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INTRODUCTORY SECTION

UNION COUNTY, OREGON
County Officials

Commissioners

Mark Davidson	12-31-2012	La Grande, Oregon
Steve McClure	12-31-2014	La Grande, Oregon
William Rosholt	12-31-2014	La Grande, Oregon

County Clerk

Robin Church	12-31-2012	La Grande, Oregon
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County Treasurer

Donna Marshall	12-31-2012	La Grande, Oregon
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County Assessor and Tax Collector

Linda Hill	12-31-2012	La Grande, Oregon
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County Sheriff

Boyd Rasmussen	12-31-2012	La Grande, Oregon
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* Elected Officials may be contacted by writing to: 1106 K Avenue, La Grande, Oregon 97850

FINANCIAL SECTION

SEYDEL, LEWIS, POE, MOELLER & GUNDERSON, LLC

CERTIFIED PUBLIC ACCOUNTANTS

1121 ADAMS AVENUE • P.O. BOX 1024

LA GRANDE, OREGON 97850-1024

Independent Auditors' Report

Board of Commissioners
Union County Courthouse
1106 K Avenue
La Grande, OR 97850

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 Union 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 Union 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 significant estimates made by management, as well as evaluating the overall financial presentation. We believe 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 governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Union County, Oregon as of June 30, 2012, and the respective changes in financial position, and, where applicable, cash flows 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 13, 2012, on our consideration of Union County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal controls over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal controls over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 8 and 35 through 38, 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 management discussion and analysis 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. The budgetary comparison information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Union County, Oregon's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements, and other financial schedules, 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 the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. The combining and individual nonmajor fund financial statement 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 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other 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 basic financial statements taken as a whole. The introductory section and other financial schedules 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.

SEYDEL, LEWIS, POE, MOELLER & GUNDERSON, LLC
Certified Public Accountants

By Michael R. Poe
Michael R. Poe, CPA
Owner/Member

La Grande, Oregon
December 13, 2012

Management's Discussion and Analysis

This discussion and analysis presents the highlights of financial activities and financial position for Union County. The analysis focuses on significant financial issues, major financial activities and resulting changes in financial position, budget changes and variances from the budget, and specific issues related to funds and the economic factors affecting the County.

Management's Discussion and Analysis is designed to focus on the current year's activities, resulting changes and currently known facts. It should be read in conjunction with the financial statements that follow this discussion and analysis.

FINANCIAL HIGHLIGHTS

- The assets of Union County exceeded its liabilities at the close of the most recent fiscal year by \$45,656,150 on its government-wide Statement of Net Assets. Of this, \$39,469,990 was invested in capital assets, net of related debt; \$2,581,072 was restricted for specific purposes and \$3,605,088 was unrestricted and may be used to meet the County's ongoing obligations to creditors and citizens of the County.
- The County's net assets increased by \$5,329,525 or 13.2% which was due mainly to increases in cash and investments and construction in progress. The most notable capital asset increase was the construction in progress of \$2,733,728 for the Airport Runway Safety Improvement Project.
- The County's Governmental Funds experienced an increase of \$1,098,536 in fund balances, with the General Fund experiencing an increase in its fund balance of \$106,366. The increase in General Fund balance was due to increases in revenue for tax collections and delinquent tax collections of about 6%, while expenditures increased by only approximately 3%.
- At the close of the June 30, 2012, fiscal year, unassigned fund balance for the General Fund was \$1,125,740 or 14.66% of total General Fund expenditures for the fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

The County's annual financial report consists of several sections. Taken together they provide a comprehensive financial report of the County. The components of the report include the following:

Management's Discussion and Analysis. This section of the report provides financial highlights, overview and economic factors affecting the County.

Basic Financial Statements. Includes a Statement of Net Assets, a Statement of Activities, fund financial statements and the notes to basic financial statements.

Government-wide Statements: The Statements of Net Assets and Activities focus on entity-wide presentations using the accrual basis of accounting. The statements present the activities of Union County and its component units, legally separate organizations for which the County is financially accountable. The component units are so intertwined with the County that they are, in substance, the same as the County and, therefore, are blended and reported as if they were part of the County. The County Commissioners also serve as the governing board for the component units. Those units include the Union County Solid Waste District and the Union County 4-H & Extension Service District. These statements include the financial activities of the overall government, except for fiduciary activities. The statements distinguish between the governmental and business-type activities of the County. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

Statement of Activities: Presents a comparison between direct expenses and program revenues for the different business-type activities of the County and for each function of the County's governmental activities.

Fund Financial Statements: The statements focus separately on major governmental and proprietary funds and types of fiduciary funds and blended component units. Separate statements for each fund category—governmental, proprietary, and fiduciary—are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds.

Notes to the Basic Financial Statements: provide additional disclosures required by governmental accounting standards and provide information to assist the reader in understanding the County's financial condition.

Required Supplementary Information. This section includes Statements of Revenues and Expenditures – Budget and Actual for the General Fund, Public Works Fund, and Bicycle Path/Project Fund and Notes to the Required Supplementary Information.

Notes to the Required Supplementary Information: Provide information to assist the reader in understanding the County's budgetary comparison.

Other Supplementary Information. This section includes additional information on non-major funds including combining statements, balance sheets, statements of revenues, expenditures and changes in fund balances and statements of revenues and expenditures – budget and actual.

Audit Deliverables Required by the Single Audit Amendment Act of 1996. Supplemental communication on County compliance and internal controls as required by Oregon statutes. This section also includes additional reports by the County's independent auditor and the schedule of expenditures of federal awards as required by Government Auditing Standards and the Single Audit Act.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The County's net assets as of June 30, 2012, were \$45,656,150. By far the largest portion of net assets is comprised of the County's investment in capital assets (land, buildings, equipment and public infrastructure), less any related debt outstanding that was used to acquire those assets. The County uses capital assets to provide services to citizens; therefore, these assets are not available for future spending. The resources to repay the related debt is not provided by capital assets, but will be provided from other sources.

Table 1 - Union County Net Assets at Year End

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
ASSETS						
Current and other	\$ 8,017,220	\$ 6,949,526	\$ (5,316)	\$ (54,159)	\$ 8,011,904	\$ 6,895,367
Capital Assets	31,085,918	29,475,210	13,908,679	11,611,251	44,994,597	41,086,461
Total Assets	39,103,138	36,424,736	13,903,363	11,557,092	53,006,501	47,981,828
LIABILITIES						
Current	2,445,398	2,651,374	677,631	486,697	3,123,029	3,138,071
Non-Current	303,559	291,004	3,923,763	4,226,128	4,227,322	4,517,132
Total Liabilities	2,748,957	2,942,378	4,601,394	4,712,825	7,350,351	7,655,203
NET ASSETS						
Invested in capital assets net of related debt	29,808,630	29,142,831	9,661,360	7,961,956	39,469,990	37,104,787
Restricted	2,581,072	2,564,098	-	-	2,581,072	2,564,098
Unrestricted	3,964,479	1,775,429	(359,391)	(1,117,689)	3,605,088	657,740
Total Net Assets	\$ 36,354,181	\$ 33,482,358	\$ 9,301,969	\$ 6,844,267	\$ 45,656,150	\$ 40,326,625

Total net assets increased by \$5,329,525. The most significant increase was construction in progress on the Airport Runway Safety Improvement Project.

Table 2 – Statement of Activities

Fiscal Year ending June 30, 2012 compared to Fiscal Year ending June 30, 2011

	Governmental Activities		Business-Type Activities		Totals	
	2012	2011	2012	2011	2012	2011
Revenues						
Program Revenue:						
Fees, Fines & Charges for Service	2,474,523	5,042,744	1,275,944	1,305,404	3,750,467	6,348,148
Operating Grants & Contributions	7,167,212	6,791,601	22,846	-	7,190,058	6,791,601
Capital Grants & Contributions	2,420,520	39,421	2,701,260	1,183,497	5,121,780	1,222,918
General Revenue:						
Taxes	5,942,990	5,619,107	-	2	5,942,990	5,619,109
Interest & Miscellaneous	535,851	20,657	12,593	17,343	548,444	21,638
Special items	(563,639)	-	-	-	(563,639)	-
Transfers	(110,000)	(83,000)	110,000	83,000	-	-
Total	17,867,457	17,430,530	4,122,643	2,589,246	21,990,100	20,019,776
Expenses						
General Government	3,303,395	2,701,615	-	-	3,303,395	2,701,615
Public Safety	5,716,161	6,075,118	-	-	5,716,161	6,075,118
Public Works	2,988,035	3,458,459	-	-	2,988,035	3,458,459
Health	68,012	44,428	-	-	68,012	44,428
Public Services	1,119,541	1,028,911	-	-	1,119,541	1,028,911
Culture and Recreation	665,751	217,278	-	-	665,751	217,278
Community Development	785,243	125,930	-	-	785,243	125,930
Education	349,481	296,911	-	-	349,481	296,911
Interest on long-term debt	17,670	-	-	-	17,670	-
Airport	-	-	1,009,006	1,040,253	1,009,006	1,040,253
Solid Waste Management	-	-	113,637	83,781	113,637	83,781
Golf Course	-	-	542,298	533,025	542,298	533,025
Total	15,013,289	13,948,650	1,664,941	1,657,059	16,678,230	15,605,709
Change in Net Assets	2,854,168	3,481,880	2,457,702	932,187	5,311,870	4,414,067
Beginning Net Assets	33,482,358	30,000,478	6,844,267	5,912,080	40,326,625	35,912,558
Prior period adjustment	17,655	-	-	-	17,655	-
Ending Net Assets	\$ 36,354,181	\$ 33,482,358	\$9,301,969	\$6,844,267	\$45,656,150	\$40,326,625

GOVERNMENTAL ACTIVITIES

Governmental revenues showed an increase of \$1,027,566 during fiscal year 2011-12. This is due primarily to increased operating grants received from state and federal sources and increased PILT.

As seen in the previous Statement of Activities chart, expenses increased by \$1,064,639 largely as a result of grant projects.

FUND BALANCE HIGHLIGHTS

At year end June 30, 2012, the General Fund balance increased by \$106,366, the Public Works Department fund balance increased by \$600,754 and the Bicycle Path/Project fund increased by \$328,956.

BUDGETARY HIGHLIGHTS

The Union County Board of Commissioners approved several changes to the original budget via the resolution process. The major budgetary changes consisted of the following:

- Increase to CCF Fund in the amount of \$125,000 to accept a grant from the Substance Abuse and Mental Health Services Administration for a Union County Safe Communities Coalition Drug Free Communities Support Program.
- Increase to Project Fund in the amount of \$500,000 to accept a grant from the Oregon Department of Transportation, OTIA III for the Ellis Lane Bridge Project.
- Increase to Project Fund in the amount of \$49,000 to accept a grant from the Oregon Watershed Enhancement Board for the Gekeler Slough Drainage Surface Water Management Plan.
- Increase to MERA Fund in the amount of \$32,000 to accept a grant from the Oregon Parks & Recreation Department, ATV Grant Program for MERA cultural surveys.
- Increase to STF Fund in the amount of \$197,065 to accept a grant from the Oregon Department of Transportation, Public Transit Division to provide transportation services to seniors and persons with disabilities.

CAPITAL ASSETS AND DEBT ADMINISTRATION

As of June 30, 2012, the County had invested \$44,994,597 in capital assets (net of depreciation), as reflected in the following table. This represents a net increase of \$3,908,136, with the most significant increases coming from the construction in progress on the Airport Runway Safety Improvement Project and the Pierce Lane Road Improvement Project.

Table 3 – Capital Assets at Year End

	<u>2012</u>	<u>2011</u>
Land	\$ 5,975,058	\$ 6,164,874
Improvements	11,248,931	11,248,931
Buildings	9,070,283	9,143,150
Equipment & Vehicles	4,623,140	4,146,419
Infrastructure	24,424,096	24,424,096
Construction in Progress	8,978,732	4,238,614
Accumulated Depreciation	(19,325,643)	(18,279,623)
TOTAL	<u>\$ 44,994,597</u>	<u>\$ 41,086,461</u>

A summary of Union County's long-term debt outstanding is as follows. Details can be found in the Notes to Basic Financial Statements Section beginning with Note 7.

Compensated Absences	\$ 945,870
Current Portion of Long Term Debt	319,435
Current Portion of Leases Payable	31,980
Long Term Obligation	4,192,740
Long Term Capital Leases Payable	34,582

The long term obligation includes several loans from the Oregon Economic & Community Development Department for infrastructure improvement projects. They are set up on payment schedules detailed in the Notes to the Basic Financial Statements. All loan payments are current. The landfill post closure costs are also included at \$850,623. These costs were estimated over the length of time the county is required to monitor the landfill. Annual expenses are included in the Solid Waste District budget and this long term obligation is reduced each year.

ECONOMIC FACTORS & NEXT YEAR'S BUDGET

Union County continues to operate in a very challenging economic climate. The unemployment rate in Union County remained above 10 percent for the entire fiscal year. Efforts to stimulate the local economy and bring family wage jobs to the County are a high priority for the Board of Commissioners. The County is also concerned about the State of Oregon's ability to provide a stable funding level for state mandated services provided by the County. Another high priority for the Board of Commissioners is renewal of the payment in lieu of tax (PILT) authorization which expires in 2012.

Health insurance costs are a key concern for the County and its employees. Continued increases cause budget issues for both the County and employees. The County provides health insurance for employees, and the County and employees share the cost for additional family members.

The budget for FY 2012-13 was prepared taking into account the reduction of state revenues in several areas. Expenditures in those areas were reduced to fit within anticipated revenues. Union County was able to maintain programs for the upcoming fiscal year but additional state and federal reductions in future years may result in program reductions.

FINANCIAL CONTACT

The County's financial statements are designed to present users (citizens, taxpayers, customers, investors, and creditors) with a general overview of the County's finances and to demonstrate the County's accountability. If you have questions about the report or need additional financial information, please contact the County's Administrative Officer at 1106 K Avenue, La Grande, Oregon 97850. You can also obtain at this address the separately issued financial statements for the component units listed in Note 1 of the County's financial statements.

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BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

UNION COUNTY, OREGON
Statement of Net Assets
June 30, 2012

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and investments	\$ 5,457,659	\$ 315,913	\$ 5,773,572
Prepaid expenses	1,952	-	1,952
Taxes receivable	381,268	55	381,323
Accounts receivable, net	1,145,430	281,601	1,427,031
Internal balances	688,363	(688,363)	-
Inventory	342,548	85,478	428,026
Capital assets:			
Land	4,835,503	1,139,555	5,975,058
Construction in progress	4,891,087	4,087,645	8,978,732
Improvements	682,215	10,566,716	11,248,931
Buildings	5,894,270	3,176,013	9,070,283
Equipment and vehicles	3,930,646	692,494	4,623,140
Infrastructure	24,424,096	-	24,424,096
Less: accumulated depreciation	(13,571,899)	(5,753,744)	(19,325,643)
Total capital assets	<u>31,085,918</u>	<u>13,908,679</u>	<u>44,994,597</u>
Total assets	<u>39,103,138</u>	<u>13,903,363</u>	<u>53,006,501</u>
Liabilities			
Accounts payable	345,227	233,690	578,917
Deferred revenue	1,124,442	48,479	1,172,921
Accrued interest payable	2,000	71,906	73,906
Long-term obligations (Note 8):			
Due within one year	973,729	323,556	1,297,285
Due in more than one year	303,559	3,923,763	4,227,322
Total liabilities	<u>2,748,957</u>	<u>4,601,394</u>	<u>7,350,351</u>
Net Assets			
Invested in capital assets, net of related debt	29,808,630	9,661,360	39,469,990
Restricted for:			
Street projects and bike paths	2,407,825	-	2,407,825
Health and human services	173,247	-	173,247
Unrestricted	3,964,479	(359,391)	3,605,088
Total net assets	<u>\$ 36,354,181</u>	<u>\$ 9,301,969</u>	<u>\$ 45,656,150</u>

(The accompanying notes are an integral part of these financial statements)

UNION COUNTY, OREGON
Statement of Activities
For the Fiscal Year Ended June 30, 2012

Activities	Expenses	Program Revenues			Net Revenue (Expense) and Changes in Net Assets		
		Fees, Fines & Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Business-Type Activities	Total
Primary government:							
Governmental activities:							
General government	\$ 3,303,395	\$ 555,616	\$ 438,703	\$ -	\$ (2,309,076)	\$ -	\$ (2,309,076)
Public safety	5,716,161	978,049	1,641,736	-	(3,096,376)	-	(3,096,376)
Public works	2,988,035	437,554	3,283,340	2,347,694	3,080,553	-	3,080,553
Health	68,012	-	58,039	-	(9,973)	-	(9,973)
Public services	1,119,541	29,656	933,151	-	(156,734)	-	(156,734)
Culture and recreation	665,751	81,216	150,576	72,826	(361,133)	-	(361,133)
Community development	785,243	392,432	443,247	-	50,436	-	50,436
Education	349,481	-	218,420	-	(131,061)	-	(131,061)
Interest on long-term debt	17,670	-	-	-	(17,670)	-	(17,670)
Total governmental activities	15,013,289	2,474,523	7,167,212	2,420,520	(2,951,034)	-	(2,951,034)
Business-type activities:							
Airport	1,009,006	783,559	-	2,701,260	-	\$ 2,475,813	2,475,813
Golf course	542,298	337,372	-	-	-	(204,926)	(204,926)
Solid waste management	113,637	155,013	22,846	-	-	64,222	64,222
Total business-type activities	1,664,941	1,275,944	22,846	2,701,260	-	2,335,109	2,335,109
Total primary government	\$16,678,230	\$ 3,750,467	\$ 7,190,058	\$ 5,121,780	(2,951,034)	2,335,109	(615,925)
General Revenues							
Property taxes					4,532,148	-	4,532,148
Payments in lieu of tax					1,261,053	-	1,261,053
Other taxes					149,789	-	149,789
Interest and miscellaneous income					535,851	12,593	548,444
Special items							
Transfer of assets to other governmental entities					(563,639)	-	(563,639)
Transfers							
					(110,000)	110,000	-
Total general revenues, special items and transfers					5,805,202	122,593	5,927,795
Change in net assets							
					2,854,168	2,457,702	5,311,870
Net assets - beginning					33,482,358	6,844,267	40,326,625
Prior period adjustment					17,655	-	17,655
Net assets - ending					\$ 36,354,181	\$ 9,301,969	\$ 45,656,150

(The accompanying notes are an integral part of these financial statements)

FUND FINANCIAL STATEMENTS

UNION COUNTY, OREGON
Balance Sheet
Governmental Funds
June 30, 2012

	General Fund	Public Works Fund	Bicycle Path/ Project Fund	Nonmajor Governmental Funds	Total
Assets					
Cash and investments	\$ 1,025,117	\$ 1,028,303	\$ 713,860	\$ 2,690,379	\$ 5,457,659
Prepaid expenses	907	-	-	1,045	1,952
Taxes receivable	361,628	-	-	19,640	381,268
Accounts receivable, net	234,975	207,897	207,380	495,178	1,145,430
Interfund receivable	894,599	-	-	-	894,599
Inventory	-	342,548	-	-	342,548
Total assets	\$ 2,517,226	\$ 1,578,748	\$ 921,240	\$ 3,206,242	\$ 8,223,456
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	\$ 92,170	\$ 55,319	\$ 36,844	\$ 160,894	\$ 345,227
Deferred revenue	1,299,316	-	-	362,885	1,662,201
Interfund payable	-	-	-	206,236	206,236
Total liabilities	1,391,486	55,319	36,844	730,015	2,213,664
Fund Balances:					
Nonspendable	-	342,548	-	-	342,548
Restricted	-	1,180,881	884,396	1,976,973	4,042,250
Committed	-	-	-	618,477	618,477
Unassigned	1,125,740	-	-	(119,223)	1,006,517
Total fund balances	1,125,740	1,523,429	884,396	2,476,227	6,009,792
Total liabilities and fund balances	\$ 2,517,226	\$ 1,578,748	\$ 921,240	\$ 3,206,242	\$ 8,223,456

(The accompanying notes are an integral part of these financial statements)

UNION COUNTY, OREGON
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Assets
June 30, 2012

Total fund balances - governmental funds \$ 6,009,792

Amounts reported for governmental *activities* in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the funds.

Land	4,835,503	
Construction in progress	4,891,087	
Improvements	682,215	
Buildings	5,894,270	
Equipment and vehicles	3,930,646	
Infrastructure	24,424,096	
Less: accumulated depreciation	<u>(13,571,899)</u>	31,085,918

Some of the County's taxes will be collected after year-end, but are not available soon enough to pay for the current period's expenditures, and therefore are reported as deferred revenue in the fund statements. 324,813

Some of the County's ticket revenue in the Justice Court will be collected after year-end, but is not available soon enough to pay for the current period's expenditures, and therefore are reported as deferred revenue in the fund statements. Other funds have minor deferred revenues. 212,946

Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when paid. In the Statement of Net Assets accrued interest is a liability. (2,000)

Long-term obligations, including capital debt obligations payable, are not due and payable in the current period and therefore are not reported in the funds.

Due within one year	(973,729)	
Due in more than one year	<u>(303,559)</u>	<u>(1,277,288)</u>

Total net assets - governmental activities \$ 36,354,181

(The accompanying notes are an integral part of these financial statements)

UNION COUNTY, OREGON
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2012

	General Fund	Public Works Fund	Bicycle Path/ Project Fund	Nonmajor Governmental Funds	Total
Revenues					
Property taxes	\$ 4,256,369	\$ -	\$ -	\$ 229,217	\$ 4,485,586
Payments in lieu of tax	1,141,379	-	-	119,674	1,261,053
Other taxes	9,167	-	-	140,622	149,789
Intergovernmental	974,554	2,996,211	2,992,713	2,566,340	9,529,818
Charges for services	692,361	-	-	394,682	1,087,043
Licenses and fees	296,716	79,664	-	525,923	902,303
Fines and forfeitures	19,595	-	-	271,047	290,642
Rental income	159,982	-	-	60,233	220,215
Interest on investments	7,806	1,420	2,684	11,419	23,329
Miscellaneous	162,581	16,443	-	341,547	520,571
Total revenues	<u>7,720,510</u>	<u>3,093,738</u>	<u>2,995,397</u>	<u>4,660,704</u>	<u>18,470,349</u>
Expenditures					
Current:					
General government	3,172,101	-	-	79,286	3,251,387
Public safety	4,161,373	-	-	1,446,955	5,608,328
Public works	-	2,434,696	134,759	-	2,569,455
Health	-	-	-	68,012	68,012
Public services	-	-	-	1,118,853	1,118,853
Culture and recreation	-	-	-	592,611	592,611
Community development	205,155	-	-	580,088	785,243
Education	-	-	-	349,481	349,481
Debt Service:					
Principal	-	-	-	15,059	15,059
Interest	-	-	-	13,556	13,556
Capital outlay	138,078	33,288	2,531,682	156,780	2,859,828
Contingency	-	30,000	-	-	30,000
Total expenditures	<u>7,676,707</u>	<u>2,497,984</u>	<u>2,666,441</u>	<u>4,420,681</u>	<u>17,261,813</u>
Excess of revenues over (under) expenditures	<u>43,803</u>	<u>595,754</u>	<u>328,956</u>	<u>240,023</u>	<u>1,208,536</u>
Other Financing Sources (Uses)					
Transfers in	137,363	40,000	-	173,167	350,530
Transfers out	(74,800)	(35,000)	-	(350,730)	(460,530)
Total other financing sources (uses)	<u>62,563</u>	<u>5,000</u>	<u>-</u>	<u>(177,563)</u>	<u>(110,000)</u>
Net change in fund balance	106,366	600,754	328,956	62,460	1,098,536
Beginning fund balance	<u>1,019,374</u>	<u>922,675</u>	<u>555,440</u>	<u>2,413,767</u>	<u>4,911,256</u>
Ending fund balance	<u>\$ 1,125,740</u>	<u>\$ 1,523,429</u>	<u>\$ 884,396</u>	<u>\$ 2,476,227</u>	<u>\$ 6,009,792</u>

(The accompanying notes are an integral part of these financial statements)

UNION COUNTY, OREGON
Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2012

Total net change in fund balances - governmental funds \$ 1,098,536

Amounts reported for governmental *activities* in the statement of activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay and other capitalized expenditures (\$2,739,470) exceeds depreciation expense (\$643,594) and loss on retired assets (\$12,054) in the current year. 2,083,822

Because some property taxes will not be collected for several months after the County's fiscal year end, they are not considered "available" revenues and are deferred in the governmental funds. Deferred tax revenues increased (decreased) by this amount in the current year. 46,562

Because some ticket revenue from the Justice Court will not be collected for several months after the County's fiscal year end, they are not considered "available" revenues in the governmental funds. Deferred ticket revenues increased (decreased) by this amount in the current year. 24,389

In the Statement of Activities, compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for compensated absences are measured by the amount of financial resources used. Accrued compensated absences (increased) decreased by this amount in the current year. 107,519

Assets transferred to other governmental entities are not recognized in the governmental funds, but the basis is recognized as a loss in the Statement of Activities. (563,639)

Repayment of principal on long-term obligations is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. 56,715

In the governmental funds interest is recognized as an expenditure when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. This is the amount by which accrued interest (increased) decreased. 264

Change in net assets - governmental activities \$ 2,854,168

(The accompanying notes are an integral part of these financial statements)

UNION COUNTY, OREGON
Statement of Net Assets
Proprietary Funds
June 30, 2012

	Airport Fund	Buffalo Peak Golf Course Fund	Union County Solid Waste Fund	Total
Assets				
Current assets:				
Cash and investments	\$ 89,622	\$ -	\$ 226,291	\$ 315,913
Taxes receivable	55	-	-	55
Accounts receivable	255,435	-	26,166	281,601
Interfund receivable	246	-	-	246
Inventory	66,335	19,143	-	85,478
Total current assets	<u>411,693</u>	<u>19,143</u>	<u>252,457</u>	<u>683,293</u>
Noncurrent assets:				
Capital assets:				
Land	-	1,088,950	50,605	1,139,555
Construction in progress	4,087,645	-	-	4,087,645
Buildings	2,724,878	30,328	420,807	3,176,013
Equipment and vehicles	143,045	460,487	88,962	692,494
Improvements	9,701,415	706,832	158,469	10,566,716
Less: accumulated depreciation	<u>(5,025,022)</u>	<u>(494,134)</u>	<u>(234,588)</u>	<u>(5,753,744)</u>
Total noncurrent assets	<u>11,631,961</u>	<u>1,792,463</u>	<u>484,255</u>	<u>13,908,679</u>
Total assets	<u>12,043,654</u>	<u>1,811,606</u>	<u>736,712</u>	<u>14,591,972</u>
Liabilities				
Current liabilities:				
Accounts payable	217,961	7,514	8,215	233,690
Deferred revenue	-	48,479	-	48,479
Interfund payable	246	688,363	-	688,609
Accrued interest payable	50,755	21,151	-	71,906
Closure & post-closure care costs - current	-	-	30,000	30,000
Lease payable - current	2,846	-	-	2,846
Loans payable - current	187,268	-	-	187,268
Compensated absences	-	17,116	-	17,116
Total current liabilities	<u>459,076</u>	<u>782,623</u>	<u>38,215</u>	<u>1,279,914</u>
Noncurrent liabilities:				
Closure and post-closure care costs	-	-	820,623	820,623
Loans payable	1,561,844	1,627,622	-	3,189,466
Total noncurrent liabilities	<u>1,561,844</u>	<u>1,627,622</u>	<u>820,623</u>	<u>4,010,089</u>
Total liabilities	<u>2,020,920</u>	<u>2,410,245</u>	<u>858,838</u>	<u>5,290,003</u>
Net Assets				
Invested in capital assets, net of related debt	9,880,003	147,725	(366,368)	9,661,360
Unrestricted	<u>142,731</u>	<u>(746,364)</u>	<u>244,242</u>	<u>(359,391)</u>
Total net assets	<u>\$ 10,022,734</u>	<u>\$ (598,639)</u>	<u>\$ (122,126)</u>	<u>\$ 9,301,969</u>

(The accompanying notes are an integral part of these financial statements)

UNION COUNTY, OREGON
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Fiscal Year Ended June 30, 2012

	Airport Fund	Buffalo Peak Golf Course Fund	Union County Solid Waste Fund	Total
Operating Revenues				
Franchise fees	\$ -	\$ -	\$ 155,013	\$ 155,013
Charges for services	442,790	337,372	-	780,162
Licenses and fees	3,501	-	-	3,501
Rental income	337,268	-	-	337,268
Miscellaneous	6,008	721	5,504	12,233
Total operating revenues	<u>789,567</u>	<u>338,093</u>	<u>160,517</u>	<u>1,288,177</u>
Operating Expenses				
Personnel services	82,413	258,600	-	341,013
Materials and services	470,305	189,116	100,949	760,370
Depreciation	366,141	57,371	12,688	436,200
Total operating expenses	<u>918,859</u>	<u>505,087</u>	<u>113,637</u>	<u>1,537,583</u>
Operating income (loss)	<u>(129,292)</u>	<u>(166,994)</u>	<u>46,880</u>	<u>(249,406)</u>
Nonoperating Revenues (Expenses)				
Interest on investments	200	-	160	360
Interest expense	(90,047)	(37,211)	-	(127,258)
Grant revenue	2,701,260	-	22,846	2,724,106
Loss on sale of assets	(100)	-	-	(100)
Total nonoperating revenues (expenses)	<u>2,611,313</u>	<u>(37,211)</u>	<u>23,006</u>	<u>2,597,108</u>
Income (loss) before transfers	2,482,021	(204,205)	69,886	2,347,702
Transfers in	10,933	140,000	-	150,933
Transfers out	(40,933)	-	-	(40,933)
Change in net assets	2,452,021	(64,205)	69,886	2,457,702
Net assets - beginning	<u>7,570,713</u>	<u>(534,434)</u>	<u>(192,012)</u>	<u>6,844,267</u>
Net assets - ending	<u>\$ 10,022,734</u>	<u>\$ (598,639)</u>	<u>\$ (122,126)</u>	<u>\$ 9,301,969</u>

(The accompanying notes are an integral part of these financial statements)

UNION COUNTY, OREGON
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2012

	Airport	Buffalo Peak Golf Course	Union County Solid Waste District	Total
Cash Flows from Operating Activities:				
Cash received from customers	\$ 446,955	\$ 338,093	\$ 155,013	\$ 940,061
Cash received from rentals	370,981	-	-	370,981
Other operating receipts	5,994	-	4,815	10,809
Cash payments for personnel services	(82,413)	(258,600)	-	(341,013)
Cash payments for fuel purchases	(288,852)	(189,116)	-	(477,968)
Cash payments for advertising	-	1,167	-	1,167
Cash payments for insurance	(16,370)	-	-	(16,370)
Cash payments for miscellaneous	(12,679)	-	(117,142)	(129,821)
Cash payments for contractual services	(32,531)	-	-	(32,531)
Cash payments for supplies	(17,896)	-	-	(17,896)
Cash payments for repairs	(62,751)	-	-	(62,751)
Net cash provided (used) by operating activities	<u>310,438</u>	<u>(108,456)</u>	<u>42,686</u>	<u>244,668</u>
Cash Flows from Noncapital Financing Activities:				
Property tax receipts	195	-	-	195
Interfund loans	-	85,931	-	85,931
Interfund transfers	(30,000)	140,000	-	110,000
Nonoperating grants	2,701,260	-	22,846	2,724,106
Net cash provided (used) by noncapital financing activities	<u>2,671,455</u>	<u>225,931</u>	<u>22,846</u>	<u>2,920,232</u>
Cash Flows from Capital and Related Financing Activities:				
Acquisition of capital assets	(2,733,728)	-	-	(2,733,728)
Principal payments on indebtedness	(185,243)	(84,471)	-	(269,714)
Interest paid on indebtedness	(95,251)	(38,287)	-	(133,538)
Net cash provided (used) by capital and related financing activities	<u>(3,014,222)</u>	<u>(122,758)</u>	<u>-</u>	<u>(3,136,980)</u>
Cash Flows from Investing Activities:				
Interest income	200	-	160	360
Net increase (decrease) in cash and investments	(32,129)	(5,283)	65,692	28,280
Beginning cash and investments	121,751	5,283	160,599	287,633
Ending cash and investments	<u>\$ 89,622</u>	<u>\$ -</u>	<u>\$ 226,291</u>	<u>\$ 315,913</u>

	<u>Airport</u>	<u>Buffalo Peak Golf Course</u>	<u>Union County Solid Waste District</u>	<u>Total</u>
Reconciliation of operating income to net cash provided (used) by operating activities:				
Operating income (loss)	\$ (129,292)	\$ (166,994)	\$ 46,880	\$ (249,406)
<i>Adjustments to reconcile operating income to net cash provided (used) by operating activities:</i>				
Depreciation	366,141	57,371	12,688	436,200
(Increase) decrease in:				
Accounts receivable	(169,380)	-	(689)	(170,069)
Inventory	58,734	4,646	-	63,380
Increase (decrease) in:				
Accounts payable	184,235	(8,727)	8,215	183,723
Deferred revenue	-	3,942	-	3,942
Compensated absences	-	1,306	-	1,306
Closure and post-closure care costs	-	-	(24,408)	(24,408)
Net cash provided (used) by operating activities	<u>\$ 310,438</u>	<u>\$ (108,456)</u>	<u>\$ 42,686</u>	<u>\$ 244,668</u>

UNION COUNTY, OREGON
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2012

	<u>Agency Funds</u>
Assets	
Cash	\$ 50,789
Accounts receivable	8,535
Property taxes receivable	<u>1,328,168</u>
Total assets	<u><u>\$ 1,387,492</u></u>
Liabilities	
Due to other governments	\$ 1,328,168
Due to others	<u>59,324</u>
Total liabilities	<u><u>\$ 1,387,492</u></u>

(The accompanying notes are an integral part of these financial statements)

NOTES TO BASIC FINANCIAL STATEMENTS

UNION COUNTY, OREGON
Notes to Basic Financial Statements

Note 1 - Summary of Significant Accounting Policies:

Reporting Entity

The accompanying financial statements present the activities of Union County and its component units, legally separate organization for which the County is financially accountable. The component units are so intertwined with the County that they are, in substance, the same as the County and, therefore, are blended and reported as if they were part of the County. The County Commissioners also serve as the governing board for the component units. The County has the power to levy taxes, is responsible for its debts, and is entitled to any surpluses.

<u>Component Units</u>	<u>Included in the Reporting Entity Because</u>	<u>Separate Financial Statements</u>
Union County Solid Waste District: Conducts solid waste management services including monitoring a closed landfill.	County Commissioners compose board of Solid Waste District	Available at the Commissioner's office
Union County 4-H & Extension Service: Conducts 4-H activities for youth in the County.	County Commissioners compose board of 4-H Extension Service	Available at the Commissioner's office

Basis of Presentation, Basis of Accounting

Government-wide Statements: The statement of net assets and the statement of activities display information about the primary government (the County) and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-accounting of internal activities. These statements distinguish between the governmental and business-type activities of the County. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the County and for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the County's funds, including its fiduciary funds and blended component units. Separate statements for each fund category - governmental, proprietary, and fiduciary - are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities.

The County reports the following major governmental funds:

General Fund - This is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Public Works Fund - This fund accounts for resources accumulated and payments made for road maintenance and construction within the county.

UNION COUNTY, OREGON

Notes to Basic Financial Statements

Bicycle Path/Project Fund - This fund accounts for resources accumulated and payments made for maintenance and construction of bike paths and major road or bridge improvement projects within the county.

The County reports the following major enterprise funds:

Airport Fund - This fund records the activity of the County Airport.

Buffalo Peak Golf Course Fund - This fund records the activity of the County golf course.

Union County Solid Waste District - This fund records the activity of the solid waste district.

In addition, the County reports the following fund types:

Agency Funds - These funds account for monies held on behalf of other local governments within the boundaries of Union County that use the County as a depository, and property taxes collected on behalf of other governments.

Measurement Focus and Basis of Accounting

Government-wide, Proprietary, and Fiduciary Fund Financial Statements. The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus. The government-wide and proprietary fund financial statements are reported using 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 gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, and entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The County considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Property taxes, sales taxes, franchise taxes, licenses, and interest are considered to be susceptible to accrual. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Under the terms of grant agreements, the County funds certain programs by a combination of specific cost-reimbursement grants, categorical block 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, followed by categorical block grants, and then by general revenues.

The County applies all applicable GASB pronouncements (including all NCGA Statements and Interpretations currently in effect) as well as the following pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARB) of the Committee on Accounting Procedure. In addition, the County applies all applicable FASB Statements and Interpretations issued after November 30, 1989, except those that conflict with or contradict GASB pronouncements to its business-type activities.

UNION COUNTY, OREGON
Notes to Basic Financial Statements

Assets, Liabilities, and Equity

Deposits and Investments

The cash balances of substantially all funds are pooled and invested by the County for the purpose of increasing earnings through investment activities. The pooled cash and investments are reported at fair value at June 30, 2012, based on market prices. The individual funds' portions of the pooled cash and investments fair value are presented as cash and cash equivalents. Earnings on the pooled funds are apportioned and paid or credited to the funds monthly based on the ending balance of each participating fund.

Cash and Cash Equivalents

The County considers cash and cash equivalents in proprietary funds to include cash on hand and demand deposits. In addition, because the Treasury Pool is sufficiently liquid to permit withdrawal of cash at any time without prior notice or penalty, equity in the pool is also deemed to be a cash equivalent.

Receivables and Payables

The County shows their receivables net of an allowance for uncollectible accounts.

Grants and other receivables from other government agencies are generally expected to be collectible and, therefore an allowance for uncollectibles is not considered necessary with the exception of the Justice Court. Justice Court has an allowance for bad debt accounts and shows their receivables net of this allowance.

Notes receivable in governmental funds consist of rehabilitation and redevelopment loans that are generally not expected or scheduled to be collected in the subsequent year.

Significant accounts receivables not expected to be collected within one year are as follows:

Justice Court	\$	141,999
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Property Tax Calendar

The County is responsible for the assessment, collection, and apportionment of property taxes for all jurisdictions including schools, cities, and special districts within the County. Property taxes attach as an enforceable lien on property on July 1, when they are levied, and until they are paid. Taxes are due in one-third increments, on November 15, February 15, and May 15. Unpaid taxes are considered delinquent after November 15.

Property tax revenues are recognized when they become available. Available includes those property tax receivables expected to be collected within sixty days after year end. Delinquent taxes are considered fully collectible, and therefore, no allowance of uncollectible taxes is provided.

Property tax revenues are accounted for on the accrual basis of accounting in the government-wide statements and are recognized when earned.

Inventories and Prepaid Items

Public works inventory are valued at estimated average cost value using the first-in/first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.

Airport fuel inventory and golf products recorded in the proprietary funds are stated at their cost value. All other supplies are charged to disbursements at the time the items are purchased.

Certain payments to vendors reflected costs applicable to future accounting periods and are recorded as prepaid items.

Capital Assets

The County's property, plant, equipment, and infrastructure with useful lives of more than one year are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of donation. Major capital asset additions are financed primarily from loan and bond proceeds. The normal cost of maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. A capitalization threshold of \$5,000 is used for assets that have initial useful lives extending beyond a single reporting period.

UNION COUNTY, OREGON
Notes to Basic Financial Statements

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

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Infrastructure	20-75
Buildings	50-100
Building Improvements	20-50
Vehicles	2-15
Office Equipment	3-15

Capitalized Interest

Interest costs are capitalized when incurred by proprietary funds on debt where proceeds were used to finance the construction of assets. Interest earned on proceeds of tax-exempt borrowing arrangements restricted to the acquisition of qualifying assets is offset against interest costs in determining the amount to be capitalized. \$127,258 of interest cost was incurred, all of which was charged to expense during the fiscal year ended June 30, 2012.

Compensated Absences

The liability for compensated absences reported in the government-wide and proprietary fund statements consists of unpaid, accumulated vacation, comp-time and sick leave balances. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included.

Equity Classification

Government-Wide Statements

Equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.
- b. Restricted net assets - Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets - All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

It is the County's policy to first use restricted net assets prior to the use of unrestricted net assets when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

Fund Financial Statements

In the fund financial statements, the fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The five classifications are described below.

Nonspendable - Resources cannot be spent because they are either in a nonspendable form or legally or contractually required to be maintained intact. Resources in nonspendable form include inventories, prepaids and deposits, and assets held for resale.

Restricted - Constraints placed on the use of resources are either: (a) externally imposed by creditors (such as through debt covenants), grantors, contributions, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed - Reported when the Board of Commissioners pass a court order that places specific constraints on how the resources may be used. The Board of Commissioners can modify or rescind the court order at any time through passage of an additional court order.

UNION COUNTY, OREGON
Notes to Basic Financial Statements

Assigned - Resources that are constrained by the government's intent to use them for a specific purpose, but are neither restricted nor committed. Intent is expressed when the Board of Commissioners approve which resources should be "reserved" during the adoption of the annual budget. The County's Administrative Officer used that information to determine whether those resources should be classified as assigned or unassigned for presentation in the County's annual financial report.

Unassigned - The residual classification for the General Fund. This classification represents fund balance that has not been restricted, committed, or assigned within the General Fund. This classification is also used to report any negative fund balance amounts in other governmental funds.

For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in order by committed fund balance, assigned fund balance, and lastly unassigned fund balance.

Fund balances by classification for the year ended June 30, 2012 were as follows:

	<u>General Fund</u>	<u>Public Works Fund 201</u>	<u>Bicycle Path/ Project Fund 205</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>Fund balances:</u>					
Nonspendable:					
Inventories	\$ -	\$ 342,548	\$ -	\$ -	\$ 342,548
Restricted:					
Community Services	-	-	-	711,695	711,695
County schools	-	-	-	128,714	128,714
Public Safety	-	-	-	923,673	923,673
Economic Development	-	-	-	159,791	159,791
Equipment	-	-	-	53,100	53,100
Public Works	-	1,180,881	884,396	-	2,065,277
Committed:					
Community Services	-	-	-	221,627	221,627
Economic Development	-	-	-	109,713	109,713
Capital acquisitions	-	-	-	225,124	225,124
Public Safety	-	-	-	62,013	62,013
Unassigned	<u>1,125,740</u>	<u>-</u>	<u>-</u>	<u>(119,223)</u>	<u>1,006,517</u>
Total fund balances	<u>\$ 1,125,740</u>	<u>\$ 1,523,429</u>	<u>\$ 884,396</u>	<u>\$ 2,476,227</u>	<u>\$ 6,009,792</u>

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from these estimates. Depreciation Expense, Accumulated Depreciation, Property Taxes Receivable, Liability for Closure and Post-Closure Care Costs, and Deferred Revenue accounts have been subject to estimation.

Note 2 - Compliance and Accountability:

Finance-Related Legal and Contractual Provisions

In accordance with GASB Statement No. 38, Certain Financial Statement Note Disclosures, violations of finance-related legal and contractual provisions, if any, are reported below, along with the actions taken to address such violations.

Violation: The County did not comply with ORS 294.456(6). Expenditures exceeded budgeted appropriations for the year ended June 30, 2012, as reported on the following page.

UNION COUNTY, OREGON
Notes to Basic Financial Statements

Fund	Over Expenditure
268 Human Services Program - Personnel services	\$ 1,419
295 Union Co. Fair Board - Materials and services	4,989
Union County 4-H Extension - Personnel services	2,316
401 Airport Bond - Materials and services	191

Action Taken: Budget to actual reports will be monitored monthly.

Deficit Fund Balance or Fund Net Assets of Individual Funds

Following are funds having deficit fund balances at year end, along with remarks which address such deficits:

Fund	Deficit Amount	Remarks
Drug Court	\$ 24,273	Due to advance grant expenditures expected to be reimbursed.
CAMI Program Fund	37,830	Due to past operating losses.
MERA Fund	80,863	Due to advance grant expenditures expected to be reimbursed.
Crime Victim Program	18,792	Due to expenditures being higher than expected
Buffalo Peak Golf Course	598,639	Due to current and prior operating losses
Solid Waste District	122,126	Due to estimated landfill closure costs

Note 3 - Deposits and Investments:

Deposits and Investments are comprised of the following at June 30, 2012:

	Carrying Value	Fair Value
Deposits with financial institutions	\$ 2,113,631	\$ 2,113,631
Investments with State of Oregon Local Government Investment Pool (LGIP)	3,710,730	3,710,730
	<u>\$ 5,824,361</u>	<u>\$ 5,824,361</u>

Deposits and investments are reflected in the basic financial statements as follows:

Government-Wide Statement of Net Assets - Cash and Investments	\$ 5,773,572
Statement of Fiduciary Net Assets - Cash	50,789
	<u>\$ 5,824,361</u>

The County maintains a cash management pool for its cash and cash equivalents in which each fund participates. Interest earnings are distributed monthly based on average daily balances.

Investments, including amounts held in pooled cash and investments are stated at fair value, in accordance with Governmental Accounting Standards Board (GASB) Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools. Fair value is determined at the quoted market price, if available; otherwise, the fair value is estimated based on the amount at which the investment could be exchanged in a current transaction between willing parties, other than a forced liquidation sale. Investments in the State of Oregon Local Government Pool (LGIP) are stated at fair value.

Deposits

Deposits with financial institutions are comprised of bank demand deposits. The total bank balance per the bank statements was \$2,717,415 at June 30, 2012. The difference is due to transactions in process. Deposits are secured by federal deposit insurance to legal limits. The remaining amount is secured by collateral in accordance with Oregon Revised Statutes.

UNION COUNTY, OREGON
Notes to Basic Financial Statements

Custodial Credit Risk - Deposits

Custodial credit risk on deposits is the risk that in the event of a bank failure, the County's deposits may not be returned. In order to minimize this risk, state statutes require banks holding public funds to become members of the Public Funds Collateralization Program (PFCP), a multiple financial institution collateral pool created by the Office of the State Treasurer. To qualify, participating banks must pledge collateral against any public fund deposits in excess of deposit insurance. The amount of collateral is set by the PFCP between 10% and 110% of each bank's public fund deposits based on their net worth and level of capitalization. Although the PFCP creates a shared liability structure for participating banks depositories, it does not guarantee that all funds are 100% protected.

All non-interest bearing transaction activity accounts are fully insured by FDIC. All other accounts including interest-bearing deposits are insured up to \$250,000.

Investments

The purpose of the County's investment policy is to identify various policies and procedures that enhance opportunities for a prudent and systematic investment policy and to organize and formalize investment-related activities. The County has delegated investment responsibilities to the County Treasurer, who is primarily responsible for implementing the investment policy.

Credit Risk - Investments

State statutes authorize the County to invest primarily in general obligations of the U.S. Government and its agencies, certain bonded obligations of Oregon municipalities, bank repurchase agreements, bankers' acceptances, certain commercial papers and the State Treasurer's investment pool, among others. The County has no formal investment policy that further restricts its investment choices.

Custodial Credit Risk - Investments

This is the risk that, in the event of the failure of counterparty, the County will not be able to recover the value of its investments or collateralized securities that are in the possession of an outside party. The County does not have a policy that limits the amount of investments that can be held by counterparties.

The Local Government Investment Pool (LGIP) is administered by the Oregon State Treasury with the advice of other state agencies and is not registered with the U.S. Securities and Exchange Commission. The LGIP is an open-ended no-load diversified portfolio offered to any agency, political subdivision, or public corporation of the state that by law is made the custodian of, or has control of any fund. The LGIP is commingled with the State's short-term funds. In seeking to best serve local governments of Oregon, the Oregon Legislature established the Oregon Short Term Fund Board, which has established diversification percentages and specifies the types and maturities of the investments. The purpose of the Board is to advise the Oregon State Treasury in the management and investment of the LGIP. These investments within the LGIP must be invested and managed as a prudent investor would, exercising reasonable care, skill and caution. The LGIP's credit quality is unrated.

Professional standards indicate that the investments in external investment pools are not subject to custodial risk because they are not evidenced by the securities that exist in physical or book entry form. Nevertheless, management does not believe that there is any substantial custodial risk related to investments in the LGIP. The fair value of County's position in the LGIP is the same as the value of the pool shares.

Concentration Risk

The County does not have a formal policy that places a limit on the amount that may be invested in any one investment. The County has concentrations in the following investments: Local Government Pool. These investments are 100% of the County's total investments.

<u>Investment Type</u>	<u>Maturities</u>	<u>Concentration % of Portfolio</u>	<u>Actual Amount</u>
Local Government Investment Pool	Avg 6-18 months	100%	<u>\$ 3,710,730</u>

UNION COUNTY, OREGON
Notes to Basic Financial Statements

Interest Rate Risk

The County does not have a formal investment policy that explicitly limits investment maturities as a means of managing its exposure to fair value loss arising from increasing interest rates.

Note 4 - Property Taxes Receivable:

Property taxes receivable included in revenues are \$381,323, which are all past due and accruing interest.

Note 5 - Capital Assets:

Capital asset activity for the fiscal year ended June 30, 2012, was as follows:

	Balance at July 1, 2011	Increases	Decreases	Balance at June 30, 2012
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 4,835,503	\$ -	\$ -	\$ 4,835,503
Construction in progress	2,884,696	2,570,030	(563,639)	4,891,087
Total capital assets, not being depreciated	7,720,199	2,570,030	(563,639)	9,726,590
Capital assets being depreciated:				
Buildings	5,840,951	53,319	-	5,894,270
Improvements	682,215	-	-	682,215
Equipment & Vehicles	3,805,866	188,991	(64,211)	3,930,646
Infrastructure	24,424,096	-	-	24,424,096
Total capital assets being depreciated	34,753,128	242,310	(64,211)	34,931,227
Less: accumulated depreciation:				
Buildings	(2,056,140)	(113,128)	-	(2,169,268)
Improvements	(198,373)	(31,194)	-	(229,567)
Equipment & Vehicles	(2,340,656)	(164,962)	52,157	(2,453,461)
Infrastructure	(8,385,293)	(334,310)	-	(8,719,603)
Total accumulated depreciation	(12,980,462)	(643,594)	52,157	(13,571,899)
Net capital assets being depreciated	21,772,666	(401,284)	(12,054)	21,359,328
Governmental Activities - net capital assets	\$ 29,492,865	\$ 2,168,746	\$ (575,693)	\$ 31,085,918
Business-Type Activities:				
Capital assets not being depreciated:				
Land	\$ 1,139,555	\$ -	\$ -	\$ 1,139,555
Construction in progress	1,353,917	2,733,728	-	4,087,645
Total capital assets, not being depreciated	2,493,472	2,733,728	-	5,227,200
Capital assets being depreciated:				
Buildings	3,176,013	-	-	3,176,013
Equipment & Vehicles	701,489	-	(8,995)	692,494
Improvements	10,566,716	-	-	10,566,716
Total capital assets being depreciated	14,444,218	-	(8,995)	14,435,223
Less: accumulated depreciation:				
Buildings	(404,532)	(60,233)	-	(464,765)
Equipment & Vehicles	(406,780)	(42,301)	8,895	(440,186)
Improvements	(4,515,187)	(333,606)	-	(4,848,793)
Total accumulated depreciation	(5,326,499)	(436,140)	8,895	(5,753,744)
Net capital assets being depreciated	9,117,719	(436,140)	(100)	8,681,479
Business-Type Activities - net capital assets	\$ 11,611,191	\$ 2,297,588	\$ (100)	\$ 13,908,679

UNION COUNTY, OREGON
Notes to Basic Financial Statements

Depreciation expense was charged to functions as follows:

Governmental Activities:		Business-Type Activities:	
General government	\$ 120,018	Airport	\$ 366,142
Public safety	94,203	Golf course	57,370
Public works	381,231	Solid waste management	12,628
Public services	688		
Culture & recreation	47,454	Total	\$ 436,140
Total	\$ 643,594		

Note 6 - Capital Lease Payable:

The County has adopted the policy of acquiring certain capital assets through the use of lease purchase agreements. The lease purchases are backed by the full faith and credit of the County. The payments for the leases are made from the individual funds. The following is a schedule by years of future minimum lease payments under capital leases together with the present value of the minimum lease payments as of year end.

Year Ending June 30,	Governmental Funds	Business-Type Funds
2013	\$ 29,134	\$ 2,900
2014	27,042	-
2015	15,664	-
2016	2,117	-
2017	2,117	-
Total lease payments	76,074	2,900
Less: Amount representing interest	(12,358)	(54)
Present value of min. lease payments	\$ 63,716	\$ 2,846

The following is an analysis of the leased property under capital leases by major classes, these assets and related depreciation are included in Note 7:

	Governmental Funds	Business-Type Funds
Equipment & Vehicles:		
Sheriff	\$ 180,676	\$ -
Special	17,167	-
Airport	-	24,703
Total	\$ 197,843	\$ 24,703

Note 7 - Long-Term Obligations:

Long-Term Obligation Activity

Long-term obligations include debt and other long-term liabilities. Changes in long-term obligations for the year ended June 30, 2012 are as follows:

	Payable at July 1,	Additions	Deletions	Payable at June 30,	Due within one year
Governmental Activities:					
Community Bank - 4-H	\$ 235,992	\$ -	\$ (8,604)	\$ 227,388	\$ 8,999
Oregon Economic Devel. Dept.	63,885	-	(6,455)	57,430	6,842
Capital leases (Note 6)	32,502	72,870	(41,656)	63,716	29,134
Compensated absences	1,036,273	641,623	(749,142)	928,754	928,754
	\$ 1,368,652	\$ 714,493	\$ (805,857)	\$ 1,277,288	\$ 973,729

UNION COUNTY, OREGON
Notes to Basic Financial Statements

	Payable at July 1,	Additions	Deletions	Payable at June 30,	Due within one year
Business-Type Activities:					
Oregon Economic Devel. Dept.	\$ 1,595,231	\$ -	\$ (79,713)	\$ 1,515,518	\$ 81,308
Oregon Economic Devel. Dept.	116,862	-	(4,758)	112,104	5,018
Oregon Economic Development Dept. - Airport building	1,920,037	-	(175,514)	1,744,523	182,679
Oregon Economic Devel. Dept. closure	8,897	-	(4,308)	4,589	4,589
care costs (Note 19)	875,031	-	(24,408)	850,623	30,000
Capital leases (Note 6)	8,268	-	(5,422)	2,846	2,846
Compensated absences	15,810	9,727	(8,421)	17,116	17,116
	<u>\$ 4,540,136</u>	<u>\$ 9,727</u>	<u>\$ (302,544)</u>	<u>\$ 4,247,319</u>	<u>\$ 323,556</u>

The compensated absences liability attributable to governmental activities is liquidated by the fund that incurs the liability.

Debt Service Requirements

Debt service requirements on long-term debt at year end are as follows:

Community Bank

On October 9, 2009 the 4-H District entered into an agreement with Community Bank in the amount of \$249,500 to finance the purchase of their building. The debt will be repaid over 20 years, with 60 monthly payments of \$1,587 including interest at 4.5% and 180 monthly payments of \$1,542 including interest at 4.07%. The interest on this note is subject to change from time to time based on changes in an independent index which is the Federal Home Loan Bank 5-year Intermediate/Long Term Advances Fixed Rate taken from the Daily Advance Rates as published, on the Monday immediately prior to the date the note rate is changed, by the Federal Home Loan Bank. The debt is secured by property located at 10507 N. McAlister Road, La Grande, Oregon. Future payments are as follows:

Year ended June 30,	Principal	Interest	Total Requirements
2013	\$ 8,999	\$ 10,048	\$ 19,047
2014	9,412	9,635	19,047
2015	9,987	8,694	18,681
2016-20	57,556	34,934	92,490
2021-25	70,521	21,968	92,489
2026-29	70,913	6,300	77,213
	<u>\$ 227,388</u>	<u>\$ 91,579</u>	<u>\$ 318,967</u>

Oregon Economic Development Department

On September 22, 1998 the County entered into a \$118,000 loan from special public works fund by contract with Oregon Economic Development Department. The monies were used to fund the second phase of the County's industrial park. The loan is due in annual installments of \$10,288. Interest accrues at the rate of 6.0%. The annual requirements to amortize note payments outstanding as of year end follows:

Year ended June 30,	Principal	Interest	Total Requirements
2013	\$ 6,842	\$ 3,446	\$ 10,288
2014	7,253	3,035	10,288
2015	7,688	2,600	10,288
2016	8,149	2,139	10,288
2017	8,638	1,650	10,288
2018	9,158	1,130	10,288
2019	9,702	582	10,284
	<u>\$ 57,430</u>	<u>\$ 14,582</u>	<u>\$ 72,012</u>

UNION COUNTY, OREGON
Notes to Basic Financial Statements

General Obligation Bond

In August of 2007 the County Commissioners renegotiated a loan contract with Oregon Economic Development Department. This loan was for the acquisition of Buffalo Peak Golf Course. The interest will start accruing at 2% from December 1, 2008 to December 1, 2013, then increasing to 3% from December 1, 2013 to December 1, 2018, then increasing to 4% from December 1, 2018 to December 1, 2023, and finally increasing to 5% until paid off in 2027. Payment amounts will be \$111,618 annually from 2009-2013, \$119,625 from 2014-2018, \$125,267 from 2019-2023 and \$128,233 from 2024 until paid off in 2027. The annual requirements to amortize note payments outstanding as of year end follows on the next page.

Year ended June 30,	Principal	Interest	Total Requirements
2013	\$ 81,308	\$ 30,310	\$ 111,618
2014	82,934	28,684	111,618
2015	79,085	40,538	119,623
2016	81,458	38,166	119,624
2017	83,902	35,722	119,624
2018	86,419	33,205	119,624
2019	89,011	30,612	119,623
2020	88,011	37,256	125,267
2021	91,531	33,736	125,267
2022	95,193	30,074	125,267
2023	99,000	26,267	125,267
2024	102,960	22,307	125,267
2025	105,497	22,735	128,232
2026	110,772	17,460	128,232
2027	116,311	11,922	128,233
2028	122,126	5,021	127,147
	<u>\$ 1,515,518</u>	<u>\$ 444,015</u>	<u>\$ 1,959,533</u>

General Obligation Bond

On August 15, 2002, the County Commissioners entered into a loan contract with Oregon Economic Development Department. This loan was for operations and improvements at Buffalo Peak Golf Course. The note payable is due on December 1, annually, in installments of \$11,139 through December 1, 2026. Interest accrues at the rate of 5.46%. The annual requirements to amortize note payments outstanding as of year end follows:

Year ended June 30,	Principal	Interest	Total Requirements
2013	\$ 5,018	\$ 6,121	\$ 11,139
2014	5,292	5,847	11,139
2015	5,581	5,558	11,139
2016	5,885	5,254	11,139
2017	6,207	4,932	11,139
2018	6,546	4,593	11,139
2019	6,903	4,236	11,139
2020	7,280	3,859	11,139
2021	7,677	3,462	11,139
2022	8,097	3,042	11,139
2023	8,539	2,600	11,139
2024	9,005	2,134	11,139
2025	9,497	1,642	11,139
2026	10,015	1,124	11,139
2027	10,562	577	11,139
	<u>\$ 112,104</u>	<u>\$ 54,981</u>	<u>\$ 167,085</u>

UNION COUNTY, OREGON
Notes to Basic Financial Statements

Oregon Economic Development Department

On March 18, 2009, the County entered into a \$2,084,388 loan agreement from the special public works fund by contract with Oregon Economic Development Department. The loan proceeds were used to finance the construction of the Airport Fire Cache and Dispatch Building. The County received the final \$40,679 of the loan proceeds during the 2009-10 fiscal year. Notes payable are due in annual installments of \$269,807. Interest accrues at the rate of 4.99%. The annual requirements to amortize note payments outstanding as of year end follows:

Year ended June 30,	Principal	Interest	Total Requirements
2013	\$ 182,679	\$ 87,127	\$ 269,806
2014	191,795	78,013	269,808
2015	201,366	68,441	269,807
2016	211,414	58,393	269,807
2017	221,963	47,843	269,806
2018	233,039	36,767	269,806
2019	244,668	25,139	269,807
2020	257,599	12,930	270,529
	<u>\$ 1,744,523</u>	<u>\$ 414,653</u>	<u>\$ 2,159,176</u>

Oregon Economic Development Department

On May 5, 1993 the County commissioners authorized a loan from special public works fund by entering into a loan contract with Oregon Economic Development Department. Notes payable are due in annual installments of \$4,268.26 thru December 31, 1993 and \$4,886.78 thereafter. Interest accrues at the rate of 6.5%. The annual requirements to amortize note payments outstanding as of year end follows:

Year ended June 30,	Principal	Interest	Total Requirements
2013	\$ 4,589	\$ 298	\$ 4,887

Interest expense on long-term debt has been charged on the Statement of Activities as follows:

Government Type Activities:		Business Type Activities:	
Interest on long-term debt	\$ 17,670	Airport	\$ 90,047
		Golf Course	37,211

Note 8 - Internal Balances:

Interfund balances at June 30, 2012 consisted of the following receivables and payables:

	Receivables	Payables
Governmental Funds:		
General Fund	\$ 894,599	\$ -
Nonmajor funds	-	206,236
Proprietary Funds:		
Buffalo Peak Golf Course Fund	-	688,363
	<u>\$ 894,599</u>	<u>\$ 894,599</u>

Interfund receivables are to supplement funds operating a deficit. The \$688,363 due to the general fund from Buffalo Peak Golf Course Fund is not expected to be repaid within one year from the date of the financial statements.

Note 9 - Grants:

In the normal course of operations, the County received grant funds from various Federal and State agencies. The grant programs are subject to audit by agents of the granting authority to ensure compliance with conditions of the grant. Any liability for reimbursement which may arise as the result of a grantor audit is not believed to be material.

UNION COUNTY, OREGON
Notes to Basic Financial Statements

Note 10 - Operating Leases:

The County has entered into a number of operating leases, which contain cancellation provisions and are subject to annual appropriations. For fiscal year ended June 30, 2012, rentals approximated \$235,875 for such leases. These leases primarily support governmental activities. The following is a schedule by year for the five years which totals all future minimum lease payments under operating leases:

Fiscal Year Ended June 30,	Governmental Funds
2012	\$ 161,526
2013	277,565
2014	400,138
2015	78,807
2016	540,000
Total payments	<u>\$ 1,458,036</u>

Note 11 - Contributions to Pension Plan:

The County provides pension benefits for all of its full-time employees through a defined contribution plan administered by the Principal Financial Group. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The plan assets are not insured. Employees are eligible to participate six months from the date of employment. Contributions by the County for employees were 15.1% of the Sheriff and Corrections Law Enforcement certified salaries and 10.8% non-certified salaries, 10% of the County Road Department salaries, and all other employees salaries are at 10.25%. County employees contribute 6% of their salaries to the plan. The County's contributions for each employee are fully vested after five years of continuous service. County contributions for, and interest forfeited by, employees who leave employment before three years of service are used to reduce the County's current period contribution requirement. County Commissioners have full power and authority to adopt rules and regulations for the administration of the plan. The Commissioners review and approve withdrawals, terminations and benefit payments.

The County's total payroll for the fiscal year ended June 30, 2012 was \$5,840,274, and the amount of these wages qualifying for pension plan contributions amounted to \$5,301,794. The total pension plan contributions for the fiscal year ended June 30, 2012 amounted to \$974,512. Of this amount, \$375,326 was paid by the employees and \$599,187 was paid by the County. The total fair market value of all contributions to the plan at year end was \$13,207,982. The fund invests the contributions in various mutual funds.

Note 12 - Internal Transfers:

Internal transfers for the fiscal year ended June 30, 2012 consist of the following:

	Transfers In	Transfers Out
Governmental Funds:		
General Fund	\$ 137,363	\$ 74,800
Public Works Fund	40,000	35,000
Nonmajor funds	173,167	350,730
Proprietary Funds:		
Airport Fund	10,933	40,933
Buffalo Peak Golf Course Fund	140,000	-
	<u>\$ 501,463</u>	<u>\$ 501,463</u>

Transfers are primarily used to move funds from:

- * The Special Revenue Funds to the General Fund for an allocated amount of salaries and benefits.
- * The Proprietary Funds to other Proprietary Funds for capital projects.
- * The General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

UNION COUNTY, OREGON
Notes to Basic Financial Statements

Note 13 - Risk Management:

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters; employee injury or illness for which the County carries commercial insurance, subject to customary deductibles and total coverage limits recommended by the County's insurance agent of record. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

Note 14 - Litigation:

The County is party to various legal proceedings which normally occur in governmental operations. These legal proceedings are not likely to have a material adverse impact on the County. It is expected that insurance will cover any liabilities the County might incur.

Note 15 - Contingency:

Union County and Wallowa County negotiated on the purchase of a railroad. A separate council of governments was formed (Wallowa Union Railroad Authority) on August 19, 2003. This entity is operating the railroad. On August 24, 2011, the Railroad obtained a construction operating line of credit in the amount of \$250,000. Union and Wallowa counties were required to guarantee this construction operating line of credit. The amount drawn on as of June 30, 2012 was \$38, the full amount of which Union County is contingently liable. Copies of the Wallowa Union Railroad Authority financial statements can be obtained from Union County.

Note 16 - Commitments:

The County estimates the costs to complete the Airport Runway Safety Area Improvement, Gekeler Slough and Airport Road relocation projects at June 30, 2012 will be \$1,805,028; 95% of which will come from FAA Grant Funds and 5% from a Connect Oregon III grant. There are no required County match funds. Expenditures to date are capitalized in the Airport Operations Fund - Construction in Progress in the amount of \$4,087,645.

Note 17 - Related Party Transaction:

Commissioner Davidson has a business relationship with the La Grande Napa Auto Parts store. The County has for many years purchased parts at the store. The County purchased \$19,268 from the store during the fiscal year. Commissioner Davidson does not have ownership and does not benefit from parts purchases. However, any machine work taken to Napa goes through Commissioner Davidson's business. For the fiscal year ended June 30, 2012, \$100 of machine work was performed.

Note 18 - Closure and Post-Closure Care Cost - Long-Term Liability:

State and federal laws and regulations require the Union County Solid Waste District to place a final cover on its Foxhill landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. The landfill was officially closed on November 1, 2006. As of June 30, 2012, all closure cost had been paid. The \$850,623 reported as landfill closure and post-closure care liability at year end represents the estimated cost of monitoring the site for the next 24 ½ years. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. Management expects future revenues plus present cash will cover all post-closure costs.

The District is required by state and federal laws and regulations to make annual contributions to a trust, or obtain insurance, surety bond, letter of credit, or qualify as a self-insurer or any combination of these methods to finance closure and post-closure care. The District is in compliance with these requirements and at June 30, 2012, total cash of \$226,291 is available for these purposes. In the future, these costs may need to be covered by future tax revenue or franchise fees.

UNION COUNTY, OREGON
Notes to Basic Financial Statements

Note 19 - Other Post-Employment Benefits:

Defined Contribution OPEB Plan

Plan Description

Association Oregon Counties Insurance Trust (AOCIT) is a Agent Multiple-Employer Plan administered by Cities and Counties Insurance Services. AOCIT provides health insurance benefits to employees and eligible retirees and their spouses. The Union County Board of Commissioners retain the right to modify the benefit provisions and the retirees have a choice of health insurance benefits under the plan. The AOCIT does not issue financial statements for Union County's plan as they are a government agency and exempt from filing.

Funding Policy

Funding Policy: The contribution requirements of plan members and the County are established and may be amended by the Board of Commissioners. The required contribution is based on the pay-as-go system requiring retired members to pay the full cost of the premium. The County has no contributions. Current rates to the retirees are as follows:

<u>\$200 Deductible:</u>	<u>\$300 Deductible:</u>
Retiree Only \$588.90	Retiree Only \$578.29
Retiree & Other \$1,217.74	Retiree & Other \$1,195.40

The AOCIT plan is "community rated" and therefore there is no additional costs for the County current employees to have retirees continue on the plan and pay their premiums. The county is not required to report an annual OPEB cost and or prior obligation.

Note 20 - Prior Period Adjustment:

It was determined that beginning net capital assets was incorrect due to an error in the prior year. This resulted in changes to the County's governmental activities beginning net assets as follows:

<u>Government-Wide Financial Statements - Governmental Activities</u>		
Net Assets at July 1, 2011 - originally reported		\$ 33,482,358
Capital asset adjustment	44,993	
Accumulated depreciation adjustment	<u>(27,338)</u>	
Total prior period adjustment		<u>17,655</u>
Net Assets at July 1, 2011 - restated		<u><u>\$ 33,500,013</u></u>

REQUIRED SUPPLEMENTARY INFORMATION

UNION COUNTY, OREGON
Schedule of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual
General Fund - 101
For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Property taxes	\$ 4,158,212	\$ 4,158,212	\$ 4,256,369	\$ 98,157
Payments in lieu of tax	995,000	995,000	1,141,379	146,379
Other taxes	10,000	10,000	9,167	(833)
Intergovernmental	1,424,893	1,424,893	974,554	(450,339)
Charges for services	693,225	693,225	692,361	(864)
Licenses and fees	252,450	252,450	296,716	44,266
Fines and forfeitures	30,400	30,400	19,595	(10,805)
Rental income	166,836	166,836	159,982	(6,854)
Interest on investments	10,000	10,000	7,806	(2,194)
Miscellaneous	118,900	103,800	162,581	58,781
Total revenues	<u>7,859,916</u>	<u>7,844,816</u>	<u>7,720,510</u>	<u>(124,306)</u>
Expenditures				
Assessor	910,321	910,321	853,907	56,414
County Clerk	323,495	323,495	287,814	35,681
Board of Commissioners/Administration	834,515	835,715	797,779	37,936
Facilities/District Court	379,757	404,257	380,335	23,922
District Attorney/Support Enforcement	567,172	567,172	511,648	55,524
Juvenile Department	510,341	510,341	497,775	12,566
Planning/Emergency Services	409,876	409,876	332,061	77,815
Special Accounts	1,036,741	1,036,741	864,266	172,475
Sheriff	1,503,117	1,503,117	1,412,692	90,425
Corrections	1,526,217	1,603,217	1,600,352	2,865
Capital outlay	275,713	275,713	138,078	137,635
Contingency	302,600	184,800	-	184,800
Total expenditures	<u>8,579,865</u>	<u>8,564,765</u>	<u>7,676,707</u>	<u>888,058</u>
Excess of revenues over (under) expenditures	<u>(719,949)</u>	<u>(719,949)</u>	<u>43,803</u>	<u>763,752</u>
Other Financing Sources (Uses)				
Transfers in	142,363	142,363	137,363	(5,000)
Transfers out	(62,300)	(62,300)	(74,800)	(12,500)
Total other financing sources (uses)	<u>80,063</u>	<u>80,063</u>	<u>62,563</u>	<u>(17,500)</u>
Net change in fund balance	(639,886)	(639,886)	106,366	746,252
Beginning fund balance	<u>639,886</u>	<u>639,886</u>	<u>1,019,374</u>	<u>379,488</u>
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,125,740</u>	<u>\$ 1,125,740</u>

UNION COUNTY, OREGON
Schedule of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual
Public Works Fund - 201
For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Intergovernmental	\$ 3,146,467	\$ 3,146,467	\$ 2,996,211	\$ (150,256)
Licenses and fees	126,000	126,000	79,664	(46,336)
Interest on investments	2,000	2,000	1,420	(580)
Miscellaneous	10,000	10,000	16,443	6,443
Total revenues	<u>3,284,467</u>	<u>3,284,467</u>	<u>3,093,738</u>	<u>(190,729)</u>
Expenditures				
Personnel services	1,446,872	1,446,872	1,411,822	35,050
Materials and services	1,630,948	1,630,948	1,022,874	608,074
Capital outlay	85,000	85,000	33,288	51,712
Contingency	391,919	391,919	30,000	361,919
Total expenditures	<u>3,554,739</u>	<u>3,554,739</u>	<u>2,497,984</u>	<u>1,056,755</u>
Excess of revenues over (under) expenditures	<u>(270,272)</u>	<u>(270,272)</u>	<u>595,754</u>	<u>866,026</u>
Other Financing Sources (Uses)				
Transfers in	40,000	40,000	40,000	-
Transfers out	<u>(35,000)</u>	<u>(35,000)</u>	<u>(35,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Net change in fund balance	<u>(265,272)</u>	<u>(265,272)</u>	<u>600,754</u>	<u>866,026</u>
Beginning fund balance	<u>265,272</u>	<u>265,272</u>	<u>922,675</u>	<u>657,403</u>
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,523,429</u>	<u>\$ 1,523,429</u>

UNION COUNTY, OREGON
Schedule of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual
Bicycle Fund/Project Fund - 205
For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Intergovernmental	\$ 4,515,000	\$ 5,064,000	\$ 2,992,713	\$ (2,071,287)
Interest on investments	300	300	2,684	2,384
Miscellaneous	200,000	200,000	-	(200,000)
Total revenues	4,715,300	5,264,300	2,995,397	(2,268,903)
Expenditures				
Materials and services	200,000	249,000	134,759	114,241
Capital outlay	4,950,000	5,450,000	2,531,682	2,918,318
Contingency	117,300	117,300	-	117,300
Total expenditures	5,267,300	5,816,300	2,666,441	3,149,859
Net change in fund balance	(552,000)	(552,000)	328,956	880,956
Beginning fund balance	552,000	552,000	555,440	3,440
Ending fund balance	\$ -	\$ -	\$ 884,396	\$ 884,396

UNION COUNTY, OREGON
Notes to Required Supplementary Information

Budgets and Budgetary Accounting

The County budgets all funds which are subject to budget requirements of state law. The County Commissioners legally adopt the budget by resolution before July 1. The resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations. The level of control (departments in the General Fund and objects in all other funds, personal services, materials and services, capital outlay, contingency, other requirements, transfers, and debt service) is established by resolution for all funds.

The detail budget document, however, is required to contain more specific, detailed information for the aforementioned expenditure categories. Unexpected additional resources may be added to the budget through the use of a supplemental budget and appropriations ordinance. A supplemental budget that differs by 10 percent or more of any one of the individual funds contained in the original budget for that fiscal year 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 appropriation transfers between the levels of control. Such transfers require approval by the County Commissioners. Appropriations that have not been expended at year-end lapse and subsequent actual expenditures are then charged against ensuing year's appropriations.

Appropriations

The County has complied with legal requirements relating to the preparation, adoption and execution of the annual budget for the year ended June 30, 2012, except the County did not comply with ORS 294.456(6). Expenditures exceeded budgeted appropriations for the year ended June 30, 2012, as stated in the Notes to Basic Financial Statements, Note 2: Compliance and Accountability.

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SUPPLEMENTARY INFORMATION

UNION COUNTY, OREGON
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2012

	210	215	217	220	230	233
	Parks Department	Animal Control	County School	Commission on Children & Families	Court Security	Wind Project
Assets						
Cash and investments	\$ 173,192	\$ 4,942	\$ 438	\$ 222,921	\$ 63,785	\$ 16,222
Accounts receivable	8,650	-	-	-	-	-
Prepaid expenses	-	-	-	-	-	-
Taxes receivable	-	-	-	-	-	-
Total assets	<u>\$ 181,842</u>	<u>\$ 4,942</u>	<u>\$ 438</u>	<u>\$ 222,921</u>	<u>\$ 63,785</u>	<u>\$ 16,222</u>
Liabilities and Fund Balances						
Liabilities:						
Accounts payable	\$ 80	\$ 352	\$ -	\$ 15,974	\$ -	\$ -
Deferred revenue	-	-	-	33,700	-	-
Interfund payable	-	-	-	-	-	-
Total liabilities	<u>80</u>	<u>352</u>	<u>-</u>	<u>49,674</u>	<u>-</u>	<u>-</u>
Fund Balances:						
Restricted	181,762	-	438	173,247	63,785	-
Committed	-	4,590	-	-	-	16,222
Unassigned	-	-	-	-	-	-
Total fund balances	<u>181,762</u>	<u>4,590</u>	<u>438</u>	<u>173,247</u>	<u>63,785</u>	<u>16,222</u>
Total liabilities and fund balances	<u>\$ 181,842</u>	<u>\$ 4,942</u>	<u>\$ 438</u>	<u>\$ 222,921</u>	<u>\$ 63,785</u>	<u>\$ 16,222</u>

UNION COUNTY, OREGON
Combining Balance Sheet
Nonmajor Governmental Funds (continued)
June 30, 2012

234	235	240	245	247	250	252	253
Renewable Energy	STF	Community Corrections	Crime Victim Program	MERA	CAMI Program	Title III	Forest Service Title III
\$ 38,995	\$ 3,170	\$ 578,933	\$ -	\$ -	\$ -	\$ 73,172	\$ 126,827
-	50,831	13,799	7,452	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 38,995</u>	<u>\$ 54,001</u>	<u>\$ 592,732</u>	<u>\$ 7,452</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 73,172</u>	<u>\$ 126,827</u>
\$ -	\$ 50,831	\$ 4,413	\$ 99	\$ 20,498	\$ -	\$ -	\$ -
-	-	-	-	-	-	71,723	-
-	-	-	26,145	60,365	37,830	-	-
-	50,831	4,413	26,244	80,863	37,830	71,723	-
-	3,170	588,319	-	-	-	1,449	126,827
38,995	-	-	-	-	-	-	-
-	-	-	(18,792)	(80,863)	(37,830)	-	-
<u>38,995</u>	<u>3,170</u>	<u>588,319</u>	<u>(18,792)</u>	<u>(80,863)</u>	<u>(37,830)</u>	<u>1,449</u>	<u>126,827</u>
<u>\$ 38,995</u>	<u>\$ 54,001</u>	<u>\$ 592,732</u>	<u>\$ 7,452</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 73,172</u>	<u>\$ 126,827</u>

UNION COUNTY, OREGON
Combining Balance Sheet
Nonmajor Governmental Funds (continued)
June 30, 2012

	255	260	263	265	266	268
	Economic Development	Community Development Loan	Watershed	Agriculture Services	Non-Med Transportation	Human Services
Assets						
Cash and investments	\$ 204,155	\$ 9,791	\$ -	\$ 73,760	\$ 583	\$ -
Accounts receivable	1,701	-	46,381	11,375	4,551	18,992
Prepaid expenses	-	-	-	-	-	-
Taxes receivable	-	-	-	-	-	-
Total assets	<u>\$ 205,856</u>	<u>\$ 9,791</u>	<u>\$ 46,381</u>	<u>\$ 85,135</u>	<u>\$ 5,134</u>	<u>\$ 18,992</u>
Liabilities and Fund Balances						
Liabilities:						
Accounts payable	\$ 1,360	\$ -	\$ -	\$ 347	\$ 4,551	\$ 10,604
Deferred revenue	-	-	-	-	-	-
Interfund payable	-	-	46,379	-	-	6,443
Total liabilities	<u>1,360</u>	<u>-</u>	<u>46,379</u>	<u>347</u>	<u>4,551</u>	<u>17,047</u>
Fund Balances:						
Restricted	150,000	9,791	-	-	583	1,945
Committed	54,496	-	2	84,788	-	-
Unassigned	-	-	-	-	-	-
Total fund balances	<u>204,496</u>	<u>9,791</u>	<u>2</u>	<u>84,788</u>	<u>583</u>	<u>1,945</u>
Total liabilities and fund balances	<u>\$ 205,856</u>	<u>\$ 9,791</u>	<u>\$ 46,381</u>	<u>\$ 85,135</u>	<u>\$ 5,134</u>	<u>\$ 18,992</u>

UNION COUNTY, OREGON
Combining Balance Sheet
Nonmajor Governmental Funds (continued)
June 30, 2012

269	270	272	280	283	285	287	290
Mediation Assessment	Ambulance	Library Project	911 Communication	RAC Maintenance	Law Library	Drug Court	Building & Property Reserve
\$ 52,029	\$ 1,557	\$ 4,255	\$ 191,815	\$ 21,058	\$ 94,572	\$ -	\$ 146,518
-	-	-	79,754	-	-	27,100	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 52,029</u>	<u>\$ 1,557</u>	<u>\$ 4,255</u>	<u>\$ 271,569</u>	<u>\$ 21,058</u>	<u>\$ 94,572</u>	<u>\$ 27,100</u>	<u>\$ 146,518</u>
\$ 680	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22,299	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	29,074	-
<u>680</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>51,373</u>	<u>-</u>
51,349	-	4,255	271,569	-	94,572	-	-
-	1,557	-	-	21,058	-	-	146,518
-	-	-	-	-	-	(24,273)	-
<u>51,349</u>	<u>1,557</u>	<u>4,255</u>	<u>271,569</u>	<u>21,058</u>	<u>94,572</u>	<u>(24,273)</u>	<u>146,518</u>
<u>\$ 52,029</u>	<u>\$ 1,557</u>	<u>\$ 4,255</u>	<u>\$ 271,569</u>	<u>\$ 21,058</u>	<u>\$ 94,572</u>	<u>\$ 27,100</u>	<u>\$ 146,518</u>

UNION COUNTY, OREGON
Combining Balance Sheet
Nonmajor Governmental Funds (continued)
June 30, 2012

	293 Senior Center Maintenance	295 Union County Fair Board	300 Justice Court	301 Clerk Equipment Reserve	302 A & T Users Capital	303 Vehicle Reserve
Assets						
Cash and investments	\$ 19,618	\$ 56,108	\$ 64,739	\$ 52,360	\$ 22,374	\$ 51,462
Accounts receivable	-	1,289	212,946	740	180	-
Prepaid expenses	-	-	-	-	-	-
Taxes receivable	-	-	-	-	-	-
Total assets	<u>\$ 19,618</u>	<u>\$ 57,397</u>	<u>\$ 277,685</u>	<u>\$ 53,100</u>	<u>\$ 22,554</u>	<u>\$ 51,462</u>
Liabilities and Fund Balances						
Liabilities:						
Accounts payable	\$ -	\$ 4,022	\$ 4,283	\$ -	\$ -	\$ -
Deferred revenue	-	10,840	212,946	-	-	-
Interfund payable	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>14,862</u>	<u>217,229</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:						
Restricted	-	-	-	53,100	-	-
Committed	19,618	-	60,456	-	22,554	51,462
Unassigned	-	42,535	-	-	-	-
Total fund balances	<u>19,618</u>	<u>42,535</u>	<u>60,456</u>	<u>53,100</u>	<u>22,554</u>	<u>51,462</u>
Total liabilities and fund balances	<u>\$ 19,618</u>	<u>\$ 57,397</u>	<u>\$ 277,685</u>	<u>\$ 53,100</u>	<u>\$ 22,554</u>	<u>\$ 51,462</u>

UNION COUNTY, OREGON
Combining Balance Sheet
Nonmajor Governmental Funds (continued)
June 30, 2012

306	307	308	312	313	315	902	Total
GIS	Transit HUB Maintenance	Communications System	Dispute Resolution	Surveyor	Map	Union County 4-H Extension	Nonmajor Governmental Funds
\$ 18,080	\$ 17,551	\$ 54,215	\$ 1,863	\$ 37,787	\$ 9,104	\$ 182,428	\$ 2,690,379
1,520	-	601	-	2,560	-	4,756	495,178
-	-	-	-	-	-	1,045	1,045
-	-	-	-	-	-	19,640	19,640
<u>\$ 19,600</u>	<u>\$ 17,551</u>	<u>\$ 54,816</u>	<u>\$ 1,863</u>	<u>\$ 40,347</u>	<u>\$ 9,104</u>	<u>\$ 207,869</u>	<u>\$ 3,206,242</u>
\$ -	\$ -	\$ 4,910	\$ -	\$ 6,513	\$ -	\$ 9,078	\$ 160,894
-	-	-	-	-	-	33,676	362,885
-	-	-	-	-	-	-	206,236
-	-	4,910	-	6,513	-	42,754	730,015
-	-	-	1,863	33,834	-	165,115	1,976,973
19,600	17,551	49,906	-	-	9,104	-	618,477
-	-	-	-	-	-	-	(119,223)
<u>19,600</u>	<u>17,551</u>	<u>49,906</u>	<u>1,863</u>	<u>33,834</u>	<u>9,104</u>	<u>165,115</u>	<u>2,476,227</u>
<u>\$ 19,600</u>	<u>\$ 17,551</u>	<u>\$ 54,816</u>	<u>\$ 1,863</u>	<u>\$ 40,347</u>	<u>\$ 9,104</u>	<u>\$ 207,869</u>	<u>\$ 3,206,242</u>

UNION COUNTY, OREGON
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2012

	210	215	217	220	230	233
	Parks Department	Animal Control	County School	Commission on Children & Families	Court Security	Wind Project
Revenues						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Payments in lieu of tax	-	-	119,674	-	-	-
Other taxes	-	-	10,996	-	-	-
Intergovernmental	42,290	-	218,420	376,423	42,180	-
Charges for services	-	10,453	-	-	-	-
Licenses and fees	-	-	-	-	-	359,391
Fines and forfeitures	-	1,569	-	-	-	-
Rental income	-	-	-	-	-	-
Interest on investments	643	(27)	272	854	184	622
Miscellaneous	-	25,025	-	17,549	-	-
Total revenues	<u>42,933</u>	<u>37,020</u>	<u>349,362</u>	<u>394,826</u>	<u>42,364</u>	<u>360,013</u>
Expenditures						
Current:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	25,963	-
Health	-	-	-	-	-	-
Public services	-	70,876	-	380,195	-	-
Culture and recreation	25,690	-	-	-	-	-
Community development	-	-	-	-	-	112,218
Education	-	-	349,481	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay	-	8,367	-	-	-	-
Total expenditures	<u>25,690</u>	<u>79,243</u>	<u>349,481</u>	<u>380,195</u>	<u>25,963</u>	<u>112,218</u>
Excess of revenues over (under) expenditures	<u>17,243</u>	<u>(42,223)</u>	<u>(119)</u>	<u>14,631</u>	<u>16,401</u>	<u>247,795</u>
Other Financing Sources (Uses)						
Transfers in	-	46,467	-	-	-	-
Transfers out	(10,000)	-	-	-	-	(259,230)
Total other financing sources (uses)	<u>(10,000)</u>	<u>46,467</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(259,230)</u>
Net change in fund balance	7,243	4,244	(119)	14,631	16,401	(11,435)
Beginning fund balance	<u>174,519</u>	<u>346</u>	<u>557</u>	<u>158,616</u>	<u>47,384</u>	<u>27,657</u>
Ending fund balance	<u>\$ 181,762</u>	<u>\$ 4,590</u>	<u>\$ 438</u>	<u>\$ 173,247</u>	<u>\$ 63,785</u>	<u>\$ 16,222</u>

UNION COUNTY, OREGON
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds (continued)
For the Fiscal Year Ended June 30, 2012

234	235	240	245	247	250	252	253
Renewable Energy	STF	Community Corrections	Crime Victim Program	MERA	CAMI Program	Title III	Forest Service Title III
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	267,355	238,332	92,597	72,826	-	84,452	-
-	-	378,653	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	74,424	-	-	-	-	-
-	-	-	-	-	-	-	-
147	56	2,320	-	-	-	299	464
-	-	4,218	-	696	18,000	-	-
<u>147</u>	<u>267,411</u>	<u>697,947</u>	<u>92,597</u>	<u>73,522</u>	<u>18,000</u>	<u>84,751</u>	<u>464</u>
-	-	-	-	-	-	-	-
-	-	678,684	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	109,644	-	-	84,452	567
5,000	266,489	-	-	109,830	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>5,000</u>	<u>266,489</u>	<u>678,684</u>	<u>109,644</u>	<u>184,578</u>	<u>-</u>	<u>84,452</u>	<u>567</u>
<u>(4,853)</u>	<u>922</u>	<u>19,263</u>	<u>(17,047)</u>	<u>(111,056)</u>	<u>18,000</u>	<u>299</u>	<u>(103)</u>
-	-	-	-	40,000	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	40,000	-	-	-
<u>(4,853)</u>	<u>922</u>	<u>19,263</u>	<u>(17,047)</u>	<u>(71,056)</u>	<u>18,000</u>	<u>299</u>	<u>(103)</u>
<u>43,848</u>	<u>2,248</u>	<u>569,056</u>	<u>(1,745)</u>	<u>(9,807)</u>	<u>(55,830)</u>	<u>1,150</u>	<u>126,930</u>
<u>\$ 38,995</u>	<u>\$ 3,170</u>	<u>\$ 588,319</u>	<u>\$ (18,792)</u>	<u>\$ (80,863)</u>	<u>\$ (37,830)</u>	<u>\$ 1,449</u>	<u>\$ 126,827</u>

UNION COUNTY, OREGON
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds (continued)
For the Fiscal Year Ended June 30, 2012

	255	260	263	265	266	268
	Economic Development	Community Development Loan	Watershed	Agriculture Services	Non-Med Transportation	Human Services
Revenues						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Payments in lieu of tax	-	-	-	-	-	-
Other taxes	129,626	-	-	-	-	-
Intergovernmental	138,392	37,500	278,419	58,172	58,039	-
Charges for services	-	-	-	-	-	-
Licenses and fees	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Rental income	-	-	-	-	-	-
Interest on investments	731	47	-	278	7	-
Miscellaneous	-	-	-	207	23,341	58,462
Total revenues	<u>268,749</u>	<u>37,547</u>	<u>278,419</u>	<u>58,657</u>	<u>81,387</u>	<u>58,462</u>
Expenditures						
Current:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Health	-	-	-	-	-	68,012
Public services	-	-	278,299	49,231	87,950	-
Culture and recreation	-	-	-	-	-	-
Community development	158,881	37,500	-	-	-	-
Education	-	-	-	-	-	-
Debt service:						
Principal	6,455	-	-	-	-	-
Interest	3,833	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>169,169</u>	<u>37,500</u>	<u>278,299</u>	<u>49,231</u>	<u>87,950</u>	<u>68,012</u>
Excess of revenues over (under) expenditures	<u>99,580</u>	<u>47</u>	<u>120</u>	<u>9,426</u>	<u>(6,563)</u>	<u>(9,550)</u>
Other Financing Sources (Uses)						
Transfers in	-	-	-	-	-	-
Transfers out	(40,000)	-	-	-	-	-
Total other financing sources (uses)	<u>(40,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	59,580	47	120	9,426	(6,563)	(9,550)
Beginning fund balance	144,916	9,744	(118)	75,362	7,146	11,495
Ending fund balance	<u>\$ 204,496</u>	<u>\$ 9,791</u>	<u>\$ 2</u>	<u>\$ 84,788</u>	<u>\$ 583</u>	<u>\$ 1,945</u>

UNION COUNTY, OREGON
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds (continued)
For the Fiscal Year Ended June 30, 2012

269	270	272	280	283	285	287	290
Mediation Assessment	Ambulance	Library Project	911 Communication	RAC Maintenance	Law Library	Drug Court	Building & Property Reserve
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	313,505	-	-	133,215	-
-	-	-	-	5,400	-	-	-
29,306	-	-	-	-	20,983	18,762	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
188	5	16	1,590	68	348	(78)	430
-	-	-	15,454	-	-	478	-
<u>29,494</u>	<u>5</u>	<u>16</u>	<u>330,549</u>	<u>5,468</u>	<u>21,331</u>	<u>152,377</u>	<u>430</u>
-	-	-	-	-	-	-	30,785
-	-	-	399,567	-	-	161,749	-
-	-	-	-	-	-	-	-
20,420	-	-	-	-	-	-	-
-	-	-	-	-	13,400	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>20,420</u>	<u>-</u>	<u>-</u>	<u>399,567</u>	<u>-</u>	<u>13,400</u>	<u>161,749</u>	<u>30,785</u>
<u>9,074</u>	<u>5</u>	<u>16</u>	<u>(69,018)</u>	<u>5,468</u>	<u>7,931</u>	<u>(9,372)</u>	<u>(30,355)</u>
-	-	-	-	-	-	-	50,000
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	50,000
9,074	5	16	(69,018)	5,468	7,931	(9,372)	19,645
42,275	1,552	4,239	340,587	15,590	86,641	(14,901)	126,873
<u>\$ 51,349</u>	<u>\$ 1,557</u>	<u>\$ 4,255</u>	<u>\$ 271,569</u>	<u>\$ 21,058</u>	<u>\$ 94,572</u>	<u>\$ (24,273)</u>	<u>\$ 146,518</u>

UNION COUNTY, OREGON
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds (continued)
For the Fiscal Year Ended June 30, 2012

	293 Senior Center Maintenance	295 Union County Fair Board	300 Justice Court	301 Clerk Equipment Reserve	302 A & T Users Capital	303 Vehicle Reserve
Revenues						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Payments in lieu of tax	-	-	-	-	-	-
Other taxes	-	-	-	-	-	-
Intergovernmental	-	50,002	-	-	-	-
Charges for services	-	-	-	-	-	-
Licenses and fees	-	-	-	8,444	1,928	-
Fines and forfeitures	-	-	195,054	-	-	-
Rental income	-	19,039	-	-	-	-
Interest on investments	70	55	299	187	79	151
Miscellaneous	6,800	98,184	26	-	-	30,514
Total revenues	6,870	167,280	195,379	8,631	2,007	30,665
Expenditures						
Current:						
General government	-	-	-	3,484	-	-
Public safety	-	-	156,058	-	-	-
Health	-	-	-	-	-	-
Public services	4,851	-	-	-	-	-
Culture and recreation	-	160,473	-	-	-	-
Community development	-	-	-	-	-	-
Education	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	47,775
Total expenditures	4,851	160,473	156,058	3,484	-	47,775
Excess of revenues over (under) expenditures	2,019	6,807	39,321	5,147	2,007	(17,110)
Other Financing Sources (Uses)						
Transfers in	-	-	-	-	-	17,500
Transfers out	-	-	(35,000)	-	-	-
Total other financing sources (uses)	-	-	(35,000)	-	-	17,500
Net change in fund balance	2,019	6,807	4,321	5,147	2,007	390
Beginning fund balance	17,599	35,728	56,135	47,953	20,547	51,072
Ending fund balance	\$ 19,618	\$ 42,535	\$ 60,456	\$ 53,100	\$ 22,554	\$ 51,462

UNION COUNTY, OREGON
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Nonmajor Governmental Funds (continued)
For the Fiscal Year Ended June 30, 2012

306	307	308	312	313	315	902	Total
GIS	Transit HUB Maintenance	Communications System	Dispute Resolution	Surveyor	Map	Union County 4-H Extension	Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 229,217	\$ 229,217
-	-	-	-	-	-	-	119,674
-	-	-	-	-	-	-	140,622
-	-	-	13,782	-	-	50,439	2,566,340
-	-	-	176	-	-	-	394,682
17,458	-	41,634	-	28,017	-	-	525,923
-	-	-	-	-	-	-	271,047
-	-	-	-	-	-	41,194	60,233
94	57	153	11	100	38	661	11,419
-	6,000	-	-	-	-	36,593	341,547
<u>17,552</u>	<u>6,057</u>	<u>41,787</u>	<u>13,969</u>	<u>28,117</u>	<u>38</u>	<u>358,104</u>	<u>4,660,704</u>
-	-	-	-	45,017	-	-	79,286
-	-	24,934	-	-	-	-	1,446,955
-	-	-	-	-	-	-	68,012
19,262	1,000	-	12,106	-	-	-	1,118,853
-	-	-	-	-	-	283,218	592,611
-	-	-	-	-	-	-	580,088
-	-	-	-	-	-	-	349,481
-	-	-	-	-	-	8,604	15,059
-	-	-	-	-	-	9,723	13,556
-	-	-	-	-	-	25,890	156,780
<u>19,262</u>	<u>1,000</u>	<u>24,934</u>	<u>12,106</u>	<u>45,017</u>	<u>-</u>	<u>327,435</u>	<u>4,420,681</u>
<u>(1,710)</u>	<u>5,057</u>	<u>16,853</u>	<u>1,863</u>	<u>(16,900)</u>	<u>38</u>	<u>30,669</u>	<u>240,023</u>
-	-	-	-	19,200	-	-	173,167
(5,000)	-	-	-	-	(1,500)	-	(350,730)
(5,000)	-	-	-	19,200	(1,500)	-	(177,563)
(6,710)	5,057	16,853	1,863	2,300	(1,462)	30,669	62,460
26,310	12,494	33,053	-	31,534	10,566	134,446	2,413,767
<u>\$ 19,600</u>	<u>\$ 17,551</u>	<u>\$ 49,906</u>	<u>\$ 1,863</u>	<u>\$ 33,834</u>	<u>\$ 9,104</u>	<u>\$ 165,115</u>	<u>\$ 2,476,227</u>

UNION COUNTY, OREGON
Schedule of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual
Parks Fund - 210
For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Intergovernmental	\$ 42,150	\$ 42,150	\$ 42,290	\$ 140
Interest on investments	500	500	643	143
Total revenues	<u>42,650</u>	<u>42,650</u>	<u>42,933</u>	<u>283</u>
Expenditures				
Personnel services	7,150	7,150	4,984	2,166
Materials and services	28,000	28,000	20,706	7,294
Contingency	148,027	148,027	-	148,027
Total expenditures	<u>183,177</u>	<u>183,177</u>	<u>25,690</u>	<u>157,487</u>
Excess of revenues over (under) expenditures	(140,527)	(140,527)	17,243	157,770
Other Financing Sources (Uses)				
Transfers out	<u>(10,000)</u>	<u>(10,000)</u>	<u>(10,000)</u>	<u>-</u>
Net change in fund balance	(150,527)	(150,527)	7,243	157,770
Beginning fund balance	<u>150,527</u>	<u>150,527</u>	<u>174,519</u>	<u>23,992</u>
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 181,762</u>	<u>\$ 181,762</u>

UNION COUNTY, OREGON
Schedule of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual
Animal Control Fund - 215
For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Charges for services	\$ 6,971	\$ 6,971	\$ 10,453	\$ 3,482
Fines and forfeitures	4,000	4,000	1,569	(2,431)
Interest on investments	-	-	(27)	(27)
Miscellaneous	25,000	27,500	25,025	(2,475)
Total revenues	35,971	38,471	37,020	(1,451)
Expenditures				
Personnel services	59,671	61,171	61,157	14
Materials and services	18,850	19,850	9,719	10,131
Capital outlay	8,367	8,367	8,367	-
Total expenditures	86,888	89,388	79,243	10,145
Excess of revenues over (under) expenditures	(50,917)	(50,917)	(42,223)	8,694
Other Financing Sources (Uses)				
Transfers in	46,467	46,467	46,467	-
Net change in fund balance	(4,450)	(4,450)	4,244	8,694
Beginning fund balance	4,450	4,450	346	(4,104)
Ending fund balance	\$ -	\$ -	\$ 4,590	\$ 4,590

UNION COUNTY, OREGON
Schedule of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual
County School Fund - 217
For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Payments in lieu of tax	\$ 120,000	\$ 120,000	\$ 119,674	\$ (326)
Other taxes	12,000	12,000	10,996	(1,004)
Intergovernmental	220,000	220,000	218,420	(1,580)
Interest on investments	500	500	272	(228)
Total revenues	352,500	352,500	349,362	(3,138)
Expenditures				
Distributions to school districts	352,500	352,500	349,481	3,019
Net change in fund balance	-	-	(119)	(119)
Beginning fund balance	-	-	557	557
Ending fund balance	\$ -	\$ -	\$ 438	\$ 438

UNION COUNTY, OREGON
Schedule of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual
Commission on Children & Families Fund - 220
For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Intergovernmental	\$ 284,244	\$ 409,244	\$ 376,423	\$ (32,821)
Interest on investments	1,500	1,500	854	(646)
Miscellaneous	154,500	154,500	17,549	(136,951)
Total revenues	<u>440,244</u>	<u>565,244</u>	<u>394,826</u>	<u>(170,418)</u>
Expenditures				
Personnel services	125,218	187,353	155,087	32,266
Materials and services	278,057	340,922	225,108	115,814
Contingency	150,000	150,000	-	150,000
Total expenditures	<u>553,275</u>	<u>678,275</u>	<u>380,195</u>	<u>298,080</u>
Net change in fund balance	(113,031)	(113,031)	14,631	127,662
Beginning fund balance	<u>113,031</u>	<u>113,031</u>	<u>158,616</u>	<u>45,585</u>
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 173,247</u>	<u>\$ 173,247</u>

UNION COUNTY, OREGON
Schedule of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual
Court Security Fund - 230
For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Intergovernmental	\$ -	\$ -	\$ 42,180	\$ 42,180
Charges for services	40,000	40,000	-	(40,000)
Interest on investments	2,000	2,000	184	(1,816)
Total revenues	<u>42,000</u>	<u>42,000</u>	<u>42,364</u>	<u>364</u>
Expenditures				
Materials and services	60,000	60,000	25,963	34,037
Contingency	6,000	6,000	-	6,000
Total expenditures	<u>66,000</u>	<u>66,000</u>	<u>25,963</u>	<u>40,037</u>
Net change in fund balance	(24,000)	(24,000)	16,401	40,401
Beginning fund balance	<u>24,000</u>	<u>24,000</u>	<u>47,384</u>	<u>23,384</u>
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 63,785</u>	<u>\$ 63,785</u>

UNION COUNTY, OREGON
Schedule of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual
Wind Project Fund - 233
For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Licenses and fees	\$ -	\$ -	\$ 359,391	\$ 359,391
Interest on investments	500	500	622	122
Miscellaneous	340,460	345,560	-	(345,560)
Total revenues	340,960	346,060	360,013	13,953
Expenditures				
Materials and services	107,200	112,300	112,218	82
Contingency	1,930	1,930	-	1,930
Total expenditures	109,130	114,230	112,218	2,012
Excess of revenues over (under) expenditures	231,830	231,830	247,795	15,965
Other Financing Sources (Uses)				
Transfers out	(259,230)	(259,230)	(259,230)	-
Net change in fund balance	(27,400)	(27,400)	(11,435)	15,965
Beginning fund balance	27,400	27,400	27,657	257
Ending fund balance	\$ -	\$ -	\$ 16,222	\$ 16,222

UNION COUNTY, OREGON
Schedule of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual
Renewable Energy Fund - 234
For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Interest on investments	\$ 200	\$ 200	\$ 147	\$ (53)
Expenditures				
Materials and services	40,700	40,700	5,000	35,700
Net change in fund balance	(40,500)	(40,500)	(4,853)	35,647
Beginning fund balance	40,500	40,500	43,848	3,348
Ending fund balance	\$ -	\$ -	\$ 38,995	\$ 38,995

UNION COUNTY, OREGON
Schedule of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual
STF Fund - 235
For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Intergovernmental	\$ 158,500	\$ 355,565	\$ 267,355	\$ (88,210)
Interest on investments	-	-	56	56
Total revenues	158,500	355,565	267,411	(88,154)
Expenditures				
Materials and services	158,500	355,565	266,489	89,076
Net change in fund balance	-	-	922	922
Beginning fund balance	-	-	2,248	2,248
Ending fund balance	\$ -	\$ -	\$ 3,170	\$ 3,170

UNION COUNTY, OREGON
Schedule of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual
Community Corrections Fund - 240
For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Intergovernmental	\$ 272,022	\$ 272,022	\$ 238,332	\$ (33,690)
Charges for services	483,741	483,741	378,653	(105,088)
Fines and forfeitures	59,156	59,156	74,424	15,268
Interest on investments	2,500	2,500	2,320	(180)
Miscellaneous	2,500	2,500	4,218	1,718
Total revenues	<u>819,919</u>	<u>819,919</u>	<u>697,947</u>	<u>(121,972)</u>
Expenditures				
Personnel services	532,957	532,957	438,987	93,970
Materials and services	579,442	579,442	239,697	339,745
Capital outlay	21,000	21,000	-	21,000
Contingency	10,000	10,000	-	10,000
Total expenditures	<u>1,143,399</u>	<u>1,143,399</u>	<u>678,684</u>	<u>464,715</u>
Net change in fund balance	(323,480)	(323,480)	19,263	342,743
Beginning fund balance	<u>323,480</u>	<u>323,480</u>	<u>569,056</u>	<u>245,576</u>
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 588,319</u>	<u>\$ 588,319</u>

UNION COUNTY, OREGON
Schedule of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual
Crime Victim Program Fund - 245
For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Intergovernmental	\$ 111,175	\$ 111,175	\$ 92,597	\$ (18,578)
Expenditures				
Personnel services	104,676	107,676	107,180	496
Materials and services	6,499	3,499	2,464	1,035
Total expenditures	111,175	111,175	109,644	1,531
Net change in fund balance	-	-	(17,047)	(17,047)
Beginning fund balance	-	-	(1,745)	(1,745)
Ending fund balance	\$ -	\$ -	\$ (18,792)	\$ (18,792)

UNION COUNTY, OREGON
Schedule of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual
AMERA Fund - 247
For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Intergovernmental	\$ 216,614	\$ 248,614	\$ 72,826	\$ (175,788)
Miscellaneous	15,000	15,000	696	(14,304)
Total revenues	<u>231,614</u>	<u>263,614</u>	<u>73,522</u>	<u>(190,092)</u>
Expenditures				
Personnel services	74,843	74,843	72,999	1,844
Materials and services	38,207	70,207	36,831	33,376
Capital outlay	158,564	158,564	74,748	83,816
Total expenditures	<u>271,614</u>	<u>303,614</u>	<u>184,578</u>	<u>119,036</u>
Excess of revenues over (under) expenditures	(40,000)	(40,000)	(111,056)	(71,056)
Other Financing Sources (Uses)				
Transfers in	<u>40,000</u>	<u>40,000</u>	<u>40,000</u>	<u>-</u>
Net change in fund balance	-	-	(71,056)	(71,056)
Beginning fund balance	<u>-</u>	<u>-</u>	<u>(9,807)</u>	<u>(9,807)</u>
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (80,863)</u>	<u>\$ (80,863)</u>

UNION COUNTY, OREGON
Schedule of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual
CAMI Program Fund - 250
For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Miscellaneous	\$ -	\$ -	\$ 18,000	\$ 18,000
Expenditures				
Total expenditures	-	-	-	-
Net change in fund balance	-	-	18,000	18,000
Beginning fund balance	-	-	(55,830)	(55,830)
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (37,830)</u>	<u>\$ (37,830)</u>

UNION COUNTY, OREGON
Schedule of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual
Title III Fund - 252
For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Intergovernmental	\$ 49,140	\$ 49,140	\$ 84,452	\$ 35,312
Interest on investments	250	250	299	49
Total revenues	49,390	49,390	84,751	35,361
Expenditures				
Materials and services	139,747	139,747	84,452	55,295
Net change in fund balance	(90,357)	(90,357)	299	90,656
Beginning fund balance	90,357	90,357	1,150	(89,207)
Ending fund balance	\$ -	\$ -	\$ 1,449	\$ 1,449

UNION COUNTY, OREGON
Schedule of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual
Forest Service - Title III Fund - 253
For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Interest on investments	\$ 500	\$ 500	\$ 464	\$ (36)
Expenditures				
Materials and services	127,300	127,300	567	126,733
Net change in fund balance	(126,800)	(126,800)	(103)	126,697
Beginning fund balance	126,800	126,800	126,930	130
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 126,827</u>	<u>\$ 126,827</u>

UNION COUNTY, OREGON
Schedule of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual
Economic Development Fund - 255
For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Other taxes	\$ 145,000	\$ 145,000	\$ 129,626	\$ (15,374)
Intergovernmental	100,000	100,000	138,392	38,392
Interest on investments	-	-	731	731
Total revenues	<u>245,000</u>	<u>245,000</u>	<u>268,749</u>	<u>23,749</u>
Expenditures				
Materials and services	319,712	319,712	158,881	160,831
Debt service	10,288	10,288	10,288	-
Total expenditures	<u>330,000</u>	<u>330,000</u>	<u>169,169</u>	<u>160,831</u>
Excess of revenues over (under) expenditures	(85,000)	(85,000)	99,580	184,580
Other Financing Sources (Uses)				
Transfers out	<u>(40,000)</u>	<u>(40,000)</u>	<u>(40,000)</u>	<u>-</u>
Net change in fund balance	(125,000)	(125,000)	59,580	184,580
Beginning fund balance	<u>125,000</u>	<u>125,000</u>	<u>144,916</u>	<u>19,916</u>
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 204,496</u>	<u>\$ 204,496</u>

UNION COUNTY, OREGON
Schedule of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual
Community Development Loan Fund - 260
For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Intergovernmental	\$ 37,500	\$ 37,500	\$ 37,500	\$ -
Interest on investments	-	-	47	47
Total revenues	<u>37,500</u>	<u>37,500</u>	<u>37,547</u>	<u>47</u>
Expenditures				
Materials and services	<u>47,240</u>	<u>47,240</u>	<u>37,500</u>	<u>9,740</u>
Net change in fund balance	(9,740)	(9,740)	47	9,787
Beginning fund balance	<u>9,740</u>	<u>9,740</u>	<u>9,744</u>	<u>4</u>
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,791</u>	<u>\$ 9,791</u>

UNION COUNTY, OREGON
Schedule of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual
Watershed Fund - 263
For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Intergovernmental	\$ -	\$ -	\$ 278,419	\$ 278,419
Miscellaneous	279,246	279,246	-	(279,246)
Total revenues	279,246	279,246	278,419	(827)
Expenditures				
Personnel services	279,246	279,246	278,299	947
Net change in fund balance	-	-	120	120
Beginning fund balance	-	-	(118)	(118)
Ending fund balance	\$ -	\$ -	\$ 2	\$ 2

UNION COUNTY, OREGON
Schedule of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual
Agriculture Services Fund - 265
For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Intergovernmental	\$ 58,000	\$ 58,000	\$ 58,172	\$ 172
Interest on investments	500	500	278	(222)
Miscellaneous	500	500	207	(293)
Total revenues	59,000	59,000	58,657	(343)
Expenditures				
Personnel services	51,397	51,397	47,488	3,909
Materials and services	7,800	7,800	1,743	6,057
Contingency	82,169	82,169	-	82,169
Total expenditures	141,366	141,366	49,231	92,135
Net change in fund balance	(82,366)	(82,366)	9,426	91,792
Beginning fund balance	82,366	82,366	75,362	(7,004)
Ending fund balance	\$ -	\$ -	\$ 84,788	\$ 84,788

UNION COUNTY, OREGON
Schedule of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual
Non-Medical Transportation Fund - 266
For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Intergovernmental	\$ 155,000	\$ 155,000	\$ 58,039	\$ (96,961)
Interest on investments	-	-	7	7
Miscellaneous	46,500	46,500	23,341	(23,159)
Total revenues	201,500	201,500	81,387	(120,113)
Expenditures				
Materials and services	201,500	201,500	87,950	113,550
Net change in fund balance	-	-	(6,563)	(6,563)
Beginning fund balance	-	-	7,146	7,146
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 583</u>	<u>\$ 583</u>

UNION COUNTY, OREGON
Schedule of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual
Human Services Program Fund - 268
For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Miscellaneous	\$ 59,287	\$ 66,787	\$ 58,462	\$ (8,325)
Expenditures				
Personnel services	34,287	34,287	34,093	194
Materials and services	25,000	32,500	33,919	(1,419)
Total expenditures	59,287	66,787	68,012	(1,225)
Net change in fund balance	-	-	(9,550)	(9,550)
Beginning fund balance	-	-	11,495	11,495
Ending fund balance	\$ -	\$ -	\$ 1,945	\$ 1,945

UNION COUNTY, OREGON
Schedule of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual
Mediation Assessment Fund - 269
For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Licenses and fees	\$ 25,000	\$ 25,000	\$ 29,306	\$ 4,306
Interest on investments	200	200	188	(12)
Total revenues	<u>25,200</u>	<u>25,200</u>	<u>29,494</u>	<u>4,294</u>
Expenditures				
Materials and services	39,030	39,030	20,420	18,610
Contingency	30,849	30,849	-	30,849
Total expenditures	<u>69,879</u>	<u>69,879</u>	<u>20,420</u>	<u>49,459</u>
Net change in fund balance	(44,679)	(44,679)	9,074	53,753
Beginning fund balance	<u>44,679</u>	<u>44,679</u>	<u>42,275</u>	<u>(2,404)</u>
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 51,349</u>	<u>\$ 51,349</u>

UNION COUNTY, OREGON
Schedule of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual
Ambulance Fund - 270
For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Interest on investments	\$ -	\$ -	\$ 5	\$ 5
Expenditures				
Materials and services	2,050	2,050	-	2,050
Net change in fund balance	(2,050)	(2,050)	5	2,055
Beginning fund balance	2,050	2,050	1,552	(498)
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,557</u>	<u>\$ 1,557</u>

UNION COUNTY, OREGON
Schedule of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual
Library Project Fund - 272
For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Interest on investments	\$ 10	\$ 10	\$ 16	\$ 6
Expenditures				
Materials and services	4,247	4,247	-	4,247
Net change in fund balance	(4,237)	(4,237)	16	4,253
Beginning fund balance	4,237	4,237	4,239	2
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,255</u>	<u>\$ 4,255</u>

UNION COUNTY, OREGON
Schedule of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual
911 Communciation Fund - 280
For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Intergovernmental	\$ 325,000	\$ 325,000	\$ 313,505	\$ (11,495)
Interest on investments	1,500	1,500	1,590	90
Miscellaneous	-	-	15,454	15,454
Total revenues	<u>326,500</u>	<u>326,500</u>	<u>330,549</u>	<u>4,049</u>
Expenditures				
Materials and services	413,000	413,000	399,567	13,433
Contingency	<u>228,500</u>	<u>228,500</u>	-	<u>228,500</u>
Total expenditures	<u>641,500</u>	<u>641,500</u>	<u>399,567</u>	<u>241,933</u>
Net change in fund balance	(315,000)	(315,000)	(69,018)	245,982
Beginning fund balance	<u>315,000</u>	<u>315,000</u>	<u>340,587</u>	<u>25,587</u>
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 271,569</u>	<u>\$ 271,569</u>

UNION COUNTY, OREGON
Schedule of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual
RAC Maintenance Fund - 283
For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Charges for services	\$ 3,600	\$ 3,600	\$ 5,400	\$ 1,800
Interest on investments	50	50	68	18
Total revenues	<u>3,650</u>	<u>3,650</u>	<u>5,468</u>	<u>1,818</u>
Expenditures				
Materials and services	10,000	10,000	-	10,000
Contingency	<u>9,230</u>	<u>9,230</u>	<u>-</u>	<u>9,230</u>
Total expenditures	<u>19,230</u>	<u>19,230</u>	<u>-</u>	<u>19,230</u>
Net change in fund balance	(15,580)	(15,580)	5,468	21,048
Beginning fund balance	<u>15,580</u>	<u>15,580</u>	<u>15,590</u>	<u>10</u>
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,058</u>	<u>\$ 21,058</u>

UNION COUNTY, OREGON
Schedule of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual
Law Library Fund - 285
For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Licenses and fees	\$ 20,000	\$ 20,000	\$ 20,983	\$ 983
Interest on investments	300	300	348	48
Total revenues	<u>20,300</u>	<u>20,300</u>	<u>21,331</u>	<u>1,031</u>
Expenditures				
Materials and services	16,280	16,280	13,400	2,880
Contingency	<u>87,618</u>	<u>87,618</u>	-	<u>87,618</u>
Total expenditures	<u>103,898</u>	<u>103,898</u>	<u>13,400</u>	<u>90,498</u>
Net change in fund balance	(83,598)	(83,598)	7,931	91,529
Beginning fund balance	<u>83,598</u>	<u>83,598</u>	<u>86,641</u>	<u>3,043</u>
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 94,572</u>	<u>\$ 94,572</u>

UNION COUNTY, OREGON
Schedule of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual
Drug Court Fund - 287
For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Intergovernmental	\$ 160,647	\$ 160,647	\$ 133,215	\$ (27,432)
Licenses and fees	12,000	12,000	18,762	6,762
Interest on investments	-	-	(78)	(78)
Miscellaneous	-	-	478	478
Total revenues	172,647	172,647	152,377	(20,270)
Expenditures				
Materials and services	172,802	172,802	161,749	11,053
Net change in fund balance	(155)	(155)	(9,372)	(9,217)
Beginning fund balance	155	155	(14,901)	(15,056)
Ending fund balance	\$ -	\$ -	\$ (24,273)	\$ (24,273)

UNION COUNTY, OREGON
Schedule of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual
Building & Property Reserve Fund - 290
For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Interest on investments	\$ 300	\$ 300	\$ 430	\$ 130
Expenditures				
Materials and services	20,000	31,000	30,785	215
Contingency	157,060	146,060	-	146,060
Total expenditures	177,060	177,060	30,785	146,275
Excess of revenues over (under) expenditures	(176,760)	(176,760)	(30,355)	146,405
Other Financing Sources (Uses)				
Transfers in	50,000	50,000	50,000	-
Net change in fund balance	(126,760)	(126,760)	19,645	146,405
Beginning fund balance	126,760	126,760	126,873	113
Ending fund balance	\$ -	\$ -	\$ 146,518	\$ 146,518

UNION COUNTY, OREGON
Schedule of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual
Senior Center Maintenance Fund - 293
For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Interest on investments	\$ 100	\$ 100	\$ 70	\$ (30)
Miscellaneous	6,000	6,000	6,800	800
Total revenues	6,100	6,100	6,870	770
Expenditures				
Materials and services	24,282	24,282	4,851	19,431
Net change in fund balance	(18,182)	(18,182)	2,019	20,201
Beginning fund balance	18,182	18,182	17,599	(583)
Ending fund balance	\$ -	\$ -	\$ 19,618	\$ 19,618

UNION COUNTY, OREGON
Schedule of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual
Union County Fair Board Fund - 295
For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Intergovernmental	\$ 38,000	\$ 38,000	\$ 50,002	\$ 12,002
Rental income	12,600	12,600	19,039	6,439
Interest on investments	100	100	55	(45)
Miscellaneous	70,300	70,300	98,184	27,884
Total revenues	<u>121,000</u>	<u>121,000</u>	<u>167,280</u>	<u>46,280</u>
Expenditures				
Personnel services	41,000	41,000	33,234	7,766
Materials and services	102,250	122,250	127,239	(4,989)
Contingency	27,750	7,750	-	7,750
Total expenditures	<u>171,000</u>	<u>171,000</u>	<u>160,473</u>	<u>10,527</u>
Net change in fund balance	(50,000)	(50,000)	6,807	56,807
Beginning fund balance	<u>50,000</u>	<u>50,000</u>	<u>35,728</u>	<u>(14,272)</u>
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 42,535</u>	<u>\$ 42,535</u>

UNION COUNTY, OREGON
Schedule of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual
Justice Court Fund - 300
For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Fines and forfeitures	\$ 179,500	\$ 179,500	\$ 195,054	\$ 15,554
Interest on investments	150	150	299	149
Miscellaneous	-	-	26	26
Total revenues	<u>179,650</u>	<u>179,650</u>	<u>195,379</u>	<u>15,729</u>
Expenditures				
Personnel services	90,996	90,996	90,272	724
Materials and services	60,654	70,654	65,786	4,868
Contingency	20,000	10,000	-	10,000
Total expenditures	<u>171,650</u>	<u>171,650</u>	<u>156,058</u>	<u>15,592</u>
Excess of revenues over (under) expenditures	8,000	8,000	39,321	31,321
Other Financing Sources (Uses)				
Transfers out	<u>(40,000)</u>	<u>(40,000)</u>	<u>(35,000)</u>	<u>5,000</u>
Net change in fund balance	(32,000)	(32,000)	4,321	36,321
Beginning fund balance	<u>32,000</u>	<u>32,000</u>	<u>56,135</u>	<u>24,135</u>
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 60,456</u>	<u>\$ 60,456</u>

UNION COUNTY, OREGON
Schedule of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual
Clerk Equipment Reserve Fund - 301
For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Licenses and fees	\$ 9,500	\$ 9,500	\$ 8,444	\$ (1,056)
Interest on investments	-	-	187	187
Total revenues	9,500	9,500	8,631	(869)
Expenditures				
Materials and services	3,000	3,500	3,484	16
Contingency	51,500	51,000	-	51,000
Total expenditures	54,500	54,500	3,484	51,016
Net change in fund balance	(45,000)	(45,000)	5,147	50,147
Beginning fund balance	45,000	45,000	47,953	2,953
Ending fund balance	\$ -	\$ -	\$ 53,100	\$ 53,100

UNION COUNTY, OREGON
Schedule of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual
A & T Users Capital Fund - 302
For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Licenses and fees	\$ 2,010	\$ 2,010	\$ 1,928	\$ (82)
Interest on investments	65	65	79	14
Total revenues	<u>2,075</u>	<u>2,075</u>	<u>2,007</u>	<u>(68)</u>
Expenditures				
Materials and services	600	600	-	600
Contingency	<u>20,645</u>	<u>20,645</u>	<u>-</u>	<u>20,645</u>
Total expenditures	<u>21,245</u>	<u>21,245</u>	<u>-</u>	<u>21,245</u>
Net change in fund balance	(19,170)	(19,170)	2,007	21,177
Beginning fund balance	<u>19,170</u>	<u>19,170</u>	<u>20,547</u>	<u>1,377</u>
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,554</u>	<u>\$ 22,554</u>

UNION COUNTY, OREGON
Schedule of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual
Vehicle Reserve Fund - 303
For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Interest on investments	\$ 1,500	\$ 1,500	\$ 151	\$ (1,349)
Miscellaneous	150	150	30,514	30,364
Total revenues	1,650	1,650	30,665	29,015
Expenditures				
Capital outlay	69,850	69,850	47,775	22,075
Excess of revenues over (under) expenditures	(68,200)	(68,200)	(17,110)	51,090
Other Financing Sources (Uses)				
Transfers in	17,500	17,500	17,500	-
Net change in fund balance	(50,700)	(50,700)	390	51,090
Beginning fund balance	50,700	50,700	51,072	372
Ending fund balance	\$ -	\$ -	\$ 51,462	\$ 51,462

UNION COUNTY, OREGON
Schedule of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual - Modified Cash Basis
GIS Fund - 306
For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Licenses and fees	\$ 21,000	\$ 21,000	\$ 17,458	\$ (3,542)
Interest on investments	-	-	94	94
Total revenues	21,000	21,000	17,552	(3,448)
Expenditures				
Materials and services	24,500	24,500	19,262	5,238
Contingency	6,500	6,500	-	6,500
Total expenditures	31,000	31,000	19,262	11,738
Excess of revenues over (under) expenditures	(10,000)	(10,000)	(1,710)	8,290
Other Financing Sources (Uses)				
Transfers out	(5,000)	(5,000)	(5,000)	-
Net change in fund balance	(15,000)	(15,000)	(6,710)	8,290
Beginning fund balance	15,000	15,000	26,310	11,310
Ending fund balance	\$ -	\$ -	\$ 19,600	\$ 19,600

UNION COUNTY, OREGON
Schedule of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual
Transit Hub Maintenance Fund - 307
For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Interest on investments	\$ 50	\$ 50	\$ 57	\$ 7
Miscellaneous	6,000	6,000	6,000	-
Total revenues	6,050	6,050	6,057	7
Expenditures				
Materials and services	8,000	8,000	1,000	7,000
Contingency	10,050	10,050	-	10,050
Total expenditures	18,050	18,050	1,000	17,050
Net change in fund balance	(12,000)	(12,000)	5,057	17,057
Beginning fund balance	12,000	12,000	12,494	494
Ending fund balance	\$ -	\$ -	\$ 17,551	\$ 17,551

UNION COUNTY, OREGON
Schedule of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual
Communications System Fund - 308
For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Licenses and fees	\$ 35,000	\$ 35,000	\$ 41,634	\$ 6,634
Interest on investments	100	100	153	53
Total revenues	<u>35,100</u>	<u>35,100</u>	<u>41,787</u>	<u>6,687</u>
Expenditures				
Materials and services	27,500	27,500	24,934	2,566
Capital outlay	20,000	20,000	-	20,000
Contingency	25,600	25,600	-	25,600
Total expenditures	<u>73,100</u>	<u>73,100</u>	<u>24,934</u>	<u>48,166</u>
Net change in fund balance	(38,000)	(38,000)	16,853	54,853
Beginning fund balance	<u>38,000</u>	<u>38,000</u>	<u>33,053</u>	<u>(4,947)</u>
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 49,906</u>	<u>\$ 49,906</u>

UNION COUNTY, OREGON
Schedule of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual
Dispute Resolution Fund - 312
For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Intergovernmental	\$ 13,782	\$ 13,782	\$ 13,782	\$ -
Charges for services	2,543	2,543	176	(2,367)
Licenses and fees	500	500	-	(500)
Interest on investments	-	-	11	11
Miscellaneous	1,500	1,500	-	(1,500)
Total revenues	<u>18,325</u>	<u>18,325</u>	<u>13,969</u>	<u>(4,356)</u>
Expenditures				
Personnel services	16,640	16,640	11,457	5,183
Materials and services	1,685	1,685	649	1,036
Total expenditures	<u>18,325</u>	<u>18,325</u>	<u>12,106</u>	<u>6,219</u>
Net change in fund balance	-	-	1,863	1,863
Beginning fund balance	-	-	-	-
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,863</u>	<u>\$ 1,863</u>

UNION COUNTY, OREGON
Schedule of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual
Surveyor Fund - 313
For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Licenses and fees	\$ 21,500	\$ 21,500	\$ 28,017	\$ 6,517
Interest on investments	500	500	100	(400)
Total revenues	<u>22,000</u>	<u>22,000</u>	<u>28,117</u>	<u>6,117</u>
Expenditures				
Materials and services	47,130	47,130	45,017	2,113
Contingency	10,570	10,570	-	10,570
Total expenditures	<u>57,700</u>	<u>57,700</u>	<u>45,017</u>	<u>12,683</u>
Excess of revenues over (under) expenditures	(35,700)	(35,700)	(16,900)	18,800
Other Financing Sources (Uses)				
Transfers in	<u>19,200</u>	<u>19,200</u>	<u>19,200</u>	<u>-</u>
Net change in fund balance	(16,500)	(16,500)	2,300	18,800
Beginning fund balance	<u>16,500</u>	<u>16,500</u>	<u>31,534</u>	<u>15,034</u>
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,834</u>	<u>\$ 33,834</u>

UNION COUNTY, OREGON
Schedule of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual
Map Fund - 315
For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Interest on investments	\$ 50	\$ 50	\$ 38	\$ (12)
Expenditures				
Contingency	8,803	8,803	-	8,803
Excess of revenues over (under) expenditures	(8,753)	(8,753)	38	8,791
Other Financing Sources (Uses)				
Transfers out	(1,500)	(1,500)	(1,500)	-
Net change in fund balance	(10,253)	(10,253)	(1,462)	8,791
Beginning fund balance	10,253	10,253	10,566	313
Ending fund balance	\$ -	\$ -	\$ 9,104	\$ 9,104

UNION COUNTY, OREGON
Schedule of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual
Union County 4-H Extension
For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Property taxes	\$ 247,262	\$ 247,262	\$ 229,217	\$ (18,045)
Intergovernmental	16,886	16,886	50,439	33,553
Rental income	24,690	24,690	41,194	16,504
Interest on investments	300	300	661	361
Miscellaneous	15,510	15,510	36,593	21,083
Total revenues	<u>304,648</u>	<u>304,648</u>	<u>358,104</u>	<u>53,456</u>
Expenditures				
Personnel services	190,368	190,368	192,684	(2,316)
Materials and services	114,412	114,412	90,534	23,878
Debt service	19,047	19,047	18,327	720
Capital outlay	52,500	52,500	25,890	26,610
Contingency	5,925	5,925	-	5,925
Total expenditures	<u>382,252</u>	<u>382,252</u>	<u>327,435</u>	<u>54,817</u>
Net change in fund balance	(77,604)	(77,604)	30,669	108,273
Beginning fund balance	<u>77,604</u>	<u>77,604</u>	<u>134,446</u>	<u>56,842</u>
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 165,115</u>	<u>\$ 165,115</u>

UNION COUNTY, OREGON
Combining Statement of Net Assets
Airport Proprietary Funds
June 30, 2012

	501 Airport Operations	401 Airport Bond	320 Airport Capital Improvement	Total Airport Fund
Assets				
Current assets:				
Cash and investments	\$ 29,136	\$ -	\$ 60,486	\$ 89,622
Taxes receivable	-	55	-	55
Accounts receivable	45,638	-	209,797	255,435
Interfund receivable	246	-	-	246
Inventory	66,335	-	-	66,335
Total current assets	<u>141,355</u>	<u>55</u>	<u>270,283</u>	<u>411,693</u>
Noncurrent assets:				
Capital assets:				
Construction in progress	4,087,645	-	-	4,087,645
Buildings	2,724,878	-	-	2,724,878
Equipment and vehicles	143,045	-	-	143,045
Improvements	9,701,415	-	-	9,701,415
Less: accumulated depreciation	(5,025,022)	-	-	(5,025,022)
Total noncurrent assets	<u>11,631,961</u>	<u>-</u>	<u>-</u>	<u>11,631,961</u>
Total assets	<u>11,773,316</u>	<u>55</u>	<u>270,283</u>	<u>12,043,654</u>
Liabilities				
Current liabilities:				
Accounts payable	7,094	-	210,867	217,961
Interfund payable	-	246	-	246
Accrued interest payable	50,755	-	-	50,755
Lease payable - current	2,846	-	-	2,846
Loans payable - current	187,268	-	-	187,268
Total current liabilities	<u>247,963</u>	<u>246</u>	<u>210,867</u>	<u>459,076</u>
Noncurrent liabilities:				
Loans payable	1,561,844	-	-	1,561,844
Total liabilities	<u>1,809,807</u>	<u>246</u>	<u>210,867</u>	<u>2,020,920</u>
Net Assets				
Invested in capital assets, net of related debt	9,882,849	-	-	9,882,849
Unrestricted	80,660	(191)	59,416	139,885
Total net assets	<u>\$ 9,963,509</u>	<u>\$ (191)</u>	<u>\$ 59,416</u>	<u>\$ 10,022,734</u>

UNION COUNTY, OREGON
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets
Airport Proprietary Funds
For the Fiscal Year Ended June 30, 2012

	501 Airport Operations	401 Airport Bond	320 Airport Capital Improvement	Total Airport Fund
Operating Revenues				
Charges for services	\$ 442,790	\$ -	\$ -	\$ 442,790
Licenses and fees	3,501	-	-	3,501
Rental income	54,246	-	283,022	337,268
Miscellaneous	6,008	-	-	6,008
Total operating revenues	<u>506,545</u>	<u>-</u>	<u>283,022</u>	<u>789,567</u>
Operating Expenses				
Personnel services	82,413	-	-	82,413
Materials and services	469,593	191	521	470,305
Depreciation	366,141	-	-	366,141
Total operating expenses	<u>918,147</u>	<u>191</u>	<u>521</u>	<u>918,859</u>
Operating income (loss)	<u>(411,602)</u>	<u>(191)</u>	<u>282,501</u>	<u>(129,292)</u>
Nonoperating Revenues (Expenses)				
Interest on investments	200	-	-	200
Interest expense	(90,047)	-	-	(90,047)
Grant revenue	-	-	2,701,260	2,701,260
Loss on sale of assets	(100)	-	-	(100)
Total nonoperating revenues (expenses)	<u>(89,947)</u>	<u>-</u>	<u>2,701,260</u>	<u>2,611,313</u>
Income (loss) before transfers	(501,549)	(191)	2,983,761	2,482,021
Transfers in	-	10,933	-	10,933
Transfers out	(30,000)	-	(10,933)	(40,933)
Change in net assets	(531,549)	10,742	2,972,828	2,452,021
Net assets - beginning	7,491,523	(10,933)	90,123	7,570,713
Equity transfer	3,003,535	-	(3,003,535)	-
Net assets - ending	<u>\$ 9,963,509</u>	<u>\$ (191)</u>	<u>\$ 59,416</u>	<u>\$ 10,022,734</u>

UNION COUNTY, OREGON
Combining Statement of Cash Flows
Airport Proprietary Funds
For the Fiscal Year Ended June 30, 2012

	501 Airport Operations	401 Airport Bond	320 Airport Capital Improvement	Total Airport Fund
Cash Flows from Operating Activities:				
Cash received from customers	\$ 446,955	\$ -	\$ -	\$ 446,955
Cash received from rentals	54,246	-	316,735	370,981
Other operating receipts	5,994	-	-	5,994
Cash payments for personnel services	(82,413)	-	-	(82,413)
Cash payments for fuel purchases	(288,852)	-	-	(288,852)
Cash payments for insurance	(16,370)	-	-	(16,370)
Cash payments for miscellaneous	(11,967)	(191)	(521)	(12,679)
Cash payments for contractual services	(32,531)	-	-	(32,531)
Cash payments for supplies	(17,896)	-	-	(17,896)
Cash payments for repairs	(62,751)	-	-	(62,751)
Net cash provided (used) by operating activities	<u>(5,585)</u>	<u>(191)</u>	<u>316,214</u>	<u>310,438</u>
Cash Flows from Noncapital Financing Activities:				
Property tax receipts	-	195	-	195
Interfund loans	10,937	(10,937)	-	-
Interfund transfers	(30,000)	10,933	(10,933)	(30,000)
Nonoperating grants	-	-	2,701,260	2,701,260
Net cash provided (used) by noncapital financing activities	<u>(19,063)</u>	<u>191</u>	<u>2,690,327</u>	<u>2,671,455</u>
Cash Flows from Capital and Related Financing Activities:				
Acquisition of capital assets	-	-	(2,733,728)	(2,733,728)
Principal payments on indebtedness	(9,729)	-	(175,514)	(185,243)
Interest paid on indebtedness	(958)	-	(94,293)	(95,251)
Net cash provided (used) by capital and related financing activities	<u>(10,687)</u>	<u>-</u>	<u>(3,003,535)</u>	<u>(3,014,222)</u>
Cash Flows from Investing Activities:				
Interest income	200	-	-	200
Net increase (decrease) in cash and investments	(35,135)	-	3,006	(32,129)
Beginning cash and investments	64,271	-	57,480	121,751
Ending cash and investments	<u>\$ 29,136</u>	<u>\$ -</u>	<u>\$ 60,486</u>	<u>\$ 89,622</u>
Reconciliation of operating income to net cash provided (used) by operating activities:				
Operating income (loss)	\$ (411,602)	\$ (191)	\$ 282,501	\$ (129,292)
<i>Adjustments to reconcile operating income to net cash provided (used) by operating activities:</i>				
Depreciation	366,141	-	-	366,141
(Increase) decrease in accounts receivable	650	-	(170,030)	(169,380)
(Increase) decrease in inventory	58,734	-	-	58,734
Increase (decrease) in accounts payable	(19,508)	-	203,743	184,235
Net cash provided (used) by operating activities	<u>\$ (5,585)</u>	<u>\$ (191)</u>	<u>\$ 316,214</u>	<u>\$ 310,438</u>

UNION COUNTY, OREGON
Schedule of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual
Airport Operations Fund - 501
For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Charges for services	\$ 1,114,000	\$ 1,114,000	\$ 442,790	\$ (671,210)
Licenses and fees	-	-	3,501	3,501
Rental income	44,409	44,409	54,246	9,837
Interest on investments	500	500	200	(300)
Miscellaneous	17,000	17,000	6,008	(10,992)
Total revenues	1,175,909	1,175,909	506,745	(669,164)
Expenditures				
Personnel services	84,500	84,500	82,413	2,087
Materials and services	961,000	961,000	475,393	485,607
Debt service	5,000	5,000	4,887	113
Contingency	195,409	195,409	-	195,409
Total expenditures	1,245,909	1,245,909	562,693	683,216
Excess of revenues over (under) expenditures	(70,000)	(70,000)	(55,948)	14,052
Other Financing Sources (Uses)				
Transfers out	(30,000)	(30,000)	(30,000)	-
Net change in fund balance	(100,000)	(100,000)	(85,948)	14,052
Beginning fund balance	100,000	100,000	220,209	120,209
Ending fund balance	\$ -	\$ -	134,261	\$ 134,261
Adjustments to GAAP				
Capital assets, net			11,631,961	
Accrued interest payable			(50,755)	
Lease payable			(2,846)	
Loans payable			(1,749,112)	
			<u>\$ 9,963,509</u>	
Detail of Fund Balance				
Cash and cash equivalents			\$ 29,136	
Accounts receivable			45,638	
Interfund receivable			246	
Inventory			66,335	
Accounts payable			(7,094)	
			<u>\$ 134,261</u>	

UNION COUNTY, OREGON
Schedule of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual
Airport Bond Fund - 401
For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Total revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Materials and services	-	-	191	(191)
Excess of revenues over (under) expenditures	-	-	(191)	(191)
Other Financing Sources (Uses)				
Transfers in	-	-	10,933	10,933
Net change in fund balance	-	-	10,742	10,742
Beginning fund balance	-	-	(10,933)	(10,933)
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (191)</u>	<u>\$ (191)</u>
<u>Detail of Fund Balance</u>				
Taxes receivable			\$ 55	
Interfund payable			(246)	
			<u>\$ (191)</u>	

UNION COUNTY, OREGON
Schedule of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual
Airport Capital Improvement Fund - 320
For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Grant revenue	\$ 11,400,000	\$ 11,400,000	\$ 2,701,260	\$ (8,698,740)
Rental income	282,800	282,800	283,022	222
Total revenues	11,682,800	11,682,800	2,984,282	(8,698,518)
Expenditures				
Debt service	282,800	282,800	269,807	12,993
Capital outlay	11,400,000	11,400,000	2,734,249	8,665,751
Contingency	10,000	9,900	-	9,900
Total expenditures	11,692,800	11,692,700	3,004,056	8,688,644
Excess of revenues over (under) expenditures	(10,000)	(9,900)	(19,774)	(9,874)
Other Financing Sources (Uses)				
Transfers out	(10,930)	(11,030)	(10,933)	97
Net change in fund balance	(20,930)	(20,930)	(30,707)	(9,777)
Beginning fund balance	20,930	20,930	90,123	69,193
Ending fund balance	\$ -	\$ -	\$ 59,416	\$ 59,416
Detail of Fund Balance				
Cash and cash equivalents			\$ 60,486	
Accounts receivable			209,797	
Accounts payable			(210,867)	
			<u>\$ 59,416</u>	

UNION COUNTY, OREGON
Schedule of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual
Buffalo Peak Golf Course - 310
For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Charges for services	\$ 439,000	\$ 439,000	\$ 337,372	\$ (101,628)
Miscellaneous	1,000	1,000	721	(279)
Total revenues	<u>440,000</u>	<u>440,000</u>	<u>338,093</u>	<u>(101,907)</u>
Expenditures				
Personnel services	249,961	259,961	258,600	1,361
Materials and services	177,220	192,220	189,116	3,104
Debt service	122,819	122,819	122,757	62
Capital outlay	30,000	5,000	-	5,000
Total expenditures	<u>580,000</u>	<u>580,000</u>	<u>570,473</u>	<u>9,527</u>
Excess of revenues over (under) expenditures	(140,000)	(140,000)	(232,380)	(92,380)
Other Financing Sources (Uses)				
Transfers in	<u>140,000</u>	<u>140,000</u>	<u>140,000</u>	<u>-</u>
Net change in fund balance	-	-	(92,380)	(92,380)
Beginning fund balance	<u>-</u>	<u>-</u>	<u>(649,949)</u>	<u>(649,949)</u>
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(742,329)</u>	<u>\$ (742,329)</u>
<u>Adjustments to GAAP</u>				
Capital assets, net			1,792,463	
Accrued interest payable			(21,151)	
Loans payable			<u>(1,627,622)</u>	
			<u>\$ (598,639)</u>	
<u>Detail of Fund Balance</u>				
Inventory			\$ 19,143	
Interfund payable			(688,363)	
Accounts payable			(7,514)	
Deferred revenue			(48,479)	
Compensated absences			<u>(17,116)</u>	
			<u>\$ (742,329)</u>	

UNION COUNTY, OREGON
Schedule of Revenues, Expenditures and Changes
in Fund Balances - Budget and Actual
Union County Solid Waste District
For the Fiscal Year Ended June 30, 2012

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
Revenues				
Franchise fees	\$ 160,000	\$ 160,000	\$ 155,013	\$ (4,987)
Grant revenue	-	-	22,846	22,846
Interest on investments	520	520	160	(360)
Miscellaneous	1,200	1,200	5,504	4,304
Total revenues	<u>161,720</u>	<u>161,720</u>	<u>183,523</u>	<u>21,803</u>
Expenditures				
Materials and services	185,000	185,000	125,357	59,643
Capital outlay	10,000	10,000	-	10,000
Contingency	170,550	170,550	-	170,550
Total expenditures	<u>365,550</u>	<u>365,550</u>	<u>125,357</u>	<u>240,193</u>
Net change in fund balance	(203,830)	(203,830)	58,166	261,996
Beginning fund balance	<u>203,830</u>	<u>203,830</u>	<u>186,076</u>	<u>(17,754)</u>
Ending fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>244,242</u>	<u>\$ 244,242</u>
<u>Adjustments to GAAP</u>				
Capital assets, net			484,255	
Closure and post-closure care costs			(850,623)	
			<u>\$ (122,126)</u>	
<u>Detail of Fund Balance</u>				
Cash and cash equivalents			\$ 226,291	
Accounts receivable			26,166	
Accounts payable			(8,215)	
			<u>\$ 244,242</u>	

OTHER FINANCIAL SCHEDULES

UNION COUNTY, OREGON
Statement of Changes in Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2012

	Balance July 1, 2011	Additions	Deletions	Balance June 30, 2012
<u>Property Tax & Other Agency Funds</u>				
Assets				
Cash and investments	\$ 104,865	\$ 15,756,784	\$ 15,819,395	\$ 50,789
Accounts receivable	7,900	635	-	8,535
Taxes receivable	1,059,027	269,141	-	1,328,168
Total assets	<u><u>\$ 1,171,792</u></u>	<u><u>\$ 16,026,560</u></u>	<u><u>\$ 15,819,395</u></u>	<u><u>\$ 1,387,492</u></u>
Liabilities				
Distributions pending to other entities	<u><u>\$ 1,171,792</u></u>	<u><u>\$ 16,026,560</u></u>	<u><u>\$ 15,819,395</u></u>	<u><u>\$ 1,387,492</u></u>

UNION COUNTY, OREGON
Schedule of Property Tax Transactions
For the Fiscal Year Ended June 30, 2012

<u>Tax Year</u>	<u>Uncollected Taxes July 1, 2011</u>	<u>Current Tax Levy</u>	<u>Less: Collections 2011-2012</u>	<u>Adjustments & Discounts</u>	<u>Uncollected Taxes June 30, 2012</u>
2011-12	\$ -	\$ 20,619,286	\$ 19,211,725	\$ (534,655)	\$ 872,906
2010-11	696,584	-	285,896	(4,079)	406,609
2009-10	363,339	-	57,086	(997)	305,256
2008-09	179,942	-	93,289	(608)	86,045
2007-08	92,735	-	79,238	(261)	13,236
2006-07	12,542	-	4,983	(61)	7,498
2005-06	3,859	-	593	-	3,266
Prior	15,383	-	736	28	14,675
	<u>\$ 1,364,384</u>	<u>\$ 20,619,286</u>	<u>\$ 19,733,546</u>	<u>\$ (540,633)</u>	<u>\$ 1,709,491</u>

Tax Turnovers:

July 2011	\$ 140,269
August 2011	73,674
September 2011	133,278
October 2011	1,723,223
November 2011	12,800,426
December 2011	3,068,694
January 2012	160,091
February 2012	442,926
March 2012	417,437
April 2012	231,744
May 2012	555,097
June 2012	279,058
Less:	
Adjustments	(97,122)
Interest	(195,249)
	<u>\$ 19,733,546</u>

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**INDEPENDENT AUDITORS' REPORT REQUIRED
BY OREGON STATE REGULATIONS**

SEYDEL, LEWIS, POE, MOELLER & GUNDERSON, LLC

CERTIFIED PUBLIC ACCOUNTANTS

1121 ADAMS AVENUE • P.O. BOX 1024

LA GRANDE, OREGON 97850-1024

**Independent Auditor's Report
Required by Oregon State Regulations**

We have audited the basic financial statements of Union County as of and for the year ended June 30, 2012, and have issued our report dated December 13, 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 Governmental Auditing Standards issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Union 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.**
- **Highway revenues used for public highways, roads, and streets.**
- **Authorized investment of surplus funds (ORS Chapter 294).**
- **Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).**

Schedule of Accountability of Independently Elected Officials:

The independently elected officials of the County who collect or receive cash, and the corresponding schedule of accountability are as follows:

Elected Position	Beginning Cash Balance	Receipts/ Collections	Disbursements	Turnovers to Treasurer	Ending Balance
Treasurer	\$ 4,965,846	\$ 22,553,739	\$ 41,917,187	\$ 20,217,124	\$ 5,819,522
Sheriff	6,722	225,147	227,649	-	4,220
County Clerk	(173)	311,674	35,950	(274,932)	619
Assessor	-	19,942,192	-	(19,942,192)	-
Total	\$ 4,972,395	\$ 43,032,752	\$ 42,180,786	\$ -	\$ 5,824,361

In connection with our testing nothing came to our attention that caused us to believe Union County was not in substantial 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 except as follows:

1. The County did not comply with ORS 294.456(6). Expenditures exceeded budgeted appropriations for the year ended June 30, 2012, as follows:

Fund	Over
268 Human Services Program - Personnel	\$ 1,419
295 Union Co. Fair Board - Materials and services	4,989
Union County 4-H Extension - Personnel services	2,316
401 Airport Bond - Materials and services	191

OAR 162-10-0230 Internal Control

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

This report is intended solely for the information and use of the board of directors and management of Union County and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than these specified parties.

SEYDEL, LEWIS, POE, MOELLER & GUNDERSON, LLC
Certified Public Accountants

By Michael R. Poe

Michael R. Poe, CPA
Owner/Member

La Grande, Oregon
December 13, 2012

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**AUDIT DELIVERABLES REQUIRED
BY THE SINGLE AUDIT ACT OF 1996**

UNION COUNTY, OREGON
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2012

Federal Grantor/Pass-Through Grantor/Program Title	CFDA Number	Expenditures
U.S. Department of Agriculture:		
<u>Pass-Through Oregon Department Administrative Services:</u>		
Schools and Roads - Grants to States	10.665	\$ 956,543
U.S. Department of Interior:		
<u>Direct Programs:</u>		
Payments in Lieu of Taxes	15.226	902,850
<u>Pass-Through Oregon Department of Administrative Services:</u>		
Non-Sale Disposals of Mineral Material	15.214	3
Distribution of Receipts to State and Local Governments	15.227	109
Total U.S. Department of Interior		902,962
U.S. Department of Health and Human Services:		
<u>Pass-Through Oregon Commission on Children and Families:</u>		
Medical Assistance Program	93.778	12,888
Promoting Safe & Stable Families	93.556	4,087
Social Services Block Grant	93.667	15,133
<u>Pass-Through Oregon Department of Human Services:</u>		
Drug-Free Communities Support Program Grants	93.276	67,565
<u>Pass-Through Oregon Health Authority:</u>		
The Affordable Care Act: CDC and Prevention	93.283	5,500
Medical Assistance Program	93.778	31,724
<u>Pass-Through Oregon Department of Justice:</u>		
Child Support Enforcement	93.563	57,662
Total U.S. Department of Health and Human Services		194,559
U.S. Department of Justice:		
<u>Direct Programs:</u>		
Rural Domestic Violence	16.589	89,664
State Criminal Alien Assistance Program	16.606	2,372
Edward Byrne Memorial Justice Assistance Grant Program	16.738	34,093
<u>Pass-Through Oregon Department of Justice:</u>		
Crime Victim Assistance	16.575	25,545
Drug Court Discretionary Grant Program	16.580	1,162
Edward Byrne Memorial Justice Assistance Grant Program	16.738	33,542
ARRA - Edward Byrne Memorial Justice Assistance Grant Program	16.803	81,219
ARRA - State and Local Law Enforcement	16.810	96,419
Total U.S. Department of Justice		364,016
U.S. Department of Homeland Security:		
<u>Pass-Through Oregon Department of State Police:</u>		
Emergency Management Performance Grant	97.042	71,808
State Homeland Security Program	97.073	16,920
Total U.S. Department of Homeland Security		88,728

UNION COUNTY, OREGON
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2012

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Expenditures</u>
U.S. Department of Transportation:		
<u>Direct Programs:</u>		
Airport Improvement Program	20.106	2,566,201
<u>Pass-Through Oregon Department of Transportation:</u>		
Recreational Trails Program	20.219	38,489
Capital Assistance Program for Elderly Persons and Persons with Disabilities	20.513	183,758
State and Community Highway Safety	20.600	7,270
Total U.S. Department of Transportation		<u>2,795,718</u>
U.S. Department of Housing and Urban Development:		
<u>Direct Programs:</u>		
Community Development Block Grant	14.228	<u>37,500</u>
Total expenditures of federal awards		<u><u>\$ 5,340,026</u></u>

UNION COUNTY, OREGON
Notes to Schedule of Expenditures of Federal Awards

Note A - Purpose of the Schedule:

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") is a supplementary schedule to Union County's financial statements and is presented for purposes of additional analysis. Because the Schedule presents only a selected portion of the activities of the County, it is not intended to and does not present either the financial position, results of operations, or changes in fund balances/equity of Union County.

Note B - Significant Accounting Policies:

Reporting Entity

The reporting entity is fully described in Note 1 to the County's basic financial statements. The Schedule includes all federal programs administered by the County for the year ended June 30, 2012.

Basis of Presentation

The information in the Schedule is presented in accordance with OMB Circular A-133.

Federal Financial Assistance

Pursuant to the Single Audit Act and OMB Circular A-133, federal financial assistance is defined as assistance provided by a federal agency, either directly or indirectly, in the form of grants, contracts, cooperative agreements, loans, loan guarantees, property, interest subsidies, insurance or direct appropriations. Accordingly, nonmonetary federal assistance, including federal surplus property, is included in federal financial assistance and, therefore, is reported on the Schedule, if applicable. Federal financial assistance does not include direct federal cash assistance to individuals. Solicited contracts between the County and the federal government for which the federal government procures tangible goods or services are not considered to be federal financial assistance.

Major Programs

The Single Audit Act and OMB Circular A-133 establish criteria to be used in defining major programs. Major programs for Union County are those programs selected for testing by the auditor using a risk-assessment model, as well as certain minimum expenditure requirements, as outlined in OMB Circular A-133. Programs with similar requirements may be grouped into a cluster for testing purposes.

Basis of Accounting

The receipt and expenditure of federal awards are accounted for under the same basis of accounting as the fund in which they are recorded. Federal awards recorded in proprietary funds are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Federal awards recorded in governmental funds are reported using the modified accrual basis of accounting. Revenues are recognized when measurable and available. Expenditures are recorded when the related liability is incurred.

Insurance Coverage

For fiscal year ended June 30, 2012, the County had insurance coverage in effect comparable to other entities of similar size and circumstance.

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SEYDEL, LEWIS, POE, MOELLER & GUNDERSON, LLC

CERTIFIED PUBLIC ACCOUNTANTS

1121 ADAMS AVENUE • P.O. BOX 1024

LA GRANDE, OREGON 97850-1024

**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***

County Commissioners
Union County
1106 K Avenue
La Grande, Oregon 97850

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Union County, Oregon, as of and for the year ended June 30, 2012, which collectively comprise Union County, Oregon's basic financial statements and have issued our report thereon dated December 13, 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

Management of Union County, Oregon, is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the 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 County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies, or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs we identified a certain deficiency in internal control over financial reporting that we consider to be a material weakness.

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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs to be a material weakness.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We did not identify any deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Union County, Oregon'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*.

This report is intended solely for the information and use of management, the commissioners, others within the entity, 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.

SEYDEL, LEWIS, POE, MOELLER & GUNDERSON, LLC
Certified Public Accountants

By Michael R. Poe
Michael R. Poe, CPA
Owner/Member

La Grande, Oregon
December 13, 2012

SEYDEL, LEWIS, POE, MOELLER & GUNDERSON, LLC

CERTIFIED PUBLIC ACCOUNTANTS

1121 ADAMS AVENUE • P.O. BOX 1024

LA GRANDE, OREGON 97850-1024

**Independent Auditors' 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**

County Commissioners
Union County
1106 K Avenue
La Grande, Oregon 97850

Compliance

We have audited Union County, Oregon 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 Union County, Oregon's major federal programs for the year ended June 30, 2012. Union County, Oregon's major federal programs are identified in the summary of the 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 Union County, Oregon's management. Our responsibility is to express an opinion on Union County, Oregon'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; and 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 Union County, Oregon'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 of Union County, Oregon's compliance with those requirements.

In our opinion, Union County, Oregon complied, in all material respects, with the compliance 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 Union County, Oregon 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 Union County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program 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 Union County, Oregon'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 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 was not designed to identify all deficiencies in the 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 a material weakness, as defined above.

This report is intended solely for the information and use of management, the commissioners, others within the entity, 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.

SEYDEL, LEWIS, POE, MOELLER & GUNDERSON, LLC
Certified Public Accountants

By Michael R. Poe
Michael R. Poe, CPA
Owner/Member

La Grande, Oregon
December 13, 2012

UNION COUNTY, OREGON
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2012

A. Summary of Audit Results

	Results
Financial Statements Audit	
1. Type of auditor's report issued	Unqualified
2. Internal control over financial reporting:	
Were significant deficiencies disclosed?	Yes
Of the significant deficiencies disclosed were any material weaknesses?	Yes
3. Did the audit disclose any noncompliance material to the financial statements?	No
Federal Awards	
1. Type of auditor's report issued:	
<i>Major programs:</i>	
U.S. Department of Transportation - Capital Assistance Program for Elderly Persons and Persons with Disabilities CFDA Number 20.513	Unqualified
U.S. Department of Transportation - Airport Improvement Program CFDA Number 20.106	Unqualified
U.S. Department of Justice - JAG Program Cluster CFDA Numbers 16.803 & 16.738	Unqualified
2. Internal control over major programs:	
Were significant deficiencies disclosed?	No
Of the significant deficiencies disclosed were any material weaknesses?	N/A
3. Were any of the following disclosed in accordance with section 510(a) of OMB Circular A-133?	
Significant deficiencies in internal control over major programs?	No
Material Noncompliance with the provisions of laws, regulations, contracts, or grant agreements related to major programs?	No
Known questioned costs which are greater than \$10,000 for a type of compliance requirement for a major program?	No
Known questioned costs which are greater than \$10,000 for a federal program which is not audited as a major program?	No
4. The threshold for distinguishing Types A and B programs:	\$ 300,000
5. Auditee qualified as a low-risk auditee	No

B. Findings - Financial Statement Audit

Material Weakness: During our audit of various grants, we identified several discrepancies between the general ledger and grant records related to the accrual of revenues and expenditures. Cutoff procedures for grants are not centralized because each grant is tracked independently by grant administrators. This increases the risk of a material misstatement occurring related to the timing of revenue and expenditure recognition of grants.

Criteria: The County currently requires each grant administrator to identify, compile and track revenue and expenditures as stipulated by grant requirements. All grant financial information is turned into the County accountant to be included on the schedule of expenditures of federal awards.

UNION COUNTY, OREGON
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2012

Effect: Several errors were found and corrected related to the accrual of grant revenues and expenditures.

Cause: The lack of reconciliation between the grant documents and the general ledger increases the risk of a misstatement in the financial statements and the schedule of expenditures of federal awards.

Recommendation: We recommend that the County continue its current policy, but provide additional training to grant administrators on the accounting recognition of revenues and expenditures in order to improve the County's cutoff procedures.

Views of responsible officials and planned corrective action: We acknowledge the need for more detailed training for those given the responsibility of administering grants. Improvements will be made to the form utilized to report grant expenditure information to the Accounting Manager which should provide clarification for fiscal year accrual purposes. Special care will be given to reporting on grants that span more than one fiscal year.

C. Federal Awards Findings and Questioned Costs

None noted as a result of our audit procedures.

UNION COUNTY, OREGON
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2012

None noted as a result of our audit procedures.