postsecondary coursework or greater. Only 5% of claims filed came from individuals holding a Bachelors' degree.

### **County Revenues**

Property taxes provide the basis for General Fund which funds basic public services. Property Taxes were limited by voter passed Ballot Measures 5 and 50 in the mid 1990's. These measures set a permanent tax rate for local government at 1997 levels, and then limited assessed property value increases to 3% per year. Lake County's permanent rate is \$3.7619/\$1,000 of assessed value which was valued at \$827.2 million for the 2011-2012 Tax Roll. Real Market Value in comparison was \$1.103 billion. Average assessed value per account was \$48,899 for the 2011/2012 tax roll. The property tax billed in 2011/2012 was \$3.1 million, and collections totaled \$2.859 million or 92.2%

Significant changes to property tax revenue can only occur from voter approval or significant development. Lake County was the benefactor of significant development with the siting and construction in 2010/2011 of the Ruby Pipeline. This natural gas pipeline originates in Wyoming and terminates at another pipeline near Malin, Oregon. 59 miles of this pipeline is located within Lake County's borders, and is valued at approximately \$398 million.

This development has occurred at a time when revenues from Federal and State resources are decreasing and the future is uncertain. Federal funding of the Secure Rural Schools Act expires on September 30, 2012 and reauthorization depends on congressional action. The federal government fully appropriated the Payment in Lieu of Tax program for 5 years ending September 30, 2012, reauthorization work on this appropriation is also ongoing. These two federal programs accounted for 24% of all new revenue in 2011/2012. Lake County Commissioners continue to communicate with Congressmen on the importance of these programs to our local citizens.

## **Capital Projects**

Capital spending continues to be primarily in the Road Department to replace aging equipment. Technology, facility, and vehicle fleet plans are being prepared to facilitate capital spending on aging network and telecommunications systems and county wide facilities, as well as ongoing equipment updates to an aging vehicle fleet. Updates to the Airport are planned to improve infrastructure which would then allow for development of commercial hangars.

## **Contingencies and Reserves**

Both contingency and reserve accounts act as savings in the budget document. The Road Reserve has been accumulating since the reauthorization of the Secure Rural Schools act in 2006. In Fiscal Year 2012/2013 the Road Reserve is budgeted to be used for the first time since the 2000/2001 fiscal year to maintain funding for road department operations. Other reserves throughout the county are set aside primarily for future capital spending or to offset unknown liabilities. As planning for the additional pipeline tax income commences the use of contingency and reserve balances may become a part of the county's strategy to smooth revenue declines from state and federal sources.

## **Acknowledgements**

We appreciate the professionalism, commitment and effort of Oster Professional Group during their review and audit of Lake County's financial information. We also want to thank all county agencies for their continued diligence in handling the county's financial operations in a professionally responsible manner.

Respectfully submitted,



Ann Crumrine,  
Lake County Treasurer



Jay Collins  
Business Services Director

LAKE COUNTY, OREGON  
**BOARD OF COMMISSIONERS AND OFFICIALS**  
June 30, 2012

BOARD OF COMMISSIONERS

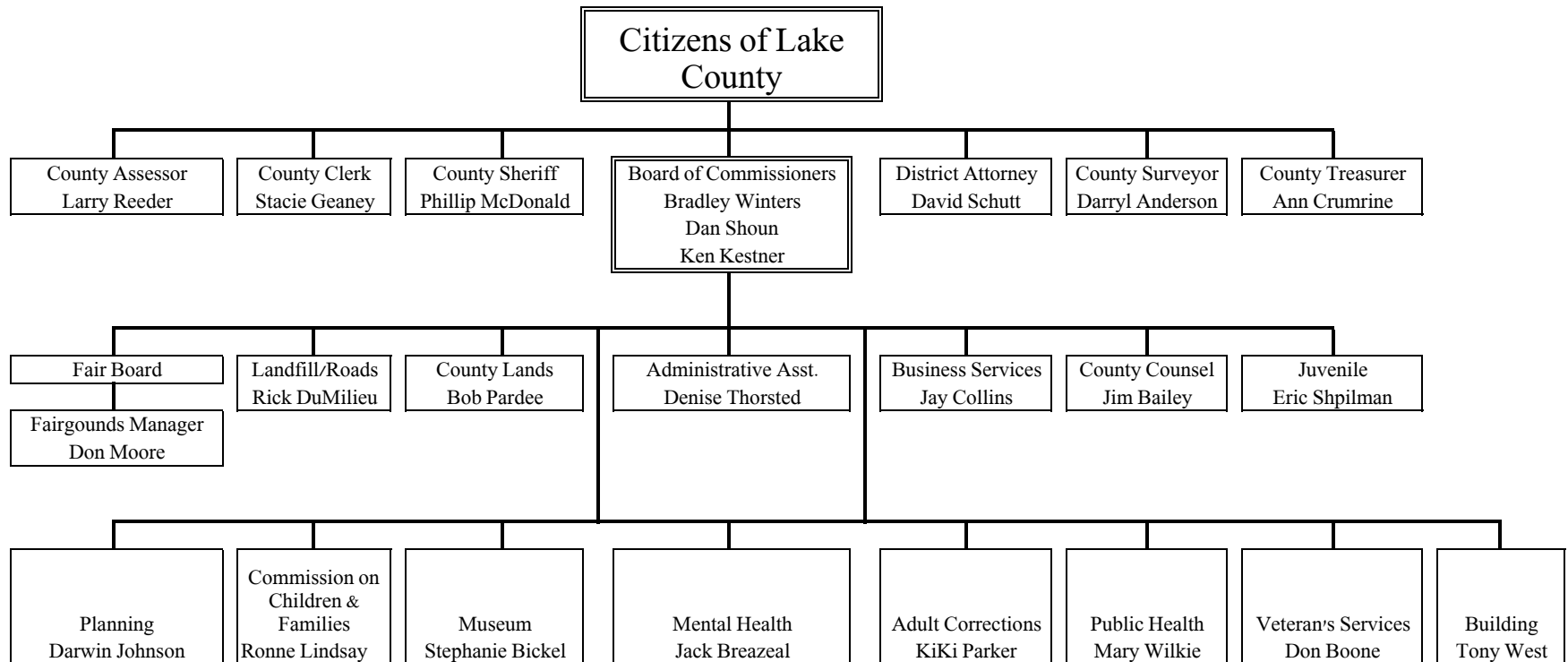
| <u>Position</u> | <u>Name</u>     | <u>Address</u>   |
|-----------------|-----------------|------------------|
| Commissioner    | Ken Kestner     | Lakeview, Oregon |
| Commissioner    | Dan Shoun       | Paisley, Oregon  |
| Commissioner    | Bradley Winters | Lakeview, Oregon |

OTHER ELECTED OFFICIALS

|                   |                  |                  |
|-------------------|------------------|------------------|
| Clerk             | Stacie Geaney    | Lakeview, Oregon |
| Treasurer         | Ann Crumrine     | Lakeview, Oregon |
| Sheriff           | Phillip McDonald | Lakeview, Oregon |
| Assessor          | Larry Reeder     | Lakeview, Oregon |
| District Attorney | David Schutt     | Lakeview, Oregon |

MAILING ADDRESS

513 Center Street  
Lakeview, Oregon 97630



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Lake County  
Oregon

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*Christopher P. Morrell*

President

*Jeffrey R. Emer*

Executive Director

FINANCIAL SECTION



## INDEPENDENT AUDITOR'S REPORT

The Board of Commissioners  
Lake County, Oregon  
Lakeview, Oregon

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Lake County, Oregon as of and for the year ended June 30, 2012, which collectively comprise the county's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Lake County, Oregon's management. Our responsibility is to express opinions 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Lake County, Oregon, as of June 30, 2012, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2012, on our consideration of the Lake County, Oregon's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 9 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Lake County, Oregon's basic financial statements. The required supplementary information, combining and individual fund schedules, other supplementary information, and other financial schedules listed in the financial section on the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The

accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is not a required part of the basic financial statements of Lake County, Oregon. The required supplementary information, combining and individual fund schedules, other supplementary information, other financial schedules and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

*Oster Professional Group, CPA's, PC*

By 

Burns, Oregon  
December 16, 2012



**LAKE COUNTY, OREGON**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Year Ended June 30, 2012**

This section of the County's Comprehensive Annual Financial Report presents our discussion and analysis of the County's financial performance during the fiscal year ended June 30, 2012. This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. It is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the County's financial activities, (c) identify any material changes from the original budget, and (d) highlight individual fund issues.

We encourage readers to consider the information presented in this analysis in conjunction with the transmittal letter beginning on page (i) of this report.

**2012 FINANCIAL HIGHLIGHTS (BUDGET BASIS)**

Collected revenues for the County showed an overall **increase** of **\$2,039,920**. The majority of the increase is due to the additional property tax income received by the completion of the gas pipeline and a Connect Oregon grant for the Railroad.

Salaries were expended at 93% (\$430,269 under budget) primarily due to, less overtime worked, changes in holiday pay policies, change in Sheriff union insurance, and restructuring of the mental health department.

Materials and services were expended at 67% (\$2,870,364 under budget) primarily due to road and facility maintenance projects that were delayed.

Capital expenditures were expended at 74% (\$508,472) less than budgeted amounts due to County Courthouse, Industrial Park, and Mental Health planned facility improvements that did not materialize during the fiscal year.

**USING THIS ANNUAL REPORT**

The annual report consists of a series of financial statements and other information, as follows:

Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the County's financial activities.

The Government-wide Financial Statements consist of a Statement of Net Assets and a Statement of Activities. These provide information about the activities of Lake County as a whole and present an overall view of the County's finances.

The Fund Financial Statements tell how governmental services were financed in the short term as well as what remains for future spending. Fund financial statements report Lake County's operations in more detail than the government-wide statements by providing information about the most significant funds. The remaining statements provide financial information about activities for which Lake County acts solely as an agent or custodian for the benefit of those outside of County government (Agency Funds).

Notes to the financial statements provide additional information essential to a full understanding of the data provided in the basic financial statements.

Required Supplementary Information further explains and supports the financial statements with a comparison of the County's budget for the year.

Other Supplementary Information provides detailed information about the nonmajor Special Revenue and the individual Agency Funds. In addition, the Schedule of Expenditures of Federal Awards provides details of various programs benefiting the County.

## **REPORTING THE COUNTY'S FINANCIAL ACTIVITIES**

### *Government-wide Financial Statements*

One of the most important questions asked about the County's finances is, "Is the County as a whole better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information which helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting and the economic resources measurement focus, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The Statement of Net Assets presents all of the County's assets and liabilities, with the difference between the two reported as "net assets". Over time, increase or decreases in the County's net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The Statement of Activities presents information showing how the County's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will not result in cash flows until future fiscal periods.

The County's governmental activities are presented in the Statement of Net Assets and the Statement of Activities. Governmental activities include public safety and legal services, physical health and social services, mental health, roads and transportation, governmental services to residents, administration and non-program activities. Property tax and state and federal grants finance most of these activities.

## *Fund Financial Statements*

The County has three kinds of funds:

1) Governmental funds account for most of the County's basic services. These focus on how money flows into and out of those funds, and the balances left at year-end that are available for spending. The governmental funds include: 1) the General Fund, and 2) the Special Revenue Funds, such as Roads, Public Health, and Mental Health. These funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting, which measure cash and all other financial assets that can readily be converted to cash. The governmental fund financial statements provide a detailed, short-term view of the County's general governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs.

The required financial statements for governmental funds include a balance sheet and a statement of revenues, expenditures and changes in fund balances.

2) Proprietary Funds are used to report business type activities of Lake County. These focus on how money flows into and out of these funds, and the balances "profit" that is available at the end of the year. The proprietary funds include the Airport, Railroad and Community Development Fund. These funds are reported using the current financial resources measurement focus and the accrual basis of accounting, which measure cash and all other financial assets that can readily be converted to cash.

The required financial statements for proprietary funds include a statement of fund net assets, a statement of revenues, expenses and changes in net assets balances and a statement of cash flow.

3) Agency trust funds are used to report assets held in a trust or agency capacity for others which cannot be used to support the County's own programs. These fiduciary funds include Agency Funds that account for school districts, water districts and cemetery districts, to name a few.

The required financial statements for fiduciary funds include a statement of fiduciary assets and liabilities.

Reconciliations between the government-wide financial statements and the fund financial statements follow the fund financial statements.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of financial position. The analysis that follows focuses on the changes in the net assets for governmental activities.

### CONDENSED STATEMENT OF NET ASSETS June 30, 2012

|   | Governmental  |               | Business type |            | Total         |               |
|---|---------------|---------------|---------------|------------|---------------|---------------|
|   | 2012          | 2011          | 2012          | 2011       | 2012          | 2011          |
| Current assets                                      | \$ 27,317,750 | \$ 27,111,819 | \$ 82,199     | \$ 34,530  | \$ 27,399,949 | \$ 27,146,349 |
| Inventory   | 937,053       | 1,009,486     | 47,829        | 42,852     | 984,882       | 1,052,338     |
| Fixed assets net of<br>accumulated depreciation     | 31,760,695    | 35,605,638    | 1,329,222     | 771,932    | 33,089,917    | 36,377,570    |
| Total assets  | 60,015,498    | 63,726,943    | 1,459,250     | 849,314    | 61,474,748    | 64,576,257    |
| Current liabilities                                 | 425,603       | 311,949       | 671           | 497        | 426,274       | 312,446       |
| Noncurrent liabilities                              | 650,326       | 650,326       | -             | -          | 650,326       | 650,326       |
| Total liabilities                                   | 1,075,929     | 962,275       | 671           | 497        | 1,076,600     | 962,772       |
| Investment in capital assets<br>net of related debt | 31,760,695    | 35,605,638    | 1,329,222     | 771,932    | 33,089,917    | 36,377,570    |
| Restricted net assets                               | 23,744,054    | 24,532,254    | -             | -          | 23,744,054    | 24,532,254    |
| Unrestricted net assets                             | 3,434,820     | 2,626,776     | 129,357       | 76,885     | 3,564,177     | 2,703,661     |
| Total net assets                                    | \$ 58,939,569 | \$ 62,764,668 | \$ 1,458,579  | \$ 848,817 | \$ 60,398,148 | \$ 63,613,485 |

The largest portion of the County's net assets is the invested in capital assets (e.g., land, infrastructure, buildings and equipment). Restricted net assets represent resources that are subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. Unrestricted net assets - the part of net assets that can be used to finance day-to-day operations without constraints established by enabling legislation or other legal requirements - increased \$808,044.

**CONDENSED CHANGES IN NET ASSETS**  
**For the years ended June 30, 2012 and 2011**

|   | Governmental         |                      | Business type       |                   | Total                |                      |
|---|----------------------|----------------------|---------------------|-------------------|----------------------|----------------------|
|   | 2012                 | 2011                 | 2012                | 2011              | 2012                 | 2011                 |
| Program revenues  |                      |                      |                     |                   |                      |                      |
| Charges for services                                      | \$ 1,513,899         | \$ 1,138,081         | \$ 472,095          | \$ 410,046        | \$ 1,985,994         | \$ 1,548,127         |
| Operating grants, contributions                           | 6,089,756            | 5,790,790            | 515,743             | -                 | 6,605,499            | 5,790,790            |
| Capital grants, contributions                             | -                    | -                    | -                   | -                 | -                    | -                    |
| General revenues  |                      |                      |                     |                   |                      |                      |
| Property tax  | 4,416,775            | 3,155,960            | -                   | -                 | 4,416,775            | 3,155,960            |
| Intergovernmental revenue                                 | 6,189                | 58,078               | -                   | -                 | 6,189                | 58,078               |
| Unrestricted investment earnings                          | 162,642              | 175,633              | 401                 | 334               | 163,043              | 175,967              |
| Other general revenues                                    | 90,157               | 104,192              | 2,163               | 2,425             | 92,320               | 106,617              |
| Total revenues  | <u>12,279,418</u>    | <u>10,422,734</u>    | <u>990,402</u>      | <u>412,805</u>    | <u>13,269,820</u>    | <u>10,835,539</u>    |
| Program expenses  |                      |                      |                     |                   |                      |                      |
| General government  | 2,645,867            | 2,765,298            | -                   | -                 | 2,645,867            | 2,765,298            |
| Public safety   | 2,776,218            | 2,438,979            | -                   | -                 | 2,776,218            | 2,438,979            |
| Highways, streets and airport                             | 3,844,552            | 3,891,176            | -                   | -                 | 3,844,552            | 3,891,176            |
| Health  | 1,226,705            | 1,243,024            | -                   | -                 | 1,226,705            | 1,243,024            |
| Education   | 120,313              | 122,670              | -                   | -                 | 120,313              | 122,670              |
| Economic development                                      | 14,828               | 20,989               | -                   | -                 | 14,828               | 20,989               |
| Depreciation  | 5,461,762            | 5,329,753            | -                   | -                 | 5,461,762            | 5,329,753            |
| Airport   | -                    | -                    | 251,135             | 225,242           | 251,135              | 225,242              |
| Railroad  | -                    | -                    | (53,648)            | 17,697            | (53,648)             | 17,697               |
| Community development                                     | -                    | -                    | 197,425             | 207,564           | 197,425              | 207,564              |
| Total expenses  | <u>16,090,245</u>    | <u>15,811,889</u>    | <u>394,912</u>      | <u>450,503</u>    | <u>16,485,157</u>    | <u>16,262,392</u>    |
| Excess (deficiency) of revenues over (under) expenditures | (3,810,827)          | (5,389,155)          | 595,490             | (37,698)          | (3,215,337)          | (5,426,853)          |
| Transfers   | (14,272)             | (13,234)             | 14,272              | 13,234            | -                    | -                    |
| Increase (decrease) in net assets                         | <u>(3,825,099)</u>   | <u>(5,402,389)</u>   | <u>609,762</u>      | <u>(24,464)</u>   | <u>(3,215,337)</u>   | <u>(5,426,853)</u>   |
| Net assets beginning of year                              | 62,764,668           | 68,941,485           | 848,817             | 873,281           | 63,613,485           | 69,814,766           |
| Restatements  | -                    | (774,428)            | -                   | -                 | -                    | (774,428)            |
| Net assets as restated beginning                          | <u>62,764,668</u>    | <u>68,167,057</u>    | <u>848,817</u>      | <u>873,281</u>    | <u>63,613,485</u>    | <u>69,040,338</u>    |
| Net assets end of year                                    | <u>\$ 58,939,569</u> | <u>\$ 62,764,668</u> | <u>\$ 1,458,579</u> | <u>\$ 848,817</u> | <u>\$ 60,398,148</u> | <u>\$ 63,613,485</u> |

The cost of all governmental activities this year was \$16,090,245 compared to \$15,811,889 last year. However, as shown in the Statement of Activities, the amount taxpayers ultimately financed for these activities was only \$8,486,590 because some of the cost was paid by those directly benefited from the programs (\$1,513,899) or by other governments and organizations that subsidized certain programs with grants and contributions (\$6,089,756). Overall, the County's governmental program revenues, including intergovernmental aid and fees for services, increased in 2012 to \$12,279,418 principally due to increased tax collections on the newly constructed pipeline. The County paid for the remaining "public benefit" portion of governmental activities with

approximately \$4,675,763 in taxes and with other revenues, such as interest and general entitlements.

## **INDIVIDUAL MAJOR FUND ANALYSIS**

The major funds for fiscal year 2012 were comprised of the same four funds as in fiscal year 2011. Those funds were the General Fund, Road Fund, Road Insurance Fund, and Road Reserve Fund.

The Combined General Fund for Reporting Purposes change in fund balance for the fiscal year ending June 30, 2012 was an increase of \$651,166. This positive change is a direct result of the increased property values and taxation from the completion of the gas pipeline.

The Road Fund ended fiscal year 2012 with a net decrease in fund balance of \$266,782. During this fiscal year total amount of road revenues received increased about \$200,000, but an aggressive maintenance program increased expenditures over prior fiscal year \$525,000, resulting in the fund balance decrease.

The Road Insurance Fund experienced and decrease in ending fund balance of (\$16,639), which was the result of interest income of \$19,528 offset with insurance expenditures of \$36,167.

The Road Reserve Fund experienced an increase in ending fund balance of \$66,201, which was the result of interest income.

The restrictions, commitments, or other limitations placed on the county will not significantly affect the availability of fund resources for future use because the county has cash reserves in place in grant funds, as well as in the General Fund for operations.

## **BUDGETARY HIGHLIGHTS**

Over the course of the year, Lake County amended its budget several times within the provisions of Oregon local budget law.

## **CAPITAL ASSETS AND DEBT ADMINISTRATION**

### **Capital Assets**

At June 30, 2012 Lake County had approximately \$33,089,917 invested in a broad range of capital assets, including public safety equipment, buildings, park facilities, roads and bridges.

The County had estimated depreciation expense of \$5,498,375 in fiscal year 2012 and total accumulated depreciation of \$167,184,406 at June 30, 2012.

The reader should refer to the Notes to the Basic Financial Statement for further information.

The County has no long term debt to administer.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

Lake County's elected and appointed officials and citizens considered many factors when setting the fiscal year 2012-2013 budget, tax rates and the fees that will be charged for various county activities. One of those factors is the continued increased property tax revenue that is anticipated from the natural gas pipeline. Interest rates are forecasted to remain low.

Salaries were budgeted according to new contracts for the Courthouse and Sheriff unions which includes step increases and a projected 3% cost of living adjustment (COLA). Non-union employees were budgeted a 3% COLA.

Health Insurance benefits were budgeted with an approximate 10% increase.

PERS rates remained unchanged for the 2012-2013 fiscal year, however due to increased salaries, overall PERS payments also increased.

## **CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of Lake County's finances and to show the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Lake County Treasurer's Department, 513 Center Street, Lakeview, Oregon, phone 541-947-6030.

BASIC FINANCIAL STATEMENTS





GOVERNMENT-WIDE FINANCIAL STATEMENTS



LAKE COUNTY, OREGON  
**STATEMENT OF NET ASSETS**  
June 30, 2012

|  | <u>Governmental<br/>Activities</u> | <u>Business-type<br/>Activities</u> | <u>Total</u>                |
|--|------------------------------------|-------------------------------------|-----------------------------|
| <b>ASSETS</b>                                |                                    |                                     |                             |
| Current assets                               |                                    |                                     |                             |
| Cash and investments                         | \$ 26,618,920                      | \$ 93,159                           | \$ 26,712,079               |
| Receivables                                  |                                    |                                     |                             |
| Property taxes                               | 334,875                            | -                                   | 334,875                     |
| Other  | 350,955                            | 2,040                               | 352,995                     |
| Due from/to other funds                      | 13,000                             | (13,000)                            | -                           |
| Long-term assets                             |                                    |                                     |                             |
| Inventory                                    | 937,053                            | 47,829                              | 984,882                     |
| Capital assets                               |                                    |                                     |                             |
| Land   | 643,880                            | 364,600                             | 1,008,480                   |
| Infrastructure, road network                 | 187,010,627                        | -                                   | 187,010,627                 |
| Buildings and improvements                   | 4,060,819                          | 1,154,175                           | 5,214,994                   |
| Equipment                                    | 6,524,222                          | 516,000                             | 7,040,222                   |
| Accumulated depreciation                     | (166,478,853)                      | (705,553)                           | (167,184,406)               |
| Total capital assets                         | <u>31,760,695</u>                  | <u>1,329,222</u>                    | <u>33,089,917</u>           |
| Total assets                                 | <u>60,015,498</u>                  | <u>1,459,250</u>                    | <u>61,474,748</u>           |
| <br><b>LIABILITIES</b>                       |                                    |                                     |                             |
| Current liabilities                          |                                    |                                     |                             |
| Accounts payable                             | 385,216                            | -                                   | 385,216                     |
| Accrued liabilities                          | 40,387                             | 671                                 | 41,058                      |
| Non-current liabilities                      |                                    |                                     |                             |
| Landfill closure liability                   | <u>650,326</u>                     | <u>-</u>                            | <u>650,326</u>              |
| Total liabilities                            | <u>1,075,929</u>                   | <u>671</u>                          | <u>1,076,600</u>            |
| <br><b>NET ASSETS</b>                        |                                    |                                     |                             |
| Invested in capital assets                   | 31,760,695                         | 1,329,222                           | 33,089,917                  |
| Restricted for special programs - expendable | 23,234,168                         | -                                   | 23,234,168                  |
| Restricted for landfill closure - expendable | 509,886                            | -                                   | 509,886                     |
| Unrestricted                                 | <u>3,434,820</u>                   | <u>129,357</u>                      | <u>3,564,177</u>            |
| Total net assets                             | <u><u>\$ 58,939,569</u></u>        | <u><u>\$ 1,458,579</u></u>          | <u><u>\$ 60,398,148</u></u> |

LAKE COUNTY, OREGON  
STATEMENT OF ACTIVITIES

For the Year Ended  
June 30, 2012

| Functions/Programs             | Expenses             | Program Revenues        |  |  | Net (Expenses) Revenues<br>and Changes in Net Assets |                             |                    |
|--------------------------------|----------------------|-------------------------|--|--|--|-----------------------------|--------------------|
|                                |                      | Charges for<br>Services | Operating<br>Grants and<br>Contributions | Capital<br>Grants and<br>Contributions | Governmental<br>Activities                           | Business-type<br>Activities | Total              |
| Governmental activities        |                      |                         |  |  |  |                             |                    |
| General government             | \$ 8,107,629         | \$ 431,543              | \$ 548,195                               | \$ -                                   | \$ (7,127,891)                                       | \$ -                        | \$ (7,127,891)     |
| Public safety                  | 2,776,218            | 141,792                 | 522,928                                  | -                                      | (2,111,498)  | -                           | (2,111,498)        |
| Highways and streets           | 3,844,552            | 522,495                 | 3,590,458                                | -                                      | 268,401  | -                           | 268,401            |
| Health                         | 1,226,705            | 185,364                 | 1,230,819                                | -                                      | 189,478  | -                           | 189,478            |
| Education                      | 120,313              | 205,381                 | 197,356                                  | -                                      | 282,424  | -                           | 282,424            |
| Economic development           | 14,828               | 20,889                  | 6,435                                    | -                                      | 12,496   | -                           | 12,496             |
| Total governmental activities  | 16,090,245           | 1,507,464               | 6,096,191                                | -                                      | (8,486,590)  | -                           | (8,486,590)        |
| Business type activities       |                      |                         |  |  |  |                             |                    |
| Airport                        | 251,135              | 246,621                 | 23,541                                   | -                                      | -  | 19,027                      | 19,027             |
| Railroad                       | (53,648)             | 33,000                  | 485,767                                  | -                                      | -  | 572,415                     | 572,415            |
| Community development          | 197,425              | 192,474                 | 6,435                                    | -                                      | -  | 1,484                       | 1,484              |
| Total business type activities | 394,912              | 472,095                 | 515,743                                  | -                                      | -  | 592,926                     | 592,926            |
|                                | <u>\$ 16,485,157</u> | <u>\$ 1,979,559</u>     | <u>\$ 6,611,934</u>                      | <u>\$ -</u>                            | <u>(8,486,590)</u>                                   | <u>592,926</u>              | <u>(7,893,664)</u> |

GENERAL REVENUES

|   |                      |                      |
|---|----------------------|----------------------|
| Taxes                                       |                      |                      |
| Property taxes, levied for general purposes | 3,028,192            | 3,028,192            |
| Payment in lieu of taxes                    | 1,388,583            | 1,388,583            |
| Other intergovernmental revenue             | 6,189                | 6,189                |
| Unrestricted investment earnings            | 162,642              | 163,043              |
| Sale of county land                         | 21,865               | 21,865               |
| Miscellaneous                               | 68,292               | 70,455               |
| Total general revenues                      | <u>4,675,763</u>     | <u>4,678,327</u>     |
| Transfers                                   | (14,272)             | -                    |
| Changes in net assets                       | (3,825,099)          | (3,215,337)          |
| Net assets - beginning                      | 62,764,668           | 63,613,485           |
| Net assets - ending                         | <u>\$ 58,939,569</u> | <u>\$ 60,398,148</u> |

GOVERNMENTAL FUND FINANCIAL STATEMENTS



LAKE COUNTY, OREGON  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
June 30, 2012

|  | General<br>Fund     | Road<br>Fund        | Road<br>Insurance<br>Fund |
|--|---------------------|---------------------|---------------------------|
| <b>ASSETS</b>                            |                     |                     |                           |
| Cash and investments                     | \$ 2,511,798        | \$ 3,491,056        | \$ 3,726,676              |
| Receivables                              |                     |                     |                           |
| Taxes                                    | 334,875             | -                   | -                         |
| Other                                    | 49,243              | 57,751              | -                         |
| Due from other funds                     | 2,784               | -                   | -                         |
| Total assets                             | <u>\$ 2,898,700</u> | <u>\$ 3,548,807</u> | <u>\$ 3,726,676</u>       |
| <br><b>LIABILITIES AND FUND BALANCES</b> |                     |                     |                           |
| Liabilities                              |                     |                     |                           |
| Accounts payable                         | \$ 26,672           | \$ 197,993          | \$ -                      |
| Payroll liabilities                      | 13,040              | 4,640               | -                         |
| Deferred revenues                        | 311,660             | -                   | -                         |
| Due to other funds                       | -                   | -                   | -                         |
| Total liabilities                        | <u>351,372</u>      | <u>202,633</u>      | <u>-</u>                  |
| <br>Fund balances                        |                     |                     |                           |
| Nonspendable                             | 2,784               | -                   | -                         |
| Spendable                                |                     |                     |                           |
| Restricted                               | 509,886             | 3,346,174           | 3,726,676                 |
| Assigned                                 | -                   | -                   | -                         |
| Unassigned                               | 2,034,658           | -                   | -                         |
| Total fund balances                      | <u>2,547,328</u>    | <u>3,346,174</u>    | <u>3,726,676</u>          |
| Total liabilities and fund balances      | <u>\$ 2,898,700</u> | <u>\$ 3,548,807</u> | <u>\$ 3,726,676</u>       |

| Road<br>Reserve<br>Fund | Nonmajor<br>Governmental<br>Funds | Totals<br>June 30,<br>2012 |
|-------------------------|-----------------------------------|----------------------------|
| \$ 12,640,421           | \$ 4,248,969                      | \$ 26,618,920              |
| -                       | -                                 | 334,875                    |
| -                       | 243,961                           | 350,955                    |
| -                       | 13,000                            | 15,784                     |
| <u>\$ 12,640,421</u>    | <u>\$ 4,505,930</u>               | <u>\$ 27,320,534</u>       |

|          |                |                |
|----------|----------------|----------------|
| \$ -     | \$ 152,418     | \$ 377,083     |
| -        | 13,612         | 31,292         |
| -        | -              | 311,660        |
| -        | 2,784          | 2,784          |
| <u>-</u> | <u>168,814</u> | <u>722,819</u> |

|                      |                     |                      |
|----------------------|---------------------|----------------------|
| -                    | -                   | 2,784                |
| 12,640,421           | 3,520,898           | 23,744,055           |
| -                    | 824,162             | 824,162              |
| -                    | (7,944)             | 2,026,714            |
| <u>12,640,421</u>    | <u>4,337,116</u>    | <u>26,597,715</u>    |
| <u>\$ 12,640,421</u> | <u>\$ 4,505,930</u> | <u>\$ 27,320,534</u> |

LAKE COUNTY, OREGON  
**RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET ASSETS**  
June 30, 2012

|  |    |                      |                            |
|--|----|----------------------|----------------------------|
| <b>Total Governmental Fund Balances</b>  |    |                      | <b>\$26,597,715</b>        |
| Capital assets are not financial resources and therefore are not reported in the governmental funds:   |    |                      |                            |
| Cost   | \$ | 198,239,548          |                            |
| Accumulated depreciation   |    | <u>(166,478,853)</u> | 31,760,695                 |
| A portion of the county's property taxes are collected after year-end but are not available soon enough to pay for the current year's operations, and therefore are not reported as revenue in the governmental funds.             |    |                      |                            |
|  |    |                      | 311,660                    |
| Long-term liabilities not payable in the current year are not reported as governmental fund liabilities. Interest on long-term debt is not accrued in the governmental funds, but rather is recognized as an expenditure when due. |    |                      |                            |
| Landfill closure liability   |    |                      | (650,326)                  |
| Liabilities for compensated absences payable is not recorded in the governmental funds. However, it is accrued in the government-wide financial statements.  |    |                      |                            |
|  |    |                      | (17,227)                   |
| Inventory is expensed when used on the Statement of Activities. In the fund financial statements, it is expensed when paid.  |    |                      |                            |
|  |    |                      | 937,052                    |
| <b>Total Net Assets of Governmental Activities</b>   |    |                      | <u><u>\$58,939,569</u></u> |

LAKE COUNTY, OREGON  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
For the Year Ended  
June 30, 2012

|  | General<br>Fund            | Road<br>Fund               | Road<br>Insurance<br>Fund  |
|--|----------------------------|----------------------------|----------------------------|
| Revenues   |                            |                            |                            |
| Taxes  | \$ 2,937,107               | \$ -                       | \$ -                       |
| Licenses and permits                                     | 16,445                     | -                          | -                          |
| Intergovernmental revenues                               | 1,725,803                  | 3,527,701                  | -                          |
| Charges for services                                     | 440,756                    | 569,490                    | -                          |
| Interest earned  | 29,446                     | 18,078                     | 19,528                     |
| Miscellaneous revenues                                   | 49,540                     | 602                        | -                          |
| Total revenues   | <u>5,199,097</u>           | <u>4,115,871</u>           | <u>19,528</u>              |
| Expenditures   |                            |                            |                            |
| General government                                       | 1,900,428                  | -                          | -                          |
| Public safety  | 2,188,670                  | -                          | -                          |
| Highways and streets                                     | 937                        | 4,372,653                  | 36,167                     |
| Health   | 126,356                    | -                          | -                          |
| Education  | -                          | -                          | -                          |
| Economic development                                     | -                          | -                          | -                          |
| Total expenditures                                       | <u>4,216,391</u>           | <u>4,372,653</u>           | <u>36,167</u>              |
| Excess (deficiency) of revenues over (under) expenditure | <u>982,706</u>             | <u>(256,782)</u>           | <u>(16,639)</u>            |
| Other financing sources (uses)                           |                            |                            |                            |
| Transfers in   | 11,000                     | -                          | -                          |
| Transfers out  | <u>(342,540)</u>           | <u>(10,000)</u>            | <u>-</u>                   |
| Total other financing sources (uses)                     | <u>(331,540)</u>           | <u>(10,000)</u>            | <u>-</u>                   |
| Net change in fund balances                              | 651,166                    | (266,782)                  | (16,639)                   |
| Available fund balances, July 1, after restatement       | <u>1,896,162</u>           | <u>3,612,956</u>           | <u>3,743,315</u>           |
| Available fund balances, June 30                         | <u><u>\$ 2,547,328</u></u> | <u><u>\$ 3,346,174</u></u> | <u><u>\$ 3,726,676</u></u> |



| Road<br>Reserve<br>Fund | Nonmajor<br>Governmental<br>Funds | Totals<br>For the<br>Year Ended<br>June 30,<br>2012 |
|-------------------------|-----------------------------------|---|
| \$ -                    | \$ 236,630                        | \$ 3,173,737  |
| -                       | 7,359                             | 23,804  |
| -                       | 1,992,521                         | 7,246,025   |
| -                       | 531,625                           | 1,541,871   |
| 66,200                  | 23,710                            | 156,962   |
| -                       | 31,868                            | 82,010  |
| 66,200                  | 2,823,713                         | 12,224,409  |
| -                       | 452,577                           | 2,353,005   |
| -                       | 1,405,665                         | 3,594,335   |
| -                       | -                                 | 4,409,757   |
| -                       | 1,332,165                         | 1,458,521   |
| -                       | 285,340                           | 285,340   |
| -                       | 105,540                           | 105,540   |
| -                       | 3,581,287                         | 12,206,498  |
| 66,200                  | (757,574)                         | 17,911  |
| -                       | 355,565                           | 366,565   |
| -                       | (28,297)                          | (380,837)   |
| -                       | 327,268                           | (14,272)  |
| 66,200                  | (430,306)                         | 3,639   |
| 12,574,221              | 4,767,422                         | 26,594,076  |
| \$ 12,640,421           | \$ 4,337,116                      | \$ 26,597,715                                       |

LAKE COUNTY, OREGON  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE  
STATEMENT OF ACTIVITIES**

For the Year Ended  
June 30, 2012

|                                   |          |
|-----------------------------------|----------|
| <b>Net Change in Fund Balance</b> | \$ 3,639 |
|-----------------------------------|----------|

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlay as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeds assets purchased.

|                                 |                    |             |
|---------------------------------|--------------------|-------------|
| Expenditures for capital assets | \$ 1,616,819       |             |
| Less current year depreciation  | <u>(5,461,762)</u> |             |
|                                 |                    | (3,844,943) |

|  |         |
|--|---------|
| Compensated absences are included in the government-wide financial statements, however they are not in the governmental funds. | (2,447) |
|--|---------|

|  |        |
|--|--------|
| Property taxes that do not meet the measurable and available criteria are not recognized as revenue in the current year in the governmental funds. In the Statement of Activities property taxes are recognized as revenue when levied. This amount represents the difference. | 91,085 |
|--|--------|

|   |          |
|---|----------|
| Inventory is expensed only when used on the Statement of Activities, but on the fund financial statements it is expensed when paid. | (72,433) |
|---|----------|

|                             |                              |
|-----------------------------|------------------------------|
| <b>Change in Net Assets</b> | <u><u>\$ (3,825,099)</u></u> |
|-----------------------------|------------------------------|

PROPRIETARY FUND FINANCIAL STATEMENTS



LAKE COUNTY, OREGON  
**STATEMENT OF FUND NET ASSETS**  
**PROPRIETARY FUNDS**  
June 30, 2012

|   | Nonmajor<br>Enterprise<br>Funds | Totals<br>June 30,<br>2012 |
|---|---------------------------------|----------------------------|
| <b>ASSETS</b>                                   |                                 |                            |
| Current assets                                  |                                 |                            |
| Cash with depositories                          | \$ 93,159                       | \$ 93,159                  |
| Accounts receivable                             | 2,040                           | 2,040                      |
| Long-term assets                                |                                 |                            |
| Inventory                                       | 47,829                          | 47,829                     |
| Capital assets, net of accumulated depreciation |                                 |                            |
| Land  | 364,600                         | 364,600                    |
| Buildings and improvements                      | 1,154,175                       | 1,154,175                  |
| Vehicles and equipment                          | 516,000                         | 516,000                    |
| Accumulated depreciation                        | (705,553)                       | (705,553)                  |
| Net capital assets                              | 1,329,222                       | 1,329,222                  |
| Total assets                                    | 1,472,250                       | 1,472,250                  |
| <b>LIABILITIES</b>                              |                                 |                            |
| Current liabilities                             |                                 |                            |
| Accounts payable                                | 671                             | 671                        |
| Due to other funds                              | 13,000                          | 13,000                     |
| Total liabilities                               | 13,671                          | 13,671                     |
| <b>NET ASSETS</b>                               |                                 |                            |
| Invested in capital assets                      | 1,329,222                       | 1,329,222                  |
| Unrestricted                                    | 129,357                         | 129,357                    |
| Total net assets                                | \$ 1,458,579                    | \$ 1,458,579               |

LAKE COUNTY, OREGON  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS**  
**PROPRIETARY FUNDS**

For the year ended  
June 30, 2012

|  | Nonmajor<br>Enterprise<br>Funds | Totals<br>For the<br>Year Ended<br>June 30,<br>2012 |
|--|---------------------------------|---|
| Operating revenues                     |                                 |   |
| Charges for services                   | \$ 472,095                      | \$ 472,095  |
| Miscellaneous revenues                 | 2,163                           | 2,163   |
| Total operating revenues               | <u>990,001</u>                  | <u>990,001</u>                                      |
| Operating expenses                     |                                 |   |
| Airport                                | 235,742                         | 235,742   |
| Railroad                               | (74,868)                        | (74,868)  |
| Community development                  | 197,425                         | 197,425   |
| Depreciation expense                   | <u>36,613</u>                   | <u>36,613</u>                                       |
| Total operating expenses               | <u>394,912</u>                  | <u>394,912</u>                                      |
| Operating income (loss)                | <u>595,089</u>                  | <u>595,089</u>                                      |
| Nonoperating revenues (expenses)       |                                 |   |
| Interest earned                        | <u>401</u>                      | <u>401</u>  |
| Total nonoperating revenues (expenses) | <u>401</u>                      | <u>401</u>  |
| Income (loss) before transfers         | 595,490                         | 595,490   |
| Transfers in                           | <u>14,272</u>                   | <u>14,272</u>                                       |
| Total transfers                        | <u>14,272</u>                   | <u>14,272</u>                                       |
| Increase (decrease) in net assets      | <u>609,762</u>                  | <u>609,762</u>                                      |
| Net assets at beginning of year        | <u>848,817</u>                  | <u>848,817</u>                                      |
| Net assets at end of year              | <u><u>\$ 1,458,579</u></u>      | <u><u>\$ 1,458,579</u></u>                          |

**LAKE COUNTY, OREGON**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**

For the year ended  
June 30, 2012

|   | Nonmajor<br>Enterprise<br>Funds | Totals<br>For the<br>Year Ended<br>June 30,<br>2012 |
|---|---------------------------------|---|
| Cash flows from operating activities                      |                                 |   |
| Cash received from customers                              | \$ 486,472                      | \$ 486,472  |
| Cash received from grantors                               | 515,743                         | 515,743   |
| Cash paid to suppliers                                    | (437,970)                       | (437,970)   |
| Other cash receipts                                       | 76,783                          | 76,783  |
| Net cash provided (used) by operating activities          | <u>641,028</u>                  | <u>641,028</u>                                      |
| Cash flows from noncapital financing activities           |                                 |   |
| Interfund loans   | (21,300)                        | (21,300)  |
| Interfund transfers                                       | 14,272                          | 14,272  |
| Net cash used for noncapital related financing activities | <u>(7,028)</u>                  | <u>(7,028)</u>                                      |
| Cash flows from capital financing activities              |                                 |   |
| Purchase of capital assets                                | (593,903)                       | (593,903)   |
| Net cash used for capital related financing activities    | <u>(593,903)</u>                | <u>(593,903)</u>                                    |
| Cash flows from investing activities                      |                                 |   |
| Interest on investments                                   | 401                             | 401   |
| Net cash provided by investing activities                 | <u>401</u>                      | <u>401</u>  |
| Net increase (decrease) in cash                           | 40,498                          | 40,498  |
| Cash and restricted cash at beginning of year             | 52,661                          | 52,661  |
| Cash and restricted cash at end of year                   | <u>\$ 93,159</u>                | <u>\$ 93,159</u>                                    |
| Reconciliation of operating income (loss)                 |                                 |   |
| to net cash provided (used) by operating activities       |                                 |   |
| Net operating income (loss)                               | <u>\$ 595,089</u>               | <u>\$ 595,089</u>                                   |
| Adjustments to reconcile operating income (loss)          |                                 |   |
| to net cash provided by operating activities              |                                 |   |
| Depreciation expense                                      | 36,613                          | 36,613  |
| (Increase) decrease in accounts receivable                | 14,129                          | 14,129  |
| Increase in accounts payable                              | 174                             | 174   |
| (Increase) decrease in inventory                          | (4,977)                         | (4,977)   |
| Total adjustments   | <u>45,939</u>                   | <u>45,939</u>                                       |
| Net cash provided (used) by operating activities          | <u>\$ 641,028</u>               | <u>\$ 641,028</u>                                   |

FIDUCIARY FUND FINANCIAL STATEMENTS



LAKE COUNTY, OREGON  
**STATEMENT OF FIDUCIARY NET ASSETS - FIDUCIARY FUNDS**  
For the year ended  
June 30, 2012

|                                     | <u>Agency<br/>Funds</u> |
|-------------------------------------|-------------------------|
| ASSETS                              |                         |
| Current                             |                         |
| Cash and investments                | \$ 467,295              |
| Property taxes receivable           | <u>932,087</u>          |
| Total assets                        | <u>1,399,382</u>        |
| LIABILITIES                         |                         |
| Current                             |                         |
| Accounts payable                    | 714                     |
| Held in trust for other governments | <u>1,398,668</u>        |
| Total liabilities                   | <u>1,399,382</u>        |
| NET ASSETS                          |                         |
| Total net assets                    | <u><u>\$ -</u></u>      |



NOTES TO THE BASIC FINANCIAL STATEMENTS



LAKE COUNTY, OREGON  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
June 30, 2012

Note 1. Significant Accounting Policies

Lake County, Oregon (the county) is an Oregon Municipal Corporation under Oregon statutes. The county operates under a commissioner form of government and provides services authorized by its charter including public safety, public welfare, public improvements, planning and zoning, and general administrative services. The financial statements of the county have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard setting body for establishing government accounting and financial reporting. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards, which along with the subsequent GASB pronouncements (Standards and Interpretations), constitutes GAAP for governmental units.

The following is a summary of significant accounting policies utilized by the county in preparation of the accompanying financial statements.

A. Reporting Entity

The county is a political subdivision of the state of Oregon. It is governed by an elected commission consisting of three commissioners, one of whom is elected to serve as chairman. These financial statements present all the fund types and account groups of the county.

In evaluating how to define the county for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in accounting principles generally accepted in the United States of America. The basic, but not the only, criterion for including a potential component unit within the reporting entity is the primary government's financial accountability. The criteria used to determine financial accountability include whether the primary government appoints a voting majority, the primary government can impose its will on the component unit, whether there is financial benefit or burden on the primary government, and if the component unit has a fiscal dependency on the primary government. The other criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the county is financially accountable. No other entities met requirements for inclusion in the county.

B. Basis of Presentation

**Government-wide Financial Statements**

The Statement of Net Assets and the Statement of Activities display information about the county. These statements include the governmental financial activities of the overall county, except fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. Governmental activities are financed primarily through property taxes, intergovernmental revenues, and charges for services.

The Statement of Activities presents a comparison between direct expenses and program revenues for each of its functions/programs. Direct expenses are those that are specifically associated with a function and, therefore, are clearly identifiable to that function. Eliminations have been made to minimize the double counting of internal activities in the Statement of Activities. Program revenues

LAKE COUNTY, OREGON  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
June 30, 2012

include: (1) charges to users for fees, rentals, material, supplies or services provided, (2) operating grants and contributions and (3) capital grants and contributions. Revenues that are not classified as program revenues, including property taxes and state support, are presented as general revenues.

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

Net assets are reported as restricted when constraints placed on net asset use are either externally restricted, imposed by creditors (such as through grantors, contributors or laws) or through constitutional provisions or enabling resolutions.

### **Fund Financial Statements**

The fund financial statements provide information about the county's funds including those of a fiduciary nature. Separate statements for each fund category – governmental, proprietary, and fiduciary – are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as other governmental funds.

The county reports the following major governmental funds:

*General Fund* – The General Fund is the primary operating fund of the county. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

*Road Fund* – This fund accounts for the operation of the county road department.

*Road Insurance Fund* – This fund accounts for the payment of insurance of the county road department.

*Road Reserve Fund* – This fund accounts for the accumulation and investment of excess road funds for future use.

The county does not report any major enterprise funds. All the enterprise funds are considered nonmajor.

Additionally, the county reports the following fund types:

*Agency Funds* - The agency funds are used to account for property tax funds collected for and disbursed to other governmental agencies.

Beginning with fiscal year ended June 30, 2011, the county adopted GASB Statement No. 54 – New Fund Balance Reporting.

The county implemented GASB Statement No. 54 for year ending June 30, 2011. GASB Statement No. 54 requires analysis and presentation of fund balances in five categories. The new fund balance categories are:

- *Nonspendable*—Includes items not immediately converted to cash, such as prepaid items, interfund receivables and inventory.

LAKE COUNTY, OREGON  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
June 30, 2012

- *Restricted*—Includes items that are restricted by external creditors, grantors or contributors, or restricted by legal constitutional provisions.
- *Committed*—Includes items committed by the county’s board of commissioners, by formal board action, which includes a formal resolution that the board of commissioners approves detailing the funds to be committed and the reasoning behind such commitments. In the current fiscal year, no such resolution was approved.
- *Assigned*—Includes items assigned for specific uses, authorized by the Budget Officer.
- *Unassigned*—This is the residual classification used for those balances not assigned to another category.

C. Measurement Focus and Basis of Accounting

Government-wide, proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the county receives value without giving equal value in exchange, include property taxes, grants, entitlements and donations. With the accrual basis of accounting revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. Under terms of grant agreements, the county funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the county’s policy to first apply cost-reimbursement grant resources to such programs and then general revenues. In addition, according to county policy when program expenses are incurred and are able to be finance with ending fund balances the county is to use restricted fund balances, then committed fund balances, then assigned fund balances, and lastly, unassigned fund balances should be used. This policy was adopted in conjunction with the adoption of GASB Statement No. 54 – New Fund Balances.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (when they are measurable and available). “Measurable” means the amount of the transaction can be determined and “available” means collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. The county considers property taxes as available if they are collected within 60 days after year-end. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, which is recognized when the obligations are expected to be liquidated with expendable available financial resources. Property taxes, interest and special assessments are susceptible to accrual. Other receipts and taxes become measurable and available when the cash is received by the government and are recognized as revenue at that time. Entitlements and shared revenues are recorded at the time of receipt or earlier if the “susceptible to accrual” criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met. Capital asset acquisitions are reported as expenditures in the governmental funds and proceeds from long-term debt and acquisitions under capital leases are reported as other financing sources.

LAKE COUNTY, OREGON  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
June 30, 2012

The proprietary fund of the county applies all applicable GASB pronouncements, as well as the following pronouncements issued on or before November 30, 1989, unless these pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee on Accounting Procedure.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the county's proprietary funds are charges for services, operating grants and other miscellaneous revenues. Operating expenses for the proprietary funds include personnel and materials and supplies. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

**D. Budgets and Budgetary Accounting**

A budget is prepared for each county governmental fund in accordance with the modified cash basis of accounting. The resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations. The county budgets the General Fund by department. Personal services, materials and services, capital outlay, operating contingency, all other requirements, and transfers are the levels of control for all other funds. The detail budget document, however, is required to contain more specific, detailed information for the above mentioned expenditure categories. All appropriations for annually budgeted funds lapse at fiscal year end. The county does not utilize encumbrance accounting for budgeted funds.

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, publications in newspapers, and approval by the county commissioners. Original and supplemental budgets may be modified by the use of appropriations transfers between the levels of control. Such transfers require approval by the county commissioners.

The budget for the General Fund and special revenue funds includes capital outlay expenditures in each program for capital outlay applicable to that program. The budget was prepared in accordance with ORS 294, local budget law.

**E. Deposits and Investments**

The county's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. All short-term cash surpluses are maintained in savings accounts at the Oregon State Treasury Local Government Investment Pool and allocated to each fund based on the amount of excess cash each fund has deposited.

State statutes and local ordinances authorize the county to invest (short-term and long-term) in certificates of deposit (considered deposits for risk categorization purposes), certain bond obligations of civil subdivisions, general obligations of the United States, U.S. agency issues, general obligations of the states of Oregon, Washington, Idaho and California, certain interest bearing bonds of a county, port or school district, certain interest bearing bonds of any city in the state of Oregon, life insurance and annuity contracts, pooled deferred compensation trusts, banker's acceptances, and certain corporate bonds. Oregon LGIP is stated at cost.

LAKE COUNTY, OREGON  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
June 30, 2012

F. Receivables

The county levies taxes on a fiscal year from July 1 to June 30. The current levy becomes a lien on July 1. Taxes are due November 15, and become delinquent May 15. Foreclosure is started three years after taxes become delinquent.

Uncollected property taxes are recorded on the Statement of Net Assets. Uncollected taxes are deemed to be substantially collectible or recoverable through liens; therefore, no allowance for uncollectible taxes has been established. All property taxes receivable are due from property owners within the county.

The county reports deferred revenues on its governmental fund 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 county before it has legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met or when the county has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and revenue is recognized.

G. Capital Assets

Capital assets are recorded at original or estimated original cost. Donated capital assets are recorded at their estimated fair market value on the date donated. The county defines capital assets as assets with an initial cost of more than \$5,000 and an estimated life in excess of one reporting period. The cost of normal maintenance and repairs that do not add value to the asset or materially extend assets lives are not capitalized. Capital assets are depreciated using the straight-line method over the following useful lives:

|                            |                |
|----------------------------|----------------|
| Infrastructure             | 10 to 60 years |
| Buildings and improvements | 10 to 50 years |
| Equipment                  | 5 to 15 years  |

H. Compensated Absences

Under terms of civil service regulations, labor contracts and the county's employee policy, full time employees are granted vacation and sick leave. All regular employees will be credited with one week vacation on the July 1 following the date of hire. Based on the July 1 anniversary date, employees will be credited with two weeks vacation after two years; three weeks after five years; and four weeks after fifteen years. Upon termination an employee shall be paid for any unused vacation vested to them since their prior July 1 anniversary date. The policy of the county is that, beginning in fiscal year 2009, certain employees may accrue unused vacation from the prior year. Compensatory time is also accrued by the county for employee overtime. There was a vacation liability recorded in the current fiscal year. Sick leave accrues at eight hours per month, with a maximum of 1,440 hours and is not payable upon termination. No liability is recorded for sick leave. The liability for compensated absences at June 30, 2012 is \$17,227 compared to \$14,780 at June 30, 2011. This liability is included with the other payroll liabilities on the statement of net assets.

LAKE COUNTY, OREGON  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
June 30, 2012

I. Statement of Cash Flows

Certain highly liquid investments maturing within 90 days have been considered cash equivalents for the purpose of the statement of cash flows. The county prepares its statement of cash flows using the direct method.

J. Short-term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as “due from other funds” or “due to other funds” on the balance sheet.

K. Interfund Transactions

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

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

L. Inventory

Inventories in governmental funds consist of expendable supplies held for consumption stated on a first in, first out basis. Inventory items are charged to expenditures when purchased or produced. Inventory on hand at the end of the fiscal year is recorded as an asset. Road Fund inventory consists of principally aggregate and culverts valued at either cost or cost of producing.

M. Use of Estimates

The financial statements and related disclosures are prepared in conformity with accounting principles generally accepted in the United States of America. Management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the 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. These estimates include assessing the collectability of accounts receivable, the use and recoverability of inventory, and the useful lives and impairment of tangible and intangible assets, among others. Actual results could differ from those estimates.

Note 2. Municipal Solid Waste Landfill Closure and Post Closure Care Costs

State and federal regulations require that the county place a final cover on its current operating landfill when waste is no longer accepted and to perform certain maintenance and monitoring functions at the site for a period of thirty years after closure. In addition to operating expenditures related to current activities of the landfill, a related liability is being recognized based on the future closure and post closure care costs that will be paid near or after the date that the landfills stop accepting waste. The county reports a portion of these closure and post closure care costs as a liability in the Statement of Net Assets based on landfill capacity used as of each balance sheet date.

LAKE COUNTY, OREGON  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
June 30, 2012

The estimated cost of closure and post closure care does not anticipate any reimbursement that may be provided by the State of Oregon. Actual costs may be higher due to inflation, changes in technology, or changes in laws or regulation. The county expects to pay for the actual closure and post closure costs with funds transferred from the General Fund annually. If those funds are not sufficient the county will look to other funding sources.

The county has the following solid waste facility:

Gooselake Landfill – this facility has an estimated remaining capacity of 5 more years. The county estimates the final closure cost for the landfill will be approximately \$650,326. The post closure care costs are estimated at \$18,393 per year. The amount currently restricted for landfill closure is \$509,886.



LAKE COUNTY, OREGON  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
June 30, 2012

Note 3. Receivables

Receivables at June 30, 2012 consists of the following:

|                      | Governmental<br>Activities | Business-type<br>Activities | Total             |
|----------------------|----------------------------|-----------------------------|-------------------|
| Receivables          |                            |                             |                   |
| Property taxes       | \$ 334,875                 | \$ -                        | \$ 334,875        |
| Revolving loan funds | 25,895                     | -                           | 25,895            |
| Accounts             | 325,060                    | 2,040                       | 327,100           |
| Total receivables    | <u>\$ 685,830</u>          | <u>\$ 2,040</u>             | <u>\$ 687,870</u> |

General Fund accounts receivable consists of state fees, local fees, SAIF refund, and tax revenue for the period ended June 30, 2012. The special revenue funds reflect amounts receivable from grants and state fees due to the county at June 30, 2012.

Revolving loan funds are for community development loans made to local residents who are providing economic development. The loans are meant to enhance available funds for development rather than be the sole provider.

Note 4. Interfund Assets and Liabilities

|  | Governmental Activities<br>Community Development | Business-type Activities<br>Airport Fund |
|--|--|--|
| Due from/to other funds                | Revolving Loan Fund                              | Airport Fund                             |
| Due to Community Development Revolving |  |  |
| Loan Fund from Airport Fund            | \$ 13,000  | \$ (13,000)                              |
| Total by fund                          | <u>\$ 13,000</u>                                 | <u>\$ (13,000)</u>                       |

Note 5. Public Employees Retirement System (PERS)

Plan Description - The county contributes to two pension plans administered by the Oregon Public Employees Retirement System (PERS). The Oregon Public Employees Retirement Fund (OPERF) applies to the county's contribution for qualifying employees who were hired before August 29, 2003, and is a cost-sharing multiple-employer defined benefit pension plan. The Oregon Public Service Retirement Plan (OPSRP) is a hybrid successor plan to the OPERF and consists of two programs. The Pension Program and defined benefit portion of the plan, applies to qualifying county employees hired after August 29, 2003. Benefits are calculated by a formula for members who attain normal retirement age. The formula takes into account final average salary and years of service. Beginning January 1, 2004, all PERS member contributions go into the Individual Account Program (IAP), the defined contribution portion of the plan. PERS members retain their existing PERS accounts, but any future member contributions are deposited into the member's IAP, not the member's PERS account.

LAKE COUNTY, OREGON  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
June 30, 2012

Both PERS plans provide retirement and disability benefits, post employment healthcare benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. PERS is administered under Oregon Revised Statute Chapter 238, which established the Public Employees Retirement Board as the governing body of PERS. PERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to PERS, PO Box 23700, Tigard, OR, 97281-3700 or by calling 503-598-7377.

**Funding Policy** – Members of PERS are required to contribute 6% of their salary covered under the plan, which is invested in the OPSRP Individual Account Program. The county is required by ORS 238.225 to contribute at an actuarially determined rate for the qualifying employees under the OPERF plan, and a general service rate for the qualifying employees under the OPSRP plan. The OPERF and the OPSRP rates in effect for the year ended June 30, 2012 were 12.22% and 8.37% respectively and 11.08% for OPSRP Police and Fire. The contribution requirements for plan members are established by ORS Chapter 238 and may be amended by an act of the Oregon Legislature.

**Annual Pension Cost** – The county's contribution to PERS for the years ending June 30, 2010, 2011, and 2012 were \$415,659, \$457,748 and \$599,650 respectively, which equaled the required contribution for the year. The county also picks up the employee's contributions, which is 6% of PERS qualified wages.

Note 6. Cash and Investments

Cash and Investments

The county maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the combined balance sheet as cash and investments.

Cash and investments are comprised of the following at June 30, 2012:

|                     |                      |
|---------------------|----------------------|
| Petty cash          | \$ 942               |
| Deposits with banks | 3,551,847            |
| Investments         | 23,626,584           |
|                     | <u>\$ 27,179,373</u> |

Cash and investments are shown on the basic financial statements as:

|   |                      |
|---|----------------------|
| Statement of Net Assets                   |                      |
| Cash and investments                      | \$ 26,712,078        |
| Statement of Net Assets - Fiduciary Funds |                      |
| Cash and investments                      | 467,295              |
|   | <u>\$ 27,179,373</u> |

As of June 30, 2012, the county held the following investments and maturities:

| Investment Type                  | Fair Value    | % of<br>Investment<br>Portfolio |
|----------------------------------|---------------|---------------------------------|
| Local Government Investment Pool | \$ 23,626,584 | 100%                            |

**Deposits**

The Governmental Accounting Standards Board has adopted accounting principles generally accepted in the United States of America (GAAP), which include standards to categorize deposits to give an

LAKE COUNTY, OREGON  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
June 30, 2012

indication of the level of custodial risk assumed by the county at June 30, 2012. If bank deposits at year end are not entirely insured or collateralized with securities held by the county or by its agent in the county's name, the county must disclose the custodial credit risk (below) that exists. Deposits with financial institutions are comprised of bank demand deposits. For deposits in excess of federal depository insurance, Oregon Revised Statutes require depository institutions to be in compliance with ORS 295.

At June 30, 2012, the carrying amount of the county's deposits (cash and certificates of deposit) in various financial institutions was \$3,551,847 and the bank balances was \$3,865,889. Of these deposits, not all were covered by federal depository insurance. The insurance and collateral requirements for deposits are established by banking regulations and Oregon law. Federal depository insurance (FDIC) of \$250,000 applies to the deposits in each depository. Where balances continually exceed \$250,000, ORS 295.018 requires the depositor to verify that deposit accounts are only maintained at financial institutions on the list of qualified depositories found on the Oregon state treasurer's website. Qualifying depository banks must pledge securities with a particular value based on the banks level of capitalization. At June 30, 2012 and for the year then ended, the county's deposits were in compliance with the requirements of ORS 295.018.

*Custodial Credit Risk* – Custodial credit risk for deposits is the risk that, in the event of a bank failure, a government's deposits may not be returned to it. The county has a policy for custodial credit risk for deposits where the county prequalifies all financial institutions with which the county will do business.

Effective July 1, 2008, House Bill 2901 created a shared liability structure for participating bank depositories in Oregon. Barring any exceptions, a qualifying bank depository is required to pledge collateral valued at least 10% of their quarter-end public fund deposits if they are well capitalized, 25% of their quarter-end public fund deposits if they are adequately capitalized, or 110% of their quarter-end public fund deposits if they are undercapitalized or assigned to pledge 110% by the Office of the Oregon State Treasurer. In the event of a bank failure, the entire pool of collateral pledged by all qualified Oregon public bank depositories is available to repay the deposits of public funds of governmental entities.

#### Investments

At June 30, 2012, the county investments were as follows:

| Investment Type                            | Percentage of<br>Total<br>Investments | Symbol | Fair Value           | Maturity  |
|--|---------------------------------------|--------|----------------------|---|
| <u>Cash and cash equivalents</u>           |                                       |        |                      |   |
| Local Government Investment<br>Pool (LGIP) | 100%                                  |        | \$ 23,626,584        | 50% less than 90-days, no more than<br>25% over one year, and no<br>investment over three years |
|  |                                       |        | <u>\$ 23,626,584</u> |   |

The county has no policy for managing interest rate risk or credit risk.

The county has invested funds in the Oregon Short-term Fund Local Government Investment Pool (LGIP) during fiscal year 2012. The Local Government Investment Pool was created to meet the

LAKE COUNTY, OREGON  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
June 30, 2012

financial and administrative responsibilities of federal arbitrage regulations. The investments are regulated by the Oregon Short-term Fund Board and approved by the Oregon Investment Council (ORS 294.805 to 294.895). The Local Government Investment Pool is an external investment pool managed by the state treasurer's office, which allows governments within the state to pool their funds for investment purposes. The amounts invested in the pool are not classified by risk categories because they are not evidenced by securities that exist in physical or book entry form as defined by GASB Statement No. 40. The Oregon LGIP is unrated for credit quality.

In addition, the Oregon LGIP distributes investment income on an amortized cost basis and participant's equity in the pool is determined by the amount of participant deposits, adjusted for withdrawals and distributed income. Accordingly, the adjustment to fair value would not represent an expendable increase in the county's cash position.

Investments in the Oregon LGIP are made under the provisions of ORS 194.180. These funds are held in the county's name and are not subject to collateralization requirements or ORS 295.018. Investments are stated at cost, which approximated fair value.

A separate financial report for the Oregon Short-term Fund Local Government Investment Pool is prepared by the Secretary of State Audits Division in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Copies of the report can be obtained from the Oregon Audits Division 255 Capitol Street NE, Suite 500 Salem, OR 97310 or online at <http://www.sos.state.or.us/audits/index.html>.

Oregon statutes restrict the types of investments in which the county may invest. Authorized investments include obligations of the United States Government and its agencies, certain bonded obligations of Oregon municipalities, bank repurchase agreements, bankers' acceptances, time certificates of deposit, certain commercial paper, and the Oregon Local Government Investment Pool. As of June 30, 2012 and for the year then ended, the county was in compliance with the aforementioned Oregon statutes.

*Credit Risk* – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State statutes authorize the county to invest primarily in general obligations of the United States Government and its agencies, certain bonded obligations of Oregon municipalities, bank repurchase agreements, bankers' acceptances, certain commercial paper, and the state of Oregon Treasurer's Local Government Investment Pool, among others. The county has a formal investment policy that further restricts its investment choices.

*Concentration of Credit Risk* – Concentration of credit risk is the risk of a loss attributed to the magnitude of a government's investment in a single issuer. The county is required to provide information about the concentration of credit risk associated with its investments in one issuer that represents 5 percent or more of the total investments, excluding investments in external investment pools or those issued and explicitly guaranteed by the United States Government. The county has no such investments.

*Interest Rate Risk* – The county has no formal investment policy that explicitly limits investment maturities as a means of managing its exposure to fair value loss arising from increasing interest rates.

*Foreign Currency Risk* – The county is prohibited from investments that are not US dollar-denominated; therefore, the county is not exposed to this risk

LAKE COUNTY, OREGON  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
June 30, 2012

Note 7. Risk Management

The county is exposed to various risks of loss related to torts, theft, damage, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The county is self insured for the physical damage to vehicles and carries commercial insurance for all risks of loss, including workers' compensation, and employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance in any of the past three fiscal years.

Note 8. Interfund Transfers

Transfers generally move revenues from the fund statutorily required to collect the resources to the fund statutorily required to expend the resources. Transfer are approved during the budgeting process are used to supplement various governmental programs. The detail of significant interfund transfers for the fiscal year ended June 30, 2012 is as follows:

| <b>Transfers to</b>    |                  |                          |                           |                   |                          |
|------------------------|------------------|--------------------------|---------------------------|-------------------|--------------------------|
|                        | General<br>Fund  | Nonmajor<br>Governmental | Nonmajor<br>Business type | Total             | Reason                   |
| <b>Transfers from</b>  |                  |                          |                           |                   |                          |
| General Fund           | \$ -             | \$ 342,540               | \$ -                      | \$ 342,540        | To fund special programs |
| Road Fund              | 10,000           | -                        | -                         | 10,000            | For road maintenance     |
| Non major governmental | 1,000            | 13,025                   | 14,272                    | 28,297            | To fund special programs |
| Total governmental     | <u>11,000</u>    | <u>355,565</u>           | <u>14,272</u>             | <u>380,837</u>    |                          |
| Total transfers        | <u>\$ 11,000</u> | <u>\$ 355,565</u>        | <u>\$ 14,272</u>          | <u>\$ 380,837</u> |                          |

Note 9. Capital Assets

The following is a summary of changes in governmental capital assets:

|   | Balance<br>Beginning of<br>Year | Increases             | Decreases       | Balance<br>End of<br>Year |
|---|---------------------------------|-----------------------|-----------------|---------------------------|
| Governmental activities                     |                                 |                       |                 |                           |
| Capital assets not being depreciated:       |                                 |                       |                 |                           |
| Land  | \$ 613,038                      | \$ 30,842             | \$ -            | \$ 643,880                |
| Total capital assets not being depreciated  | <u>613,038</u>                  | <u>30,842</u>         | <u>-</u>        | <u>643,880</u>            |
| Capital assets being depreciated:           |                                 |                       |                 |                           |
| Buildings                                   | 3,877,648                       | 183,171               | -               | 4,060,819                 |
| Equipment and vehicles                      | 5,847,898                       | 722,824               | (46,500)        | 6,524,222                 |
| Infrastructure, road network                | 186,330,645                     | 679,982               | -               | 187,010,627               |
| Total capital assets being depreciated      | <u>196,056,191</u>              | <u>1,585,977</u>      | <u>(46,500)</u> | <u>197,595,668</u>        |
| Less accumulated depreciation for:          |                                 |                       |                 |                           |
| Buildings                                   | 2,708,454                       | 86,805                | -               | 2,795,259                 |
| Equipment and vehicles                      | 4,224,838                       | 463,248               | (46,500)        | 4,641,586                 |
| Infrastructure, road depreciation           | 154,130,299                     | 4,911,709             | -               | 159,042,008               |
| Total accumulated depreciation              | <u>161,063,591</u>              | <u>5,461,762</u>      | <u>(46,500)</u> | <u>166,478,853</u>        |
| Total capital assets being depreciated, net | <u>34,992,600</u>               | <u>(3,875,785)</u>    | <u>-</u>        | <u>31,116,815</u>         |
| Governmental activities capital assets, net | <u>\$ 35,605,638</u>            | <u>\$ (3,844,943)</u> | <u>\$ -</u>     | <u>\$ 31,760,695</u>      |

Depreciation expense for the year was charged to the following programs:

General government                      \$5,461,762

The following is a summary of changes in proprietary capital assets:

LAKE COUNTY, OREGON  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
June 30, 2012

|  | Balance<br>Beginning of<br>Year | Increases         | Decreases   | Balance<br>End of<br>Year |
|--|---------------------------------|-------------------|-------------|---------------------------|
| Business-type activities                     |                                 |                   |             |                           |
| Capital assets not being depreciated:        |                                 |                   |             |                           |
| Land   | \$ 364,600                      | \$ -              | \$ -        | \$ 364,600                |
| Total capital assets not being depreciated   | <u>364,600</u>                  | <u>-</u>          | <u>-</u>    | <u>364,600</u>            |
| Capital assets being depreciated:            |                                 |                   |             |                           |
| Buildings                                    | 560,272                         | 593,903           | -           | 1,154,175                 |
| Equipment and vehicles                       | 516,000                         | -                 | -           | 516,000                   |
| Total capital assets being depreciated       | <u>1,076,272</u>                | <u>593,903</u>    | <u>-</u>    | <u>1,670,175</u>          |
| Less accumulated depreciation for:           |                                 |                   |             |                           |
| Buildings                                    | 152,940                         | 36,613            | -           | 189,553                   |
| Equipment and vehicles                       | 516,000                         | -                 | -           | 516,000                   |
| Total accumulated depreciation               | <u>668,940</u>                  | <u>36,613</u>     | <u>-</u>    | <u>705,553</u>            |
| Business-type activities capital assets, net | <u>\$ 771,932</u>               | <u>\$ 557,290</u> | <u>\$ -</u> | <u>\$ 1,329,222</u>       |

Depreciation expense for the year was charged to the following programs:

|          |          |
|----------|----------|
| Airport  | \$15,393 |
| Railroad | 21,220   |

Note 10. Governmental Fund Leases

The county leases certain property and equipment from others. Operating lease payments are recorded as expenditures when paid.

Operating leases include:

| Equipment leased       | Length of lease | Payment | Date ending    |
|------------------------|-----------------|---------|----------------|
| Canon IR 2270 Copier   | 60 months       | \$ 176  | June, 2015     |
| RICOH MP 3351 Copier   | 60 months       | 231     | June, 2016     |
| RICOH 6000SP copier    | 60 months       | 498     | August, 2013   |
| RICOH MP 2550SP Copier | 60 months       | 145     | December, 2014 |
| Mental health office   | 57 months       | 2,000   | March, 2014    |
| Public health office   | 24 months       | 745     | November, 2012 |

Future minimum lease payments are as follows:

| Fiscal Year Ending<br>June 30, | Total Future<br>Minimum Lease<br>Payments |
|--------------------------------|---|
| 2013                           | \$ 39,368                                 |
| 2014                           | 25,590                                    |
| 2015                           | 5,761                                     |
| 2016                           | 2,772                                     |
| Totals                         | <u>\$ 73,491</u>                          |

LAKE COUNTY, OREGON  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
June 30, 2012

Note 11. Deficit Fund Balance

At June 30, 2012 the Mental Health Grants Fund had a negative fund balance of \$1,290, the Special Transportation Reserve Fund had a negative fund balance of \$3,529 and the Telephone Tax 911 Fund had a negative fund balance of \$3,125. These fund deficits will be eliminated by a transfer from the General Fund or request of grant funds in fiscal year 2012-13.

Note 13. Implementation of GASB Statement No. 54—New Fund Balance

Below is a schedule of ending fund balances, based on GASB Statement No. 54 Implementation:

| Fund Balances         | General Fund        | Road Fund           | Road Insurance Fund | Road Reserve Fund    | Nonmajor Funds      | Total                |
|-----------------------|---------------------|---------------------|---------------------|----------------------|---------------------|----------------------|
| <u>Nonspendable</u>   |                     |                     |                     |                      |                     |                      |
| Interfund Receivables | \$ 2,784            | \$ -                | \$ -                | \$ -                 | \$ -                | \$ 2,784             |
|                       | <u>2,784</u>        | <u>-</u>            | <u>-</u>            | <u>-</u>             | <u>-</u>            | <u>2,784</u>         |
| <u>Restricted</u>     |                     |                     |                     |                      |                     |                      |
| Landfill closure      | 509,886             | -                   | -                   | -                    | -                   | 509,886              |
| Road costs            | -                   | 3,346,174           | 3,726,676           | 12,640,421           | 1,956,885           | 21,670,156           |
| Special programs      | -                   | -                   | -                   | -                    | 1,564,013           | 1,564,013            |
|                       | <u>509,886</u>      | <u>3,346,174</u>    | <u>3,726,676</u>    | <u>12,640,421</u>    | <u>3,520,898</u>    | <u>23,744,055</u>    |
| <u>Committed to:</u>  |                     |                     |                     |                      |                     |                      |
|                       | <u>-</u>            | <u>-</u>            | <u>-</u>            | <u>-</u>             | <u>-</u>            | <u>-</u>             |
| <u>Assigned</u>       | <u>-</u>            | <u>-</u>            | <u>-</u>            | <u>-</u>             | 824,162             | 824,162              |
| <u>Unassigned</u>     | <u>2,034,658</u>    | <u>-</u>            | <u>-</u>            | <u>-</u>             | (7,944)             | 2,026,714            |
| TOTAL FUND BALANCES   | <u>\$ 2,547,328</u> | <u>\$ 3,346,174</u> | <u>\$ 3,726,676</u> | <u>\$ 12,640,421</u> | <u>\$ 4,337,116</u> | <u>\$ 26,597,715</u> |

GASB 54 implementation required board approved action to authorize commitments of fund balances. Commitments of fund balances must be made prior to the end of the fiscal year. No commitments of fund balances were made by the fiscal year end date

On June 15, 2011, the board authorized the Budget Officer to make assignments of ending fund balance. Assignments of fund balances can be done at any time, including after fiscal year end date.

Note 14. Commitments and Contingencies

Oregon Department of Human Services

The Mental Health services that were provided in the past through a contract with Lutheran Family Services has undergone a full audit by the Oregon Department of Human Services for the period of July 1, 2005 through June 30, 2007. This audit has resulted in a balance due of \$48,306.87, mostly arising from the developmentally disabled service element. Lake County has taken the position that the liability should be paid by Lutheran Family Services who was contracted to provide all the mental health services for Lake County and received all of the funds from the county as if the services were provided as contracted. On advised of legal counsel, this balance due is in dispute and has not been paid. As a result, the liability for this amount has not been recorded on the county's balance sheet at June 30, 2012.

LAKE COUNTY, OREGON  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
June 30, 2012

FAA Airport Entitlement Transfer Agreements

According to section 47117(c)(2) of Title 49 U.S.C., Lake County, Oregon has federal funds apportioned annually to be used for airport projects. These apportionments must be used for approve projects during the fiscal year for which the amount was apportioned and the 2 fiscal years immediately after that year or the 3 fiscal years immediately following that year in the case of a nonhub airport or any airport that is not a commercial service airport. If the amount is not obligated under the apportionment within that time, it shall be added to the discretionary fund, which means that the county will lose its rights to the funds. In June 2011, Lake County, Oregon entered into an agreement with the City of Florence, Oregon to transfer these entitlements. The balances by fiscal year of the entitlements transferred are:

| <u>Amount</u>     | <u>Fiscal Year</u> |
|-------------------|--------------------|
| \$ 9,058          | 2008               |
| 150,000           | 2009               |
| 150,000           | 2010               |
| 140,942           | 2011               |
| <u>\$ 450,000</u> |                    |

In exchange the City of Florence has transferred its entitlements for fiscal year 2012 through 2014 to Lake County, Oregon. The table below illustrates the entitlement allocations transferred to Lake County:

| <u>Amount</u>     | <u>Fiscal Year</u> |
|-------------------|--------------------|
| \$ 150,000        | 2012               |
| 150,000           | 2013               |
| 150,000           | 2014               |
| <u>\$ 450,000</u> |                    |

Railroad Contingency

The county receives significant financial assistance from various federal, state and local governmental agencies. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the county at June 30, 2012.

Funds received by the county to purchase and revitalize the railroad are subject to repayment if the railroad is abandoned or sold. The amounts which would have to be repaid equal \$108,708 to the U.S. Department of Transportation, and \$62,888 to local sawmills. The county has no plans to sell or abandon the railroad currently, therefore no provision has been recorded in the financial statements.



REQUIRED SUPPLEMENTARY INFORMATION



LAKE COUNTY, OREGON  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (Budget Basis)**  
**GENERAL FUND**  
For the Year Ended  
June 30, 2012

|  | Budget       |              |              | Positive<br>(Negative)<br>Variance to<br>Budget |
|--|--------------|--------------|--------------|---|
|  | Original     | Final        | Actual       |   |
| Revenues                                     |              |              |              |   |
| Taxes  | \$ 2,345,000 | \$ 2,345,000 | \$ 2,942,070 | \$ 597,070                                      |
| Licenses and permits                         | 6,800        | 6,800        | 16,495       | 9,695   |
| Intergovernmental revenues                   | 1,620,087    | 1,630,087    | 1,681,065    | 50,978  |
| Charges for services                         | 493,142      | 493,142      | 442,228      | (50,914)  |
| Interest earned                              | 25,100       | 25,100       | 26,250       | 1,150   |
| Miscellaneous revenues                       | 49,550       | 49,550       | 46,894       | (2,656)   |
| Total revenues                               | 4,539,679    | 4,549,679    | 5,155,002    | 605,323   |
| Expenditures                                 |              |              |              |   |
| County assessor                              | 503,360      | 503,360      | 487,051      | 16,309  |
| Central services                             | 139,840      | 139,840      | 126,356      | 13,484  |
| County clerk                                 | 182,347      | 182,347      | 164,338      | 18,009  |
| County commissioners                         | 277,780      | 277,780      | 264,799      | 12,981  |
| Courthouse                                   | 206,857      | 206,857      | 197,285      | 9,572   |
| District Attorney                            | 151,391      | 151,391      | 147,962      | 3,429   |
| Emergency services                           | 325          | 325          | 325          | -   |
| County land maintenance                      | 85,354       | 85,354       | 68,481       | 16,873  |
| Juvenile department                          | 321,886      | 321,886      | 300,733      | 21,153  |
| Paisley airport                              | 1,940        | 1,940        | 437          | 1,503   |
| County counsel                               | 62,700       | 67,700       | 65,013       | 2,687   |
| Juvenile/mental health transports            | 4,000        | 4,000        | 2,861        | 1,139   |
| County jail                                  | 927,732      | 937,732      | 926,821      | 10,911  |
| Sheriff's department                         | 844,805      | 844,805      | 796,626      | 48,179  |
| Treasurer                                    | 105,374      | 105,374      | 100,881      | 4,493   |
| County surveyor                              | 9,899        | 9,899        | 7,201        | 2,698   |
| Planning and building                        | 128,071      | 128,071      | 115,219      | 12,852  |
| Watermaster                                  | 3,744        | 3,744        | 1,682        | 2,062   |
| Financial department                         | 154,823      | 154,823      | 154,407      | 416   |
| County health - medical examiner             | 8,850        | 8,850        | 8,332        | 518   |
| Computer                                     | 59,100       | 59,100       | 50,668       | 8,432   |
| Safe and drug free grant                     | 4,000        | 4,000        | 2,216        | 1,784   |
| DUI grant                                    | 7,000        | 7,000        | 6,084        | 916   |
| Contingency                                  | 150,237      | 106,237      | -            | 106,237   |
| Total expenditures                           | 4,348,903    | 4,319,903    | 3,995,778    | 324,125   |
| Excess of revenues over (under) expenditures | 190,776      | 229,776      | 1,159,224    | 929,448   |
| Other financing sources (uses)               |              |              |              |   |
| Transfers in                                 | 11,000       | 11,000       | 11,000       | -   |
| Transfers out                                | (595,248)    | (645,248)    | (592,687)    | 52,561  |
| Total other financing sources (uses)         | (584,248)    | (623,248)    | (581,687)    | 41,561  |
| Net change in fund balance                   | (393,472)    | (393,472)    | 577,537      | 971,009   |
| Available fund balance, July 1               | 1,247,244    | 1,247,244    | 1,265,377    | 18,133  |
| Available fund balance, June 30              | \$ 853,772   | \$ 853,772   | \$ 1,842,914 | \$ 989,142                                      |

LAKE COUNTY, OREGON  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (Budget Basis)**  
**GENERAL COMMUNICATION FUND**  
For the Year Ended  
June 30, 2012

|  | Budget   |          | Actual    | Positive<br>(Negative)<br>Variance to<br>Budget |
|--|----------|----------|-----------|---|
|  | Original | Final    |           |   |
| Revenues                                     |          |          |           |   |
| Charges for services                         | \$ -     | \$ -     | \$ 120    | \$ 120  |
| Interest earned                              | 100      | 100      | 192       | 92  |
| Total revenues                               | 100      | 100      | 312       | 212   |
| Expenditures                                 |          |          |           |   |
| Materials and services                       | 36,100   | 36,100   | 7,169     | 28,931  |
| Total expenditures                           | 36,100   | 36,100   | 7,169     | 28,931  |
| Excess of revenues over (under) expenditures | (36,000) | (36,000) | (6,857)   | 29,143  |
| Other financing sources (uses)               |          |          |           |   |
| Transfers in                                 | 6,200    | 6,200    | 6,200     | -   |
| Total other financing sources (uses)         | 6,200    | 6,200    | 6,200     | -   |
| Net change in fund balance                   | (29,800) | (29,800) | (657)     | 29,143  |
| Available fund balance, July 1               | 29,800   | 29,800   | 35,749    | 5,949   |
| Available fund balance, June 30              | \$ -     | \$ -     | \$ 35,092 | \$ 35,092                                       |

For reporting purposes, this fund will be included in the general fund details.

LAKE COUNTY, OREGON  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (Budget Basis)**  
**PHYSICAL DAMAGE INSURANCE FUND**

For the Year Ended  
June 30, 2012

|  | Budget      |             | Actual           | Positive<br>(Negative)<br>Variance to<br>Budget |
|--|-------------|-------------|------------------|---|
|  | Original    | Final       |                  |   |
| Revenues                                     |             |             |                  |   |
| Interest earned                              | \$ 220      | \$ 220      | \$ 128           | \$ (92)   |
| Total revenues                               | 220         | 220         | 128              | (92)  |
| Expenditures                                 |             |             |                  |   |
| Materials and services                       | 83,167      | 83,167      | 30,163           | 53,004  |
| Total expenditures                           | 83,167      | 83,167      | 30,163           | 53,004  |
| Excess of revenues over (under) expenditures | (82,947)    | (82,947)    | (30,035)         | 52,912  |
| Other financing sources (uses)               |             |             |                  |   |
| Transfers in                                 | 52,947      | 52,947      | 52,947           | -   |
| Total other financing sources (uses)         | 52,947      | 52,947      | 52,947           | -   |
| Net change in fund balance                   | (30,000)    | (30,000)    | 22,912           | 52,912  |
| Available fund balance, July 1               | 30,000      | 30,000      | 34,554           | 4,554   |
| Available fund balance, June 30              | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 57,466</u> | <u>\$ 57,466</u>                                |

For reporting purposes, this fund will be included in the general fund details.

LAKE COUNTY, OREGON  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (Budget Basis)**  
**COUNTY VEHICLE PROGRAM FUND**

For the Year Ended  
June 30, 2012

|  | Budget   |          | Actual   | Positive<br>(Negative)<br>Variance to<br>Budget |
|--|----------|----------|----------|---|
|  | Original | Final    |          |   |
| Revenues                                     |          |          |          |   |
| Interest earned                              | \$ -     | \$ -     | \$ 7     | \$ 7  |
| Miscellaneous revenues                       | 10,000   | 10,000   | 88       | (9,912)   |
| Total revenues                               | 10,000   | 10,000   | 95       | (9,905)   |
| Expenditures                                 |          |          |          |   |
| Materials and services                       | 49,540   | 49,540   | 46,768   | 2,772   |
| Capital outlay                               | 58,460   | 58,460   | 52,033   | 6,427   |
| Total expenditures                           | 108,000  | 108,000  | 98,801   | 9,199   |
| Excess of revenues over (under) expenditures | (98,000) | (98,000) | (98,706) | (706)   |
| Other financing sources (uses)               |          |          |          |   |
| Transfers in                                 | 98,000   | 98,000   | 98,000   | -   |
| Total other financing sources (uses)         | 98,000   | 98,000   | 98,000   | -   |
| Net change in fund balance                   | -        | -        | (706)    | (706)   |
| Available fund balance, July 1               | -        | -        | 3,043    | 3,043   |
| Available fund balance, June 30              | \$ -     | \$ -     | \$ 2,337 | \$ 2,337  |

For reporting purposes, this fund will be included in the general fund details.

LAKE COUNTY, OREGON  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (Budget Basis)**  
**LANDFILL CLOSURE FUND**

For the Year Ended  
June 30, 2012

|  | Budget    |           | Actual     | Positive<br>(Negative)<br>Variance to<br>Budget |
|--|-----------|-----------|------------|---|
|  | Original  | Final     |            |   |
| Revenues                                     |           |           |            |   |
| Interest earned                              | \$ 2,400  | \$ 2,400  | \$ 2,603   | \$ 203  |
| Total revenues                               | 2,400     | 2,400     | 2,603      | 203   |
| Expenditures                                 |           |           |            |   |
| Contingency                                  | 509,300   | 509,300   | -          | 509,300   |
| Total expenditures                           | 509,300   | 509,300   | -          | 509,300   |
| Excess of revenues over (under) expenditures | (506,900) | (506,900) | 2,603      | 509,503   |
| Other financing sources (uses)               |           |           |            |   |
| Transfers in                                 | 23,000    | 23,000    | 23,000     | -   |
| Total other financing sources (uses)         | 23,000    | 23,000    | 23,000     | -   |
| Net change in fund balance                   | (483,900) | (483,900) | 25,603     | 509,503   |
| Available fund balance, July 1               | 483,900   | 483,900   | 484,283    | 383   |
| Available fund balance, June 30              | \$ -      | \$ -      | \$ 509,886 | \$ 509,886                                      |

For reporting purposes, this fund will be included in the general fund details.

LAKE COUNTY, OREGON  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (Budget Basis)**  
**COUNTY LANDFILL FUND**  
For the Year Ended  
June 30, 2012

|  | Budget    |           | Actual    | Positive<br>(Negative)<br>Variance to<br>Budget |
|--|-----------|-----------|-----------|---|
|  | Original  | Final     |           |   |
| Revenues                                     |           |           |           |   |
| Interest earned                              | \$ 200    | \$ 200    | \$ 266    | \$ 66   |
| Miscellaneous revenues                       | 2,400     | 2,400     | 2,558     | 158   |
| Total revenues                               | 2,600     | 2,600     | 2,824     | 224   |
| Expenditures                                 |           |           |           |   |
| Personal services                            | 27,747    | 27,747    | 25,723    | 2,024   |
| Materials and services                       | 86,710    | 86,710    | 51,365    | 35,345  |
| Capital outlay                               | 3,000     | 3,000     | 2,546     | 454   |
| Contingency                                  | 9,943     | 9,943     | -         | 9,943   |
| Total expenditures                           | 127,400   | 127,400   | 79,634    | 47,766  |
| Excess of revenues over (under) expenditures | (124,800) | (124,800) | (76,810)  | 47,990  |
| Other financing sources (uses)               |           |           |           |   |
| Transfers in                                 | 70,000    | 70,000    | 70,000    | -   |
| Total other financing sources (uses)         | 70,000    | 70,000    | 70,000    | -   |
| Net change in fund balance                   | (54,800)  | (54,800)  | (6,810)   | 47,990  |
| Available fund balance, July 1               | 54,800    | 54,800    | 60,521    | 5,721   |
| Available fund balance, June 30              | \$ -      | \$ -      | \$ 53,711 | \$ 53,711                                       |

For reporting purposes, this fund will be included in the general fund details.

LAKE COUNTY, OREGON  
**BUDGETARY COMPARISON SCHEDULE - BUDGET TO GAAP RECONCILIATION**  
**GENERAL FUND FOR GAAP PRESENTATION**

For the Year Ended  
June 30, 2012

|  | Budget Basis        |                            |                                |                     |
|--|---------------------|----------------------------|--------------------------------|---------------------|
|  | General Fund        | General Communication Fund | Physical Damage Insurance Fund | County Vehicle Fund |
| Revenues                                     |                     |                            |                                |                     |
| Taxes  | \$ 2,942,070        | \$ -                       | \$ -                           | \$ -                |
| Licenses and permits                         | 16,495              | -                          | -                              | -                   |
| Intergovernmental revenues                   | 1,681,065           | -                          | -                              | -                   |
| Charges for services                         | 442,228             | 120                        | -                              | -                   |
| Interest earned                              | 26,250              | 192                        | 128                            | 7                   |
| Miscellaneous revenues                       | 46,894              | -                          | -                              | 88                  |
| Total revenues                               | <u>5,155,002</u>    | <u>312</u>                 | <u>128</u>                     | <u>95</u>           |
| Expenditures                                 |                     |                            |                                |                     |
| General government                           | 1,674,842           | 7,169                      | 30,163                         | 98,801              |
| Public safety                                | 2,193,643           | -                          | -                              | -                   |
| Highways and streets                         | 937                 | -                          | -                              | -                   |
| Health                                       | 126,356             | -                          | -                              | -                   |
| Total expenditures                           | <u>3,995,778</u>    | <u>7,169</u>               | <u>30,163</u>                  | <u>98,801</u>       |
| Excess of revenues over (under) expenditures | 1,159,224           | (6,857)                    | (30,035)                       | (98,706)            |
| Other financing sources (uses)               |                     |                            |                                |                     |
| Transfers in                                 | 11,000              | 6,200                      | 52,947                         | 98,000              |
| Transfers out                                | (592,687)           | -                          | -                              | -                   |
| Net loan activity                            | -                   | -                          | -                              | -                   |
| Total other financing sources (uses)         | <u>(581,687)</u>    | <u>6,200</u>               | <u>52,947</u>                  | <u>98,000</u>       |
| Net change in fund balances                  | 577,537             | (657)                      | 22,912                         | (706)               |
| Available fund balances, July 1              | <u>1,265,377</u>    | <u>35,749</u>              | <u>34,554</u>                  | <u>3,043</u>        |
| Available fund balances, June 30             | <u>\$ 1,842,914</u> | <u>\$ 35,092</u>           | <u>\$ 57,466</u>               | <u>\$ 2,337</u>     |
| Adjustments for property taxes receivable    |                     | \$ (4,963)                 |                                |                     |
| Adjustments for accounts payable             |                     | (4,846)                    |                                |                     |
| Adjustments for accounts receivable          |                     | 43,096                     |                                |                     |
| Total adjustments for modified accrual       |                     | <u>\$ 33,287</u>           |                                |                     |



| Budget Basis                |                                    |   |                                    |   |
|-----------------------------|------------------------------------|---|------------------------------------|---|
| Landfill<br>Closure<br>Fund | Lake<br>County<br>Landfill<br>Fund | Total<br>General Fund<br>for reporting purposes<br>June 30,<br>2012 | Modified<br>Accrual<br>Adjustments | Total<br>General Fund<br>for reporting purposes<br>June 30,<br>2012 |
| \$ -                        | \$ -                               | \$ 2,942,070  | \$ (4,963)                         | \$ 2,937,107  |
| -                           | -                                  | 16,495  | (50)                               | 16,445  |
| -                           | -                                  | 1,681,065   | 44,738                             | 1,725,803   |
| -                           | -                                  | 442,348   | (1,592)                            | 440,756   |
| 2,603                       | 266                                | 29,446  | -                                  | 29,446  |
| -                           | 2,558                              | 49,540  | -                                  | 49,540  |
| 2,603                       | 2,824                              | 5,160,964   | 38,133                             | 5,199,097   |
| -                           | 79,634                             | 1,838,576   | 61,852                             | 1,900,428   |
| -                           | -                                  | 2,193,643   | (4,973)                            | 2,188,670   |
| -                           | -                                  | 937   | -                                  | 937   |
| -                           | -                                  | 126,356   | -                                  | 126,356   |
| -                           | 79,634                             | 4,159,512   | 56,879                             | 4,216,391   |
| 2,603                       | (76,810)                           | 1,001,452   | (18,746)                           | 982,706   |
| 23,000                      | 70,000                             | 261,147   | (250,147)                          | 11,000  |
| -                           | -                                  | (592,687)   | 250,147                            | (342,540)   |
| -                           | -                                  | -   | -                                  | -   |
| 23,000                      | 70,000                             | (331,540)   | -                                  | (331,540)   |
| 25,603                      | (6,810)                            | 669,912   | (18,746)                           | 651,166   |
| 484,283                     | 60,521                             | 1,883,527   | 12,635                             | 1,896,162   |
| \$ 509,886                  | \$ 53,711                          | \$ 2,553,439  | \$ (6,111)                         | \$ 2,547,328  |

LAKE COUNTY, OREGON  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (Budget Basis)**  
**ROAD FUND**  
For the Year Ended  
June 30, 2012

|  | Budget       |              |              | Positive<br>(Negative)<br>Variance to<br>Budget |
|--|--------------|--------------|--------------|---|
|  | Original     | Final        | Actual       |   |
| Revenues                                     |              |              |              |   |
| Intergovernmental revenues                   | \$ 3,486,817 | \$ 3,486,817 | \$ 3,527,349 | \$ 40,532                                       |
| Charges for services                         | 474,500      | 474,500      | 569,490      | 94,990  |
| Interest earned                              | 20,000       | 20,000       | 18,078       | (1,922)   |
| Miscellaneous revenues                       | 2,000        | 2,000        | 602          | (1,398)   |
| Total revenues                               | 3,983,317    | 3,983,317    | 4,115,519    | 132,202   |
| Expenditures                                 |              |              |              |   |
| Personal services                            | 1,589,195    | 1,589,195    | 1,370,820    | 218,375   |
| Materials and services                       | 4,481,792    | 4,481,792    | 3,052,770    | 1,429,022                                       |
| Contingency                                  | 303,740      | 303,740      | -            | 303,740   |
| Total expenditures                           | 6,374,727    | 6,374,727    | 4,423,590    | 1,951,137                                       |
| Excess of revenues over (under) expenditures | (2,391,410)  | (2,391,410)  | (308,071)    | 2,083,339                                       |
| Other financing sources (uses)               |              |              |              |   |
| Transfers in                                 | 1,219,566    | 1,219,566    | -            | (1,219,566)                                     |
| Transfers out                                | (10,000)     | (10,000)     | (10,000)     | -   |
| Total other financing sources (uses)         | 1,209,566    | 1,209,566    | (10,000)     | (1,219,566)                                     |
| Net change in fund balance                   | (1,181,844)  | (1,181,844)  | (318,071)    | 863,773   |
| Available fund balance, July 1               | 3,681,844    | 3,681,844    | 3,803,637    | 121,793   |
| Available fund balance, June 30              | \$ 2,500,000 | \$ 2,500,000 | \$ 3,485,566 | \$ 985,566                                      |

LAKE COUNTY, OREGON  
**BUDGETARY COMPARISON SCHEDULE - BUDGET TO GAAP RECONCILIATION**  
**ROAD FUND**

For the Year Ended

June 30, 2012

|  | <u>Budget Basis</u> | Modified               | Total<br>For the<br>Year Ended |
|--|---------------------|------------------------|--------------------------------|
|  | Road<br>Fund        | Accrual<br>Adjustments | June 30,<br>2012               |
| Revenues                                     |                     |                        |                                |
| Intergovernmental revenues                   | \$ 3,527,349        | \$ 352                 | \$ 3,527,701                   |
| Charges for services                         | 569,490             | -                      | 569,490                        |
| Interest earned                              | 18,078              | -                      | 18,078                         |
| Miscellaneous revenues                       | 602                 | -                      | 602                            |
| Total revenues                               | <u>4,115,519</u>    | <u>352</u>             | <u>4,115,871</u>               |
| Expenditures                                 |                     |                        |                                |
| Highways, streets, and airport               | 4,423,590           | (50,936)               | 4,372,654                      |
| Total expenditures                           | <u>4,423,590</u>    | <u>(50,936)</u>        | <u>4,372,654</u>               |
| Excess of revenues over (under) expenditures | (308,071)           | 51,288                 | (256,783)                      |
| Other financing sources (uses)               |                     |                        |                                |
| Transfers out                                | (10,000)            | -                      | (10,000)                       |
| Total other financing sources (uses)         | <u>(10,000)</u>     | <u>-</u>               | <u>(10,000)</u>                |
| Net change in fund balances                  | (318,071)           | 51,288                 | (266,783)                      |
| Available fund balances, July 1              | 3,803,637           | (190,681)              | 3,612,956                      |
| Available fund balances, June 30             | <u>\$ 3,485,566</u> | <u>\$ (139,393)</u>    | <u>\$ 3,346,173</u>            |
| Adjustments for accounts payable             | \$ 50,936           |                        |                                |
| Adjustments for accounts receivable          | 352                 |                        |                                |
| Total adjustments for modified accrual       | <u>\$ 51,288</u>    |                        |                                |

LAKE COUNTY, OREGON  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (Budget Basis)**  
**ROAD INSURANCE FUND**

For the Year Ended  
June 30, 2012

|  | Budget      |             | Actual       | Positive<br>(Negative)<br>Variance to<br>Budget |
|--|-------------|-------------|--------------|---|
|  | Original    | Final       |              |   |
| Revenues                                     |             |             |              |   |
| Interest earned                              | \$ 18,700   | \$ 18,700   | \$ 19,528    | \$ 828  |
| Miscellaneous revenues                       | -           | -           | -            | -   |
| Total revenues                               | 18,700      | 18,700      | 19,528       | 828   |
| Expenditures                                 |             |             |              |   |
| Materials and services                       | 72,956      | 72,956      | 36,167       | 36,789  |
| Capital outlay                               | 3,685,744   | 3,685,744   | -            | 3,685,744                                       |
| Total expenditures                           | 3,758,700   | 3,758,700   | 36,167       | 3,722,533                                       |
| Excess of revenues over (under) expenditures | (3,740,000) | (3,740,000) | (16,639)     | 3,723,361                                       |
| Other financing sources (uses)               |             |             |              |   |
| Transfers in                                 | -           | -           | -            | -   |
| Total other financing sources (uses)         | -           | -           | -            | -   |
| Net change in fund balance                   | (3,740,000) | (3,740,000) | (16,639)     | 3,723,361                                       |
| Available fund balance, July 1               | 3,740,000   | 3,740,000   | 3,743,315    | 3,315   |
| Available fund balance, June 30              | \$ -        | \$ -        | \$ 3,726,676 | \$ 3,726,676                                    |

LAKE COUNTY, OREGON  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (Budget Basis)**  
**ROAD RESERVE FUND**  
For the Year Ended  
June 30, 2012

|  | Budget       |              | Actual        | Positive<br>(Negative)<br>Variance to<br>Budget |
|--|--------------|--------------|---------------|---|
|  | Original     | Final        |               |   |
| Revenues                                     |              |              |               |   |
| Interest earned                              | \$ 60,000    | \$ 60,000    | \$ 66,200     | \$ 6,200  |
| Total revenues                               | 60,000       | 60,000       | 66,200        | 6,200   |
| Expenditures                                 |              |              |               |   |
| Contingency                                  | 11,400,459   | 11,400,459   | -             | 11,400,459                                      |
| Total expenditures                           | 11,400,459   | 11,400,459   | -             | 11,400,459                                      |
| Excess of revenues over (under) expenditures | (11,340,459) | (11,340,459) | 66,200        | 11,406,659                                      |
| Other financing sources (uses)               |              |              |               |   |
| Transfers out                                | (1,219,566)  | (1,219,566)  | -             | 1,219,566                                       |
| Total other financing sources (uses)         | (1,219,566)  | (1,219,566)  | -             | 1,219,566                                       |
| Net change in fund balance                   | (12,560,025) | (12,560,025) | 66,200        | 12,626,225                                      |
| Available fund balance, July 1               | 12,560,025   | 12,560,025   | 12,574,221    | 14,196  |
| Available fund balance, June 30              | \$ -         | \$ -         | \$ 12,640,421 | \$ 12,640,421                                   |

LAKE COUNTY, OREGON  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION-**  
**BUDGETARY REPORTING**  
Year Ended June 30, 2012

A budget is prepared for each county fund in accordance with the modified cash basis of accounting and legal requirements set forth in the Oregon local budget law. The resolution authorizing appropriations for each fund, except the General Fund, sets the level by which expenditures cannot legally exceed appropriations. Total personal services, materials and services, capital outlay and other expenditures by fund are the levels of control. The General Fund sets the level by which expenditures cannot legally exceed appropriation by department. The detail budget document, however, is required to contain more specific, detailed information for the above mentioned expenditure categories. The budget appropriations lapse at June 30 of each fiscal year.

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, publications in newspapers and approval by the board of commissioners. Original and supplemental budgets may be modified by the use of appropriations transfers between the levels of control. Such transfers require approval by the board of commissioners.

The budget for the General Fund and special revenue funds includes capital outlay expenditures in each program for capital outlay applicable to that program. The budget was prepared in accordance with ORS 294, local budget law.

For the year ended June 30, 2012, there were no expenditures that exceeded budget at the legal level of budgetary control.

OTHER SUPPLEMENTARY INFORMATION



NONMAJOR FUNDS – GAAP BASIS





LAKE COUNTY, OREGON  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
June 30, 2012

|                                     | <u>Capital Projects</u>                | <u>Special Revenue</u>           |  |                            |
|-------------------------------------|--|----------------------------------|--|----------------------------|
|                                     | General<br>Capital<br>Projects<br>Fund | County<br>Insurance Pool<br>Fund | Road<br>Capital<br>Improvement<br>Fund | Jail<br>Assessment<br>Fund |
| ASSETS                              |  |                                  |  |                            |
| Cash and cash equivalents           | \$ 344,257                             | \$ 31,509                        | \$ 2,026,435                           | \$ 6,040                   |
| Receivables                         |  |                                  |  |                            |
| Due from other funds                | -                                      | -                                | -                                      | -                          |
| Revolving fund loans                | -                                      | -                                | -                                      | -                          |
| Accounts                            | -                                      | -                                | -                                      | -                          |
| Total assets                        | <u>\$ 344,257</u>                      | <u>\$ 31,509</u>                 | <u>\$ 2,026,435</u>                    | <u>\$ 6,040</u>            |
| LIABILITIES AND FUND BALANCES       |  |                                  |  |                            |
| Liabilities                         |  |                                  |  |                            |
| Accounts payable                    | \$ -                                   | \$ -                             | \$ 69,550                              | \$ -                       |
| Payroll liabilities                 | -                                      | -                                | -                                      | -                          |
| Due to other funds                  | -                                      | -                                | -                                      | -                          |
| Total liabilities                   | <u>-</u>                               | <u>-</u>                         | <u>69,550</u>                          | <u>-</u>                   |
| Fund balances                       |  |                                  |  |                            |
| Spendable                           |  |                                  |  |                            |
| Restricted                          | -                                      | -                                | 1,956,885                              | 6,040                      |
| Committed                           | -                                      | -                                | -                                      | -                          |
| Assigned                            | 344,257                                | 31,509                           | -                                      | -                          |
| Unassigned                          | -                                      | -                                | -                                      | -                          |
| Total fund balances                 | <u>344,257</u>                         | <u>31,509</u>                    | <u>1,956,885</u>                       | <u>6,040</u>               |
| Total liabilities and fund balances | <u>\$ 344,257</u>                      | <u>\$ 31,509</u>                 | <u>\$ 2,026,435</u>                    | <u>\$ 6,040</u>            |

Special Revenue

| <u>Commission on<br/>Children/Families<br/>Fund</u> | <u>Corner<br/>Monumentation<br/>Fund</u> | <u>Fair Board<br/>Fund</u> |
|---|--|----------------------------|
| \$ 40,546   | \$ 104,687                               | \$ 66,437                  |
| -   | -  | -                          |
| -   | -  | -                          |
| -   | -  | -                          |
| <u>\$ 40,546</u>                                    | <u>\$ 104,687</u>                        | <u>\$ 66,437</u>           |
| <br>  |  |                            |
| \$ -  | \$ 66                                    | \$ -                       |
| 267   | -  | 250                        |
| -   | -  | -                          |
| <u>267</u>  | <u>66</u>                                | <u>250</u>                 |
| <br>  |  |                            |
| 40,279  | 104,621                                  | 66,187                     |
| -   | -  | -                          |
| -   | -  | -                          |
| -   | -  | -                          |
| <u>40,279</u>                                       | <u>104,621</u>                           | <u>66,187</u>              |
| <u>\$ 40,546</u>                                    | <u>\$ 104,687</u>                        | <u>\$ 66,437</u>           |

| Special Revenue                |                                 |                                 |
|--------------------------------|---------------------------------|---------------------------------|
| Roundup<br>Association<br>Fund | County<br>Clerk Records<br>Fund | Economic<br>Development<br>Fund |
| \$ 103,603                     | \$ 2,403                        | \$ 30,968                       |
| -                              | -                               | -                               |
| -                              | -                               | -                               |
| -                              | -                               | -                               |
| <u>\$ 103,603</u>              | <u>\$ 2,403</u>                 | <u>\$ 30,968</u>                |
| <br>                           |                                 |                                 |
| \$ -                           | \$ -                            | \$ -                            |
| -                              | -                               | -                               |
| -                              | -                               | -                               |
| <u>-</u>                       | <u>-</u>                        | <u>-</u>                        |
| <br>                           |                                 |                                 |
| -                              | 2,403                           | -                               |
| -                              | -                               | -                               |
| 103,603                        | -                               | 30,968                          |
| -                              | -                               | -                               |
| <u>103,603</u>                 | <u>2,403</u>                    | <u>30,968</u>                   |
| <u>\$ 103,603</u>              | <u>\$ 2,403</u>                 | <u>\$ 30,968</u>                |

Special Revenue

| Court<br>Security<br>Fund | Bicycle<br>Trails<br>Fund | Range<br>Improvement/<br>Taylor Grazing<br>Fund |
|---------------------------|---------------------------|---|
| \$ 58,809                 | \$ 60,443                 | \$ 114,574                                      |
| -                         | -                         | -   |
| -                         | -                         | -   |
| -                         | 583                       | -   |
| <u>\$ 58,809</u>          | <u>\$ 61,026</u>          | <u>\$ 114,574</u>                               |
| \$ -                      | \$ -                      | \$ -  |
| -                         | -                         | -   |
| -                         | -                         | -   |
| <u>-</u>                  | <u>-</u>                  | <u>-</u>  |
| 58,809                    | 61,026                    | 114,574   |
| -                         | -                         | -   |
| -                         | -                         | -   |
| -                         | -                         | -   |
| <u>58,809</u>             | <u>61,026</u>             | <u>114,574</u>                                  |
| <u>\$ 58,809</u>          | <u>\$ 61,026</u>          | <u>\$ 114,574</u>                               |

| Special Revenue        |                  |                               |
|------------------------|------------------|-------------------------------|
| Law<br>Library<br>Fund | Marine<br>Fund   | Museum<br>Lake County<br>Fund |
| \$ 6,648               | \$ 10,930        | \$ 4,636                      |
| -                      | -                | -                             |
| -                      | -                | -                             |
| -                      | -                | -                             |
| <u>\$ 6,648</u>        | <u>\$ 10,930</u> | <u>\$ 4,636</u>               |
| <br>                   |                  |                               |
| \$ -                   | \$ -             | \$ -                          |
| -                      | -                | -                             |
| -                      | -                | -                             |
| <u>-</u>               | <u>-</u>         | <u>-</u>                      |
| <br>                   |                  |                               |
| 6,648                  | 10,930           | -                             |
| -                      | -                | -                             |
| -                      | -                | 4,636                         |
| -                      | -                | -                             |
| <u>6,648</u>           | <u>10,930</u>    | <u>4,636</u>                  |
| <u>\$ 6,648</u>        | <u>\$ 10,930</u> | <u>\$ 4,636</u>               |

Special Revenue

| <u>Mental<br/>Health<br/>Fund</u> | <u>Recreation<br/>Vehicle Fees<br/>Fund</u> | <u>Telephone<br/>Tax 911<br/>Fund</u> |
|-----------------------------------|---|---------------------------------------|
| \$ 508,781                        | \$ 22,422                                   | \$ 11                                 |
| -                                 | -   | -                                     |
| -                                 | -   | -                                     |
| 103,622                           | 1,387                                       | 59,279                                |
| <u>\$ 612,403</u>                 | <u>\$ 23,809</u>                            | <u>\$ 59,290</u>                      |

|               |          |               |
|---------------|----------|---------------|
| \$ 11,518     | \$ -     | \$ 62,415     |
| -             | -        | -             |
| -             | -        | -             |
| <u>11,518</u> | <u>-</u> | <u>62,415</u> |

|                   |                  |                  |
|-------------------|------------------|------------------|
| 600,885           | 23,809           |                  |
| -                 | -                | -                |
| -                 | -                | -                |
| -                 | -                | (3,125)          |
| <u>600,885</u>    | <u>23,809</u>    | <u>(3,125)</u>   |
| <u>\$ 612,403</u> | <u>\$ 23,809</u> | <u>\$ 59,290</u> |

| Special Revenue                              |                   |                                 |
|--|-------------------|---------------------------------|
| State<br>Corrections<br>Klamath/Lake<br>Fund | Mediation<br>Fund | Mental<br>Health Grants<br>Fund |
| \$ 3,948                                     | \$ 9,046          | \$ -                            |
| -  | -                 | -                               |
| -  | -                 | -                               |
| -  | -                 | -                               |
| <u>\$ 3,948</u>                              | <u>\$ 9,046</u>   | <u>\$ -</u>                     |
| <br>   |                   |                                 |
| \$ -   | \$ -              | \$ -                            |
| 506  | -                 | 254                             |
| -  | -                 | 1,036                           |
| <u>506</u>                                   | <u>-</u>          | <u>1,290</u>                    |
| <br>   |                   |                                 |
| 3,442  | 9,046             | -                               |
| -  | -                 | -                               |
| -  | -                 | -                               |
| -  | -                 | (1,290)                         |
| <u>3,442</u>                                 | <u>9,046</u>      | <u>(1,290)</u>                  |
| <u>\$ 3,948</u>                              | <u>\$ 9,046</u>   | <u>\$ -</u>                     |

| Special Revenue                           |                               |                                      |
|---|-------------------------------|--------------------------------------|
| Community<br>Development<br>Loans<br>Fund | Liquor<br>Enforcement<br>Fund | Title III<br>Forest Receipts<br>Fund |
| \$ 270,294                                | \$ -                          | \$ 113,805                           |
| 13,000                                    | -                             | -                                    |
| 25,895                                    | -                             | -                                    |
| -   | -                             | -                                    |
| <u>\$ 309,189</u>                         | <u>\$ -</u>                   | <u>\$ 113,805</u>                    |
| <br>                                      |                               |                                      |
| \$ -                                      | \$ -                          | \$ -                                 |
| -   | -                             | 10,907                               |
| -   | -                             | -                                    |
| <u>-</u>                                  | <u>-</u>                      | <u>10,907</u>                        |
| <br>                                      |                               |                                      |
| -   | -                             | 102,898                              |
| -   | -                             | -                                    |
| 309,189                                   | -                             | -                                    |
| -   | -                             | -                                    |
| <u>309,189</u>                            | <u>-</u>                      | <u>102,898</u>                       |
| <u>\$ 309,189</u>                         | <u>\$ -</u>                   | <u>\$ 113,805</u>                    |



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Special Revenue

| Public<br>Health<br>Fund | Veterans'<br>Services<br>Fund | Special<br>Transportation<br>Reserve Fund | Industrial<br>Development<br>Revolving<br>Fund | Sheriff<br>Fund  | Total<br>June 30<br>2012 |
|--------------------------|-------------------------------|---|--|------------------|--------------------------|
| \$ 95,367                | \$ -                          | \$ 5,340                                  | \$ 179,624                                     | \$ 27,406        | \$ 4,248,969             |
| -                        | -                             | -   | -  | -                | 13,000                   |
| -                        | -                             | -   | -  | -                | 25,895                   |
| 46,643                   | 6,552                         | -   | -  | -                | 218,066                  |
| <u>\$ 142,010</u>        | <u>\$ 6,552</u>               | <u>\$ 5,340</u>                           | <u>\$ 179,624</u>                              | <u>\$ 27,406</u> | <u>\$ 4,505,930</u>      |
|                          |                               |   |  |                  |                          |
| \$ -                     | \$ -                          | \$ 8,869                                  | \$ -   | \$ -             | \$ 152,418               |
| 1,354                    | -                             | -   | -  | 74               | 13,612                   |
| -                        | 1,748                         | -   | -  | -                | 2,784                    |
| <u>1,354</u>             | <u>1,748</u>                  | <u>8,869</u>                              | <u>-</u>                                       | <u>74</u>        | <u>168,814</u>           |
|                          |                               |   |  |                  |                          |
| 140,656                  | 4,804                         | -   | 179,624  | 27,332           | 3,520,898                |
| -                        | -                             | -   | -  | -                | -                        |
| -                        | -                             | -   | -  | -                | 824,162                  |
| -                        | -                             | (3,529)                                   | -  | -                | (7,944)                  |
| <u>140,656</u>           | <u>4,804</u>                  | <u>(3,529)</u>                            | <u>179,624</u>                                 | <u>27,332</u>    | <u>4,337,116</u>         |
| <u>\$ 142,010</u>        | <u>\$ 6,552</u>               | <u>\$ 5,340</u>                           | <u>\$ 179,624</u>                              | <u>\$ 27,406</u> | <u>\$ 4,505,930</u>      |

LAKE COUNTY, OREGON  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
For the Year Ended  
June 30, 2012

|  | Capital Projects                       | Special Revenue                  |  |                            |
|--|--|----------------------------------|--|----------------------------|
|  | General<br>Capital<br>Projects<br>Fund | County<br>Insurance Pool<br>Fund | Road<br>Capital<br>Improvement<br>Fund | Jail<br>Assessment<br>Fund |
| Revenues                                     |  |                                  |  |                            |
| Taxes  | \$ -                                   | \$ -                             | \$ -                                   | \$ -                       |
| Licenses and permits                         | -                                      | -                                | -                                      | -                          |
| Intergovernmental revenues                   | -                                      | -                                | -                                      | -                          |
| Charges for services                         | 480                                    | -                                | -                                      | 2,684                      |
| Interest earned                              | 1,405                                  | 146                              | 11,262                                 | 26                         |
| Miscellaneous revenues                       | 5,930                                  | 8,230                            | -                                      | -                          |
| Total revenues                               | <u>7,815</u>                           | <u>8,376</u>                     | <u>11,262</u>                          | <u>2,710</u>               |
| Expenditures                                 |  |                                  |  |                            |
| General government                           | 105,808                                | 2,069                            | -                                      | -                          |
| Public safety                                | -                                      | -                                | 638,866                                | 248                        |
| Health                                       | -                                      | -                                | -                                      | -                          |
| Education                                    | -                                      | -                                | -                                      | -                          |
| Economic development                         | -                                      | -                                | -                                      | -                          |
| Total expenditures                           | <u>105,808</u>                         | <u>2,069</u>                     | <u>638,866</u>                         | <u>248</u>                 |
| Excess of revenues over (under) expenditures | (97,993)                               | 6,307                            | (627,604)                              | 2,462                      |
| Other financing sources (uses)               |  |                                  |  |                            |
| Transfers in                                 | 213,640                                | -                                | -                                      | -                          |
| Transfers out                                | (5,772)                                | -                                | -                                      | -                          |
| Total other financing sources (uses)         | <u>207,868</u>                         | <u>-</u>                         | <u>-</u>                               | <u>-</u>                   |
| Net change in fund balances                  | 109,875                                | 6,307                            | (627,604)                              | 2,462                      |
| Available fund balances, July 1              | 234,382                                | 25,202                           | 2,584,489                              | 3,578                      |
| Available fund balances, June 30             | <u>\$ 344,257</u>                      | <u>\$ 31,509</u>                 | <u>\$ 1,956,885</u>                    | <u>\$ 6,040</u>            |

Special Revenue

| Commission on<br>Children/Families<br>Fund | Corner<br>Monumentation<br>Fund | Fair Board<br>Fund |
|--|---------------------------------|--------------------|
| \$ -                                       | \$ -                            | \$ -               |
| -  | -                               | -                  |
| 207,918                                    | 15,481                          | 54,188             |
| -  | 287                             | 101,089            |
| 194  | 544                             | 234                |
| 48   | 3                               | 10,226             |
| <u>208,160</u>                             | <u>16,315</u>                   | <u>165,737</u>     |
| -  | 15,131                          | 156,940            |
| -  | -                               | -                  |
| -  | -                               | -                  |
| 179,474                                    | -                               | -                  |
| -  | -                               | -                  |
| <u>179,474</u>                             | <u>15,131</u>                   | <u>156,940</u>     |
| 28,686                                     | 1,184                           | 8,797              |
| -  | 2,039                           | 28,025             |
| -  | -                               | -                  |
| <u>-</u>                                   | <u>2,039</u>                    | <u>28,025</u>      |
| 28,686                                     | 3,223                           | 36,822             |
| 11,593                                     | 101,398                         | 29,365             |
| <u>\$ 40,279</u>                           | <u>\$ 104,621</u>               | <u>\$ 66,187</u>   |

| Special Revenue                |                                 |                                 |
|--------------------------------|---------------------------------|---------------------------------|
| Roundup<br>Association<br>Fund | County<br>Clerk Records<br>Fund | Economic<br>Development<br>Fund |
| \$ -                           | \$ -                            | \$ -                            |
| -                              | -                               | -                               |
| -                              | -                               | 71,449                          |
| 140,188                        | 1,605                           | -                               |
| 561                            | 9                               | 72                              |
| -                              | -                               | -                               |
| <u>140,749</u>                 | <u>1,614</u>                    | <u>71,521</u>                   |
| 106,885                        | 141                             | -                               |
| -                              | -                               | -                               |
| -                              | -                               | -                               |
| -                              | -                               | -                               |
| -                              | -                               | 32,721                          |
| <u>106,885</u>                 | <u>141</u>                      | <u>32,721</u>                   |
| 33,864                         | 1,473                           | 38,800                          |
| -                              | -                               | -                               |
| <u>(9,000)</u>                 | <u>-</u>                        | <u>(8,500)</u>                  |
| <u>(9,000)</u>                 | <u>-</u>                        | <u>(8,500)</u>                  |
| 24,864                         | 1,473                           | 30,300                          |
| 78,739                         | 930                             | 668                             |
| <u>\$ 103,603</u>              | <u>\$ 2,403</u>                 | <u>\$ 30,968</u>                |

| Special Revenue           |                           |   |
|---------------------------|---------------------------|---|
| Court<br>Security<br>Fund | Bicycle<br>Trails<br>Fund | Range<br>Improvement/<br>Taylor Grazing<br>Fund |
| \$ -                      | \$ -                      | \$ -  |
| -                         | 7,359                     | -   |
| -                         | -                         | 17,199  |
| 6,228                     | -                         | -   |
| 290                       | 300                       | 603   |
| -                         | -                         | -   |
| 6,518                     | 7,659                     | 17,802  |
| -                         | -                         | 7,940   |
| 707                       | -                         | -   |
| -                         | -                         | -   |
| -                         | -                         | -   |
| -                         | 133                       | -   |
| 707                       | 133                       | 7,940   |
| 5,811                     | 7,526                     | 9,862   |
| -                         | -                         | -   |
| -                         | -                         | -   |
| -                         | -                         | -   |
| 5,811                     | 7,526                     | 9,862   |
| 52,998                    | 53,500                    | 104,712   |
| \$ 58,809                 | \$ 61,026                 | \$ 114,574                                      |

| Special Revenue        |                  |                               |
|------------------------|------------------|-------------------------------|
| Law<br>Library<br>Fund | Marine<br>Fund   | Museum<br>Lake County<br>Fund |
| \$ -                   | \$ -             | \$ -                          |
| -                      | -                | -                             |
| -                      | 7,726            | -                             |
| 5,779                  | -                | 7,047                         |
| 34                     | 79               | 6                             |
| -                      | -                | 583                           |
| <u>5,813</u>           | <u>7,805</u>     | <u>7,636</u>                  |
| 5,186                  | -                | 10,703                        |
| -                      | -                | -                             |
| -                      | -                | -                             |
| -                      | -                | -                             |
| -                      | 14,682           | -                             |
| <u>5,186</u>           | <u>14,682</u>    | <u>10,703</u>                 |
| 627                    | (6,877)          | (3,067)                       |
| -                      | -                | 6,000                         |
| -                      | -                | (25)                          |
| <u>-</u>               | <u>-</u>         | <u>5,975</u>                  |
| 627                    | (6,877)          | 2,908                         |
| 6,021                  | 17,807           | 1,728                         |
| <u>\$ 6,648</u>        | <u>\$ 10,930</u> | <u>\$ 4,636</u>               |

Special Revenue

| <u>Mental<br/>Health Fund</u> | <u>Recreation<br/>Vehicle Fees<br/>Fund</u> | <u>Telephone<br/>Tax 911<br/>Fund</u> |
|-------------------------------|---|---------------------------------------|
| \$ -                          | \$ -  | \$ 236,630                            |
| -                             | -   | -                                     |
| 816,987                       | -   | 8,408                                 |
| 93,898                        | 11,449                                      | -                                     |
| 2,435                         | 131   | 97                                    |
| 2,345                         | -   | -                                     |
| <u>915,665</u>                | <u>11,580</u>                               | <u>245,135</u>                        |
| -                             | -   | -                                     |
| -                             | -   | 311,760                               |
| 855,962                       | -   | -                                     |
| -                             | -   | -                                     |
| -                             | 13,406                                      | -                                     |
| <u>855,962</u>                | <u>13,406</u>                               | <u>311,760</u>                        |
| 59,703                        | (1,826)                                     | (66,625)                              |
| -                             | -   | -                                     |
| -                             | (5,000)                                     | -                                     |
| <u>-</u>                      | <u>(5,000)</u>                              | <u>-</u>                              |
| 59,703                        | (6,826)                                     | (66,625)                              |
| 541,182                       | 30,635                                      | 63,500                                |
| <u>\$ 600,885</u>             | <u>\$ 23,809</u>                            | <u>\$ (3,125)</u>                     |



| Special Revenue                           |                   |                                 |
|---|-------------------|---------------------------------|
| State Corrections<br>Klamath/Lake<br>Fund | Mediation<br>Fund | Mental<br>Health Grants<br>Fund |
| \$ -                                      | \$ -              | \$ -                            |
| -   | -                 | -                               |
| 190,507                                   | -                 | 164,876                         |
| 26,645                                    | 3,851             | -                               |
| 101                                       | 51                | -                               |
| 2,605                                     | -                 | 10                              |
| <u>219,858</u>                            | <u>3,902</u>      | <u>164,886</u>                  |
| -   | -                 | -                               |
| 216,882                                   | 5,426             | 164,977                         |
| -   | -                 | -                               |
| -   | -                 | -                               |
| <u>216,882</u>                            | <u>5,426</u>      | <u>164,977</u>                  |
| 2,976                                     | (1,524)           | (91)                            |
| -   | -                 | -                               |
| <u>-</u>                                  | <u>-</u>          | <u>-</u>                        |
| <u>-</u>                                  | <u>-</u>          | <u>-</u>                        |
| 2,976                                     | (1,524)           | (91)                            |
| 466                                       | 10,570            | (1,199)                         |
| <u>\$ 3,442</u>                           | <u>\$ 9,046</u>   | <u>\$ (1,290)</u>               |

| Special Revenue                           |                               |                                      |
|---|-------------------------------|--------------------------------------|
| Community<br>Development<br>Loans<br>Fund | Liquor<br>Enforcement<br>Fund | Title III<br>Forest Receipts<br>Fund |
| \$ -                                      | \$ -                          | \$ -                                 |
| -   | -                             | -                                    |
| -   | -                             | 93,267                               |
| -   | 606                           | -                                    |
| 2,732                                     | -                             | 601                                  |
| -   | -                             | 935                                  |
| <u>2,732</u>                              | <u>606</u>                    | <u>94,803</u>                        |
| -   | -                             | -                                    |
| -   | 844                           | -                                    |
| -   | -                             | -                                    |
| -   | -                             | 105,866                              |
| 3,966                                     | -                             | -                                    |
| <u>3,966</u>                              | <u>844</u>                    | <u>105,866</u>                       |
| (1,234)                                   | (238)                         | (11,063)                             |
| -   | -                             | -                                    |
| <u>-</u>                                  | <u>-</u>                      | <u>-</u>                             |
| <u>-</u>                                  | <u>-</u>                      | <u>-</u>                             |
| (1,234)                                   | (238)                         | (11,063)                             |
| 310,423                                   | 238                           | 113,961                              |
| <u>\$ 309,189</u>                         | <u>\$ -</u>                   | <u>\$ 102,898</u>                    |

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| Special Revenue          |                               |   |  |                  | Total<br>For the<br>Year Ended<br>June 30<br>2012 |
|--------------------------|-------------------------------|---|--|------------------|---|
| Public<br>Health<br>Fund | Veterans'<br>Services<br>Fund | Special<br>Transportation<br>Reserve Fund | Industrial<br>Development<br>Revolving<br>Fund | Sheriff<br>Fund  |   |
| \$ -                     | \$ -                          | \$ -                                      | \$ -   | \$ -             | \$ 236,630  |
| -                        | -                             | -   | -  | -                | 7,359   |
| 285,637                  | 26,511                        | -   | -  | 32,367           | 1,992,521   |
| 91,164                   | -                             | -   | 10,125   | 28,500           | 531,625   |
| 483                      | 6                             | 90  | 1,090  | 128              | 23,710  |
| 328                      | 32                            | -   | -  | 593              | 31,868  |
| <u>377,612</u>           | <u>26,549</u>                 | <u>90</u>                                 | <u>11,215</u>                                  | <u>61,588</u>    | <u>2,823,713</u>                                  |
| -                        | -                             | 41,774                                    | -  | -                | 452,577   |
| -                        | -                             | -   | -  | 65,955           | 1,405,665   |
| 432,199                  | 44,004                        | -   | -  | -                | 1,332,165   |
| -                        | -                             | -   | -  | -                | 285,340   |
| -                        | -                             | -   | 40,632   | -                | 105,540   |
| <u>432,199</u>           | <u>44,004</u>                 | <u>41,774</u>                             | <u>40,632</u>                                  | <u>65,955</u>    | <u>3,581,287</u>                                  |
| (54,587)                 | (17,455)                      | (41,684)                                  | (29,417)                                       | (4,367)          | (757,574)   |
| 90,000                   | 15,861                        | -   | -  | -                | 355,565   |
| -                        | -                             | -   | -  | -                | (28,297)  |
| <u>90,000</u>            | <u>15,861</u>                 | <u>-</u>                                  | <u>-</u>                                       | <u>-</u>         | <u>327,268</u>                                    |
| 35,413                   | (1,594)                       | (41,684)                                  | (29,417)                                       | (4,367)          | (430,306)   |
| 105,243                  | 6,398                         | 38,155                                    | 209,041  | 31,699           | 4,767,422   |
| <u>\$ 140,656</u>        | <u>\$ 4,804</u>               | <u>\$ (3,529)</u>                         | <u>\$ 179,624</u>                              | <u>\$ 27,332</u> | <u>\$ 4,337,116</u>                               |

NONMAJOR FUNDS – BUDGET BASIS



LAKE COUNTY, OREGON  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**(BUDGET BASIS)**  
June 30, 2012

|                                      | Capital Projects                       | Special Revenue                  |  |                            |
|--------------------------------------|--|----------------------------------|--|----------------------------|
|                                      | General<br>Capital<br>Projects<br>Fund | County<br>Insurance Pool<br>Fund | Road<br>Capital<br>Improvement<br>Fund | Jail<br>Assessment<br>Fund |
| <b>ASSETS</b>                        |  |                                  |  |                            |
| Cash and cash equivalents            | \$ 344,257                             | \$ 31,509                        | \$ 2,026,435                           | \$ 6,040                   |
| Total assets                         | <u>\$ 344,257</u>                      | <u>\$ 31,509</u>                 | <u>\$ 2,026,435</u>                    | <u>\$ 6,040</u>            |
| <b>LIABILITIES AND FUND BALANCES</b> |  |                                  |  |                            |
| Liabilities                          |  |                                  |  |                            |
| Payroll liabilities                  | \$ -                                   | \$ -                             | \$ -                                   | \$ -                       |
| Due to other funds                   | <u>-</u>                               | <u>-</u>                         | <u>-</u>                               | <u>-</u>                   |
| Total liabilities                    | <u>-</u>                               | <u>-</u>                         | <u>-</u>                               | <u>-</u>                   |
| Fund balances                        |  |                                  |  |                            |
| Spendable                            |  |                                  |  |                            |
| Restricted                           | -                                      | -                                | 2,026,435                              | 6,040                      |
| Committed                            | 344,257                                | -                                | -                                      | -                          |
| Assigned                             | -                                      | 31,509                           | -                                      | -                          |
| Unassigned                           | <u>-</u>                               | <u>-</u>                         | <u>-</u>                               | <u>-</u>                   |
| Total fund balances                  | <u>344,257</u>                         | <u>31,509</u>                    | <u>2,026,435</u>                       | <u>6,040</u>               |
| Total liabilities and fund balances  | <u>\$ 344,257</u>                      | <u>\$ 31,509</u>                 | <u>\$ 2,026,435</u>                    | <u>\$ 6,040</u>            |

|                  |                   |                  |
|------------------|-------------------|------------------|
| \$ 40,546        | \$ 104,687        | \$ 66,437        |
| <u>\$ 40,546</u> | <u>\$ 104,687</u> | <u>\$ 66,437</u> |

|     |    |     |
|-----|----|-----|
| -   | -  | -   |
| 267 | 66 | 250 |

|    |        |            |           |
|----|--------|------------|-----------|
|    | 40,279 | 104,621    | 66,187    |
| \$ | 40,546 | \$ 104,687 | \$ 66,437 |

| Special Revenue                |                                 |                                 |
|--------------------------------|---------------------------------|---------------------------------|
| Roundup<br>Association<br>Fund | County<br>Clerk Records<br>Fund | Economic<br>Development<br>Fund |
| \$ 103,603                     | \$ 2,403                        | \$ 30,968                       |
| <u>\$ 103,603</u>              | <u>\$ 2,403</u>                 | <u>\$ 30,968</u>                |
|                                |                                 |                                 |
| \$ -                           | \$ -                            | \$ -                            |
| <u>-</u>                       | <u>-</u>                        | <u>-</u>                        |
| <u>-</u>                       | <u>-</u>                        | <u>-</u>                        |
|                                |                                 |                                 |
| -                              | 2,403                           | -                               |
| 103,603                        | -                               | 30,968                          |
| -                              | -                               | -                               |
| <u>-</u>                       | <u>-</u>                        | <u>-</u>                        |
| <u>103,603</u>                 | <u>2,403</u>                    | <u>30,968</u>                   |
| <u>\$ 103,603</u>              | <u>\$ 2,403</u>                 | <u>\$ 30,968</u>                |



Special Revenue

| Court<br>Security<br>Fund | Bicycle<br>Trails<br>Fund | Range<br>Improvement/<br>Taylor Grazing<br>Fund |
|---------------------------|---------------------------|---|
| \$ 58,809                 | \$ 60,443                 | \$ 114,574                                      |
| \$ 58,809                 | \$ 60,443                 | \$ 114,574                                      |
|                           |                           |   |
| \$ -                      | \$ -                      | \$ -  |
| -                         | -                         | -   |
| -                         | -                         | -   |
|                           |                           |   |
| 58,809                    | 60,443                    | 114,574   |
| -                         | -                         | -   |
| -                         | -                         | -   |
| -                         | -                         | -   |
| 58,809                    | 60,443                    | 114,574   |
| \$ 58,809                 | \$ 60,443                 | \$ 114,574                                      |

| Special Revenue        |                  |                               |
|------------------------|------------------|-------------------------------|
| Law<br>Library<br>Fund | Marine<br>Fund   | Museum<br>Lake County<br>Fund |
| \$ 6,648               | \$ 10,930        | \$ 4,636                      |
| <u>\$ 6,648</u>        | <u>\$ 10,930</u> | <u>\$ 4,636</u>               |
|                        |                  |                               |
| \$ -                   | \$ -             | \$ -                          |
| <u>-</u>               | <u>-</u>         | <u>-</u>                      |
| <u>-</u>               | <u>-</u>         | <u>-</u>                      |
|                        |                  |                               |
| 6,648                  | 10,930           | -                             |
| -                      | -                | 4,636                         |
| -                      | -                | -                             |
| <u>-</u>               | <u>-</u>         | <u>-</u>                      |
| <u>6,648</u>           | <u>10,930</u>    | <u>4,636</u>                  |
| <u>\$ 6,648</u>        | <u>\$ 10,930</u> | <u>\$ 4,636</u>               |

Special Revenue

| Mental<br>Health<br>Fund | Recreation<br>Vehicle Fees<br>Fund | Telephone<br>Tax 911<br>Fund |
|--------------------------|------------------------------------|------------------------------|
| <u>\$ 508,781</u>        | <u>\$ 22,422</u>                   | <u>\$ 11</u>                 |
| <u><u>\$ 508,781</u></u> | <u><u>\$ 22,422</u></u>            | <u><u>\$ 11</u></u>          |
|                          |                                    |                              |
| \$ 1,557                 | \$ -                               | \$ -                         |
| <u>-</u>                 | <u>-</u>                           | <u>-</u>                     |
| <u>1,557</u>             | <u>-</u>                           | <u>-</u>                     |
|                          |                                    |                              |
| 507,224                  | 22,422                             | 11                           |
| -                        | -                                  | -                            |
| -                        | -                                  | -                            |
| <u>-</u>                 | <u>-</u>                           | <u>-</u>                     |
| <u>507,224</u>           | <u>22,422</u>                      | <u>11</u>                    |
| <u><u>\$ 508,781</u></u> | <u><u>\$ 22,422</u></u>            | <u><u>\$ 11</u></u>          |

| Special Revenue                              |                   |                                 |
|--|-------------------|---------------------------------|
| State<br>Corrections<br>Klamath/Lake<br>Fund | Mediation<br>Fund | Mental<br>Health Grants<br>Fund |
| \$ 3,948                                     | \$ 9,046          | \$ -                            |
| \$ 3,948                                     | \$ 9,046          | \$ -                            |
|  |                   |                                 |
| \$ 506                                       | \$ -              | \$ 254                          |
| -  | -                 | 1,036                           |
| 506  | -                 | 1,290                           |
|  |                   |                                 |
| -  | 9,046             | -                               |
| -  | -                 | -                               |
| -  | -                 | -                               |
| 3,442  | -                 | (1,290)                         |
| 3,442  | 9,046             | (1,290)                         |
| \$ 3,948                                     | \$ 9,046          | \$ -                            |

Special Revenue

| Community<br>Development<br>Loans<br>Fund | Liquor<br>Enforcement<br>Fund | Title III<br>Forest Receipts<br>Fund |
|---|-------------------------------|--------------------------------------|
| \$ 270,294                                | \$ -                          | \$ 113,805                           |
| <u>\$ 270,294</u>                         | <u>\$ -</u>                   | <u>\$ 113,805</u>                    |
|   |                               |                                      |
| \$ -                                      | \$ -                          | \$ 166                               |
| <u>-</u>                                  | <u>-</u>                      | <u>-</u>                             |
| <u>-</u>                                  | <u>-</u>                      | <u>166</u>                           |
|   |                               |                                      |
| -   | -                             | 113,639                              |
| 270,294                                   | -                             | -                                    |
| -   | -                             | -                                    |
| <u>-</u>                                  | <u>-</u>                      | <u>-</u>                             |
| <u>270,294</u>                            | <u>-</u>                      | <u>113,639</u>                       |
| <u>\$ 270,294</u>                         | <u>\$ -</u>                   | <u>\$ 113,805</u>                    |

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Special Revenue

| Public<br>Health<br>Fund | Veterans'<br>Services<br>Fund | Special<br>Transportation<br>Reserve Fund | Industrial<br>Development<br>Revolving<br>Fund | Sheriff<br>Fund  | Total<br>June 30<br>2012 |
|--------------------------|-------------------------------|---|--|------------------|--------------------------|
| <u>\$ 95,367</u>         | <u>\$ -</u>                   | <u>\$ 5,340</u>                           | <u>\$ 179,624</u>                              | <u>\$ 27,406</u> | <u>\$ 4,248,969</u>      |
| <u>\$ 95,367</u>         | <u>\$ -</u>                   | <u>\$ 5,340</u>                           | <u>\$ 179,624</u>                              | <u>\$ 27,406</u> | <u>\$ 4,248,969</u>      |
| <br>                     |                               |   |  |                  |                          |
| \$ 1,354                 | \$ -                          | \$ -                                      | \$ -   | \$ 74            | \$ 4,494                 |
| -                        | 1,748                         | -   | -  | -                | 2,784                    |
| <u>1,354</u>             | <u>1,748</u>                  | <u>-</u>                                  | <u>-</u>                                       | <u>74</u>        | <u>7,278</u>             |
| <br>                     |                               |   |  |                  |                          |
| 94,013                   | (1,748)                       | 5,340                                     | 179,624  | 27,332           | 3,454,272                |
| -                        | -                             | -   | -  | -                | 753,758                  |
| -                        | -                             | -   | -  | -                | 31,509                   |
| -                        | -                             | -   | -  | -                | 2,152                    |
| <u>94,013</u>            | <u>(1,748)</u>                | <u>5,340</u>                              | <u>179,624</u>                                 | <u>27,332</u>    | <u>4,241,691</u>         |
| <u>\$ 95,367</u>         | <u>\$ -</u>                   | <u>\$ 5,340</u>                           | <u>\$ 179,624</u>                              | <u>\$ 27,406</u> | <u>\$ 4,248,969</u>      |

LAKE COUNTY, OREGON  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**(BUDGET BASIS)**  
For the Year Ended  
June 30, 2012

|  | Capital Projects                       | Special Revenue                  |  |                            |
|--|--|----------------------------------|--|----------------------------|
|  | General<br>Capital<br>Projects<br>Fund | County<br>Insurance Pool<br>Fund | Road<br>Capital<br>Improvement<br>Fund | Jail<br>Assessment<br>Fund |
| Revenues                                     |  |                                  |  |                            |
| Taxes  | \$ -                                   | \$ -                             | \$ -                                   | \$ -                       |
| Licenses and permits                         | -                                      | -                                | -                                      | -                          |
| Intergovernmental revenues                   | -                                      | -                                | -                                      | -                          |
| Charges for services                         | 480                                    | -                                | -                                      | 2,996                      |
| Interest earned                              | 1,405                                  | 146                              | 11,262                                 | 26                         |
| Miscellaneous revenues                       | 5,930                                  | 1,688                            | -                                      | -                          |
| Total revenues                               | <u>7,815</u>                           | <u>1,834</u>                     | <u>11,262</u>                          | <u>3,022</u>               |
| Expenditures                                 |  |                                  |  |                            |
| General government                           | 111,580                                | (4,473)                          | -                                      | -                          |
| Public safety                                | -                                      | -                                | 569,316                                | 248                        |
| Health                                       | -                                      | -                                | -                                      | -                          |
| Education                                    | -                                      | -                                | -                                      | -                          |
| Economic development                         | -                                      | -                                | -                                      | -                          |
| Total expenditures                           | <u>111,580</u>                         | <u>(4,473)</u>                   | <u>569,316</u>                         | <u>248</u>                 |
| Excess of revenues over (under) expenditures | (103,765)                              | 6,307                            | (558,054)                              | 2,774                      |
| Other financing sources (uses)               |  |                                  |  |                            |
| Loans from/(to) other funds                  | -                                      | -                                | -                                      | -                          |
| Transfers in                                 | 213,640                                | -                                | -                                      | -                          |
| Transfers out                                | -                                      | -                                | -                                      | -                          |
| Total other financing sources (uses)         | <u>213,640</u>                         | <u>-</u>                         | <u>-</u>                               | <u>-</u>                   |
| Net change in fund balances                  | 109,875                                | 6,307                            | (558,054)                              | 2,774                      |
| Available fund balances, July 1              | 234,382                                | 25,202                           | 2,584,489                              | 3,266                      |
| Available fund balances, June 30             | <u>\$ 344,257</u>                      | <u>\$ 31,509</u>                 | <u>\$ 2,026,435</u>                    | <u>\$ 6,040</u>            |



Special Revenue

| Commission on<br>Children and Families<br>Fund | Corner<br>Monumentation<br>Fund | Fair Board<br>Fund |
|--|---------------------------------|--------------------|
| \$ -   | \$ -                            | \$ -               |
| -  | -                               | -                  |
| 207,918  | 15,541                          | 54,188             |
| -  | 287                             | 101,089            |
| 195  | 544                             | 234                |
| 48   | 3                               | 10,226             |
| <u>208,161</u>                                 | <u>16,375</u>                   | <u>165,737</u>     |
| -  | 15,131                          | 156,940            |
| -  | -                               | -                  |
| -  | -                               | -                  |
| 179,475  | -                               | -                  |
| -  | -                               | -                  |
| <u>179,475</u>                                 | <u>15,131</u>                   | <u>156,940</u>     |
| 28,686   | 1,244                           | 8,797              |
| -  | -                               | -                  |
| -  | 2,039                           | 28,025             |
| -  | -                               | -                  |
| <u>-</u>                                       | <u>2,039</u>                    | <u>28,025</u>      |
| 28,686   | 3,283                           | 36,822             |
| 11,593   | 101,338                         | 29,365             |
| <u>\$ 40,279</u>                               | <u>\$ 104,621</u>               | <u>\$ 66,187</u>   |

| Special Revenue                |                                 |                                 |
|--------------------------------|---------------------------------|---------------------------------|
| Roundup<br>Association<br>Fund | County<br>Clerk Records<br>Fund | Economic<br>Development<br>Fund |
| \$ -                           | \$ -                            | \$ -                            |
| -                              | -                               | -                               |
| -                              | -                               | 71,449                          |
| 140,188                        | 1,605                           | -                               |
| 561                            | 9                               | 72                              |
| -                              | -                               | -                               |
| <u>140,749</u>                 | <u>1,614</u>                    | <u>71,521</u>                   |
| 106,885                        | 141                             | -                               |
| -                              | -                               | -                               |
| -                              | -                               | -                               |
| -                              | -                               | -                               |
| -                              | -                               | 32,721                          |
| <u>106,885</u>                 | <u>141</u>                      | <u>32,721</u>                   |
| 33,864                         | 1,473                           | 38,800                          |
| -                              | -                               | -                               |
| -                              | -                               | -                               |
| <u>(9,000)</u>                 | <u>-</u>                        | <u>(8,500)</u>                  |
| <u>(9,000)</u>                 | <u>-</u>                        | <u>(8,500)</u>                  |
| 24,864                         | 1,473                           | 30,300                          |
| 78,739                         | 930                             | 668                             |
| <u>\$ 103,603</u>              | <u>\$ 2,403</u>                 | <u>\$ 30,968</u>                |

| Special Revenue           |                           |   |
|---------------------------|---------------------------|---|
| Court<br>Security<br>Fund | Bicycle<br>Trails<br>Fund | Range<br>Improvement/<br>Taylor Grazing<br>Fund |
| \$ -                      | \$ -                      | \$ -  |
| -                         | 6,776                     | -   |
| -                         | -                         | 17,199  |
| 6,644                     | -                         | -   |
| 291                       | 300                       | 602   |
| -                         | -                         | -   |
| 6,935                     | 7,076                     | 17,801  |
| -                         | -                         | 7,939   |
| 707                       | -                         | -   |
| -                         | -                         | -   |
| -                         | -                         | -   |
| -                         | 133                       | -   |
| 707                       | 133                       | 7,939   |
| 6,228                     | 6,943                     | 9,862   |
| -                         | -                         | -   |
| -                         | -                         | -   |
| -                         | -                         | -   |
| -                         | -                         | -   |
| 6,228                     | 6,943                     | 9,862   |
| 52,581                    | 53,500                    | 104,712   |
| \$ 58,809                 | \$ 60,443                 | \$ 114,574                                      |

| Special Revenue        |                  |                               |
|------------------------|------------------|-------------------------------|
| Law<br>Library<br>Fund | Marine<br>Fund   | Museum<br>Lake County<br>Fund |
| \$ -                   | \$ -             | \$ -                          |
| -                      | -                | -                             |
| -                      | 7,725            | -                             |
| 6,422                  | -                | 7,047                         |
| 34                     | 80               | 6                             |
| -                      | -                | 583                           |
| <u>6,456</u>           | <u>7,805</u>     | <u>7,636</u>                  |
| 5,186                  | -                | 10,703                        |
| -                      | -                | -                             |
| -                      | -                | -                             |
| -                      | -                | -                             |
| -                      | 14,682           | -                             |
| <u>5,186</u>           | <u>14,682</u>    | <u>10,703</u>                 |
| 1,270                  | (6,877)          | (3,067)                       |
| -                      | -                | -                             |
| -                      | -                | 6,000                         |
| -                      | -                | (25)                          |
| <u>-</u>               | <u>-</u>         | <u>5,975</u>                  |
| 1,270                  | (6,877)          | 2,908                         |
| 5,378                  | 17,807           | 1,728                         |
| <u>\$ 6,648</u>        | <u>\$ 10,930</u> | <u>\$ 4,636</u>               |

Special Revenue

| Mental<br>Health Fund | Recreation<br>Vehicle Fees<br>Fund | Telephone<br>Tax 911<br>Fund |
|-----------------------|------------------------------------|------------------------------|
| \$ -                  | \$ -                               | \$ 237,936                   |
| -                     | -                                  | -                            |
| 818,122               | -                                  | 11,303                       |
| 34,692                | 12,943                             | -                            |
| 2,435                 | 131                                | 97                           |
| 2,345                 | -                                  | -                            |
| <u>857,594</u>        | <u>13,074</u>                      | <u>249,336</u>               |
| -                     | -                                  | -                            |
| -                     | -                                  | 249,345                      |
| 851,943               | -                                  | -                            |
| -                     | -                                  | -                            |
| -                     | 13,406                             | -                            |
| <u>851,943</u>        | <u>13,406</u>                      | <u>249,345</u>               |
| 5,651                 | (332)                              | (9)                          |
| -                     | -                                  | -                            |
| -                     | -                                  | -                            |
| -                     | (5,000)                            | -                            |
| <u>-</u>              | <u>(5,000)</u>                     | <u>-</u>                     |
| 5,651                 | (5,332)                            | (9)                          |
| 501,573               | 27,754                             | 20                           |
| <u>\$ 507,224</u>     | <u>\$ 22,422</u>                   | <u>\$ 11</u>                 |

| Special Revenue                           |                   |                                 |
|---|-------------------|---------------------------------|
| State Corrections<br>Klamath/Lake<br>Fund | Mediation<br>Fund | Mental<br>Health Grants<br>Fund |
| \$ -                                      | \$ -              | \$ -                            |
| -   | -                 | -                               |
| 190,628                                   | -                 | 169,904                         |
| 27,101                                    | 4,041             | -                               |
| 100                                       | 51                | -                               |
| 2,605                                     | -                 | 10                              |
| <u>220,434</u>                            | <u>4,092</u>      | <u>169,914</u>                  |
| -   | -                 | -                               |
| 216,882                                   | 5,426             | 164,977                         |
| -   | -                 | -                               |
| -   | -                 | -                               |
| <u>-</u>                                  | <u>-</u>          | <u>-</u>                        |
| <u>216,882</u>                            | <u>5,426</u>      | <u>164,977</u>                  |
| 3,552                                     | (1,334)           | 4,937                           |
| -   | -                 | -                               |
| -   | -                 | -                               |
| <u>-</u>                                  | <u>-</u>          | <u>-</u>                        |
| <u>-</u>                                  | <u>-</u>          | <u>-</u>                        |
| 3,552                                     | (1,334)           | 4,937                           |
| (110)                                     | 10,380            | (6,227)                         |
| <u>\$ 3,442</u>                           | <u>\$ 9,046</u>   | <u>\$ (1,290)</u>               |

| Special Revenue                           |                               |                                      |
|---|-------------------------------|--------------------------------------|
| Community<br>Development<br>Loans<br>Fund | Liquor<br>Enforcement<br>Fund | Title III<br>Forest Receipts<br>Fund |
| \$ -                                      | \$ -                          | \$ -                                 |
| -   | -                             | -                                    |
| -   | -                             | 93,267                               |
| -   | 606                           | -                                    |
| 2,731                                     | -                             | 601                                  |
| 12,062                                    | -                             | 935                                  |
| <u>14,793</u>                             | <u>606</u>                    | <u>94,803</u>                        |
| -   | -                             | -                                    |
| -   | 844                           | -                                    |
| -   | -                             | -                                    |
| -   | -                             | 95,125                               |
| 3,966                                     | -                             | -                                    |
| <u>3,966</u>                              | <u>844</u>                    | <u>95,125</u>                        |
| 10,827                                    | (238)                         | (322)                                |
| 21,300                                    | -                             | -                                    |
| -   | -                             | -                                    |
| -   | -                             | -                                    |
| <u>21,300</u>                             | <u>-</u>                      | <u>-</u>                             |
| 32,127                                    | (238)                         | (322)                                |
| 238,167                                   | 238                           | 113,961                              |
| <u>\$ 270,294</u>                         | <u>\$ -</u>                   | <u>\$ 113,639</u>                    |

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| Special Revenue          |                               |   |  |                  | Total<br>For the<br>Year Ended<br>June 30<br>2012 |
|--------------------------|-------------------------------|---|--|------------------|---|
| Public<br>Health<br>Fund | Veterans'<br>Services<br>Fund | Special<br>Transportation<br>Reserve Fund | Industrial<br>Development<br>Revolving<br>Fund | Sheriff<br>Fund  |   |
| \$ -                     | \$ -                          | \$ -                                      | \$ -   | \$ -             | \$ 237,936  |
| -                        | -                             | -   | -  | -                | 6,776   |
| 238,994                  | 26,287                        | -   | -  | 32,367           | 1,954,892   |
| 91,164                   | -                             | -   | 10,125   | 28,500           | 475,930   |
| 483                      | 6                             | 90  | 1,090  | 128              | 23,710  |
| 328                      | 32                            | -   | -  | 593              | 37,388  |
| <u>330,969</u>           | <u>26,325</u>                 | <u>90</u>                                 | <u>11,215</u>                                  | <u>61,588</u>    | <u>2,736,632</u>                                  |
| -                        | -                             | 32,905                                    | -  | -                | 442,937   |
| -                        | -                             | -   | -  | 65,955           | 1,273,700   |
| 432,199                  | 44,003                        | -   | -  | -                | 1,328,145   |
| -                        | -                             | -   | -  | -                | 274,600   |
| -                        | -                             | -   | 40,632   | -                | 105,540   |
| <u>432,199</u>           | <u>44,003</u>                 | <u>32,905</u>                             | <u>40,632</u>                                  | <u>65,955</u>    | <u>3,424,922</u>                                  |
| (101,230)                | (17,678)                      | (32,815)                                  | (29,417)                                       | (4,367)          | (688,290)   |
| -                        | -                             | -   | -  | -                | 21,300  |
| 90,000                   | 15,861                        | -   | -  | -                | 355,565   |
| -                        | -                             | -   | -  | -                | (22,525)  |
| <u>90,000</u>            | <u>15,861</u>                 | <u>-</u>                                  | <u>-</u>                                       | <u>-</u>         | <u>354,340</u>                                    |
| (11,230)                 | (1,817)                       | (32,815)                                  | (29,417)                                       | (4,367)          | (333,950)   |
| 105,243                  | 69                            | 38,155                                    | 209,041  | 31,699           | 4,575,641   |
| <u>\$ 94,013</u>         | <u>\$ (1,748)</u>             | <u>\$ 5,340</u>                           | <u>\$ 179,624</u>                              | <u>\$ 27,332</u> | <u>\$ 4,241,691</u>                               |

LAKE COUNTY, OREGON  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (Budget Basis)**  
**GENERAL CAPITAL PROJECTS FUND**

For the Year Ended  
June 30, 2012

|  | Budget    |           | Actual     | Positive<br>(Negative)<br>Variance to<br>Budget |
|--|-----------|-----------|------------|---|
|  | Original  | Final     |            |   |
| Revenues                                     |           |           |            |   |
| Intergovernmental revenues                   | \$ 30,000 | \$ 30,000 | \$ -       | \$ (30,000)                                     |
| Charges for services                         | -         | -         | 480        | -   |
| Interest earned                              | 1,000     | 1,000     | 1,405      | 405   |
| Miscellaneous revenues                       | -         | -         | 5,930      | 5,930   |
| Total revenues                               | 31,000    | 31,000    | 7,815      | (23,665)  |
| Expenditures                                 |           |           |            |   |
| Materials and services                       | 163,120   | 163,120   | 46,401     | 116,719   |
| Capital outlay                               | 282,020   | 282,020   | 65,179     | 216,841   |
| Total expenditures                           | 445,140   | 445,140   | 111,580    | 333,560   |
| Excess of revenues over (under) expenditures | (414,140) | (414,140) | (103,765)  | 310,375   |
| Other financing sources (uses)               |           |           |            |   |
| Transfers in                                 | 213,640   | 213,640   | 213,640    | -   |
| Total other financing sources (uses)         | 213,640   | 213,640   | 213,640    | -   |
| Net change in fund balance                   | (200,500) | (200,500) | 109,875    | 310,375   |
| Available fund balance, July 1               | 200,500   | 200,500   | 234,382    | 33,882  |
| Available fund balance, June 30              | \$ -      | \$ -      | \$ 344,257 | \$ 344,257                                      |

LAKE COUNTY, OREGON  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (Budget Basis)**  
**COUNTY INSURANCE POOL FUND**

For the Year Ended  
June 30, 2012

|                                 | Budget   |          | Actual    | Positive<br>(Negative)<br>Variance to<br>Budget |
|---------------------------------|----------|----------|-----------|---|
|                                 | Original | Final    |           |   |
| Revenues                        |          |          |           |   |
| Interest earned                 | \$ 125   | \$ 125   | \$ 146    | \$ 21   |
| Miscellaneous revenues          | 5,000    | 5,000    | 1,688     | (3,312)   |
| Total revenues                  | 5,125    | 5,125    | 1,834     | (3,291)   |
| Expenditures                    |          |          |           |   |
| Materials and services          | 30,125   | 30,125   | (4,473)   | 34,598  |
| Total expenditures              | 30,125   | 30,125   | (4,473)   | 34,598  |
| Net change in fund balance      | (25,000) | (25,000) | 6,307     | 31,307  |
| Available fund balance, July 1  | 25,000   | 25,000   | 25,202    | 202   |
| Available fund balance, June 30 | \$ -     | \$ -     | \$ 31,509 | \$ 31,509                                       |

LAKE COUNTY, OREGON  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (Budget Basis)**  
**ROAD CAPITAL IMPROVEMENT FUND**

For the Year Ended  
June 30, 2012

|                                 | Budget      |             | Actual              | Positive<br>(Negative)<br>Variance to<br>Budget |
|---------------------------------|-------------|-------------|---------------------|---|
|                                 | Original    | Final       |                     |   |
| Revenues                        |             |             |                     |   |
| Interest earned                 | \$ 12,950   | \$ 12,950   | \$ 11,262           | \$ (1,688)                                      |
| Total revenues                  | 12,950      | 12,950      | 11,262              | (1,688)   |
| Expenditures                    |             |             |                     |   |
| Capital outlay                  | 2,592,950   | 2,592,950   | 569,316             | 2,023,634                                       |
| Total expenditures              | 2,592,950   | 2,592,950   | 569,316             | 2,023,634                                       |
| Net change in fund balance      | (2,580,000) | (2,580,000) | (558,054)           | 2,021,946                                       |
| Available fund balance, July 1  | 2,580,000   | 2,580,000   | 2,584,489           | 4,489   |
| Available fund balance, June 30 | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 2,026,435</u> | <u>\$ 2,026,435</u>                             |

LAKE COUNTY, OREGON  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (Budget Basis)**  
**JAIL ASSESSMENT FUND**

For the Year Ended  
June 30, 2012

|                                 | Budget   |          | Actual   | Positive<br>(Negative)<br>Variance to<br>Budget |
|---------------------------------|----------|----------|----------|---|
|                                 | Original | Final    |          |   |
| Revenues                        |          |          |          |   |
| Charges for services            | \$ 3,400 | \$ 3,400 | \$ 2,996 | \$ (404)  |
| Interest earned                 | 20       | 20       | 26       | 6   |
| Total revenues                  | 3,420    | 3,420    | 3,022    | (398)   |
| Expenditures                    |          |          |          |   |
| Materials and services          | 8,420    | 8,420    | 248      | 8,172   |
| Total expenditures              | 8,420    | 8,420    | 248      | 8,172   |
| Net change in fund balance      | (5,000)  | (5,000)  | 2,774    | 7,774   |
| Available fund balance, July 1  | 5,000    | 5,000    | 3,266    | (1,734)   |
| Available fund balance, June 30 | \$ -     | \$ -     | \$ 6,040 | \$ 6,040  |

LAKE COUNTY, OREGON  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (Budget Basis)**  
**COMMISSION ON CHILDREN AND FAMILIES FUND**

For the Year Ended  
June 30, 2012

|                                 | Budget     |            | Actual     | Positive<br>(Negative)<br>Variance to<br>Budget |
|---------------------------------|------------|------------|------------|---|
|                                 | Original   | Final      |            |   |
| Revenues                        |            |            |            |   |
| Intergovernmental revenues      | \$ 175,850 | \$ 190,850 | \$ 207,918 | \$ 17,068                                       |
| Interest earned                 | 130        | 130        | 195        | 65  |
| Miscellaneous revenues          | -          | -          | 48         | 48  |
| Total revenues                  | 175,980    | 190,980    | 208,161    | 17,181  |
| Expenditures                    |            |            |            |   |
| Personal services               | 99,636     | 75,636     | 60,451     | 15,185  |
| Materials and services          | 83,344     | 122,344    | 119,024    | 3,320   |
| Total expenditures              | 182,980    | 197,980    | 179,475    | 18,505  |
| Net change in fund balance      | (7,000)    | (7,000)    | 28,686     | 35,686  |
| Available fund balance, July 1  | 7,000      | 7,000      | 11,593     | 4,593   |
| Available fund balance, June 30 | \$ -       | \$ -       | \$ 40,279  | \$ 40,279                                       |

LAKE COUNTY, OREGON  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (Budget Basis)**  
**CORNER MONUMENTATION FUND**

For the Year Ended  
June 30, 2012

|  | Budget    |           | Actual     | Positive<br>(Negative)<br>Variance to<br>Budget |
|--|-----------|-----------|------------|---|
|  | Original  | Final     |            |   |
| Revenues                                     |           |           |            |   |
| Intergovernmental revenues                   | \$ 22,000 | \$ 22,000 | \$ 15,541  | \$ (6,459)                                      |
| Charges for services                         | -         | -         | 287        | 287   |
| Interest earned                              | 550       | 550       | 544        | (6)   |
| Miscellaneous revenues                       | -         | -         | 3          | 3   |
| Total revenues                               | 22,550    | 22,550    | 16,375     | (6,175)   |
| Expenditures                                 |           |           |            |   |
| Personal services                            | 10,054    | 10,054    | 5,098      | 4,956   |
| Materials and services                       | 111,426   | 111,426   | 10,033     | 101,393   |
| Total expenditures                           | 121,480   | 121,480   | 15,131     | 106,349   |
| Excess of revenues over (under) expenditures | (98,930)  | (98,930)  | 1,244      | 100,174   |
| Other financing sources (uses)               |           |           |            |   |
| Transfers in                                 | 4,000     | 4,000     | 2,039      | (1,961)   |
| Total other financing sources (uses)         | 4,000     | 4,000     | 2,039      | (1,961)   |
| Net change in fund balance                   | (94,930)  | (94,930)  | 3,283      | 98,213  |
| Available fund balance, July 1               | 94,930    | 94,930    | 101,338    | 6,408   |
| Available fund balance, June 30              | \$ -      | \$ -      | \$ 104,621 | \$ 104,621                                      |

LAKE COUNTY, OREGON  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (Budget Basis)**  
**FAIR BOARD FUND**  
For the Year Ended  
June 30, 2012

|  | Budget    |           | Actual    | Positive<br>(Negative)<br>Variance to<br>Budget |
|--|-----------|-----------|-----------|---|
|  | Original  | Final     |           |   |
| Revenues                                     |           |           |           |   |
| Intergovernmental revenues                   | \$ 35,000 | \$ 35,000 | \$ 54,188 | \$ 19,188                                       |
| Charges for services                         | 90,925    | 90,925    | 101,089   | 10,164  |
| Interest earned                              | 75        | 75        | 234       | 159   |
| Miscellaneous revenues                       | 4,850     | 4,850     | 10,226    | 5,376   |
| Total revenues                               | 130,850   | 130,850   | 165,737   | 34,887  |
| Expenditures                                 |           |           |           |   |
| Personal services                            | 87,355    | 87,355    | 75,440    | 11,915  |
| Materials and services                       | 81,520    | 81,520    | 81,500    | 20  |
| Total expenditures                           | 168,875   | 168,875   | 156,940   | 11,935  |
| Excess of revenues over (under) expenditures | (38,025)  | (38,025)  | 8,797     | 46,822  |
| Other financing sources (uses)               |           |           |           |   |
| Transfers in                                 | 28,025    | 28,025    | 28,025    | -   |
| Total other financing sources (uses)         | 28,025    | 28,025    | 28,025    | -   |
| Net change in fund balance                   | (10,000)  | (10,000)  | 36,822    | 46,822  |
| Available fund balance, July 1               | 10,000    | 10,000    | 29,365    | 19,365  |
| Available fund balance, June 30              | \$ -      | \$ -      | \$ 66,187 | \$ 66,187                                       |



LAKE COUNTY, OREGON  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (Budget Basis)**  
**ROUNDUP ASSOCIATION FUND**

For the Year Ended  
June 30, 2012

|  | Budget     |            | Actual     | Positive<br>(Negative)<br>Variance to<br>Budget |
|--|------------|------------|------------|---|
|  | Original   | Final      |            |   |
| Revenues                                     |            |            |            |   |
| Charges for services                         | \$ 119,400 | \$ 119,400 | \$ 140,188 | \$ 20,788                                       |
| Interest earned                              | 450        | 450        | 561        | 111   |
| Miscellaneous revenues                       | 200        | 200        | -          | (200)   |
| Total revenues                               | 120,050    | 120,050    | 140,749    | 20,699  |
| Expenditures                                 |            |            |            |   |
| Materials and services                       | 106,804    | 106,804    | 99,885     | 6,919   |
| Capital outlay                               | 13,000     | 13,000     | 7,000      | 6,000   |
| Contingency                                  | 70,246     | 70,246     | -          | 70,246  |
| Total expenditures                           | 190,050    | 190,050    | 106,885    | 83,165  |
| Excess of revenues over (under) expenditures | (70,000)   | (70,000)   | 33,864     | 103,864   |
| Other financing sources (uses)               |            |            |            |   |
| Transfers out                                | (9,000)    | (9,000)    | (9,000)    | -   |
| Total other financing sources (uses)         | (9,000)    | (9,000)    | (9,000)    | -   |
| Net change in fund balance                   | (79,000)   | (79,000)   | 24,864     | 103,864   |
| Available fund balance, July 1               | 79,000     | 79,000     | 78,739     | (261)   |
| Available fund balance, June 30              | \$ -       | \$ -       | \$ 103,603 | \$ 103,603                                      |

LAKE COUNTY, OREGON  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (Budget Basis)**  
**COUNTY CLERK RECORDS FUND**

For the Year Ended  
June 30, 2012

|                                 | Budget   |          | Actual   | Positive<br>(Negative)<br>Variance to<br>Budget |
|---------------------------------|----------|----------|----------|---|
|                                 | Original | Final    |          |   |
| Revenues                        |          |          |          |   |
| Charges for services            | \$ 1,850 | \$ 1,850 | \$ 1,605 | \$ (245)  |
| Interest earned                 | -        | -        | 9        | 9   |
| Total revenues                  | 1,850    | 1,850    | 1,614    | (236)   |
| Expenditures                    |          |          |          |   |
| Materials and services          | 2,100    | 2,100    | 141      | 1,959   |
| Total expenditures              | 2,100    | 2,100    | 141      | 1,959   |
| Net change in fund balance      | (250)    | (250)    | 1,473    | 1,723   |
| Available fund balance, July 1  | 250      | 250      | 930      | 680   |
| Available fund balance, June 30 | \$ -     | \$ -     | \$ 2,403 | \$ 2,403  |

LAKE COUNTY, OREGON  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (Budget Basis)**  
**ECONOMIC DEVELOPMENT FUND**

For the Year Ended  
June 30, 2012

|  | Budget   |           | Actual    | Positive<br>(Negative)<br>Variance to<br>Budget |
|--|----------|-----------|-----------|---|
|  | Original | Final     |           |   |
| Revenues                                     |          |           |           |   |
| Intergovernmental revenues                   | \$ -     | \$ 16,000 | \$ 71,449 | \$ 55,449                                       |
| Interest earned                              | -        | -         | 72        | 72  |
| Miscellaneous revenues                       | 400      | 400       | -         | (400)   |
| Total revenues                               | 400      | 16,400    | 71,521    | 55,121  |
| Expenditures                                 |          |           |           |   |
| Materials and services                       | 31,000   | 38,500    | 32,721    | 5,779   |
| Total expenditures                           | 31,000   | 38,500    | 32,721    | 5,779   |
| Excess of revenues over (under) expenditures | (30,600) | (22,100)  | 38,800    | 60,900  |
| Other financing sources (uses)               |          |           |           |   |
| Transfers in                                 | 30,600   | 30,600    | -         | (30,600)  |
| Transfers out                                | -        | (8,500)   | (8,500)   | -   |
| Total other financing sources (uses)         | 30,600   | 22,100    | (8,500)   | (30,600)  |
| Net change in fund balance                   | -        | -         | 30,300    | 30,300  |
| Available fund balance, July 1               | -        | -         | 668       | 668   |
| Available fund balance, June 30              | \$ -     | \$ -      | \$ 30,968 | \$ 30,968                                       |

LAKE COUNTY, OREGON  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (Budget Basis)**  
**COURT SECURITY FUND**

For the Year Ended  
June 30, 2012

|                                 | Budget   |          | Actual    | Positive<br>(Negative)<br>Variance to<br>Budget |
|---------------------------------|----------|----------|-----------|---|
|                                 | Original | Final    |           |   |
| Revenues                        |          |          |           |   |
| Charges for services            | \$ 4,000 | \$ 4,000 | \$ 6,644  | \$ 2,644  |
| Interest earned                 | 250      | 250      | 291       | 41  |
| Total revenues                  | 4,250    | 4,250    | 6,935     | 2,685   |
| Expenditures                    |          |          |           |   |
| Personal services               | 1,308    | 1,308    | -         | 1,308   |
| Materials and services          | 52,942   | 52,942   | 707       | 52,235  |
| Total expenditures              | 54,250   | 54,250   | 707       | 53,543  |
| Net change in fund balance      | (50,000) | (50,000) | 6,228     | 56,228  |
| Available fund balance, July 1  | 50,000   | 50,000   | 52,581    | 2,581   |
| Available fund balance, June 30 | \$ -     | \$ -     | \$ 58,809 | \$ 58,809                                       |

LAKE COUNTY, OREGON  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (Budget Basis)**  
**BICYCLE TRAILS FUND**

For the Year Ended  
June 30, 2012

|                                 | Budget             |                    | Actual                  | Positive<br>(Negative)<br>Variance to<br>Budget |
|---------------------------------|--------------------|--------------------|-------------------------|---|
|                                 | Original           | Final              |                         |   |
| Revenues                        |                    |                    |                         |   |
| Licenses and permits            | \$ 6,000           | \$ 6,000           | \$ 6,776                | \$ 776  |
| Interest earned                 | 260                | 260                | 300                     | 40  |
| Total revenues                  | <u>6,260</u>       | <u>6,260</u>       | <u>7,076</u>            | <u>816</u>                                      |
| Expenditures                    |                    |                    |                         |   |
| Materials and services          | 134                | 134                | 133                     | 1   |
| Contingency                     | <u>58,626</u>      | <u>58,626</u>      | <u>-</u>                | <u>58,626</u>                                   |
| Total expenditures              | <u>58,760</u>      | <u>58,760</u>      | <u>133</u>              | <u>58,627</u>                                   |
| Net change in fund balance      | (52,500)           | (52,500)           | 6,943                   | 59,443  |
| Available fund balance, July 1  | <u>52,500</u>      | <u>52,500</u>      | <u>53,500</u>           | <u>1,000</u>                                    |
| Available fund balance, June 30 | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> | <u><u>\$ 60,443</u></u> | <u><u>\$ 60,443</u></u>                         |

LAKE COUNTY, OREGON  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (Budget Basis)**  
**RANGE IMPROVEMENT/TAYLOR GRAZING FUND**

For the Year Ended  
June 30, 2012

|                                 | Budget    |           | Actual     | Positive<br>(Negative)<br>Variance to<br>Budget |
|---------------------------------|-----------|-----------|------------|---|
|                                 | Original  | Final     |            |   |
| Revenues                        |           |           |            |   |
| Intergovernmental revenues      | \$ 16,100 | \$ 16,100 | \$ 17,199  | \$ 1,099  |
| Interest earned                 | 530       | 530       | 602        | 72  |
| Total revenues                  | 16,630    | 16,630    | 17,801     | 1,171   |
| Expenditures                    |           |           |            |   |
| Materials and services          | 122,630   | 122,630   | 7,939      | 114,691   |
| Total expenditures              | 122,630   | 122,630   | 7,939      | 114,691   |
| Net change in fund balance      | (106,000) | (106,000) | 9,862      | 115,862   |
| Available fund balance, July 1  | 106,000   | 106,000   | 104,712    | (1,288)   |
| Available fund balance, June 30 | \$ -      | \$ -      | \$ 114,574 | \$ 114,574                                      |

LAKE COUNTY, OREGON  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (Budget Basis)**  
**LAW LIBRARY FUND**

For the Year Ended  
June 30, 2012

|                                 | Budget             |                    | Actual                 | Positive<br>(Negative)<br>Variance to<br>Budget |
|---------------------------------|--------------------|--------------------|------------------------|---|
|                                 | Original           | Final              |                        |   |
| Revenues                        |                    |                    |                        |   |
| Charges for services            | \$ 7,000           | \$ 7,000           | \$ 6,422               | \$ (578)  |
| Interest earned                 | 15                 | 15                 | 34                     | 19  |
| Total revenues                  | <u>7,015</u>       | <u>7,015</u>       | <u>6,456</u>           | <u>(559)</u>                                    |
| Expenditures                    |                    |                    |                        |   |
| Materials and services          | <u>11,015</u>      | <u>11,015</u>      | <u>5,186</u>           | <u>5,829</u>                                    |
| Total expenditures              | <u>11,015</u>      | <u>11,015</u>      | <u>5,186</u>           | <u>5,829</u>                                    |
| Net change in fund balance      | (4,000)            | (4,000)            | 1,270                  | 5,270   |
| Available fund balance, July 1  | <u>4,000</u>       | <u>4,000</u>       | <u>5,378</u>           | <u>1,378</u>                                    |
| Available fund balance, June 30 | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> | <u><u>\$ 6,648</u></u> | <u><u>\$ 6,648</u></u>                          |

LAKE COUNTY, OREGON  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (Budget Basis)**  
**MARINE FUND**

For the Year Ended  
June 30, 2012

|                                 | Budget   |          | Actual    | Positive<br>(Negative)<br>Variance to<br>Budget |
|---------------------------------|----------|----------|-----------|---|
|                                 | Original | Final    |           |   |
| Revenues                        |          |          |           |   |
| Intergovernmental revenues      | \$ 7,725 | \$ 7,725 | \$ 7,725  | \$ -  |
| Interest earned                 | 70       | 70       | 80        | 10  |
| Total revenues                  | 7,795    | 7,795    | 7,805     | 10  |
| Expenditures                    |          |          |           |   |
| Materials and services          | 23,545   | 23,545   | 14,682    | 8,863   |
| Total expenditures              | 23,545   | 23,545   | 14,682    | 8,863   |
| Net change in fund balance      | (15,750) | (15,750) | (6,877)   | 8,873   |
| Available fund balance, July 1  | 15,750   | 15,750   | 17,807    | 2,057   |
| Available fund balance, June 30 | \$ -     | \$ -     | \$ 10,930 | \$ 10,930                                       |



LAKE COUNTY, OREGON  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (Budget Basis)**  
**MUSEUM LAKE COUNTY FUND**

For the Year Ended  
June 30, 2012

|  | Budget   |          | Actual   | Positive<br>(Negative)<br>Variance to<br>Budget |
|--|----------|----------|----------|---|
|  | Original | Final    |          |   |
| Revenues                                     |          |          |          |   |
| Charges for services                         | \$ 6,280 | \$ 6,280 | \$ 7,047 | \$ 767  |
| Interest earned                              | 60       | 60       | 6        | (54)  |
| Miscellaneous revenues                       | 2,499    | 2,499    | 583      | (1,916)   |
| Total revenues                               | 8,839    | 8,839    | 7,636    | (1,203)   |
| Expenditures                                 |          |          |          |   |
| Personal services                            | 6,678    | 6,678    | 4,839    | 1,839   |
| Materials and services                       | 8,136    | 8,136    | 5,864    | 2,272   |
| Total expenditures                           | 14,814   | 14,814   | 10,703   | 4,111   |
| Excess of revenues over (under) expenditures | (5,975)  | (5,975)  | (3,067)  | 2,908   |
| Other financing sources (uses)               |          |          |          |   |
| Transfers in                                 | 6,000    | 6,000    | 6,000    | -   |
| Transfers out                                | (25)     | (25)     | (25)     | -   |
| Total other financing sources (uses)         | 5,975    | 5,975    | 5,975    | -   |
| Net change in fund balance                   | -        | -        | 2,908    | 2,908   |
| Available fund balance, July 1               | -        | -        | 1,728    | 1,728   |
| Available fund balance, June 30              | \$ -     | \$ -     | \$ 4,636 | \$ 4,636  |

LAKE COUNTY, OREGON  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (Budget Basis)**  
**MENTAL HEALTH FUND**

For the Year Ended  
June 30, 2012

|                                 | Budget     |            | Actual     | Positive<br>(Negative)<br>Variance to<br>Budget |
|---------------------------------|------------|------------|------------|---|
|                                 | Original   | Final      |            |   |
| Revenues                        |            |            |            |   |
| Intergovernmental revenues      | \$ 671,200 | \$ 671,200 | \$ 818,122 | \$ 146,922                                      |
| Charges for services            | 43,000     | 43,000     | 34,692     | (8,308)   |
| Interest earned                 | 2,200      | 2,200      | 2,435      | 235   |
| Miscellaneous revenues          | 1,500      | 1,500      | 2,345      | 845   |
| Total revenues                  | 717,900    | 717,900    | 857,594    | 139,694   |
| Expenditures                    |            |            |            |   |
| Personal services               | 480,643    | 480,643    | 437,240    | 43,403  |
| Materials and services          | 434,762    | 434,762    | 214,402    | 220,360   |
| Capital outlay                  | 159,200    | 219,495    | 200,301    | 19,194  |
| Total expenditures              | 1,134,900  | 1,134,900  | 851,943    | 282,957   |
| Net change in fund balance      | (417,000)  | (417,000)  | 5,651      | 422,651   |
| Available fund balance, July 1  | 471,000    | 471,000    | 501,573    | 30,573  |
| Available fund balance, June 30 | \$ 54,000  | \$ 54,000  | \$ 507,224 | \$ 453,224                                      |

LAKE COUNTY, OREGON  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (Budget Basis)**  
**RECREATION VEHICLE FEES FUND**

For the Year Ended  
June 30, 2012

|  | Budget    |           | Actual    | Positive<br>(Negative)<br>Variance to<br>Budget |
|--|-----------|-----------|-----------|---|
|  | Original  | Final     |           |   |
| Revenues                                     |           |           |           |   |
| Charges for services                         | \$ 12,571 | \$ 12,571 | \$ 12,943 | \$ 372  |
| Interest earned                              | 70        | 70        | 131       | 61  |
| Total revenues                               | 12,641    | 12,641    | 13,074    | 433   |
| Expenditures                                 |           |           |           |   |
| Materials and services                       | 23,241    | 23,241    | 13,406    | 9,835   |
| Total expenditures                           | 23,241    | 23,241    | 13,406    | 9,835   |
| Excess of revenues over (under) expenditures | (10,600)  | (10,600)  | (332)     | 10,268  |
| Other financing sources (uses)               |           |           |           |   |
| Transfers out                                | (5,000)   | (5,000)   | (5,000)   | -   |
| Total other financing sources (uses)         | (5,000)   | (5,000)   | (5,000)   | -   |
| Net change in fund balance                   | (15,600)  | (15,600)  | (5,332)   | 10,268  |
| Available fund balance, July 1               | 15,600    | 15,600    | 27,754    | 12,154  |
| Available fund balance, June 30              | \$ -      | \$ -      | \$ 22,422 | \$ 22,422                                       |

LAKE COUNTY, OREGON  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (Budget Basis)**  
**TELEPHONE TAX 911 FUND**

For the Year Ended  
June 30, 2012

|                                 | Budget         |                |                | Positive<br>(Negative)<br>Variance to<br>Budget |
|---------------------------------|----------------|----------------|----------------|---|
|                                 | Original       | Final          | Actual         |   |
| Revenues                        |                |                |                |   |
| Taxes                           | \$ 301,600     | \$ 301,600     | \$ 237,936     | \$ (63,664)                                     |
| Intergovernmental revenues      | 17,000         | 17,000         | 11,303         | (5,697)   |
| Interest earned                 | -              | -              | 97             | 97  |
| Total revenues                  | <u>318,600</u> | <u>318,600</u> | <u>249,336</u> | <u>(69,264)</u>                                 |
| Expenditures                    |                |                |                |   |
| Materials and services          | <u>318,600</u> | <u>318,600</u> | <u>249,345</u> | <u>69,255</u>                                   |
| Total expenditures              | <u>318,600</u> | <u>318,600</u> | <u>249,345</u> | <u>69,255</u>                                   |
| Net change in fund balance      | -              | -              | (9)            | (9)   |
| Available fund balance, July 1  | <u>-</u>       | <u>-</u>       | <u>20</u>      | <u>20</u>                                       |
| Available fund balance, June 30 | <u>\$ -</u>    | <u>\$ -</u>    | <u>\$ 11</u>   | <u>\$ 11</u>                                    |

LAKE COUNTY, OREGON  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (Budget Basis)**  
**STATE CORRECTIONS KLAMATH/LAKE FUND**

For the Year Ended  
June 30, 2012

|                                 | Budget             |                    | Actual                 | Positive<br>(Negative)<br>Variance to<br>Budget |
|---------------------------------|--------------------|--------------------|------------------------|---|
|                                 | Original           | Final              |                        |   |
| Revenues                        |                    |                    |                        |   |
| Intergovernmental revenues      | \$ 204,195         | \$ 204,195         | \$ 190,628             | \$ (13,567)                                     |
| Charges for services            | 27,200             | 27,200             | 27,101                 | (99)  |
| Interest earned                 | -                  | -                  | 100                    | 100   |
| Miscellaneous revenues          | 800                | 800                | 2,605                  | 1,805   |
| Total revenues                  | <u>232,195</u>     | <u>232,195</u>     | <u>220,434</u>         | <u>(11,761)</u>                                 |
| Expenditures                    |                    |                    |                        |   |
| Personal services               | 160,215            | 164,715            | 164,115                | 600   |
| Materials and services          | <u>71,980</u>      | <u>67,480</u>      | <u>52,767</u>          | <u>14,713</u>                                   |
| Total expenditures              | <u>232,195</u>     | <u>232,195</u>     | <u>216,882</u>         | <u>15,313</u>                                   |
| Net change in fund balance      | -                  | -                  | 3,552                  | 3,552   |
| Available fund balance, July 1  | <u>-</u>           | <u>-</u>           | <u>(110)</u>           | <u>(110)</u>                                    |
| Available fund balance, June 30 | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> | <u><u>\$ 3,442</u></u> | <u><u>\$ 3,442</u></u>                          |

LAKE COUNTY, OREGON  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (Budget Basis)**  
**MEDIATION FUND**  
For the Year Ended  
June 30, 2012

|                                 | Budget   |          | Actual   | Positive<br>(Negative)<br>Variance to<br>Budget |
|---------------------------------|----------|----------|----------|---|
|                                 | Original | Final    |          |   |
| Revenues                        |          |          |          |   |
| Charges for services            | \$ 3,500 | \$ 3,500 | \$ 4,041 | \$ 541  |
| Interest earned                 | 55       | 55       | 51       | (4)   |
| Total revenues                  | 3,555    | 3,555    | 4,092    | 537   |
| Expenditures                    |          |          |          |   |
| Materials and services          | 13,555   | 13,555   | 5,426    | 8,129   |
| Total expenditures              | 13,555   | 13,555   | 5,426    | 8,129   |
| Net change in fund balance      | (10,000) | (10,000) | (1,334)  | 8,666   |
| Available fund balance, July 1  | 10,000   | 10,000   | 10,380   | 380   |
| Available fund balance, June 30 | \$ -     | \$ -     | \$ 9,046 | \$ 9,046  |

LAKE COUNTY, OREGON  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (Budget Basis)**  
**MENTAL HEALTH GRANTS FUND**

For the Year Ended  
June 30, 2012

|                                 | Budget     |            | Actual     | Positive<br>(Negative)<br>Variance to<br>Budget |
|---------------------------------|------------|------------|------------|---|
|                                 | Original   | Final      |            |   |
| Revenues                        |            |            |            |   |
| Intergovernmental revenues      | \$ 194,354 | \$ 194,354 | \$ 169,904 | \$ (24,450)                                     |
| Miscellaneous revenues          | -          | -          | 10         | 10  |
| Total revenues                  | 194,354    | 194,354    | 169,914    | (24,440)  |
| Expenditures                    |            |            |            |   |
| Personal services               | 56,547     | 56,547     | 56,240     | 307   |
| Materials and services          | 137,807    | 137,807    | 108,737    | 29,070  |
| Total expenditures              | 194,354    | 194,354    | 164,977    | 29,377  |
| Net change in fund balance      | -          | -          | 4,937      | 4,937   |
| Available fund balance, July 1  | -          | -          | (6,227)    | (6,227)   |
| Available fund balance, June 30 | \$ -       | \$ -       | \$ (1,290) | \$ (1,290)                                      |

LAKE COUNTY, OREGON  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (Budget Basis)**  
**COMMUNITY DEVELOPMENT LOANS FUND**

For the Year Ended  
June 30, 2012

|  | Budget    |           | Actual     | Positive<br>(Negative)<br>Variance to<br>Budget |
|--|-----------|-----------|------------|---|
|  | Original  | Final     |            |   |
| Revenues                                     |           |           |            |   |
| Interest earned                              | \$ 3,660  | \$ 3,660  | \$ 2,731   | \$ (929)  |
| Miscellaneous revenues                       | 29,000    | 29,000    | 12,062     | (16,938)  |
| Total revenues                               | 32,660    | 32,660    | 14,793     | (17,867)  |
| Expenditures                                 |           |           |            |   |
| Materials and services                       | 262,460   | 262,460   | 3,966      | 258,494   |
| Total expenditures                           | 262,460   | 262,460   | 3,966      | 258,494   |
| Excess of revenues over (under) expenditures | (229,800) | (229,800) | 10,827     | 240,627   |
| Other financing sources (uses)               |           |           |            |   |
| Interfund loans                              | 21,300    | 21,300    | 21,300     | -   |
| Total other financing sources (uses)         | 21,300    | 21,300    | 21,300     | -   |
| Net change in fund balance                   | (208,500) | (208,500) | 32,127     | 240,627   |
| Available fund balance, July 1               | 208,500   | 208,500   | 238,167    | 29,667  |
| Available fund balance, June 30              | \$ -      | \$ -      | \$ 270,294 | \$ 270,294                                      |



LAKE COUNTY, OREGON  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (Budget Basis)**  
**LIQUOR ENFORCEMENT FUND**

For the Year Ended  
June 30, 2012

|                                 | Budget   |          | Actual | Positive<br>(Negative)<br>Variance to<br>Budget |
|---------------------------------|----------|----------|--------|---|
|                                 | Original | Final    |        |   |
| Revenues                        |          |          |        |   |
| Charges for services            | \$ 3,960 | \$ 3,960 | \$ 606 | \$ (3,354)                                      |
| Total revenues                  | 3,960    | 3,960    | 606    | (3,354)   |
| Expenditures                    |          |          |        |   |
| Materials and services          | 3,960    | 3,960    | 844    | 3,116   |
| Total expenditures              | 3,960    | 3,960    | 844    | 3,116   |
| Net change in fund balance      | -        | -        | (238)  | (238)   |
| Available fund balance, July 1  | -        | -        | 238    | 238   |
| Available fund balance, June 30 | \$ -     | \$ -     | \$ -   | \$ -  |

LAKE COUNTY, OREGON  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (Budget Basis)**  
**TITLE III FOREST RECEIPTS FUND**

For the Year Ended  
June 30, 2012

|                                 | Budget    |           | Actual     | Positive<br>(Negative)<br>Variance to<br>Budget |
|---------------------------------|-----------|-----------|------------|---|
|                                 | Original  | Final     |            |   |
| Revenues                        |           |           |            |   |
| Intergovernmental revenues      | \$ -      | \$ -      | \$ 93,267  | \$ 93,267                                       |
| Interest earned                 | 1,041     | 1,041     | 601        | (440)   |
| Miscellaneous revenues          | -         | -         | 935        | 935   |
| Total revenues                  | 1,041     | 1,041     | 94,803     | 93,762  |
| Expenditures                    |           |           |            |   |
| Personal services               | 56,529    | 56,529    | 54,369     | 2,160   |
| Materials and services          | 49,750    | 49,750    | 40,756     | 8,994   |
| Capital outlay                  | 10,000    | 10,000    | -          | 10,000  |
| Total expenditures              | 116,279   | 116,279   | 95,125     | 21,154  |
| Net change in fund balance      | (115,238) | (115,238) | (322)      | 114,916   |
| Available fund balance, July 1  | 115,238   | 115,238   | 113,961    | (1,277)   |
| Available fund balance, June 30 | \$ -      | \$ -      | \$ 113,639 | \$ 113,639                                      |

LAKE COUNTY, OREGON  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (Budget Basis)**  
**PUBLIC HEALTH FUND**

For the Year Ended  
June 30, 2012

|  | Budget     |            | Actual     | Positive<br>(Negative)<br>Variance to<br>Budget |
|--|------------|------------|------------|---|
|  | Original   | Final      |            |   |
| Revenues                                     |            |            |            |   |
| Intergovernmental revenues                   | \$ 238,995 | \$ 238,995 | \$ 238,994 | \$ (1)  |
| Charges for services                         | 90,300     | 90,300     | 91,164     | 864   |
| Interest earned                              | 500        | 500        | 483        | (17)  |
| Miscellaneous revenues                       | -          | -          | 328        | 328   |
| Total revenues                               | 329,795    | 329,795    | 330,969    | 1,174   |
| Expenditures                                 |            |            |            |   |
| Personal services                            | 339,409    | 339,409    | 319,919    | 19,490  |
| Materials and services                       | 141,388    | 141,388    | 112,280    | 29,108  |
| Total expenditures                           | 497,295    | 497,295    | 432,199    | 65,096  |
| Excess of revenues over (under) expenditures | (167,500)  | (167,500)  | (101,230)  | 66,270  |
| Other financing sources (uses)               |            |            |            |   |
| Transfers in                                 | 90,000     | 90,000     | 90,000     | -   |
| Total other financing sources (uses)         | 90,000     | 90,000     | 90,000     | -   |
| Net change in fund balance                   | (77,500)   | (77,500)   | (11,230)   | 66,270  |
| Available fund balance, July 1               | 77,500     | 77,500     | 105,243    | 27,743  |
| Available fund balance, June 30              | \$ -       | \$ -       | \$ 94,013  | \$ 94,013                                       |

LAKE COUNTY, OREGON  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (Budget Basis)**  
**VETERANS' SERVICES FUND**

For the Year Ended  
June 30, 2012

|  | Budget    |           | Actual     | Positive<br>(Negative)<br>Variance to<br>Budget |
|--|-----------|-----------|------------|---|
|  | Original  | Final     |            |   |
| Revenues                                     |           |           |            |   |
| Intergovernmental revenues                   | \$ 25,868 | \$ 25,868 | \$ 26,287  | \$ 419  |
| Interest earned                              | -         | -         | 6          | 6   |
| Miscellaneous revenues                       | -         | -         | 32         | 32  |
| Total revenues                               | 25,868    | 25,868    | 26,325     | 457   |
| Expenditures                                 |           |           |            |   |
| Personal services                            | 30,006    | 30,006    | 27,744     | 2,262   |
| Materials and services                       | 17,323    | 17,323    | 16,259     | 1,064   |
| Total expenditures                           | 47,329    | 47,329    | 44,003     | 3,326   |
| Excess of revenues over (under) expenditures | (21,461)  | (21,461)  | (17,678)   | 3,783   |
| Other financing sources (uses)               |           |           |            |   |
| Transfers in                                 | 15,861    | 15,861    | 15,861     | -   |
| Total other financing sources (uses)         | 15,861    | 15,861    | 15,861     | -   |
| Net change in fund balance                   | (5,600)   | (5,600)   | (1,817)    | 3,783   |
| Available fund balance, July 1               | 5,600     | 5,600     | 69         | (5,531)   |
| Available fund balance, June 30              | \$ -      | \$ -      | \$ (1,748) | \$ (1,748)                                      |

LAKE COUNTY, OREGON  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (Budget Basis)**  
**SPECIAL TRANSPORTATION RESERVE FUND**

For the Year Ended  
June 30, 2012

|                                 | Budget    |           | Actual   | Positive<br>(Negative)<br>Variance to<br>Budget |
|---------------------------------|-----------|-----------|----------|---|
|                                 | Original  | Final     |          |   |
| Revenues                        |           |           |          |   |
| Intergovernmental revenues      | \$ 50,000 | \$ 50,000 | \$ -     | \$ (50,000)                                     |
| Interest earned                 | -         | -         | 90       | 90  |
| Miscellaneous revenues          | -         | -         | -        | -   |
| Total revenues                  | 50,000    | 50,000    | 90       | (49,910)  |
| Expenditures                    |           |           |          |   |
| Materials and services          | 75,473    | 75,473    | 32,905   | 42,568  |
| Total expenditures              | 75,473    | 75,473    | 32,905   | 42,568  |
| Net change in fund balance      | (25,473)  | (25,473)  | (32,815) | (7,342)   |
| Available fund balance, July 1  | 37,443    | 37,443    | 38,155   | 712   |
| Available fund balance, June 30 | \$ 11,970 | \$ 11,970 | \$ 5,340 | \$ (6,630)                                      |

LAKE COUNTY, OREGON  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (Budget Basis)**  
**INDUSTRIAL DEVELOPMENT REVOLVING FUND**

For the Year Ended  
June 30, 2012

|                                 | Budget    |           | Actual     | Positive<br>(Negative)<br>Variance to<br>Budget |
|---------------------------------|-----------|-----------|------------|---|
|                                 | Original  | Final     |            |   |
| Revenues                        |           |           |            |   |
| Charges for services            | \$ 15,525 | \$ 15,525 | \$ 10,125  | \$ (5,400)                                      |
| Interest earned                 | 1,568     | 1,568     | 1,090      | (478)   |
| Total revenues                  | 17,093    | 17,093    | 11,215     | (5,878)   |
| Expenditures                    |           |           |            |   |
| Materials and services          | 105,167   | 105,167   | 40,632     | 64,535  |
| Capital outlay                  | 106,926   | 106,926   | -          | 106,926   |
| Contingency                     | 25,000    | 25,000    | -          | 25,000  |
| Total expenditures              | 237,093   | 237,093   | 40,632     | 196,461   |
| Net change in fund balance      | (220,000) | (220,000) | (29,417)   | 190,583   |
| Available fund balance, July 1  | 220,000   | 220,000   | 209,041    | (10,959)  |
| Available fund balance, June 30 | \$ -      | \$ -      | \$ 179,624 | \$ 179,624                                      |

LAKE COUNTY, OREGON  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (Budget Basis)**  
**SHERIFF FUND**  
For the Year Ended  
June 30, 2012

|                                 | Budget    |           | Actual    | Positive<br>(Negative)<br>Variance to<br>Budget |
|---------------------------------|-----------|-----------|-----------|---|
|                                 | Original  | Final     |           |   |
| Revenues                        |           |           |           |   |
| Intergovernmental revenues      | \$ 38,000 | \$ 38,000 | \$ 32,367 | \$ (5,633)                                      |
| Charges for services            | 33,500    | 33,500    | 28,500    | (5,000)   |
| Interest earned                 | -         | -         | 128       | 128   |
| Miscellaneous revenues          | -         | -         | 593       | 593   |
| Total revenues                  | 71,500    | 71,500    | 61,588    | (9,912)   |
| Expenditures                    |           |           |           |   |
| Personal services               | 46,161    | 46,161    | 29,827    | 16,334  |
| Materials and services          | 51,139    | 51,139    | 36,128    | 15,011  |
| Total expenditures              | 97,300    | 97,300    | 65,955    | 31,345  |
| Net change in fund balance      | (25,800)  | (25,800)  | (4,367)   | 21,433  |
| Available fund balance, July 1  | 25,800    | 25,800    | 31,699    | 5,899   |
| Available fund balance, June 30 | \$ -      | \$ -      | \$ 27,332 | \$ 27,332                                       |

**LAKE COUNTY, OREGON**  
**BUDGETARY COMPARISON SCHEDULE - BUDGET TO GAAP RECONCILIATION**  
**NONMAJOR GOVERNMENTAL FUNDS**

For the Year Ended

June 30, 2012

|  | <u>Budget Basis</u>                        |   | Total<br>For the<br>Year Ended<br>June 30,<br>2012 |
|--|--|---|--|
|  | <u>Nonmajor<br/>Governmental<br/>Funds</u> | <u>Modified<br/>Accrual<br/>Adjustments</u> |  |
| Revenues                                     |  |   |  |
| Taxes  | \$ 237,936                                 | \$ (1,306)                                  | \$ 236,630   |
| Licenses and permits                         | 6,776                                      | 583   | 7,359  |
| Intergovernmental revenues                   | 1,954,892                                  | 37,629                                      | 1,992,521  |
| Charges for services                         | 475,930                                    | 55,695                                      | 531,625  |
| Interest earned                              | 23,710                                     | -   | 23,710   |
| Miscellaneous revenues                       | 37,388                                     | (5,520)                                     | 31,868   |
| Total revenues                               | <u>2,736,632</u>                           | <u>87,081</u>                               | <u>2,823,713</u>                                   |
| Expenditures                                 |  |   |  |
| General government                           | 442,937                                    | 9,640                                       | 452,577  |
| Public safety                                | 1,273,700                                  | 131,965                                     | 1,405,665  |
| Health                                       | 1,328,145                                  | 4,020                                       | 1,332,165  |
| Education                                    | 274,600                                    | 10,740                                      | 285,340  |
| Economic development                         | 105,540                                    | -   | 105,540  |
| Total expenditures                           | <u>3,424,922</u>                           | <u>156,365</u>                              | <u>3,581,287</u>                                   |
| Excess of revenues over (under) expenditures | (688,290)                                  | (69,284)                                    | (757,574)  |
| Other financing sources (uses)               |  |   |  |
| Transfers in                                 | 355,565                                    | -   | 355,565  |
| Transfers out                                | (22,525)                                   | (5,772)                                     | (28,297)   |
| Net loan activity                            | 21,300                                     | 22,525                                      | -  |
| Total other financing sources (uses)         | <u>354,340</u>                             | <u>16,753</u>                               | <u>327,268</u>                                     |
| Net change in fund balances                  | (333,950)                                  | (52,531)                                    | (430,306)  |
| Available fund balances, July 1              | 4,575,641                                  | 191,781                                     | 4,767,422  |
| Available fund balances, June 30             | <u>\$ 4,241,691</u>                        | <u>\$ 139,250</u>                           | <u>\$ 4,337,116</u>                                |
| Adjustments for property taxes receivable    | \$ (1,306)                                 |   |  |
| Adjustments for accounts payable             | (156,365)                                  |   |  |
| Adjustments for accounts receivable          | 88,387                                     |   |  |
| Adjustments for loan activity and transfers  | 16,753                                     |   |  |
| Total adjustments for modified accrual       | <u>\$ (52,531)</u>                         |   |  |



LAKE COUNTY, OREGON  
**COMBINING STATEMENT OF NET ASSETS**  
**NONMAJOR ENTERPRISE FUNDS**  
June 30, 2012

|   | Airport<br>Fund | Community<br>Development<br>Fund | Railroad<br>Fund | Total<br>June 30, 2012 |
|---|-----------------|----------------------------------|------------------|------------------------|
| <b>ASSETS</b>                                     |                 |                                  |                  |                        |
| Cash and investments                              | \$ 80,728       | \$ 11,246                        | \$ 1,185         | \$ 93,159              |
| Accounts receivable                               | -               | 2,040                            | -                | 2,040                  |
| Inventory   | 47,829          | -                                | -                | 47,829                 |
| Capital assets, net of accumulated depreciation   |                 |                                  |                  |                        |
| Land  | 354,600         | -                                | 10,000           | 364,600                |
| Buildings and improvements                        | 517,575         | -                                | 636,600          | 1,154,175              |
| Vehicles and equipment                            | -               | -                                | 516,000          | 516,000                |
| Accumulated depreciation                          | (115,972)       | -                                | (589,581)        | (705,553)              |
| Net capital assets                                | 756,203         | -                                | 573,019          | 1,329,222              |
| Total assets                                      | 884,760         | 13,286                           | 574,204          | 1,472,250              |
| <b>LIABILITIES</b>                                |                 |                                  |                  |                        |
| Accounts payable                                  | -               | 671                              | -                | 671                    |
| Due to other funds                                | 13,000          | -                                | -                | 13,000                 |
| Total liabilities                                 | 13,000          | 671                              | -                | 13,671                 |
| <b>NET ASSETS</b>                                 |                 |                                  |                  |                        |
| Investment in capital assets, net of related debt | 756,203         | -                                | 573,019          | 1,329,222              |
| Unrestricted                                      | 115,557         | 12,615                           | 1,185            | 129,357                |
| Total net assets                                  | \$ 871,760      | \$ 12,615                        | \$ 574,204       | \$ 1,458,579           |

LAKE COUNTY, OREGON  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS**  
**NONMAJOR ENTERPRISE FUNDS**  
For the Year Ended  
June 30, 2012

|  | Airport<br>Fund   | Community<br>Development<br>Fund | Railroad<br>Fund  | Total<br>For the<br>Year Ended<br>June 30, 2012 |
|--|-------------------|----------------------------------|-------------------|---|
| Operating revenues                     |                   |                                  |                   |   |
| Operating grants                       | \$ 23,541         | \$ 6,435                         | \$ 485,767        | \$ 515,743                                      |
| Charges for services                   | 246,621           | 192,474                          | 33,000            | 472,095   |
| Miscellaneous revenues                 | 605               | 1,310                            | 248               | 2,163   |
| Total operating revenues               | <u>270,767</u>    | <u>200,219</u>                   | <u>519,015</u>    | <u>990,001</u>                                  |
| Operating expenses                     |                   |                                  |                   |   |
| Airport                                | 235,742           | -                                | -                 | 235,742   |
| Railroad                               | -                 | -                                | (74,868)          | (74,868)  |
| Community development                  | -                 | 197,425                          | -                 | 197,425   |
| Depreciation expense                   | 15,393            | -                                | 21,220            | 36,613  |
| Total operating expenses               | <u>251,135</u>    | <u>197,425</u>                   | <u>(53,648)</u>   | <u>394,912</u>                                  |
| Operating income                       | 19,632            | 2,794                            | 572,663           | 595,089   |
| Nonoperating revenues (expenses)       |                   |                                  |                   |   |
| Interest revenue                       | 244               | -                                | 157               | 401   |
| Total nonoperating revenues (expenses) | <u>244</u>        | <u>-</u>                         | <u>157</u>        | <u>401</u>                                      |
| Income (loss) before transfers         | 19,876            | 2,794                            | 572,820           | 595,490   |
| Transfers in                           | 14,272            | -                                | -                 | 14,272  |
| Total transfers                        | <u>14,272</u>     | <u>-</u>                         | <u>-</u>          | <u>14,272</u>                                   |
| Change in net assets                   | 34,148            | 2,794                            | 572,820           | 609,762   |
| Net assets - beginning                 | 837,612           | 9,821                            | 1,384             | 848,817   |
| Net assets - ending                    | <u>\$ 871,760</u> | <u>\$ 12,615</u>                 | <u>\$ 574,204</u> | <u>\$ 1,458,579</u>                             |

LAKE COUNTY, OREGON  
**STATEMENT OF CASH FLOWS**  
**NONMAJOR ENTERPRISE FUNDS**  
For the Year Ended  
June 30, 2012

|   | Airport<br>Fund  | Community<br>Development<br>Fund | Railroad<br>Fund  | Total<br>For the<br>Year Ended<br>June 30,<br>2012 |
|---|------------------|----------------------------------|-------------------|--|
| Cash flows from operating activities  |                  |                                  |                   |  |
| Cash received from customers  | \$ 256,703       | \$ 196,521                       | \$ 33,248         | \$ 486,472   |
| Cash received from grantors   | 23,541           | 6,435                            | 485,767           | 515,743  |
| Other receipts  | 605              | 1,310                            | 74,868            | 76,783   |
| Cash paid to suppliers  | (240,719)        | (197,251)                        | -                 | (437,970)  |
| Net cash provided (used) by operating activities  | 40,130           | 7,015                            | 593,883           | 641,028  |
| Cash flows from capital and related financing activities  |                  |                                  |                   |  |
| Purchase of capital assets  | (5,772)          | -                                | (588,131)         | (593,903)  |
| Interfund transfers   | 14,272           | -                                | -                 | 14,272   |
| Interfund loans   | (2,500)          | -                                | (18,800)          | (21,300)   |
| Net cash used for capital and related financing activities  | 6,000            | -                                | (606,931)         | (600,931)  |
| Cash flows from investing activities  |                  |                                  |                   |  |
| Interest on investments   | 244              | -                                | 157               | 401  |
| Net cash provided by investing activities   | 244              | -                                | 157               | 401  |
| Net increase (decrease) in cash   | 46,374           | 7,015                            | (12,891)          | 40,498   |
| Cash and restricted cash at beginning of year   | 34,354           | 4,231                            | 14,076            | 52,661   |
| Cash and restricted cash at end of year   | <u>\$ 80,728</u> | <u>\$ 11,246</u>                 | <u>\$ 1,185</u>   | <u>\$ 93,159</u>                                   |
| Reconciliation of operating income (loss)<br>to net cash provided (used) by operating activities          |                  |                                  |                   |  |
| Net operating income (loss)   | <u>\$ 19,632</u> | <u>\$ 2,794</u>                  | <u>\$ 572,663</u> | <u>\$ 595,089</u>                                  |
| Adjustments to reconcile operating income (loss)<br>expenses to net cash provided by operating activities |                  |                                  |                   |  |
| Depreciation expense  | 15,393           | -                                | 21,220            | 36,613   |
| (Increase) decrease in accounts receivable  | 10,082           | 4,047                            | -                 | 14,129   |
| Increase (decrease) in accounts payable   | -                | 174                              | -                 | 174  |
| (Increase) decrease in inventory  | (4,977)          | -                                | -                 | (4,977)  |
| Total adjustments   | 20,498           | 4,221                            | 21,220            | 45,939   |
| Net cash provided (used) by operating activities  | <u>\$ 40,130</u> | <u>\$ 7,015</u>                  | <u>\$ 593,883</u> | <u>\$ 641,028</u>                                  |

NONMAJOR ENTERPRISE FUNDS – BUDGET BASIS



LAKE COUNTY, OREGON  
**SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS**  
**BUDGET AND ACTUAL (Budget Basis)**  
**AIRPORT FUND**  
For the Year Ended  
June 30, 2012

|  | Budget    |           | Actual    | Positive<br>(Negative)<br>Variance to<br>Budget |
|--|-----------|-----------|-----------|---|
|  | Original  | Final     |           |   |
| Revenues                                 |           |           |           |   |
| Intergovernmental revenues               | \$ 95,000 | \$ 95,000 | \$ 23,541 | \$ (71,459)                                     |
| Charges for services                     | 219,300   | 219,300   | 256,652   | 37,352  |
| Interest earned                          | 120       | 120       | 244       | 124   |
| Miscellaneous revenues                   | -         | -         | 655       | 655   |
| Total revenues                           | 314,420   | 314,420   | 281,092   | (33,328)  |
| Expenses                                 |           |           |           |   |
| Materials and services                   | 234,970   | 234,970   | 219,546   | 15,424  |
| Capital outlay                           | 100,000   | 100,000   | 21,172    | 78,828  |
| Total expenses                           | 334,970   | 334,970   | 240,718   | 94,252  |
| Excess of revenues over (under) expenses | (20,550)  | (20,550)  | 40,374    | 60,924  |
| Other financing sources (uses)           |           |           |           |   |
| Transfers in                             | -         | -         | 8,500     | 8,500   |
| Interfund loans                          | (2,500)   | (2,500)   | (2,500)   | -   |
| Total other financing sources (uses)     | (2,500)   | (2,500)   | 6,000     | 8,500   |
| Change in net assets                     | (23,050)  | (23,050)  | 46,374    | 69,424  |
| Net assets - beginning                   | 23,050    | 23,050    | 34,354    | 11,304  |
| Net assets - ending                      | \$ -      | \$ -      | \$ 80,728 | \$ 80,728                                       |

LAKE COUNTY, OREGON  
**SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS**  
**BUDGET AND ACTUAL (Budget Basis)**  
**COMMUNITY DEVELOPMENT FUND**

For the Year Ended  
June 30, 2012

|  | Budget         |                | Actual           | Positive<br>(Negative)<br>Variance to<br>Budget |
|--|----------------|----------------|------------------|---|
|  | Original       | Final          |                  |   |
| Revenues                                 |                |                |                  |   |
| Licenses and permits                     | \$ 203,511     | \$ 153,511     | \$ 150,540       | \$ (2,971)                                      |
| Intergovernmental revenues               | -              | -              | 7,920            | 7,920   |
| Charges for services                     | 13,159         | 13,159         | 44,494           | 31,335  |
| Miscellaneous revenues                   | -              | -              | 1,310            | 1,310   |
| Total revenues                           | <u>216,670</u> | <u>166,670</u> | <u>204,264</u>   | <u>37,594</u>                                   |
| Expenses                                 |                |                |                  |   |
| Personal services                        | 154,546        | 167,546        | 162,290          | 5,256   |
| Materials and services                   | <u>62,124</u>  | <u>49,124</u>  | <u>35,135</u>    | <u>13,989</u>                                   |
| Total expenses                           | <u>216,670</u> | <u>216,670</u> | <u>197,425</u>   | <u>19,245</u>                                   |
| Excess of revenues over (under) expenses | -              | (50,000)       | 6,839            | 56,839  |
| Other financing sources (uses)           |                |                |                  |   |
| Transfers in                             | <u>-</u>       | <u>50,000</u>  | <u>-</u>         | <u>(50,000)</u>                                 |
| Total other financing sources (uses)     | <u>-</u>       | <u>50,000</u>  | <u>-</u>         | <u>(50,000)</u>                                 |
| Change in net assets                     | -              | -              | 6,839            | 6,839   |
| Net assets - beginning                   | <u>-</u>       | <u>-</u>       | <u>3,735</u>     | <u>3,735</u>                                    |
| Net assets - ending                      | <u>\$ -</u>    | <u>\$ -</u>    | <u>\$ 10,574</u> | <u>\$ 10,574</u>                                |

LAKE COUNTY, OREGON  
**SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS**  
**BUDGET AND ACTUAL (Budget Basis)**  
**RAILROAD FUND**  
For the Year Ended  
June 30, 2012

|  | Budget     |            | Actual     | Positive<br>(Negative)<br>Variance to<br>Budget |
|--|------------|------------|------------|---|
|  | Original   | Final      |            |   |
| Revenues                                 |            |            |            |   |
| Intergovernmental revenues               | \$ 648,000 | \$ 648,000 | \$ 485,767 | \$ (162,233)                                    |
| Charges for services                     | 36,000     | 36,000     | 33,000     | (3,000)   |
| Interest earned                          | -          | -          | 157        | 157   |
| Miscellaneous revenues                   | 330        | 330        | 248        | (82)  |
| Total revenues                           | 684,330    | 684,330    | 519,172    | (165,158)                                       |
| Expenses                                 |            |            |            |   |
| Materials and services                   | 29,030     | 29,030     | 7,399      | 21,631  |
| Capital outlay                           | 648,000    | 648,000    | 505,864    | 142,136   |
| Total expenses                           | 677,030    | 677,030    | 513,263    | 163,767   |
| Excess of revenues over (under) expenses | 7,300      | 7,300      | 5,909      | (1,391)   |
| Other financing sources (uses)           |            |            |            |   |
| Interfund loans                          | (18,800)   | (18,800)   | (18,800)   | -   |
| Total other financing sources (uses)     | (18,800)   | (18,800)   | (18,800)   | -   |
| Net change in net assets                 | (11,500)   | (11,500)   | (12,891)   | (1,391)   |
| Net assets - beginning                   | 11,500     | 11,500     | 14,075     | 2,575   |
| Net assets - ending                      | \$ -       | \$ -       | \$ 1,184   | \$ 1,184  |

LAKE COUNTY, OREGON  
**BUDGETARY COMPARISON SCHEDULE - BUDGET TO GAAP RECONCILIATION**  
**PROPRIETARY FUNDS**

For the Year Ended  
June 30, 2012

|   | Budget Basis                     |  |                     |  |
|---|----------------------------------|--|---------------------|--|
|   | Nonmajor<br>Proprietary<br>Funds | Total<br>For the<br>Year Ended<br>June 30,<br>2012 | GAAP<br>Adjustments | Total<br>For the<br>Year Ended<br>June 30,<br>2012 |
| <b>Revenues</b>                             |                                  |  |                     |  |
| Licenses and permits                        | \$ 150,540                       | \$ 150,540   | \$ -                | \$ 150,540   |
| Intergovernmental revenues                  | 517,228                          | 517,228  | (1,485)             | 515,743  |
| Charges for services                        | 334,146                          | 334,146  | (12,591)            | 321,555  |
| Interest earned                             | 401                              | 401  | -                   | 401  |
| Miscellaneous revenues                      | 2,213                            | 2,213  | (50)                | 2,163  |
| Total revenues                              | <u>1,004,528</u>                 | <u>1,004,528</u>                                   | <u>(14,126)</u>     | <u>990,402</u>                                     |
| <b>Expenses</b>                             |                                  |  |                     |  |
| Personal services                           | 162,290                          | 162,290  | -                   | 162,290  |
| Materials and services                      | 262,080                          | 262,080  | (29,458)            | 232,622  |
| Capital outlay                              | 527,036                          | 527,036  | (527,036)           | -  |
| Total expenses                              | <u>951,406</u>                   | <u>951,406</u>                                     | <u>(556,494)</u>    | <u>394,912</u>                                     |
| Excess of revenues over (under) expenses    | <u>53,122</u>                    | <u>53,122</u>                                      | <u>542,368</u>      | <u>595,490</u>                                     |
| <b>Other financing sources (uses)</b>       |                                  |  |                     |  |
| Transfers in                                | 8,500                            | 8,500  | 5,772               | 14,272   |
| Transfers out                               | -                                | -  | -                   | -  |
| Net loan activity                           | (21,300)                         | (21,300)   | 21,300              | -  |
| Total other financing sources (uses)        | <u>(12,800)</u>                  | <u>(12,800)</u>                                    | <u>27,072</u>       | <u>14,272</u>                                      |
| Net change in net assets                    | 40,322                           | 40,322   | 569,440             | 609,762  |
| Available net assets, July 1                | <u>52,164</u>                    | <u>45,116</u>                                      | <u>821,117</u>      | <u>848,817</u>                                     |
| Available net assets, June 30               | <u>\$ 92,486</u>                 | <u>\$ 92,486</u>                                   | <u>\$ 1,390,557</u> | <u>\$ 1,458,579</u>                                |
| Adjustments for capital asset additions     | \$ 527,036                       |  |                     |  |
| Adjustments for accounts payable            | 29,458                           |  |                     |  |
| Adjustments for accounts receivable         | (14,126)                         |  |                     |  |
| Adjustments for loan activity and transfers | 27,072                           |  |                     |  |
| Total adjustments for modified accrual      | <u>\$ 569,440</u>                |  |                     |  |



OTHER SUPPLEMENTARY INFORMATION

FIDUCIARY FUNDS



LAKE COUNTY, OREGON  
**COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES**  
**ALL AGENCY FUNDS**  
For the Year Ended  
June 30, 2012

|                                      | Balance<br>June 30, 2011 | Additions | Deductions | Balance<br>June 30, 2012 |
|--------------------------------------|--------------------------|-----------|------------|--------------------------|
| <u>Library Per Capita Grant Fund</u> |                          |           |            |                          |
| ASSETS                               |                          |           |            |                          |
| Cash                                 | \$ 14,988                | \$ 11,836 | \$ 12,102  | \$ 14,722                |
| Total assets                         | 14,988                   | 11,836    | 12,102     | 14,722                   |
| LIABILITIES                          |                          |           |            |                          |
| Held in trust for other governments  | 14,988                   | 11,836    | 12,102     | 14,722                   |
| Total liabilities                    | \$ 14,988                | \$ 11,836 | \$ 12,102  | \$ 14,722                |

|                                     |           |            |           |            |
|-------------------------------------|-----------|------------|-----------|------------|
| <u>Facility Reserve</u>             |           |            |           |            |
| ASSETS                              |           |            |           |            |
| Cash                                | \$ 94,929 | \$ 102,611 | \$ 46,447 | \$ 151,092 |
| Total assets                        | 94,929    | 102,611    | 46,447    | 151,092    |
| LIABILITIES                         |           |            |           |            |
| Held in trust for other governments | 94,929    | 102,611    | 46,447    | 151,092    |
| Total liabilities                   | \$ 94,929 | \$ 102,611 | \$ 46,447 | \$ 151,092 |

|                                     |            |            |            |            |
|-------------------------------------|------------|------------|------------|------------|
| <u>Library District Fund</u>        |            |            |            |            |
| ASSETS                              |            |            |            |            |
| Cash                                | \$ 150,940 | \$ 407,863 | \$ 333,183 | \$ 225,620 |
| Accounts receivable                 | 162        | -          | 162        | -          |
| Property taxes receivable           | 29,999     | 40,371     | 29,999     | 40,371     |
| Total assets                        | 181,101    | 448,234    | 363,344    | 265,991    |
| LIABILITIES                         |            |            |            |            |
| Accounts payable                    | 689        | 714        | 689        | 714        |
| Deferred revenue                    | 26,733     | -          | 26,733     | -          |
| Held in trust for other governments | 153,679    | 447,520    | 335,922    | 265,277    |
| Total liabilities                   | \$ 181,101 | \$ 448,234 | \$ 363,344 | \$ 265,991 |

|                                     |          |          |      |           |
|-------------------------------------|----------|----------|------|-----------|
| <u>Facility Reserve</u>             |          |          |      |           |
| ASSETS                              |          |          |      |           |
| Cash                                | \$ 7,908 | \$ 5,964 | \$ - | \$ 13,872 |
| Total assets                        | 7,908    | 5,964    | -    | 13,872    |
| LIABILITIES                         |          |          |      |           |
| Held in trust for other governments | 7,908    | 5,964    | -    | 13,872    |
| Total liabilities                   | \$ 7,908 | \$ 5,964 | \$ - | \$ 13,872 |

(Continued on next page)

LAKE COUNTY, OREGON  
**COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES**  
**ALL AGENCY FUNDS**  
For the Year Ended  
June 30, 2012

|                                     | Balance<br>June 30, 2011 | Additions  | Deductions | Balance<br>June 30, 2012 |
|-------------------------------------|--------------------------|------------|------------|--------------------------|
| <u>District Attorney Fund</u>       |                          |            |            |                          |
| ASSETS                              |                          |            |            |                          |
| Cash                                | \$ 12,724                | \$ 22,204  | \$ 16,136  | \$ 18,792                |
| Accounts receivable                 | 250                      | -          | 250        | -                        |
| Total assets                        | 12,974                   | 22,204     | 16,386     | 18,792                   |
| LIABILITIES                         |                          |            |            |                          |
| Held in trust for other governments | 12,974                   | 22,204     | 16,386     | 18,792                   |
| Total liabilities                   | \$ 12,974                | \$ 22,204  | \$ 16,386  | \$ 18,792                |
| <br><u>Revolving Fund</u>           |                          |            |            |                          |
| ASSETS                              |                          |            |            |                          |
| Cash                                | \$ 14,913                | \$ 10,955  | \$ 8,809   | \$ 17,059                |
| Total assets                        | 14,913                   | 10,955     | 8,809      | 17,059                   |
| LIABILITIES                         |                          |            |            |                          |
| Held in trust for other governments | 14,913                   | 10,955     | 8,809      | 17,059                   |
| Total liabilities                   | \$ 14,913                | \$ 10,955  | \$ 8,809   | \$ 17,059                |
| <br><u>Extension Service Fund</u>   |                          |            |            |                          |
| ASSETS                              |                          |            |            |                          |
| Cash                                | \$ -                     | \$ 207,803 | \$ 207,803 | \$ -                     |
| Property taxes receivable           | 15,785                   | 21,243     | 15,785     | 21,243                   |
| Total assets                        | 15,785                   | 229,046    | 223,588    | 21,243                   |
| LIABILITIES                         |                          |            |            |                          |
| Deferred revenue                    | 14,067                   | -          | 14,067     | -                        |
| Held in trust for other governments | 1,718                    | 229,046    | 209,521    | 21,243                   |
| Total liabilities                   | \$ 15,785                | \$ 229,046 | \$ 223,588 | \$ 21,243                |
| <br><u>County Land Sales Fund</u>   |                          |            |            |                          |
| ASSETS                              |                          |            |            |                          |
| Cash                                | \$ 36,440                | \$ 8,553   | \$ 44,233  | \$ 760                   |
| Accounts receivable                 | -                        | -          | -          | -                        |
| Total assets                        | 36,440                   | 8,553      | 44,233     | 760                      |
| LIABILITIES                         |                          |            |            |                          |
| Held in trust for other governments | \$ 36,440                | \$ 8,553   | \$ 44,233  | \$ 760                   |

(Continued on next page)

LAKE COUNTY, OREGON  
**COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES**  
**ALL AGENCY FUNDS**  
For the Year Ended  
June 30, 2012

|                                       | Balance<br>June 30, 2011 | Additions         | Deductions        | Balance<br>June 30, 2012 |
|---------------------------------------|--------------------------|-------------------|-------------------|--------------------------|
| <u>North Lake Health District</u>     |                          |                   |                   |                          |
| ASSETS                                |                          |                   |                   |                          |
| Cash                                  | \$ -                     | \$ 161,140        | \$ 161,140        | \$ -                     |
| Property taxes receivable             | 17,967                   | 20,355            | 17,967            | 20,355                   |
| Total assets                          | <u>17,967</u>            | <u>181,495</u>    | <u>179,107</u>    | <u>20,355</u>            |
| LIABILITIES                           |                          |                   |                   |                          |
| Deferred revenue                      | 16,005                   | -                 | 16,005            | -                        |
| Held in trust for other governments   | 1,962                    | 181,495           | 163,102           | 20,355                   |
| Total liabilities                     | <u>\$ 17,967</u>         | <u>\$ 181,495</u> | <u>\$ 16,005</u>  | <u>\$ 20,355</u>         |
| <br><u>Transient Room Tax Fund</u>    |                          |                   |                   |                          |
| ASSETS                                |                          |                   |                   |                          |
| Cash                                  | \$ 2,226                 | \$ 103,999        | \$ 103,925        | \$ 2,300                 |
| Accounts receivable                   | 1,200                    | -                 | 1,200             | -                        |
| Total assets                          | <u>3,426</u>             | <u>103,999</u>    | <u>105,125</u>    | <u>2,300</u>             |
| LIABILITIES                           |                          |                   |                   |                          |
| Held in trust for other governments   | 3,426                    | 103,999           | 105,125           | 2,300                    |
| Total liabilities                     | <u>\$ 3,426</u>          | <u>\$ 103,999</u> | <u>\$ 105,125</u> | <u>\$ 2,300</u>          |
| <br><u>Undesignated Taxes Fund</u>    |                          |                   |                   |                          |
| ASSETS                                |                          |                   |                   |                          |
| Cash                                  | \$ 54,583                | \$ 47,803         | \$ 101,490        | \$ 896                   |
| Total assets                          | <u>54,583</u>            | <u>47,803</u>     | <u>101,490</u>    | <u>896</u>               |
| LIABILITIES                           |                          |                   |                   |                          |
| Held in trust for other governments   | <u>\$ 54,583</u>         | <u>\$ 47,803</u>  | <u>\$ 101,490</u> | <u>\$ 896</u>            |
| <br><u>School District No. 5 Fund</u> |                          |                   |                   |                          |
| ASSETS                                |                          |                   |                   |                          |
| Property taxes receivable             | \$ 31                    | \$ 31             | \$ 31             | \$ 31                    |
| Total assets                          | <u>31</u>                | <u>62</u>         | <u>62</u>         | <u>31</u>                |
| LIABILITIES                           |                          |                   |                   |                          |
| Deferred revenue                      | 31                       | -                 | 31                | -                        |
| Held in trust for other governments   | -                        | 62                | 31                | 31                       |
| Total liabilities                     | <u>\$ 31</u>             | <u>\$ -</u>       | <u>\$ 31</u>      | <u>\$ 31</u>             |
| NET ASSETS                            |                          |                   |                   |                          |

(Continued on next page)

LAKE COUNTY, OREGON  
**COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES**  
**ALL AGENCY FUNDS**  
For the Year Ended  
June 30, 2012

|                                     | Balance<br>June 30, 2011 | Additions    | Deductions   | Balance<br>June 30, 2012 |
|-------------------------------------|--------------------------|--------------|--------------|--------------------------|
| <u>School District No. 7 Fund</u>   |                          |              |              |                          |
| <b>ASSETS</b>                       |                          |              |              |                          |
| Cash                                | \$ -                     | \$ 3,008,658 | \$ 3,008,658 | \$ -                     |
| Property taxes receivable           | 160,750                  | 235,472      | 160,750      | 235,472                  |
| Total assets                        | 160,750                  | 3,244,130    | 3,169,408    | 235,472                  |
| <b>LIABILITIES</b>                  |                          |              |              |                          |
| Deferred revenue                    | 142,577                  | -            | 142,577      | -                        |
| Held in trust for other governments | 18,173                   | 3,244,130    | 3,026,831    | 235,472                  |
| Total liabilities                   | \$ 160,750               | \$ 3,244,130 | \$ 3,169,408 | \$ 235,472               |

|                                     |           |            |            |           |
|-------------------------------------|-----------|------------|------------|-----------|
| <u>School District No. 11 Fund</u>  |           |            |            |           |
| <b>ASSETS</b>                       |           |            |            |           |
| Cash                                | \$ -      | \$ 416,390 | \$ 416,390 | \$ -      |
| Property taxes receivable           | 37,483    | 42,180     | 37,483     | 42,180    |
| Total assets                        | 37,483    | 458,570    | 453,873    | 42,180    |
| <b>LIABILITIES</b>                  |           |            |            |           |
| Deferred revenue                    | 33,255    | -          | 33,255     | -         |
| Held in trust for other governments | 4,228     | 458,570    | 420,618    | 42,180    |
| Total liabilities                   | \$ 37,483 | \$ 458,570 | \$ 453,873 | \$ 42,180 |

|                                     |           |            |            |           |
|-------------------------------------|-----------|------------|------------|-----------|
| <u>School District No. 14 Fund</u>  |           |            |            |           |
| <b>ASSETS</b>                       |           |            |            |           |
| Cash                                | \$ -      | \$ 897,665 | \$ 897,665 | \$ -      |
| Property taxes receivable           | 81,757    | 92,592     | 81,757     | 92,592    |
| Total assets                        | 81,757    | 990,257    | 979,422    | 92,592    |
| <b>LIABILITIES</b>                  |           |            |            |           |
| Deferred revenue                    | 72,499    | -          | 72,499     | -         |
| Held in trust for other governments | 9,258     | 990,257    | 906,923    | 92,592    |
| Total liabilities                   | \$ 81,757 | \$ 990,257 | \$ 979,422 | \$ 92,592 |

|                                     |          |           |           |          |
|-------------------------------------|----------|-----------|-----------|----------|
| <u>School District No. 18 Fund</u>  |          |           |           |          |
| <b>ASSETS</b>                       |          |           |           |          |
| Cash                                | \$ -     | \$ 43,029 | \$ 43,029 | \$ -     |
| Property taxes receivable           | 3,659    | 4,090     | 3,659     | 4,090    |
| Total assets                        | 3,659    | 47,119    | 46,688    | 4,090    |
| <b>LIABILITIES</b>                  |          |           |           |          |
| Deferred revenue                    | 3,246    | -         | 3,246     | -        |
| Held in trust for other governments | 413      | 47,119    | 43,442    | 4,090    |
| Total liabilities                   | \$ 3,659 | \$ 47,119 | \$ 46,688 | \$ 4,090 |

(Continued on next page)

LAKE COUNTY, OREGON  
**COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES**  
**ALL AGENCY FUNDS**  
For the Year Ended  
June 30, 2012

|   | Balance<br>June 30, 2011 | Additions         | Deductions        | Balance<br>June 30, 2012 |
|---|--------------------------|-------------------|-------------------|--------------------------|
| <u>School District No. 21 Fund</u>            |                          |                   |                   |                          |
| <b>ASSETS</b>                                 |                          |                   |                   |                          |
| Cash  | \$ -                     | \$ 231,395        | \$ 231,395        | \$ -                     |
| Property taxes receivable                     | 5,946                    | 15,389            | 5,946             | 15,389                   |
| Total assets                                  | <u>5,946</u>             | <u>246,784</u>    | <u>237,341</u>    | <u>15,389</u>            |
| <b>LIABILITIES</b>                            |                          |                   |                   |                          |
| Deferred revenue                              | 5,268                    | -                 | 5,268             | -                        |
| Held in trust for other governments           | 678                      | 246,784           | 232,073           | 15,389                   |
| Total liabilities                             | <u>\$ 5,946</u>          | <u>\$ 246,784</u> | <u>\$ 237,341</u> | <u>\$ 15,389</u>         |
| <br><u>Education Service District Fund</u>    |                          |                   |                   |                          |
| <b>ASSETS</b>                                 |                          |                   |                   |                          |
| Cash  | \$ -                     | \$ 550,662        | \$ 550,662        | \$ -                     |
| Property taxes receivable                     | 42,332                   | 56,594            | 42,332            | 56,594                   |
| Total assets                                  | <u>42,332</u>            | <u>607,256</u>    | <u>592,994</u>    | <u>56,594</u>            |
| <b>LIABILITIES</b>                            |                          |                   |                   |                          |
| Deferred revenue                              | 37,542                   | -                 | 37,542            | -                        |
| Held in trust for other governments           | 4,790                    | 607,256           | 555,452           | 56,594                   |
| Total liabilities                             | <u>\$ 42,332</u>         | <u>\$ 607,256</u> | <u>\$ 592,994</u> | <u>\$ 56,594</u>         |
| <br><u>Central Oregon College Fund</u>        |                          |                   |                   |                          |
| <b>ASSETS</b>                                 |                          |                   |                   |                          |
| Cash  | \$ -                     | \$ 114,704        | \$ 114,704        | \$ -                     |
| Property taxes receivable                     | 12,071                   | 13,957            | 12,071            | 13,957                   |
| Total assets                                  | <u>12,071</u>            | <u>128,661</u>    | <u>126,775</u>    | <u>13,957</u>            |
| <b>LIABILITIES</b>                            |                          |                   |                   |                          |
| Deferred revenue                              | 10,677                   | -                 | 10,677            | -                        |
| Held in trust for other governments           | 1,394                    | 128,661           | 116,098           | 13,957                   |
| Total liabilities                             | <u>\$ 12,071</u>         | <u>\$ 128,661</u> | <u>\$ 126,775</u> | <u>\$ 13,957</u>         |
| <br><u>School District No. 14 - Bond Fund</u> |                          |                   |                   |                          |
| <b>ASSETS</b>                                 |                          |                   |                   |                          |
| Cash  | \$ -                     | \$ 21,088         | \$ 21,088         | \$ -                     |
| Property taxes receivable                     | 21,463                   | 14,989            | 21,463            | 14,989                   |
| Total assets                                  | <u>21,463</u>            | <u>36,077</u>     | <u>42,551</u>     | <u>14,989</u>            |
| <b>LIABILITIES</b>                            |                          |                   |                   |                          |
| Deferred revenue                              | 19,485                   | -                 | 19,485            | -                        |
| Held in trust for other governments           | 1,978                    | 36,077            | 23,066            | 14,989                   |
| Total liabilities                             | <u>\$ 21,463</u>         | <u>\$ 36,077</u>  | <u>\$ 42,551</u>  | <u>\$ 14,989</u>         |

(Continued on next page)

LAKE COUNTY, OREGON  
**COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES**  
**ALL AGENCY FUNDS**  
For the Year Ended  
June 30, 2012

|                                     | Balance<br>June 30, 2011 | Additions         | Deductions        | Balance<br>June 30, 2012 |
|-------------------------------------|--------------------------|-------------------|-------------------|--------------------------|
| <u>Lakeview Suburban Water Fund</u> |                          |                   |                   |                          |
| <b>ASSETS</b>                       |                          |                   |                   |                          |
| Property taxes receivable           | \$ 31                    | \$ 31             | \$ 31             | \$ 31                    |
| Total assets                        | <u>31</u>                | <u>62</u>         | <u>62</u>         | <u>31</u>                |
| <b>LIABILITIES</b>                  |                          |                   |                   |                          |
| Deferred revenue                    | 31                       | -                 | 31                | -                        |
| Held in trust for other governments | -                        | 62                | 31                | 31                       |
| Total liabilities                   | <u>\$ 31</u>             | <u>\$ 62</u>      | <u>\$ 62</u>      | <u>\$ 31</u>             |
| <br><u>Town of Lakeview</u>         |                          |                   |                   |                          |
| <b>ASSETS</b>                       |                          |                   |                   |                          |
| Cash                                | \$ -                     | \$ 861,130        | \$ 861,130        | \$ -                     |
| Property taxes receivable           | <u>98,716</u>            | <u>110,239</u>    | <u>98,716</u>     | <u>110,239</u>           |
| Total assets                        | <u>98,716</u>            | <u>971,369</u>    | <u>959,846</u>    | <u>110,239</u>           |
| <b>LIABILITIES</b>                  |                          |                   |                   |                          |
| Deferred revenue                    | 87,989                   | -                 | 87,989            | -                        |
| Held in trust for other governments | <u>10,727</u>            | <u>971,369</u>    | <u>871,857</u>    | <u>110,239</u>           |
| Total liabilities                   | <u>\$ 98,716</u>         | <u>\$ 971,369</u> | <u>\$ 959,846</u> | <u>\$ 110,239</u>        |
| <br><u>Paisley General Fund</u>     |                          |                   |                   |                          |
| <b>ASSETS</b>                       |                          |                   |                   |                          |
| Cash                                | \$ -                     | \$ 15,544         | \$ 15,544         | \$ -                     |
| Property taxes receivable           | <u>1,722</u>             | <u>1,953</u>      | <u>1,722</u>      | <u>1,953</u>             |
| Total assets                        | <u>1,722</u>             | <u>17,497</u>     | <u>17,266</u>     | <u>1,953</u>             |
| <b>LIABILITIES</b>                  |                          |                   |                   |                          |
| Deferred revenue                    | 1,533                    | -                 | 1,533             | -                        |
| Held in trust for other governments | <u>189</u>               | <u>17,497</u>     | <u>15,733</u>     | <u>1,953</u>             |
| Total liabilities                   | <u>\$ 1,722</u>          | <u>\$ 17,497</u>  | <u>\$ 17,266</u>  | <u>\$ 1,953</u>          |
| <br><u>Paisley Bond Fund</u>        |                          |                   |                   |                          |
| <b>ASSETS</b>                       |                          |                   |                   |                          |
| Cash                                | \$ -                     | \$ 263            | \$ 263            | \$ -                     |
| Property taxes receivable           | <u>292</u>               | <u>147</u>        | <u>292</u>        | <u>147</u>               |
| Total assets                        | <u>292</u>               | <u>410</u>        | <u>555</u>        | <u>147</u>               |
| <b>LIABILITIES</b>                  |                          |                   |                   |                          |
| Deferred revenue                    | 258                      | -                 | 258               | -                        |
| Held in trust for other governments | <u>34</u>                | <u>410</u>        | <u>297</u>        | <u>147</u>               |
| Total liabilities                   | <u>\$ 292</u>            | <u>\$ 410</u>     | <u>\$ 555</u>     | <u>\$ 147</u>            |

(Continued on next page)

LAKE COUNTY, OREGON  
**COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES**  
**ALL AGENCY FUNDS**  
For the Year Ended  
June 30, 2012

|                                     | Balance<br>June 30, 2011 | Additions | Deductions | Balance<br>June 30, 2012 |
|-------------------------------------|--------------------------|-----------|------------|--------------------------|
| <u>Lakeview Suburban Sewer Fund</u> |                          |           |            |                          |
| <b>ASSETS</b>                       |                          |           |            |                          |
| Property taxes receivable           | \$ 5                     | \$ 5      | \$ 5       | \$ 5                     |
| Total assets                        | 5                        | 10        | 10         | 5                        |
| <b>LIABILITIES</b>                  |                          |           |            |                          |
| Deferred revenue                    | \$ 5                     | \$ -      | \$ 5       | \$ -                     |
| Held in trust for other governments | -                        | 10        | 5          | 5                        |
| Total liabilities                   | 5                        | 10        | 10         | 5                        |

|  |          |           |           |          |
|--|----------|-----------|-----------|----------|
| <u>New Pine Creek Fire Department Fund</u> |          |           |           |          |
| <b>ASSETS</b>                              |          |           |           |          |
| Cash                                       | \$ -     | \$ 32,076 | \$ 32,076 | \$ -     |
| Property taxes receivable                  | 2,744    | 3,488     | 2,744     | 3,488    |
| Total assets                               | 2,744    | 35,564    | 34,820    | 3,488    |
| <b>LIABILITIES</b>                         |          |           |           |          |
| Deferred revenue                           | 2,445    | -         | 2,445     | -        |
| Held in trust for other governments        | 299      | 35,564    | 32,375    | 3,488    |
| Total liabilities                          | \$ 2,744 | \$ 35,564 | \$ 34,820 | \$ 3,488 |

|                                     |          |           |           |          |
|-------------------------------------|----------|-----------|-----------|----------|
| <u>Thomas Creek Fire Fund</u>       |          |           |           |          |
| <b>ASSETS</b>                       |          |           |           |          |
| Cash                                | \$ -     | \$ 76,280 | \$ 76,280 | \$ -     |
| Property taxes receivable           | 7,349    | 8,851     | 7,349     | 8,851    |
| Total assets                        | 7,349    | 85,131    | 83,629    | 8,851    |
| <b>LIABILITIES</b>                  |          |           |           |          |
| Deferred revenue                    | 6,548    | -         | 6,548     | -        |
| Held in trust for other governments | 801      | 85,131    | 77,081    | 8,851    |
| Total liabilities                   | \$ 7,349 | \$ 85,131 | \$ 83,629 | \$ 8,851 |

|                                      |          |           |           |          |
|--------------------------------------|----------|-----------|-----------|----------|
| <u>Lakeview Fire Department Fund</u> |          |           |           |          |
| <b>ASSETS</b>                        |          |           |           |          |
| Cash                                 | \$ -     | \$ 69,727 | \$ 69,727 | \$ -     |
| Property taxes receivable            | 6,924    | 8,222     | 6,924     | 8,222    |
| Total assets                         | 6,924    | 77,949    | 76,651    | 8,222    |
| <b>LIABILITIES</b>                   |          |           |           |          |
| Deferred revenue                     | 6,171    | -         | 6,171     | -        |
| Held in trust for other governments  | 753      | 77,949    | 70,480    | 8,222    |
| Total liabilities                    | \$ 6,924 | \$ 77,949 | \$ 76,651 | \$ 8,222 |

(Continued on next page)



LAKE COUNTY, OREGON  
**COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES**  
**ALL AGENCY FUNDS**  
For the Year Ended  
June 30, 2012

|   | Balance<br>June 30, 2011 | Additions        | Deductions       | Balance<br>June 30, 2012 |
|---|--------------------------|------------------|------------------|--------------------------|
| <u>Silver Lake Fire Department Fund</u> |                          |                  |                  |                          |
| <b>ASSETS</b>                           |                          |                  |                  |                          |
| Cash                                    | \$ -                     | \$ 42,817        | \$ 42,817        | \$ -                     |
| Property taxes receivable               | 4,684                    | 5,339            | 4,684            | 5,339                    |
| Total assets                            | <u>4,684</u>             | <u>48,156</u>    | <u>47,501</u>    | <u>5,339</u>             |
| <b>LIABILITIES</b>                      |                          |                  |                  |                          |
| Deferred revenue                        | 4,165                    | -                | 4,165            | -                        |
| Held in trust for other governments     | 519                      | 48,156           | 43,336           | 5,339                    |
| Total liabilities                       | <u>\$ 4,684</u>          | <u>\$ 48,156</u> | <u>\$ 47,501</u> | <u>\$ 5,339</u>          |

|  |                 |                  |                  |                 |
|--|-----------------|------------------|------------------|-----------------|
| <u>Christmas Valley Fire Department Fund</u> |                 |                  |                  |                 |
| <b>ASSETS</b>                                |                 |                  |                  |                 |
| Cash   | \$ -            | \$ 65,787        | \$ 65,787        | \$ -            |
| Accounts receivable                          | -               | -                | -                | -               |
| Property taxes receivable                    | 7,404           | 8,357            | 7,404            | 8,357           |
| Total assets                                 | <u>7,404</u>    | <u>74,144</u>    | <u>73,191</u>    | <u>8,357</u>    |
| <b>LIABILITIES</b>                           |                 |                  |                  |                 |
| Deferred revenue                             | 6,600           | -                | 6,600            | -               |
| Held in trust for other governments          | 804             | 74,144           | 66,591           | 8,357           |
| Total liabilities                            | <u>\$ 7,404</u> | <u>\$ 74,144</u> | <u>\$ 73,191</u> | <u>\$ 8,357</u> |

|  |                 |                  |                  |                 |
|--|-----------------|------------------|------------------|-----------------|
| <u>Christmas Valley Park and Recreation Fund</u> |                 |                  |                  |                 |
| <b>ASSETS</b>                                    |                 |                  |                  |                 |
| Cash   | \$ -            | \$ 59,117        | \$ 59,117        | \$ -            |
| Accounts receivable                              | -               | -                | -                | -               |
| Property taxes receivable                        | 6,653           | 7,509            | 6,653            | 7,509           |
| Total assets                                     | <u>6,653</u>    | <u>66,626</u>    | <u>65,770</u>    | <u>7,509</u>    |
| <b>LIABILITIES</b>                               |                 |                  |                  |                 |
| Deferred revenue                                 | 5,930           | -                | 5,930            | -               |
| Held in trust for other governments              | 723             | 66,626           | 59,840           | 7,509           |
| Total liabilities                                | <u>\$ 6,653</u> | <u>\$ 66,626</u> | <u>\$ 65,770</u> | <u>\$ 7,509</u> |

(Continued on next page)

LAKE COUNTY, OREGON  
**COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES**  
**ALL AGENCY FUNDS**  
For the Year Ended  
June 30, 2012

|                                     | Balance<br>June 30, 2011 | Additions    | Deductions   | Balance<br>June 30, 2012 |
|-------------------------------------|--------------------------|--------------|--------------|--------------------------|
| <u>Christmas Valley Water Fund</u>  |                          |              |              |                          |
| ASSETS                              |                          |              |              |                          |
| Cash                                | \$ -                     | \$ (3,867)   | \$ (3,867)   | \$ -                     |
| Property taxes receivable           | 3,793                    | 4,274        | 3,793        | 4,274                    |
| Total assets                        | 3,793                    | 407          | (74)         | 4,274                    |
| LIABILITIES                         |                          |              |              |                          |
| Deferred revenue                    | 3,383                    | -            | 3,383        | -                        |
| Held in trust for other governments | 410                      | 407          | (3,457)      | 4,274                    |
| Total liabilities                   | \$ 3,793                 | \$ 407       | \$ (74)      | \$ 4,274                 |
| <br><u>Hospital Fund</u>            |                          |              |              |                          |
| ASSETS                              |                          |              |              |                          |
| Cash                                | \$ -                     | \$ 1,379,328 | \$ 1,379,328 | \$ -                     |
| Property taxes receivable           | 90,979                   | 131,616      | 90,979       | 131,616                  |
| Total assets                        | 90,979                   | 1,510,944    | 1,470,307    | 131,616                  |
| LIABILITIES                         |                          |              |              |                          |
| Deferred revenue                    | 81,077                   | -            | 81,077       | -                        |
| Held in trust for other governments | 9,902                    | 1,510,944    | 1,389,230    | 131,616                  |
| Total liabilities                   | \$ 81,077                | \$ 1,510,944 | \$ 1,470,307 | \$ 131,616               |
| <br><u>Cemetery District Fund</u>   |                          |              |              |                          |
| ASSETS                              |                          |              |              |                          |
| Cash                                | \$ -                     | \$ 125,375   | \$ 125,375   | \$ -                     |
| Property taxes receivable           | 9,150                    | 12,548       | 9,150        | 12,548                   |
| Total assets                        | 9,150                    | 137,923      | 134,525      | 12,548                   |
| LIABILITIES                         |                          |              |              |                          |
| Deferred revenue                    | 8,154                    | -            | 8,154        | -                        |
| Held in trust for other governments | 996                      | 137,923      | 126,371      | 12,548                   |
| Total liabilities                   | \$ 9,150                 | \$ 137,923   | \$ 134,525   | \$ 12,548                |

(Continued on next page)

LAKE COUNTY, OREGON  
**COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES**  
**ALL AGENCY FUNDS**  
For the Year Ended  
June 30, 2012

|  | Balance<br>June 30, 2011 | Additions  | Deductions | Balance<br>June 30, 2012 |
|--|--------------------------|------------|------------|--------------------------|
| <u>Hospital Bond Fund</u>                  |                          |            |            |                          |
| <b>ASSETS</b>                              |                          |            |            |                          |
| Cash                                       | \$ -                     | \$ 17      | \$ 17      | \$ -                     |
| Property taxes receivable                  | 17                       | 17         | 17         | 17                       |
| Total assets                               | 17                       | 34         | 34         | 17                       |
| <b>LIABILITIES</b>                         |                          |            |            |                          |
| Deferred revenue                           | \$ 17                    | \$ -       | \$ 17      | \$ -                     |
| Held in trust for other governments        | -                        | 34         | 17         | 17                       |
| Total liabilities                          | \$ 17                    | \$ -       | \$ 17      | \$ -                     |
| <br><u>Oregon Forest Improvements Fund</u> |                          |            |            |                          |
| <b>ASSETS</b>                              |                          |            |            |                          |
| Cash                                       | \$ -                     | \$ 10,649  | \$ 10,649  | \$ -                     |
| Property taxes receivable                  | 1,235                    | 1,362      | 1,235      | 1,362                    |
| Total assets                               | 1,235                    | 12,011     | 11,884     | 1,362                    |
| <b>LIABILITIES</b>                         |                          |            |            |                          |
| Deferred revenue                           | 1,108                    | -          | 1,108      | -                        |
| Held in trust for other governments        | 127                      | 12,011     | 10,776     | 1,362                    |
| Total liabilities                          | \$ 1,235                 | \$ 12,011  | \$ 11,884  | \$ 1,362                 |
| <br><u>State Fire Patrol Fund</u>          |                          |            |            |                          |
| <b>ASSETS</b>                              |                          |            |            |                          |
| Cash                                       | \$ -                     | \$ 577,472 | \$ 577,472 | \$ -                     |
| Property taxes receivable                  | 60,842                   | 70,421     | 60,842     | 70,421                   |
| Total assets                               | 60,842                   | 647,893    | 638,314    | 70,421                   |
| <b>LIABILITIES</b>                         |                          |            |            |                          |
| Deferred revenue                           | 54,252                   | -          | 54,252     | -                        |
| Held in trust for other governments        | 6,590                    | 647,893    | 584,062    | 70,421                   |
| Total liabilities                          | \$ 60,842                | \$ 647,893 | \$ 638,314 | \$ 70,421                |
| <br><u>Suburban Sewer Liens Fund</u>       |                          |            |            |                          |
| <b>ASSETS</b>                              |                          |            |            |                          |
| Cash                                       | \$ -                     | \$ 1       | \$ 1       | \$ -                     |
| Property taxes receivable                  | 1                        | 1          | 1          | 1                        |
| Total assets                               | 1                        | 2          | 2          | 1                        |
| <b>LIABILITIES</b>                         |                          |            |            |                          |
| Deferred revenue                           | 1                        | -          | 1          | -                        |
| Held in trust for other governments        | -                        | -          | -          | 1                        |
| Total liabilities                          | \$ 1                     | \$ -       | \$ 1       | \$ 1                     |

(Continued on next page)

LAKE COUNTY, OREGON  
**COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES**  
**ALL AGENCY FUNDS**  
For the Year Ended  
June 30, 2012

|                                     | Balance<br>June 30, 2011 | Additions        | Deductions       | Balance<br>June 30, 2012 |
|-------------------------------------|--------------------------|------------------|------------------|--------------------------|
| <u>Taxation and Assessment Fund</u> |                          |                  |                  |                          |
| <b>ASSETS</b>                       |                          |                  |                  |                          |
| Cash                                | \$ 29,790                | \$ 72,853        | \$ 81,578        | \$ 21,065                |
| Accounts receivable                 | 150                      | -                | 150              | -                        |
| Total assets                        | <u>29,940</u>            | <u>72,853</u>    | <u>81,728</u>    | <u>21,065</u>            |
| <b>LIABILITIES</b>                  |                          |                  |                  |                          |
| Held in trust for other governments | 29,940                   | 72,853           | 81,728           | 21,065                   |
| Total liabilities                   | <u>\$ 29,940</u>         | <u>\$ 72,853</u> | <u>\$ 81,728</u> | <u>\$ 21,065</u>         |

|  |               |                 |                 |               |
|--|---------------|-----------------|-----------------|---------------|
| <u>Mobile Home Ombudsman and Purchase Fund</u> |               |                 |                 |               |
| <b>ASSETS</b>                                  |               |                 |                 |               |
| Cash   | \$ -          | \$ 3,351        | \$ 3,351        | \$ -          |
| Property taxes receivable                      | 404           | 442             | 404             | 442           |
| Total assets                                   | <u>404</u>    | <u>3,793</u>    | <u>3,755</u>    | <u>442</u>    |
| <b>LIABILITIES</b>                             |               |                 |                 |               |
| Deferred revenue                               | 360           | -               | 360             | -             |
| Held in trust for other governments            | 44            | 3,793           | 3,395           | 442           |
| Total liabilities                              | <u>\$ 404</u> | <u>\$ 3,793</u> | <u>\$ 3,755</u> | <u>\$ 442</u> |

|                                     |                 |                 |             |                 |
|-------------------------------------|-----------------|-----------------|-------------|-----------------|
| <u>Elected Official Accounts</u>    |                 |                 |             |                 |
| <b>ASSETS</b>                       |                 |                 |             |                 |
| Cash                                | \$ 1,341        | \$ (225)        | \$ -        | \$ 1,116        |
| Total assets                        | <u>1,341</u>    | <u>(225)</u>    | <u>-</u>    | <u>1,116</u>    |
| <b>LIABILITIES</b>                  |                 |                 |             |                 |
| Held in trust for other governments | 1,341           | (225)           | -           | 1,116           |
| Total liabilities                   | <u>\$ 1,341</u> | <u>\$ (225)</u> | <u>\$ -</u> | <u>\$ 1,116</u> |

|                                     |                     |                      |                      |                     |
|-------------------------------------|---------------------|----------------------|----------------------|---------------------|
| <u>Total all Agency Funds</u>       |                     |                      |                      |                     |
| <b>ASSETS</b>                       |                     |                      |                      |                     |
| Cash                                | \$ 420,782          | \$ 9,762,084         | \$ 9,715,571         | \$ 467,295          |
| Accounts receivable                 | 1,762               | -                    | 1,512                | -                   |
| Property taxes receivable           | 732,188             | 932,087              | 732,188              | 932,087             |
| Total assets                        | <u>1,154,732</u>    | <u>10,694,171</u>    | <u>10,449,271</u>    | <u>1,399,382</u>    |
| <b>LIABILITIES</b>                  |                     |                      |                      |                     |
| Accounts payable                    | 46,510              | 714                  | 46,510               | 714                 |
| Deferred revenue                    | 651,412             | -                    | 651,411              | -                   |
| Held in trust for other governments | 456,810             | 10,693,457           | 9,751,350            | 1,398,668           |
| Total liabilities                   | <u>\$ 1,154,732</u> | <u>\$ 10,694,171</u> | <u>\$ 10,449,271</u> | <u>\$ 1,399,382</u> |

OTHER FINANCIAL SCHEDULES



LAKE COUNTY, OREGON  
**SUMMARY SCHEDULE OF CASH, CASH ITEMS  
AND INVESTMENTS - ALL FUNDS**  
June 30, 2012

|  |                             |
|--|-----------------------------|
| Lake County Treasurer  |                             |
| U.S. Bank N.A.   |                             |
| Demand accounts  | \$ 2,142,571                |
| <br>Pacific Crest Credit Union                               |                             |
| Demand accounts  | 207,922                     |
| <br>South Valley Bank and Trust                              |                             |
| Demand accounts  | 750,279                     |
| <br>Greater Oregon Federal Credit Union                      |                             |
| Demand accounts  | 9,291                       |
| <br>Sterling Savings Bank, F.S.B.                            |                             |
| Demand accounts  | 441,784                     |
| <br>Oregon State Treasury Local Government Investment Pool** |                             |
| Cash invested  | <u>23,626,584</u>           |
| <br>Total cash with banks                                    | <u>27,178,431</u>           |
| <br>Petty cash   | <u>942</u>                  |
| <br>Total cash, cash items and investments                   | <u><u>\$ 27,179,373</u></u> |

LAKE COUNTY, OREGON  
**STATEMENT OF COLLATERAL SECURITY - COUNTY TREASURER**  
June 30, 2012

|   |                   |
|---|-------------------|
| U.S. Bank N.A. *                            |                   |
| Federal Deposit Insurance Corporation       | \$ 250,000        |
| Total U.S. Bank N.A.                        | <u>\$ 250,000</u> |
| <br>Pacific Crest Credit Union              |                   |
| National Credit Union Association Insurance | \$ 250,000        |
| Total Pacific Crest Credit Union            | <u>\$ 250,000</u> |
| <br>South Valley Bank and Trust *           |                   |
| Federal Deposit Insurance Corporation       | \$ 250,000        |
| Total South Valley Bank and Trust           | <u>\$ 250,000</u> |
| <br>Greater Oregon Federal Credit Union     |                   |
| National Credit Union Association Insurance | \$ 250,000        |
| Total Greater Oregon Federal Credit Union   | <u>\$ 250,000</u> |
| <br>Sterling Savings Bank, F.S.B. *         |                   |
| Federal Deposit Insurance Corporation       | \$ 250,000        |
| Total Sterling Savings Bank, F.S.B.         | <u>\$ 250,000</u> |

\*Qualified depository for public funds per ORS 295.

\*\* Oregon LGIP is fully collateralized by the state of Oregon.

LAKE COUNTY, OREGON  
**SCHEDULE OF PROPERTY TAX TRANSACTIONS**  
For the Year Ended  
June 30, 2012

**General Fund**

| Tax Year     | Uncollected<br>Taxes | 2011-12             | (Abatement)<br>and | Rebates            | Interest         | Taxes                                | Total               | Uncollected            |
|--------------|----------------------|---------------------|--------------------|--------------------|------------------|--------------------------------------|---------------------|------------------------|
| Special Levy | June 30, 2011        | Assessment          | Adjustments        | Allowed            | Collected        | Collected                            | Amount<br>Collected | Taxes<br>June 30, 2012 |
| 2011-12      |                      | \$ 3,100,520        | \$ (3,402)         | \$ (78,250)        | \$ 1,999         | \$ 2,859,352                         | \$ 2,861,352        | \$ 159,516             |
| 2010-11      | \$ 132,443           | -                   | (1,244)            | -                  | 4,267            | 44,316                               | 48,583              | 86,883                 |
| 2009-10      | 72,116               | -                   | (1,074)            | -                  | 3,431            | (1,965)                              | 1,466               | 73,007                 |
| 2008-09      | 34,054               | -                   | (1,252)            | -                  | 5,094            | 14,818                               | 19,911              | 17,984                 |
| 2007-08      | 9,434                | -                   | (1,275)            | -                  | 1,944            | 5,009                                | 6,953               | 3,150                  |
| 2006-07      | 2,967                | -                   | (1,225)            | -                  | 372              | 621                                  | 993                 | 1,121                  |
| 2005-06      | 1,602                | -                   | (964)              | -                  | 138              | 280                                  | 418                 | 358                    |
| 2004-05      | 1,327                | -                   | (621)              | -                  | -                | -                                    | -                   | 706                    |
| 2003-04      | 894                  | -                   | -                  | -                  | -                | -                                    | -                   | 894                    |
| 2002-03      | 790                  | -                   | -                  | -                  | -                | -                                    | -                   | 790                    |
| 2001-02      | 182                  | -                   | -                  | -                  | -                | -                                    | -                   | 182                    |
| 2000-01      | 157                  | -                   | -                  | -                  | -                | -                                    | -                   | 157                    |
| 1999-00      | 23                   | -                   | -                  | -                  | -                | -                                    | -                   | 23                     |
| 1998-99      | 52                   | -                   | -                  | -                  | -                | -                                    | -                   | 52                     |
| 1997-98      | 84                   | -                   | -                  | -                  | -                | -                                    | -                   | 84                     |
| 1996-97      | 97                   | -                   | -                  | -                  | -                | -                                    | -                   | 97                     |
| 1995-96      | 42                   | -                   | -                  | -                  | -                | -                                    | -                   | 42                     |
| 1994-95      | 46                   | -                   | -                  | -                  | -                | -                                    | -                   | 46                     |
| 1993-94      | 28                   | -                   | -                  | -                  | -                | -                                    | -                   | 28                     |
| 1992-93      | 50                   | -                   | -                  | -                  | -                | -                                    | -                   | 50                     |
| 1991-92      | 18                   | -                   | -                  | -                  | -                | -                                    | -                   | 18                     |
| TOTAL        | <u>\$ 256,406</u>    | <u>\$ 3,100,520</u> | <u>\$ (11,057)</u> | <u>\$ (78,250)</u> | <u>\$ 17,245</u> | <u>\$ 2,922,431</u>                  | <u>\$ 2,939,676</u> | <u>\$ 345,188</u>      |
|              |                      |                     |                    |                    |                  | Less allowance for doubtful accounts |                     | <u>(10,313)</u>        |
|              |                      |                     |                    |                    |                  | Total taxes receivable General Fund  |                     | <u>\$ 334,875</u>      |



LAKE COUNTY, OREGON  
**SCHEDULE OF ACCOUNTABILITY FOR INDEPENDENTLY ELECTED OFFICIALS**  
For the Year Ended  
June 30, 2012

|               | Cash and Cash<br>Equivalents<br>June 30, 2011 | Cash Receipts   | Cash Turnovers<br>and<br>Disbursements | Cash and Cash<br>Equivalents<br>June 30, 2012 |
|---------------|---|-----------------|--|---|
| Coke fund     | \$ 777  | \$ -            | \$ 225                                 | \$ 552  |
| Tax collector | 564   | 1,721           | 1,721                                  | 564   |
| Totals        | <u>\$ 1,341</u>                               | <u>\$ 1,721</u> | <u>\$ 1,946</u>                        | <u>\$ 1,116</u>                               |

STATISTICAL SECTION



# LAKE COUNTY, OREGON

## Statistical Section

This section of the Lake County, Oregon's Comprehensive Annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the county's overall financial health

### Contents

#### **Financial Trends**-pages 143-152

- These schedules contain trend information to help the reader understand how the county's financial performance and well-being have changed over time.

#### **Revenue Capacity**-pages 153-156

- These schedules contain information to help the reader assess the county's most significant local revenue sources, the property taxes

#### **Demographic and Economic Information**-pages 157-158

- These schedules offer demographic and economic indicators to help the reader understand the environment within which the county's financial activities take place.

#### **Operating Information**-pages 159

- These schedules contain employment data to help the reader understand how the information in the county's financial report relates to the services the county provides and the activities it performs.

FINANCIAL TRENDS



**LAKE COUNTY, OREGON**  
**NET ASSETS BY COMPONENT**  
**Last Nine Fiscal Years**

|  | <u>2004</u>          | <u>2005</u>          | <u>2006</u>          | <u>2007</u>          | <u>2008</u>          |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Government Activities</b>                     |                      |                      |                      |                      |                      |
| Invested in capital assets, net of related debt  | \$ 8,188,700         | \$ 8,500,186         | \$ 9,804,317         | \$ 9,173,068         | \$ 50,007,828        |
| Restricted                                       | -                    | -                    | 338,467              | 381,222              | 423,383              |
| Unrestricted                                     | 19,161,155           | 22,020,871           | 22,511,979           | 23,197,930           | 24,475,655           |
| <b>Total Governmental activities net assets</b>  | <u>27,349,855</u>    | <u>30,521,057</u>    | <u>32,654,763</u>    | <u>32,752,220</u>    | <u>74,906,866</u>    |
| <b>Business-type Activities</b>                  |                      |                      |                      |                      |                      |
| Invested in capital assets, net of related debt  | 1,727,020            | 1,712,075            | 1,899,952            | 1,857,041            | 486,955              |
| Restricted                                       | -                    | -                    | -                    | -                    | -                    |
| Unrestricted                                     | 301,223              | 205,902              | (62,449)             | (21,145)             | 37,540               |
| <b>Total Business-type activities net assets</b> | <u>2,028,243</u>     | <u>1,917,977</u>     | <u>1,837,503</u>     | <u>1,835,896</u>     | <u>524,495</u>       |
| <b>Primary Government</b>                        |                      |                      |                      |                      |                      |
| Invested in capital assets, net of related debt  | 9,915,720            | 10,212,261           | 11,704,269           | 11,030,109           | 50,494,783           |
| Restricted                                       | -                    | -                    | 338,467              | 381,222              | 423,383              |
| Unrestricted                                     | 19,462,378           | 22,226,773           | 22,449,530           | 23,176,785           | 24,513,195           |
| <b>Total Primary Government net assets</b>       | <u>\$ 29,378,098</u> | <u>\$ 32,439,034</u> | <u>\$ 34,492,266</u> | <u>\$ 34,588,116</u> | <u>\$ 75,431,361</u> |

Note:

Lake County implemented GASB Statement No. 34 beginning in fiscal year 2004. As a result, ten years data is not available, but over time ten fiscal years will be presented.

Source: Statement of Net Assets - Lake County, Oregon

**LAKE COUNTY, OREGON**  
**NET ASSETS BY COMPONENT**  
**Last Nine Fiscal Years**

|  | <u>2009</u>          | <u>2010</u>          | <u>2011</u>          | <u>2012</u>          |
|--|----------------------|----------------------|----------------------|----------------------|
| <b>Government Activities</b>                     |                      |                      |                      |                      |
| Invested in capital assets, net of related debt  | \$ 45,599,089        | \$ 41,213,036        | \$ 35,605,638        | \$ 31,760,695        |
| Restricted                                       | 444,291              | 459,760              | 24,532,254           | 23,744,054           |
| Unrestricted                                     | 27,358,420           | 27,268,689           | 2,626,776            | 3,434,820            |
| <b>Total Governmental activities net assets</b>  | <u>73,401,800</u>    | <u>68,941,485</u>    | <u>62,764,668</u>    | <u>58,939,569</u>    |
| <b>Business-type Activities</b>                  |                      |                      |                      |                      |
| Invested in capital assets, net of related debt  | 481,192              | 788,750              | 771,932              | 1,329,222            |
| Restricted                                       | -                    | -                    | -                    | -                    |
| Unrestricted                                     | (6,565)              | 84,531               | 76,885               | 129,356              |
| <b>Total Business-type activities net assets</b> | <u>474,627</u>       | <u>873,281</u>       | <u>848,817</u>       | <u>1,458,578</u>     |
| <b>Primary Government</b>                        |                      |                      |                      |                      |
| Invested in capital assets, net of related debt  | 46,080,281           | 42,001,786           | 36,377,570           | 33,089,917           |
| Restricted                                       | 444,291              | 459,760              | 24,532,254           | 23,744,054           |
| Unrestricted                                     | 27,351,855           | 27,353,220           | 2,703,661            | 3,564,176            |
| <b>Total Primary Government net assets</b>       | <u>\$ 73,876,427</u> | <u>\$ 69,814,766</u> | <u>\$ 63,613,485</u> | <u>\$ 60,398,147</u> |

Note:

Lake County implemented GASB Statement No. 34 beginning in fiscal year 2004. As a result, ten years data is not available, but over time ten fiscal years will be presented.

Source: Statement of Net Assets - Lake County, Oregon

**LAKE COUNTY, OREGON**  
**CHANGES IN NET ASSETS**  
**Last Nine Fiscal Years**

| Expenses  | Fiscal Year           |                     |                       |                       |                       |
|---|-----------------------|---------------------|-----------------------|-----------------------|-----------------------|
|   | 2004                  | 2005                | 2006                  | 2007                  | 2008                  |
| <b>Governmental Activities</b>                    |                       |                     |                       |                       |                       |
| General government                                | \$ 2,641,253          | \$ 2,413,066        | \$ 2,706,892          | \$ 3,195,221          | \$ 7,317,556          |
| Public safety                                     | 1,652,655             | 1,809,363           | 1,933,520             | 1,951,879             | 2,399,792             |
| Highways and streets                              | 2,861,387             | 2,789,907           | 2,456,998             | 3,538,749             | 3,080,391             |
| Health  | 720,039               | 815,685             | 952,579               | 1,489,630             | 1,302,658             |
| Education   | 256,479               | 118,047             | 303,772               | 475,296               | 448,983               |
| Economic development                              | 84,678                | 62,406              | 119,258               | 154,550               | 77,334                |
| <b>Total Governmental Activities</b>              | <b>8,216,491</b>      | <b>8,008,474</b>    | <b>8,473,019</b>      | <b>10,805,325</b>     | <b>14,626,714</b>     |
| <b>Business Type Activities</b>                   |                       |                     |                       |                       |                       |
| Airport   | 38,544                | 324,823             | 81,326                | 373,425               | 421,901               |
| Railroad  | 1,456,540             | 596,403             | 637,635               | 242,484               | 129,709               |
| Community development                             | -                     | -                   | -                     | -                     | 270,723               |
| <b>Total Business Type Activities</b>             | <b>1,495,084</b>      | <b>921,226</b>      | <b>718,961</b>        | <b>615,909</b>        | <b>822,333</b>        |
| <b>Total</b>                                      | <b>9,711,575</b>      | <b>8,929,700</b>    | <b>9,191,980</b>      | <b>11,421,234</b>     | <b>15,449,047</b>     |
| <b>Program Revenues</b>                           |                       |                     |                       |                       |                       |
| <b>Governmental Activities</b>                    |                       |                     |                       |                       |                       |
| <b>Charges for Services</b>                       |                       |                     |                       |                       |                       |
| General government                                | 305,284               | 333,039             | 359,403               | 370,053               | 155,286               |
| Public safety                                     | 98,622                | 120,698             | 161,692               | 153,076               | 155,706               |
| Highways and streets                              | 309,274               | 44,739              | 263,305               | 549,415               | 114,109               |
| Health  | 43,952                | 51,456              | 89,147                | 103,052               | 219,533               |
| Education   | 120,320               | 161,229             | 154,108               | 191,438               | 168,095               |
| Economic development                              | 88,505                | 60,156              | 70,807                | 66,114                | 79,309                |
| <b>Operating Grants &amp; Contributions</b>       |                       |                     |                       |                       |                       |
| General government                                | 734,919               | 550,467             | 519,919               | 462,840               | 534,748               |
| Public safety                                     | 401,509               | 540,177             | 363,521               | 514,883               | 553,111               |
| Highways and streets                              | 4,075,790             | 5,494,196           | 4,278,930             | 4,359,414             | 4,274,388             |
| Health  | 518,252               | 621,925             | 790,969               | 836,911               | 1,079,654             |
| Education   | 108,344               | 183,275             | 256,902               | 273,136               | 531,168               |
| Economic development                              | 38,803                | 27,651              | 51,490                | -                     | -                     |
| <b>Capital Grants &amp; Contributions</b>         |                       |                     |                       |                       |                       |
| Health  | -                     | -                   | -                     | 540,440               | 41,774                |
| <b>Total Governmental Activities</b>              | <b>6,843,574</b>      | <b>8,189,008</b>    | <b>7,360,193</b>      | <b>8,420,772</b>      | <b>7,906,881</b>      |
| <b>Business-type activities</b>                   |                       |                     |                       |                       |                       |
| <b>Charges for Services</b>                       |                       |                     |                       |                       |                       |
| Airport   | 23,818                | 24,869              | 55,361                | 221,893               | 275,100               |
| Railroad  | 464,174               | 471,998             | 393,861               | 251,869               | 36,546                |
| Community development                             | -                     | -                   | -                     | -                     | 181,361               |
| <b>Operating Grants &amp; Contributions</b>       |                       |                     |                       |                       |                       |
| Airport   | -                     | 264,221             | 149,056               | 61,325                | 175,754               |
| Railroad  | 14,618                | -                   | 44,856                | 15,000                | 22,144                |
| Community development                             | -                     | -                   | -                     | -                     | 3,500                 |
| <b>Capital Grants &amp; Contributions</b>         |                       |                     |                       |                       |                       |
| Airport   | -                     | -                   | -                     | -                     | -                     |
| Railroad  | 1,124,441             | 74,754              | -                     | -                     | -                     |
| <b>Total</b>                                      | <b>1,627,051</b>      | <b>835,842</b>      | <b>643,134</b>        | <b>550,087</b>        | <b>694,405</b>        |
| <b>Net (Expense) Revenue</b>                      |                       |                     |                       |                       |                       |
| Governmental activities                           | (1,372,917)           | 180,534             | (1,112,826)           | (2,384,553)           | (6,719,833)           |
| Business-type activities                          | 131,967               | (85,384)            | (75,827)              | (65,822)              | (127,928)             |
| <b>Total Primary Government (expense) revenue</b> | <b>\$ (1,240,950)</b> | <b>\$ 95,150</b>    | <b>\$ (1,188,653)</b> | <b>\$ (2,450,375)</b> | <b>\$ (6,847,761)</b> |
| <b>General Revenues</b>                           |                       |                     |                       |                       |                       |
| <b>Governmental Activities</b>                    |                       |                     |                       |                       |                       |
| Property Taxes                                    | \$ 1,466,266          | \$ 1,513,297        | \$ 1,408,663          | \$ 1,623,651          | \$ 1,674,410          |
| Payment in lieu of taxes                          | 782,760               | 775,168             | 804,139               | 811,601               | 765,252               |
| Other intergovernmental revenues                  | 61,065                | 63,294              | 85,110                | 79,865                | 91,534                |
| Earnings on investments                           | 299,753               | 460,270             | 799,934               | 1,048,536             | 996,662               |
| Miscellaneous                                     | 69,343                | 19,638              | 13,217                | 24,266                | 41,022                |
| Gain on sale of asset                             | 62,229                | 123,999             | 98,763                | 120,885               | 98,856                |
| <b>Total General Revenue</b>                      | <b>2,741,416</b>      | <b>2,955,666</b>    | <b>3,209,826</b>      | <b>3,708,804</b>      | <b>3,667,736</b>      |
| <b>Business Type Activities</b>                   |                       |                     |                       |                       |                       |
| Earnings on investments                           | 4,042                 | 4,250               | 6,261                 | 7,503                 | 5,964                 |
| Miscellaneous                                     | 53,474                | 3,235               | 797                   | -                     | 1,872                 |
| Gain on sale of asset                             | -                     | 1                   | 25,000                | 5                     | 63,500                |
| <b>Total General Revenue</b>                      | <b>57,516</b>         | <b>7,486</b>        | <b>32,058</b>         | <b>7,508</b>          | <b>71,336</b>         |
| Governmental - Transfers                          | 25,897                | 34,165              | 36,706                | 99,324                | (62,405)              |
| Business-type Transfers                           | (25,897)              | (32,368)            | (36,706)              | 56,707                | 62,405                |
| <b>Change in Net Assets</b>                       |                       |                     |                       |                       |                       |
| Governmental Activities                           | 1,394,396             | 3,170,365           | 2,133,706             | 1,423,575             | (3,114,502)           |
| Business-type Activities                          | 163,586               | (110,266)           | (80,475)              | (1,607)               | 5,813                 |
| <b>Total Primary Government</b>                   | <b>\$ 1,557,982</b>   | <b>\$ 3,060,099</b> | <b>\$ 2,053,231</b>   | <b>\$ 1,421,968</b>   | <b>\$ (3,108,689)</b> |

Note:

Lake County implemented GASB Statement No. 34 beginning in fiscal year 2004. As a result, ten years data is not available, but over time ten fiscal years will be presented.

Source: Statement of Activities - Lake County, Oregon

**LAKE COUNTY, OREGON**  
**CHANGES IN NET ASSETS**  
**Last Nine Fiscal Years**

| Expenses  | Fiscal Year           |                       |                       |                       |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
|   | 2009                  | 2010                  | 2011                  | 2012                  |
| <b>Governmental Activities</b>                    |                       |                       |                       |                       |
| General government                                | \$ 7,903,561          | \$ 8,324,696          | \$ 8,095,051          | \$ 8,107,629          |
| Public safety                                     | 2,407,279             | 2,256,605             | 2,438,979             | 2,776,218             |
| Highways and streets                              | 3,104,411             | 3,812,035             | 3,891,176             | 3,844,552             |
| Health  | 1,156,389             | 1,147,311             | 1,243,024             | 1,226,705             |
| Education   | 333,999               | 307,464               | 122,670               | 120,313               |
| Economic development                              | 34,363                | 32,571                | 20,989                | 14,828                |
| <b>Total Governmental Activities</b>              | <u>14,940,002</u>     | <u>15,880,682</u>     | <u>15,811,889</u>     | <u>16,090,245</u>     |
| <b>Business Type Activities</b>                   |                       |                       |                       |                       |
| Airport   | 425,923               | 188,125               | 225,242               | 251,135               |
| Railroad  | 23,344                | 158,496               | 17,697                | (53,648)              |
| Community development                             | 239,968               | 224,562               | 207,564               | 197,425               |
| <b>Total Business Type Activities</b>             | <u>689,235</u>        | <u>571,183</u>        | <u>450,503</u>        | <u>394,912</u>        |
| <b>Total</b>                                      | <u>15,629,237</u>     | <u>16,451,865</u>     | <u>16,262,392</u>     | <u>16,485,157</u>     |
| <b>Program Revenues</b>                           |                       |                       |                       |                       |
| <b>Governmental Activities</b>                    |                       |                       |                       |                       |
| <b>Charges for Services</b>                       |                       |                       |                       |                       |
| General government                                | 411,120               | 448,268               | 442,812               | 431,543               |
| Public safety                                     | 137,055               | 107,559               | 152,529               | 141,792               |
| Highways and streets                              | 9,814                 | 10,868                | 131,188               | 522,495               |
| Health  | 168,609               | 111,361               | 183,766               | 185,364               |
| Education   | 158,986               | 159,215               | 170,608               | 205,381               |
| Economic development                              | 57,983                | 56,368                | 57,178                | 27,324                |
| <b>Operating Grants &amp; Contributions</b>       |                       |                       |                       |                       |
| General government                                | 433,909               | 416,532               | 436,783               | 548,195               |
| Public safety                                     | 660,181               | 492,217               | 526,419               | 522,928               |
| Highways and streets                              | 5,907,628             | 4,499,559             | 3,591,581             | 3,590,458             |
| Health  | 1,060,069             | 1,057,963             | 1,076,257             | 1,230,819             |
| Education   | 172,936               | 101,634               | 159,750               | 197,356               |
| Economic development                              | -                     | -                     | -                     | -                     |
| <b>Capital Grants &amp; Contributions</b>         |                       |                       |                       |                       |
| Health  | 21,545                | 198                   | -                     | -                     |
| <b>Total Governmental Activities</b>              | <u>9,199,835</u>      | <u>7,461,742</u>      | <u>6,928,871</u>      | <u>7,603,655</u>      |
| <b>Business-type activities</b>                   |                       |                       |                       |                       |
| <b>Charges for Services</b>                       |                       |                       |                       |                       |
| Airport   | 214,118               | 182,329               | 249,987               | 246,621               |
| Railroad  | -                     | -                     | 15,000                | 33,000                |
| Community development                             | 174,966               | 289,112               | 145,059               | 192,474               |
| <b>Operating Grants &amp; Contributions</b>       |                       |                       |                       |                       |
| Airport   | 209,712               | 108,269               | -                     | 23,541                |
| Railroad  | -                     | 150,000               | -                     | 485,767               |
| Community development                             | -                     | -                     | -                     | 6,435                 |
| <b>Capital Grants &amp; Contributions</b>         |                       |                       |                       |                       |
| Airport   | -                     | -                     | -                     | -                     |
| Railroad  | -                     | -                     | -                     | -                     |
| <b>Total</b>                                      | <u>598,796</u>        | <u>729,710</u>        | <u>410,046</u>        | <u>987,838</u>        |
| <b>Net (Expense) Revenue</b>                      |                       |                       |                       |                       |
| Governmental activities                           | (5,740,167)           | (8,418,940)           | (8,883,018)           | (8,486,590)           |
| Business-type activities                          | (90,439)              | 158,527               | (40,457)              | 592,926               |
| <b>Total Primary Government (expense) revenue</b> | <u>\$ (5,830,606)</u> | <u>\$ (8,260,413)</u> | <u>\$ (8,923,475)</u> | <u>\$ (7,893,664)</u> |
| <b>General Revenues</b>                           |                       |                       |                       |                       |
| <b>Governmental Activities</b>                    |                       |                       |                       |                       |
| Property Taxes                                    | \$ 1,757,975          | \$ 1,820,306          | \$ 1,895,625          | \$ 3,028,192          |
| Payment in lieu of taxes                          | 1,564,887             | 1,232,939             | 1,260,335             | 1,388,583             |
| Other intergovernmental revenues                  | 84,186                | 132,496               | 58,078                | 6,189                 |
| Earnings on investments                           | 520,938               | 227,292               | 175,633               | 162,642               |
| Miscellaneous                                     | 20,774                | 69,427                | 33,325                | 68,292                |
| Gain on sale of asset                             | 91,706                | 61,430                | 70,867                | 21,865                |
| <b>Total General Revenue</b>                      | <u>4,040,466</u>      | <u>3,543,890</u>      | <u>3,493,863</u>      | <u>4,675,763</u>      |
| <b>Business Type Activities</b>                   |                       |                       |                       |                       |
| Earnings on investments                           | 1,085                 | 1,145                 | 334                   | 401                   |
| Miscellaneous                                     | 10,462                | 8,606                 | 2,425                 | 2,163                 |
| Gain on sale of asset                             | -                     | 1,300                 | -                     | -                     |
| <b>Total General Revenue</b>                      | <u>11,547</u>         | <u>11,051</u>         | <u>2,759</u>          | <u>2,564</u>          |
| Governmental - Transfers                          | (29,024)              | 9,490                 | (13,234)              | (14,272)              |
| Business-type Transfers                           | 29,024                | 18,854                | 13,234                | 14,272                |
| <b>Change in Net Assets</b>                       |                       |                       |                       |                       |
| Governmental Activities                           | (1,728,725)           | (4,865,560)           | (5,402,389)           | (3,825,099)           |
| Business-type Activities                          | (49,868)              | 188,432               | (24,464)              | 609,762               |
| <b>Total Primary Government</b>                   | <u>\$ (1,778,593)</u> | <u>\$ (4,677,128)</u> | <u>\$ (5,426,853)</u> | <u>\$ (3,215,337)</u> |

Note:

Lake County implemented GASB Statement No. 34 beginning in fiscal year 2004. As a result, ten years data is not available, but over time ten fiscal years will be presented.

Source: Statement of Activities - Lake County, Oregon



**LAKE COUNTY, OREGON**  
**PROGRAM REVENUE BY FUNCTION / PROGRAM**  
**Last Nine Fiscal Years**

|   | Fiscal Year         |                     |                     |                     |                     |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
|   | <u>2004</u>         | <u>2005</u>         | <u>2006</u>         | <u>2007</u>         | <u>2008</u>         |
| <b>Governmental Activities</b>          |                     |                     |                     |                     |                     |
| General government                      | \$ 1,040,203        | \$ 883,506          | \$ 879,322          | \$ 832,893          | \$ 690,034          |
| Public safety                           | 500,131             | 660,875             | 525,213             | 667,959             | 708,817             |
| Highways and streets                    | 4,385,064           | 5,538,935           | 4,542,235           | 4,908,829           | 4,388,497           |
| Health                                  | 562,204             | 673,381             | 880,116             | 1,480,403           | 1,340,961           |
| Education                               | 228,664             | 344,504             | 411,010             | 464,574             | 699,263             |
| Economic development                    | 127,308             | 87,807              | 122,297             | 66,114              | 79,309              |
| <b>Total Governmental Activities</b>    | <u>6,843,574</u>    | <u>8,189,008</u>    | <u>7,360,193</u>    | <u>8,420,772</u>    | <u>7,906,881</u>    |
| <b>Business-type activities</b>         |                     |                     |                     |                     |                     |
| Airport                                 | 23,818              | 289,090             | 204,417             | 283,218             | 450,854             |
| Railroad                                | 1,603,233           | 546,752             | 438,717             | 266,869             | 58,690              |
| Community development                   | -                   | -                   | -                   | -                   | 184,861             |
| <b>Total Business-type activities</b>   | <u>1,627,051</u>    | <u>835,842</u>      | <u>643,134</u>      | <u>550,087</u>      | <u>694,405</u>      |
| <b>Total Program Revenue</b>            |                     |                     |                     |                     |                     |
| Governmental activities                 | 6,843,574           | 8,189,008           | 7,360,193           | 8,420,772           | 7,906,881           |
| Business-type activities                | 1,627,051           | 835,842             | 643,134             | 550,087             | 694,405             |
| <b>Total Primary Government revenue</b> | <u>\$ 8,470,625</u> | <u>\$ 9,024,850</u> | <u>\$ 8,003,327</u> | <u>\$ 8,970,859</u> | <u>\$ 8,601,286</u> |

Note:

Lake County implemented GASB Statement No. 34 beginning in fiscal year 2004. As a result, ten years data is not available, but over time ten fiscal years will be presented.

Source: Statement of Activities - Lake County, Oregon

**LAKE COUNTY, OREGON**  
**PROGRAM REVENUE BY FUNCTION / PROGRAM**  
**Last Nine Fiscal Years**

|   | Fiscal Year         |                     |                     |                     |
|---|---------------------|---------------------|---------------------|---------------------|
|   | <u>2009</u>         | <u>2010</u>         | <u>2011</u>         | <u>2012</u>         |
| <b>Governmental Activities</b>          |                     |                     |                     |                     |
| General government                      | \$ 845,029          | \$ 864,800          | \$ 879,595          | \$ 979,738          |
| Public safety                           | 797,236             | 599,776             | 678,948             | 664,720             |
| Highways and streets                    | 5,917,442           | 4,510,427           | 3,722,769           | 4,112,953           |
| Health                                  | 1,250,223           | 1,169,522           | 1,260,023           | 1,416,183           |
| Education                               | 331,922             | 260,849             | 330,358             | 402,737             |
| Economic development                    | 57,983              | 56,368              | 57,178              | 27,324              |
| <b>Total Governmental Activities</b>    | <u>9,199,835</u>    | <u>7,461,742</u>    | <u>6,928,871</u>    | <u>7,603,655</u>    |
| <b>Business-type activities</b>         |                     |                     |                     |                     |
| Airport                                 | 423,830             | 290,598             | 249,987             | 270,162             |
| Railroad                                | -                   | 150,000             | 15,000              | 518,767             |
| Community development                   | 174,966             | 289,112             | 145,059             | 198,907             |
| <b>Total</b>                            | <u>598,796</u>      | <u>729,710</u>      | <u>410,046</u>      | <u>987,836</u>      |
| <b>Net (Expense) Revenue</b>            |                     |                     |                     |                     |
| Governmental activities                 | 9,199,835           | 7,461,742           | 6,928,871           | 7,603,655           |
| Business-type activities                | 598,796             | 729,710             | 410,046             | 987,836             |
| <b>Total Primary Government revenue</b> | <u>\$ 9,798,631</u> | <u>\$ 8,191,452</u> | <u>\$ 7,338,917</u> | <u>\$ 8,591,491</u> |

Note:

Lake County implemented GASB Statement No. 34 beginning in fiscal year 2004. As a result, ten years data is not available, but over time ten fiscal years will be presented.

Source: Statement of Activities - Lake County, Oregon

**LAKE COUNTY, OREGON**  
**FUND BALANCES OF GOVERNMENTAL FUNDS**  
**Last Ten Fiscal Years**

|   | <u><b>2003</b></u> | <u><b>2004</b></u>   | <u><b>2005</b></u>   | <u><b>2006</b></u>   | <u><b>2007</b></u>   |
|---|--------------------|----------------------|----------------------|----------------------|----------------------|
| <b>General Fund</b>                       |                    |                      |                      |                      |                      |
| Reserved                                  | N/A *              | \$ -                 | \$ -                 | \$ -                 | \$ -                 |
| Unreserved                                | N/A *              | 1,258,526            | 1,332,417            | 1,252,605            | 1,194,911            |
| Nonspendable                              | N/A *              | -                    | -                    | -                    | -                    |
| Restricted                                | N/A *              | -                    | -                    | -                    | -                    |
| Committed                                 | N/A *              | -                    | -                    | -                    | -                    |
| Unassigned                                | N/A *              | -                    | -                    | -                    | -                    |
| <b>Total General Fund</b>                 | <u>N/A *</u>       | <u>1,258,526</u>     | <u>1,332,417</u>     | <u>1,252,605</u>     | <u>1,194,911</u>     |
| <b>All other governmental funds</b>       |                    |                      |                      |                      |                      |
| Reserved                                  | N/A *              | -                    | -                    | -                    | -                    |
| Unreserved reported in:                   |                    |                      |                      |                      |                      |
| Special Reserve funds                     | N/A *              | 17,324,449           | 20,409,368           | 21,460,684           | 22,210,809           |
| Capital projects funds                    | N/A *              | -                    | -                    | -                    | -                    |
| Permanent funds                           | N/A *              | -                    | -                    | -                    | -                    |
| Spendable:                                |                    |                      |                      |                      |                      |
| Restricted                                | N/A *              | -                    | -                    | -                    | -                    |
| Committed                                 | N/A *              | -                    | -                    | -                    | -                    |
| Assigned                                  | N/A *              | -                    | -                    | -                    | -                    |
| Unassigned                                | N/A *              | -                    | -                    | -                    | -                    |
| <b>Total all other governmental funds</b> | <u>N/A *</u>       | <u>\$ 17,324,449</u> | <u>\$ 20,409,368</u> | <u>\$ 21,460,684</u> | <u>\$ 22,210,809</u> |

Note: In fiscal year 2011, Lake County, Oregon implemented GASB Statement No. 54 which changed the classifications of fund balances.

N/A\* - data not available

Source: Lake County, Oregon financial records

**LAKE COUNTY, OREGON**  
**FUND BALANCES OF GOVERNMENTAL FUNDS**  
**Last Ten Fiscal Years**

|   | <u>2008</u>          | <u>2009</u>          | <u>2010</u>          | <u>2011</u>          | <u>2012</u>          |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>General Fund</b>                       |                      |                      |                      |                      |                      |
| Reserved                                  | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 |
| Unreserved                                | 879,580              | 1,426,985            | 1,357,502            | -                    | -                    |
| Nonspendable                              | -                    | -                    | -                    | 6,710                | 2,784                |
| Restricted                                | -                    | -                    | -                    | 484,283              | 509,886              |
| Committed                                 | -                    | -                    | -                    | 60,521               | -                    |
| Unassigned                                | -                    | -                    | -                    | 1,344,648            | 2,034,658            |
| <b>Total General Fund</b>                 | <u>879,580</u>       | <u>1,426,985</u>     | <u>1,357,502</u>     | <u>1,896,162</u>     | <u>2,547,328</u>     |
| <b>All other governmental funds</b>       |                      |                      |                      |                      |                      |
| Reserved                                  | -                    | -                    | 459,760              | -                    | -                    |
| Unreserved reported in:                   |                      |                      |                      |                      |                      |
| Special Reserve funds                     | 24,448,834           | 26,767,608           | 26,380,092           | -                    | -                    |
| Capital projects funds                    | -                    | -                    | -                    | -                    | -                    |
| Permanent funds                           | -                    | -                    | -                    | -                    | -                    |
| Spendable:                                |                      |                      |                      |                      |                      |
| Restricted                                | -                    | -                    | -                    | 24,047,971           | 23,234,169           |
| Committed                                 | -                    | -                    | -                    | 625,940              | -                    |
| Assigned                                  | -                    | -                    | -                    | 25,202               | 824,162              |
| Unassigned                                | -                    | -                    | -                    | (1,199)              | (7,944)              |
| <b>Total all other governmental funds</b> | <u>\$ 24,448,834</u> | <u>\$ 26,767,608</u> | <u>\$ 26,839,852</u> | <u>\$ 24,697,914</u> | <u>\$ 24,050,387</u> |

Note: In fiscal year 2011, Lake County, Oregon implemented GASB Statement No. 54 which changed the classifications of fund balances.

N/A - data not available

Source: Lake County, Oregon financial records

**LAKE COUNTY, OREGON**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**Last Ten Fiscal Years**

|  | <b><u>2003</u></b> | <b><u>2004</u></b>  | <b><u>2005</u></b>  | <b><u>2006</u></b> | <b><u>2007</u></b>  |
|--|--------------------|---------------------|---------------------|--------------------|---------------------|
| Revenues                                       |                    |                     |                     |                    |                     |
| Taxes  | N/A *              | \$ 1,432,264        | \$ 1,743,867        | \$ 1,823,142       | \$ 1,824,223        |
| Intergovernmental                              | N/A *              | 6,590,191           | 7,913,778           | 6,776,329          | 7,725,561           |
| Charges for services                           | N/A *              | 812,896             | 737,016             | 960,512            | 1,197,661           |
| Licenses and permits                           | N/A *              | 157,707             | 155,928             | 188,758            | 176,279             |
| Investment earnings                            | N/A *              | 294,503             | 454,872             | 794,735            | 1,043,838           |
| Miscellaneous                                  | N/A *              | 282,432             | 439,432             | 178,490            | 201,347             |
| Total Revenues                                 | <u>N/A *</u>       | <u>9,569,993</u>    | <u>11,444,893</u>   | <u>10,721,966</u>  | <u>12,168,909</u>   |
| Expenditures                                   |                    |                     |                     |                    |                     |
| General government                             | N/A *              | 2,298,944           | 2,102,786           | 2,120,891          | 2,670,336           |
| Public safety                                  | N/A *              | 1,654,408           | 1,986,219           | 2,112,109          | 2,183,186           |
| Highways and streets                           | N/A *              | 3,079,858           | 2,966,339           | 4,084,596          | 3,767,444           |
| Health   | N/A *              | 825,352             | 941,166             | 1,101,786          | 1,049,294           |
| Education                                      | N/A *              | 56,911              | 258,884             | 169,575            | 303,873             |
| Economic development                           | N/A *              | 92,969              | 64,558              | 198,232            | 396,178             |
| Total expenditures                             | <u>N/A *</u>       | <u>8,008,442</u>    | <u>8,319,952</u>    | <u>9,787,189</u>   | <u>10,370,311</u>   |
| Excess of revenue over (under)<br>expenditures | N/A *              | 1,561,551           | 3,124,941           | 934,777            | 1,798,598           |
| Other financing sources (uses)                 |                    |                     |                     |                    |                     |
| Transfers in                                   | N/A *              | 2,811,312           | 2,038,892           | 1,754,888          | 2,925,331           |
| Transfers out                                  | N/A *              | (2,785,415)         | (2,004,772)         | (1,718,183)        | (2,988,939)         |
| Interfund loan activity                        | N/A *              | -                   | -                   |                    | 280,828             |
| Total other financing sources (uses)           | <u>N/A *</u>       | <u>25,897</u>       | <u>34,120</u>       | <u>36,705</u>      | <u>217,220</u>      |
| Net changes in fund balances                   | <u>N/A *</u>       | <u>\$ 1,587,448</u> | <u>\$ 3,159,061</u> | <u>\$ 971,482</u>  | <u>\$ 2,015,818</u> |

N/A\* - data not available

Source: Lake County, Oregon financial records

**LAKE COUNTY, OREGON**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**Last Ten Fiscal Years**

|  | <u><b>2008</b></u>  | <u><b>2009</b></u>  | <u><b>2010</b></u> | <u><b>2011</b></u>  | <u><b>2012</b></u> |
|--|---------------------|---------------------|--------------------|---------------------|--------------------|
| Revenues                                       |                     |                     |                    |                     |                    |
| Taxes  | \$ 1,942,336        | \$ 2,035,990        | \$ 2,061,473       | \$ 2,105,399        | \$ 3,173,737       |
| Intergovernmental                              | 7,748,044           | 9,583,028           | 7,631,534          | 6,840,166           | 7,246,025          |
| Charges for services                           | 696,748             | 880,719             | 899,668            | 1,145,390           | 1,541,871          |
| Licenses and permits                           | 12,148              | 12,838              | 20,359             | 22,847              | 23,804             |
| Investment earnings                            | 988,604             | 516,518             | 222,289            | 173,575             | 156,962            |
| Miscellaneous                                  | 212,204             | 175,220             | 171,743            | 102,757             | 82,010             |
|  | <u>11,600,084</u>   | <u>13,204,313</u>   | <u>11,007,066</u>  | <u>10,390,134</u>   | <u>12,224,409</u>  |
| Expenditures                                   |                     |                     |                    |                     |                    |
| General government                             | 2,137,122           | 1,896,684           | 2,157,807          | 2,246,812           | 2,353,005          |
| Public safety                                  | 2,455,451           | 2,427,854           | 2,367,216          | 3,073,546           | 3,594,335          |
| Highways and streets                           | 3,167,288           | 4,294,370           | 4,828,736          | 4,021,667           | 4,409,757          |
| Health   | 1,384,712           | 1,250,529           | 1,274,199          | 1,332,078           | 1,458,521          |
| Education                                      | 293,784             | 360,061             | 307,916            | 316,560             | 285,340            |
| Economic development                           | 129,521             | 79,612              | 77,921             | 63,415              | 105,540            |
|  | <u>9,567,878</u>    | <u>10,309,110</u>   | <u>11,013,795</u>  | <u>11,054,078</u>   | <u>12,206,498</u>  |
| Excess of revenue over (under)<br>expenditures | 2,032,206           | 2,895,203           | (6,729)            | (663,944)           | 17,911             |
| Other financing sources (uses)                 |                     |                     |                    |                     |                    |
| Transfers in                                   | 1,103,815           | 636,709             | 2,393,245          | 369,420             | 366,565            |
| Transfers out                                  | (1,166,219)         | (665,733)           | (2,383,755)        | (382,654)           | (380,837)          |
| Interfund loan activity                        | -                   | -                   | -                  | -                   | -                  |
|  | <u>(62,404)</u>     | <u>(29,024)</u>     | <u>9,490</u>       | <u>(13,234)</u>     | <u>(14,272)</u>    |
| Net changes in fund balances                   | <u>\$ 1,969,802</u> | <u>\$ 2,866,179</u> | <u>\$ 2,761</u>    | <u>\$ (677,178)</u> | <u>\$ 3,639</u>    |

N/A\* - data not available

Source: Lake County, Oregon financial records

REVENUE CAPACITY



**LAKE COUNTY, OREGON**  
**ASSESSED VALUE AND ESTIMATED VALUE OF TAXABLE PROPERTY**  
**Last Ten Fiscal Years**

| Fiscal<br>Year<br>ended June<br>30, | Real Property  |                        | Personal Property |                        | Manufactured Homes |                        |
|-------------------------------------|----------------|------------------------|-------------------|------------------------|--------------------|------------------------|
|                                     | Assessed Value | Estimated Actual Value | Assessed Value    | Estimated Actual Value | Assessed Value     | Estimated Actual Value |
| 2012                                | \$ 398,004,564 | \$ 736,087,787         | \$ 24,907,432     | \$ 24,907,432          | \$ 79,298,733      | \$ 70,743,227          |
| 2011                                | 439,002,305    | 1,232,703,552          | 9,947,407         | 9,985,297              | 7,698,827          | 8,643,307              |
| 2010                                | 423,158,277    | 914,626,107            | 17,592,205        | 17,592,205             | 6,451,345          | 7,453,795              |
| 2009                                | 396,398,619    | 1,009,190,887          | 11,163,438        | 12,573,380             | 6,541,620          | 7,727,723              |
| 2008                                | 384,903,468    | 870,039,476            | 10,839,710        | 10,839,710             | 6,351,920          | 6,662,193              |
| 2007                                | 366,189,179    | 796,212,927            | 9,696,828         | 9,696,828              | 6,087,953          | 6,320,872              |
| 2006                                | 349,098,568    | 731,257,364            | 9,340,280         | 9,340,280              | 6,339,412          | 6,543,499              |
| 2005                                | 335,852,659    | 692,467,546            | 8,524,808         | 8,524,808              | 6,661,019          | 6,939,394              |
| 2004                                | 319,231,395    | 669,092,956            | 10,922,636        | 10,923,746             | 6,841,658          | 7,211,997              |
| 2003                                | 304,034,053    | 635,013,819            | 8,487,540         | 8,503,773              | 6,875,233          | 7,244,851              |
| 2002                                | 294,882,749    | 607,887,710            | 9,269,549         | 9,314,288              | 6,623,327          | 7,013,575              |

Source: Lake County Assessor's Department



**LAKE COUNTY, OREGON**  
**ASSESSED VALUE AND ESTIMATED VALUE OF TAXABLE PROPERTY**  
**Last Ten Fiscal Years**

| Public Utilities |                        |             | Exemptions     |                            | Total                  |              | Assessed Value(a) as a Percentage of Estimated Actual Value |
|------------------|------------------------|-------------|----------------|----------------------------|------------------------|--------------|---|
| Assessed Value   | Estimated Actual Value | Direct Rate | Assessed Value | (a) Taxable Assessed Value | Estimated Actual Value | Actual Value |   |
| \$ 324,973,160   | \$ 327,306,498         | 3.7619%     | \$ (8,602,096) | \$ 827,183,889             | \$ 1,159,044,944       |              | 71.37%  |
| 40,836,060       | 41,226,640             | 3.7619%     | (7,139,816)    | 497,484,599                | 1,292,558,796          |              | 38.49%  |
| 35,411,219       | 45,260,560             | 3.7619%     | (8,610,762)    | 482,613,046                | 984,932,667            |              | 49.00%  |
| 39,799,875       | 45,260,560             | 3.7619%     | -              | 453,903,552                | 1,074,752,550          |              | 42.23%  |
| 38,645,720       | 39,019,847             | 3.7619%     | (3,824,822)    | 440,740,818                | 926,561,226            |              | 47.57%  |
| 38,196,280       | 38,568,010             | 3.7619%     | (1,792,308)    | 420,170,240                | 850,798,637            |              | 49.39%  |
| 43,559,866       | 43,757,576             | 3.7619%     | (1,611,508)    | 408,338,126                | 790,898,719            |              | 51.63%  |
| 50,039,040       | 50,248,121             | 3.7619%     | (1,064,962)    | 401,077,526                | 758,179,869            |              | 52.90%  |
| 56,289,069       | 56,517,999             | 3.7619%     | -              | 393,284,758                | 743,746,698            |              | 52.88%  |
| 52,594,728       | 55,595,361             | 3.7619%     | -              | 371,991,554                | 706,357,804            |              | 52.66%  |
| 42,374,590       | 47,974,411             | 3.7619%     | -              | 353,150,215                | 672,189,984            |              | 52.54%  |

Source: Lake County Assessor's Department

**LAKE COUNTY, OREGON**  
**PRINCIPAL PROPERTY TAXPAYERS**  
**Current Fiscal Year and Nine Years Ago**

|                              | 2011                      |      |  | 2002                         |      |  |
|------------------------------|---------------------------|------|--|------------------------------|------|--|
|                              | Taxable<br>Assessed Value | Rank | Percentage of<br>Total<br>Taxable<br>Assessed<br>Value | Taxable<br>Assessed<br>Value | Rank | Percentage<br>of Total<br>Taxable<br>Assessed<br>Value |
| Taxpayer                     |                           |      |  |                              |      |  |
| Ruby Pipeline Company        | \$ 3,227,454              | 1    | 165.6%   | \$ -                         | -    | 0.0%   |
| JWTR Oregon LLC              | 278,766                   | 2    | 14.3%  | 190,079                      | 2    | 13.8%  |
| Pacificorp (PP&L)            | 225,217                   | 3    | 11.6%  | 232,961                      | 1    | 16.9%  |
| Jeld-Wen Timber Holdings LLC | 138,592                   | 4    | 7.1%   | 92,368                       | 6    | 6.7%   |
| J R Simplot Company Rev TR   | 120,171                   | 5    | 6.2%   | 102,895                      | 4    | 7.5%   |
| Collins Timber Company       | 105,245                   | 6    | 5.4%   | -                            | -    | 0.0%   |
| Portland General Electric Co | 103,989                   | 7    | 5.3%   | 102,557                      | 5    | 7.4%   |
| Collins Pine Company         | 90,550                    | 8    | 4.6%   | 70,713                       | 8    | 0.0%   |
| Thermasource, LLC            | 84,547                    | 9    | 4.3%   | -                            | -    | 0.0%   |
| Puget Sound Energy Inc       | 61,657                    | 10   | 3.2%   | -                            | -    | 0.0%   |
| Totals                       | <u>\$ 4,436,188</u>       |      | <u>227.6%</u>  | <u>\$ 791,573</u>            |      | <u>57.5%</u>   |

Source: Lake County Assessor's Department based on year of assessment, so assessment for 2011-12 was assessed November 2011.

**LAKE COUNTY, OREGON**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
**Last Ten Fiscal Years**

| Fiscal Year<br>Ended<br>June 30, | Total Tax<br>Levy For<br>Fiscal Year | Collections within the<br>Fiscal Year of the Levy |                    | Collections in<br>Subsequent Years | Total Collections to Date |                    |
|----------------------------------|--------------------------------------|---|--------------------|------------------------------------|---------------------------|--------------------|
|                                  |                                      | Amount  | Percentage of Levy |                                    | Amount                    | Percentage of Levy |
| 2012                             | \$ 3,100,520                         | \$ 2,859,352                                      | 92.22%             | \$ -                               | \$ 2,859,352              | 92.22%             |
| 2011                             | 1,949,324                            | 1,816,881   | 93.21%             | 44,316                             | 1,861,197                 | 95.48%             |
| 2010                             | 1,870,559                            | 1,740,010   | 93.02%             | 56,468                             | 1,796,478                 | 96.04%             |
| 2009                             | 1,815,543                            | 1,703,128   | 93.81%             | 93,179                             | 1,796,307                 | 98.94%             |
| 2008                             | 1,711,955                            | 1,615,325   | 94.36%             | 92,205                             | 1,707,530                 | 99.74%             |
| 2007                             | 1,657,133                            | 1,569,536   | 94.71%             | 85,251                             | 1,654,787                 | 99.86%             |
| 2006                             | 1,577,294                            | 1,491,199   | 94.54%             | 84,773                             | 1,575,972                 | 99.92%             |
| 2005                             | 1,534,998                            | 1,431,117   | 93.23%             | 102,554                            | 1,533,671                 | 99.91%             |
| 2004                             | 1,539,608                            | 1,413,713   | 91.82%             | 125,001                            | 1,538,714                 | 99.94%             |
| 2003                             | 1,744,727                            | 1,546,428   | 88.63%             | 197,509                            | 1,743,937                 | 99.95%             |
| 2002                             | 1,377,686                            | 1,269,985   | 92.18%             | 107,519                            | 1,377,504                 | 99.99%             |

Source: Lake County Assessor's Department

DEMOGRAPHIC AND ECONOMIC INFORMATION



**LAKE COUNTY, OREGON**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
**Last Ten Calendar Years**

| Calendar<br>Year | Population | Personal<br>Income | Per Capita<br>Personal<br>Income | School<br>Enrollment | Unemployment<br>Rate |
|------------------|------------|--------------------|----------------------------------|----------------------|----------------------|
| 2011             | N/A*       | N/A*               | N/A*                             | 1,028                | 12.9%                |
| 2010             | \$ 7,895   | \$ 231,104         | \$ 32,193                        | 1,080                | 13.2%                |
| 2009             | 7,089      | 221,667            | 31,269                           | 1,038                | 12.5%                |
| 2008             | 7,203      | 222,134            | 30,839                           | 1,073                | 8.6%                 |
| 2007             | 7,210      | 212,910            | 29,530                           | 1,051                | 7.3%                 |
| 2006             | 7,215      | 204,253            | 28,309                           | 1,072                | 7.5%                 |
| 2005             | 7,078      | 195,355            | 27,600                           | 1,109                | 8.5%                 |
| 2004             | 7,188      | 193,633            | 26,938                           | 1,142                | 9.8%                 |
| 2003             | 7,280      | 191,489            | 26,303                           | 1,315                | 9.6%                 |
| 2002             | 7,321      | 180,585            | 24,667                           | 1,240                | 8.9%                 |
| 2001             | 7,426      | 179,828            | 24,216                           | 1,315                | 9.3%                 |

Sources : Oregon Regional Economic Project  
Oregon Department of Education

N/A\* - data not available

**LAKE COUNTY, OREGON**  
**PRINCIPAL EMPLOYERS BY INDUSTRY**  
**Current Calendar Year and Nine Years Ago**

| Industry                           | 2011                |      |  | 2002                |      |  |
|------------------------------------|---------------------|------|--|---------------------|------|--|
|                                    | Employees           | Rank | Percentage as Total<br>County Employment | Employees           | Rank | Percentage as Total<br>County Employment |
| Local governments                  | 553                 | 1    | 21.1%                                    | 544                 | 1    | 23.5%                                    |
| Retail                             | 413                 | 2    | 15.7%                                    | 392                 | 2    | 16.9%                                    |
| Natural resources and mining       | 287                 | 3    | 10.9%                                    | 236                 | 6    | 10.2%                                    |
| Federal government                 | 281                 | 4    | 10.7%                                    | 340                 | 3    | 14.7%                                    |
| Leisure and hospitality            | 250                 | 5    | 9.5%                                     | 270                 | 5    | 11.7%                                    |
| Real estate, rental & leasing      | 225                 | 6    | 8.6%                                     | 119                 | 7    | 5.1%                                     |
| Manufacturing                      | 217                 | 7    | 8.3%                                     | 292                 | 4    | 12.6%                                    |
| Construction                       | 173                 | 8    | 6.6%                                     | 170                 | 8    | 7.3%                                     |
| State government                   | 161                 | 9    | 6.1%                                     | 70                  | 10   | 3.0%                                     |
| Professional and business services | 128                 | 10   | 4.9%                                     | 103                 | 9    | 4.4%                                     |
| Total                              | <u>2,735</u>        |      | <u>102.4%</u>                            | <u>2,599</u>        |      | <u>109.5%</u>                            |
| Total employment                   | <u><u>2,626</u></u> |      |  | <u><u>2,317</u></u> |      |  |

Source: Oregon Labor Market Information System

OPERATING INFORMATION



**LAKE COUNTY, OREGON**  
**FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION**  
**Last Ten Fiscal Years**

| Function              | Full-time Equivalent Employees as of June 30, |       |       |       |       |       |       |       |       |       |
|-----------------------|---|-------|-------|-------|-------|-------|-------|-------|-------|-------|
|                       | 2003  | 2004  | 2005  | 2006  | 2007  | 2008  | 2009  | 2010  | 2011  | 2012  |
| General government    | 23.43   | 23.45 | 23.00 | 23.00 | 23.00 | 20.00 | 22.50 | 23.75 | 24.50 | 25.19 |
| Public safety         | 28.47   | 27.96 | 28.00 | 28.00 | 28.00 | 28.00 | 26.00 | 25.00 | 29.50 | 31.60 |
| Highways and streets  | 24.53   | 25.55 | 26.20 | 26.20 | 26.20 | 26.20 | 24.00 | 23.00 | 20.00 | 20.06 |
| Health                | 6.31  | 5.19  | 5.43  | 5.43  | 5.43  | 12.75 | 13.50 | 13.50 | 14.50 | 14.51 |
| Education             | 0.30  | 0.30  | 0.30  | 0.30  | 0.30  | 0.30  | 0.30  | 0.30  | 0.30  |       |
| Economic development  | 1.00  | 1.00  | 1.00  | 1.00  | -     | -     | -     | -     | -     | -     |
| Airport               | -   | -     | -     | -     | -     | -     | -     | -     | -     | -     |
| Railroad              | 4.48  | 4.00  | 4.00  | 4.00  | 4.00  | -     | -     | -     | -     | -     |
| Community development | -   | -     | -     | -     | -     | 3.00  | 2.75  | 2.00  | 1.50  | 1.50  |

Source: Lake County payroll records



REPORTS REQUIRED BY STATE OF OREGON REGULATIONS



## INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS

Board of Commissioners  
Lake County  
Lake County, Oregon

We have audited the basic financial statements of Lake County as of and for the year ended June 30, 2012, and have issued our report thereon dated December 16, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Compliance

As part of obtaining reasonable assurance about whether Lake County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion.

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

- Deposit of public funds with financial institutions (ORS Chapter 295)
- Indebtedness limitations, restrictions, and repayment
- Budgets legally required (ORS Chapter 294)
- Insurance and fidelity bonds in force or required by law
- Programs funded from outside sources
- Authorized investment of surplus funds (ORS Chapter 294)
- Public contracts and purchasing (ORS Chapters 279A, 279B, 279C)
- Accountability for collecting or receiving money by elected officials
- Highway revenues used for public highways, roads and streets

In connection with our testing nothing came to our attention that caused us to believe Lake County was not in substantial compliance with certain provisions of law, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations.

### OAR 162-10-230 Internal Control

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

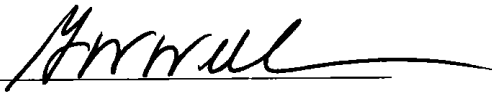
*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the district's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

We noted certain matters that we reported to management of Lake County in a separate letter dated December 16, 2012.

This report is intended solely for the information and use of the board of commissioners, management, others within the district, the Oregon Secretary of State, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Oster Professional Group, CPA's, PC*

By 

Burns, Oregon  
December 16, 2012

LAKE COUNTY, OREGON  
**COMMENTS AND DISCLOSURES REQUIRED BY THE STATE OF OREGON**  
June 30, 2012

Oregon Administration Rules 162-10-200 through 162-10-320 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 require certain comments and disclosures relating to the review of fiscal affairs and compliance with legal requirements. Comments relating to significant accounting policies, organization, fund structure, cash security and investments are included in the notes to financial statements. Other required comments and disclosures relating to this audit are set forth below.

Accounting Systems and Control Structure

The organizational structure of Lake County, Oregon (the county) provides satisfactory accounting policies for maintaining an adequate system of accountability and responsibility of funds. The accounting records are being maintained in a satisfactory manner which offers an adequate system of reporting to interested parties and compliance with legal requirements.

Where possible the county has maintained a plan of organization encompassing methods and measures of internal control to safeguard its assets, check the accuracy and reliability of its accounting data, promote operational efficiency, and carry out board of commissioners policies. We believe an adequate control structure is maintained within the limits afforded by small office staffs.

As we have stated in the following report on compliance and on internal control over financial reporting in accordance with *Government Auditing Standards*, we do not express an opinion on the county's effectiveness in those areas. However, we did note certain matters that we reported to management in a separate letter dated December 16, 2012.

Indebtedness

It is noted that the county is within the legal debt limitations as set forth by Oregon statutes.

Budgets

Our audit of the 2011-12 and 2012-13 budgets indicate that local budget law has been substantially complied with during the preparation and adoption of those budgets. The county appropriates its budget at the fund and department level for budget law purposes. The county has substantially complied with Oregon local budget law during the execution of the 2011-12 budget.

Insurance and Fidelity Bond Coverage

We examined policies relating to insurance and fidelity bond coverage and ascertained that such policies appeared to be in force and that they appeared to satisfy bond ordinances and other provisions. We are not competent by training to state whether the insurance policies in force at June 30, 2012 provide adequate coverage. We recommend that coverage be reviewed periodically with the county's agent of record.

Programs Funded From Outside Sources

We have audited the records and grant financial reports, and made such tests, to the extent deemed appropriate for the programs in which the county participates. We also audited the reimbursement claims filed during the year. Based on our audit, we found that for the items tested, the county complied with the material terms and conditions of the federal and state grant contracts and agreements.

Further, based on our audit, nothing came to our attention to indicate that the county had not complied with the material terms and conditions of federal and state grant contracts and agreements which were not specifically tested. Each grant is subject to audit by the grantor agency and any adjustments may become a liability of the appropriate fund.

#### Cost Accounting System

Our audit indicates the county's cost accounting system appears to be in compliance with the model cost accounting guidelines developed by the state of Oregon.

#### Highway Funds

Our audit of county expenditures of highway funds indicates that the county is in compliance with legal requirements, (as contained in Article IV, Section 3a of the Oregon Constitution), pertaining to the use of revenue from taxes on motor vehicle fuel. We also find that the county has complied with the statutory requirements pertaining to the use of road funds as contained in Oregon statutes.

#### Public Contracts and Purchasing

Our review of county operations indicates the county is in compliance with state statutes relating to public contracting.

#### Investments

We have reviewed the county's compliance with state statutes regarding the investments of surplus public funds. Our review disclosed no conditions which we considered to be matters of noncompliance.

#### Collateral

The county bank balances of deposit at June 30, 2012, and throughout the year, were entirely insured or collateralized with the Federal Deposit Insurance Corporation or invested with financial institutions deemed to be qualified depositories for public funds by the Oregon State Treasurer.

# OREGON AUDITS DIVISION SUMMARY OF REVENUES AND EXPENDITURES

Name of Municipal Corporation Lake County, Oregon

Address Lake County, Oregon

Period Covered by Audit Report: From July 1, 2011 to June 30, 2012

|  |             |                      |
|--|-------------|----------------------|
| Total Revenues and/or Receipts - All Funds   |             | \$ 23,031,902        |
| Less:  |             |                      |
| Revenues of Component Units included in report   | \$ -        |                      |
| Taxes, assessments and other collections to be distributed to other governmental units | (9,762,084) | (9,762,084)          |
| Net Revenues and/or Receipts   |             | <u>\$ 13,269,818</u> |
| Total Expenditures and/or Disbursements - All Funds                                    |             | <u>\$ 26,145,901</u> |
| Less:  |             |                      |
| Expenditures of Component Units included in report                                     | -           |                      |
| Turnovers to other municipal corporations  |             |                      |
| Taxes and Assessments  | (9,660,745) |                      |
| Other Distributions  | -           | (9,660,745)          |
| Net Expenditures and/or Disbursements  |             | <u>\$ 16,485,156</u> |

The above information is based upon the revenues and expenditures/expenses for all funds of the municipal corporation on the basis of accounting used in the audited or reviewed financial statements.

Auditor/Firm Signature 

## PLEASE ENCLOSE PAYMENT WITH SUMMARY

| Over   | Not Over   | Fee   | ORS 297.485 (1)   |
|--|------------|-------|---|
|  | \$ 50,000  | \$ 20 |   |
| \$ 50,000                                      | 150,000    | 40    |   |
| 150,000  | 500,000    | 150   | ...The filing fee shall be determined by the total expenditures made by the municipal corporation for any and all purposes during the calendar or fiscal year audited, <u>except</u> that expenditures for principal of bonded debt, principal of short-term loans, principal of warrants redeemed which were issued during prior audit periods, transfers or loans between funds and turnovers of taxes or other trust moneys to other municipal corporations shall not be included in the total expenditures upon which the amount of the fee is based. |
| 500,000  | 1,000,000  | 200   |   |
| 1,000,000                                      | 5,000,000  | 250   |   |
| 5,000,000                                      | 10,000,000 | 300   |   |
| 10,000,000                                     | 50,000,000 | 350   |   |
| 50,000,000                                     |            | 400   |   |
| <b>(Net Expenditures and/or Disbursements)</b> |            |       |   |

Within 30 days after submitting the audit report to the municipal corporation, one copy of this summary must be filed with the Secretary of State, Division of Audits, Salem, Oregon 97310, and one copy must be delivered to the municipal corporation.

For Use by Division of Audits

Account Code \_\_\_\_\_ Firm Code \_\_\_\_\_ Filing Fee \_\_\_\_\_

1 1      5      2      17      5      10      4      1      10      1 1      10      1 1

LAKE COUNTY, OREGON

**SINGLE AUDIT**

For the Year Ended June 30, 2012

LAKE COUNTY, OREGON  
**SINGLE AUDIT**  
June 30, 2012

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LAKE COUNTY, OREGON  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

For the Year Ended  
June 30, 2012

| Federal Grantor/Pass-through Grantor/<br>Program Title                | Federal<br>CFDA<br>Number | Receipts          | Expenditures      |
|---|---------------------------|-------------------|-------------------|
| <u>U.S. Department of Agriculture</u>                                 |                           |                   |                   |
| Direct program  |                           |                   |                   |
| Schools and Roads   | * 10.665                  | \$ 2,642,554      | \$ 2,642,554      |
| National Forest Safety Net P.L. 106-393, Title III                    | * 10.665                  | 676,179           | 676,179           |
| Passed through Oregon Department of Human Resources - Health Division |                           |                   |                   |
| Women, Infants and Children   | 10.557                    | 36,738            | 36,738            |
| Women, Infants and Children - BF Performance Bonus                    | 10.578                    | 4,000             | 4,000             |
| Total U.S. Department of Agriculture                                  |                           | <u>3,359,471</u>  | <u>3,359,471</u>  |
| <u>U.S. Department of Health and Human Services</u>                   |                           |                   |                   |
| Passed through Oregon Department of Human Resources                   |                           |                   |                   |
| Oregon State Health Division  |                           |                   |                   |
| Family Planning   | 93.217                    | 12,298            | 12,298            |
| Public Health Emergency Preparedness - H1N1 vaccine                   | 93.069                    | 34,723            | 34,723            |
| Immunization - preventative health block grant                        | 93.991                    | 9,137             | 9,137             |
| Bioterrorism Preparedness   | 93.069                    | 1,957             | 1,957             |
| Immunization - special payments                                       | 93.778                    | 3,515             | 3,515             |
| Maternal & Child Health Block Grant                                   | 93.994                    | 19,946            | 19,946            |
| Family Planning Expansion Project                                     | 93.778                    | 36,255            | 36,255            |
| Oregon State Mental Health Division                                   |                           |                   |                   |
| Campus Suicide Prevention Grant                                       | 93.243                    | 15,719            | 15,719            |
| Oregon State Commission on Children and Families                      |                           |                   |                   |
| Family Preservation and Support                                       | 93.556                    | 2,500             | 2,500             |
| Youth Investment  | 93.667                    | 12,500            | 12,500            |
| Direct Program  |                           |                   |                   |
| Drug Free Communities Grant   | 93.276                    | 115,120           | 115,120           |
| STOP grant  | 93.243                    | 39,066            | 39,066            |
| Total U.S. Department of Health and Human Services                    |                           | <u>\$ 302,736</u> | <u>\$ 302,736</u> |

\* Denotes program audited as a major program.

(continued on next page)

LAKE COUNTY, OREGON  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

For the Year Ended  
June 30, 2012

| Federal Grantor/Pass-through Grantor/<br>Program Title                              | Federal<br>CFDA<br>Number | Receipts            | Expenditures        |
|---|---------------------------|---------------------|---------------------|
| <u>U.S. Department of Justice</u>   |                           |                     |                     |
| Passed through Oregon Department of Justice<br>Victims of Crime Act                 | 16.575                    | \$ 15,048           | \$ 15,048           |
| Passed through Oregon State Police<br>Juvenile Accountability Incentive Block Grant | 16.523                    | 6,175               | 6,175               |
| Total U.S. Department of Justice  |                           | <u>21,223</u>       | <u>21,223</u>       |
| <u>U.S. Department of Interior</u>  |                           |                     |                     |
| Direct Programs   |                           |                     |                     |
| Payment In Lieu of Taxes  | * 15.226                  | 1,086,998           | 1,086,998           |
| Geothermal Leases   | 15.227                    | 31,674              | 31,674              |
| Passed through Oregon Executive Department  |                           |                     |                     |
| Public Land Sales   | 39.002                    | 142                 | 142                 |
| Federal Mineral Leases  | 15.214                    | 62,641              | 62,641              |
| Taylor Grazing Act  | 15.227                    | 17,199              | 17,199              |
| Total U.S. Department of Interior   |                           | <u>1,198,654</u>    | <u>1,198,654</u>    |
| <u>U.S. Department of Transportation</u>  |                           |                     |                     |
| Passed through Oregon Department of Transportation                                  |                           |                     |                     |
| State and Community Highway Safety  | 20.600                    | 7,367               | 7,367               |
| Passed through Oregon State Sheriff's Association                                   |                           |                     |                     |
| State and Community Highway Safety  | 20.600                    | 8,883               | 8,883               |
| Passed through Federal Aviation Administration                                      |                           |                     |                     |
| Airport Improvement Program   | 20.106                    | 23,541              | 23,541              |
| Total U.S. Department of Justice  |                           | <u>39,791</u>       | <u>39,791</u>       |
| <u>U.S. Department of Aviation</u>  |                           |                     |                     |
| Airport Improvement Program   |                           |                     |                     |
| Total U.S. Department of Justice  |                           |                     |                     |
| Total   |                           | <u>\$ 4,921,874</u> | <u>\$ 4,921,874</u> |

\* Denotes program audited as a major program.

See accompanying notes to the schedule of  
expenditures of federal awards.

LAKE COUNTY, OREGON  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
For the Year Ended June 30, 2012

Note A. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Lake County, Oregon, and is presented on the modified cash basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some of the amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

LAKE COUNTY, OREGON  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
June 30, 2012

**SUMMARY OF AUDITOR'S RESULTS**

Type of Report Issued

In our report for Lake County, Oregon, our opinion was unqualified.

Significant Deficiencies in Internal Control

Our audit of the financial statements of the county did not disclose any significant deficiencies in internal control.

Noncompliance Material to Financial Statements

Our audit of the financial statements of the county did not disclose any noncompliance, which is material to the financial statements.

Significant Deficiencies in Internal Control Over Major Programs

Our audit of the financial statements of the county did not disclose any significant deficiencies in internal control over major federal programs.

Type of Report Issued on Compliance for Major Programs

We have issued an unqualified opinion on compliance with requirements applicable to each major federal program.

Audit Findings

Our audit of the county did not disclose any audit findings, which we are required to report in accordance with OMB Circular A-133.

Identification of Major Programs

|                                 |             |             |
|---------------------------------|-------------|-------------|
| U.S. Department of Agriculture  |             |             |
| Schools and Roads               | CFDA 10.665 | \$2,642,554 |
| National Forest Safety Net P.L. |             | 676,179     |
| U.S. Department of Interior     |             |             |
| Payment in Lieu of Taxes        | CFDA 15.226 | 1,086,998   |

Dollar Threshold Used to Distinguish Between Type A and Type B Programs

Type A programs are the programs with total program expended funds of \$300,000 or more.

Risk Classification of Auditee

We have determined that the county does qualify as a low-risk auditee.

LAKE COUNTY, OREGON  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

June 30, 2012

**Findings In Accordance With *Government Auditing Standards***

Our audit did not disclose any findings required to be reported in accordance with *Government Auditing Standards*.

**Findings and Questioned Costs For Federal Awards**

Current Year Findings

Our audit did not disclose any findings and questioned costs as defined by OMB Circular A-133 for the year ended June 30, 2012.

Prior Year Findings

The audit for the year ended June 30, 2011 did not report any findings and questioned costs.



Certified Public Accountants, PC

George W. Wilber, CrFA, CPA  
Robert M. Armstrong, CPA  
Jessica A. Knowles, CPA  
Arlie W. Oster, CPA (1931-1998)  
Cara R. Wilber, CPA  
Kari J. Ott, CPA  
Mitch T. Saul, CPA

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER  
MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

The Board of Commissioners  
Lake County, Oregon  
Lakeview, Oregon

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Lake County, as of and for the year ended June 30, 2012, which collectively comprise Lake County's basic financial statements and have issued our report thereon dated December 16, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the district's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Lake County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of

financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

In connection with our testing nothing came to our attention that caused us to believe Lake County was not in substantial compliance with certain provisions of law, regulations, contracts, and grants. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of Lake County, in a separate letter dated December 16, 2012.

This report is intended solely for the information and use of the management, board of commissioners, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Oster Professional Group, CPA's, PC*

By 

Burns, Oregon  
December 16, 2012

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS  
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN  
ACCORDANCE WITH OMB CIRCULAR A-133**

The Board of Commissioners  
Lake County, Oregon  
Lakeview, Oregon

Compliance

We have audited Lake County's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Lake County's major federal programs for the year ended June 30, 2012. Lake County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Lake County's management. Our responsibility is to express an opinion on Lake County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Lake County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Lake County's compliance with those requirements.

In our opinion, Lake County, complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012.

Internal Control Over Compliance

Management of Lake County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Lake County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an



opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Lake County's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

We noted certain matters that we reported to management of Lake County's, in a separate letter dated December 16, 2012.

This report is intended solely for the information and use of the management, board of commissioners, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Oster Professional Group, CPA's, PC*

By 

Burns, Oregon  
December 16, 2012