# Wasco County, Oregon
# Report on Audit of Financial Statements
# And Supplementary Information
# For the Year Ended June 30, 2012

**Wasco County, Oregon**
**Table of Contents**
**For the Year Ended June 30, 2012**

**Wasco County, Oregon**
**Table of Contents**
**For the Year Ended June 30, 2012**

**Wasco County, Oregon**
**Table of Contents**
**For the Year Ended June 30, 2012**

**Wasco County, Oregon**
**Elected Officials and Agent of Record**
**For the Year Ended June 30, 2012**

| | |
|---|---|
| WASCO COUNTY BOARD OF COMMISSIONERS: | |
| Commissioner | Scott Hege<br>The Dalles, Oregon 97058 |
| Commissioner | Rod Runyon<br>The Dalles, Oregon 97058 |
| Commissioner | Sherry Holliday<br>Maupin, OR 97037 |
| OTHER ELECTED OFFICIALS: | |
| Treasurer | Chad Krause<br>The Dalles, Oregon 97058 |
| Clerk | Linda Brown<br>The Dalles, Oregon 97058 |
| Sheriff | Ricky Eiesland<br>The Dalles, Oregon 97058 |
| Assessor | Timothy Lynn<br>The Dalles, Oregon 97058 |
| District Attorney | Eric Nisley<br>The Dalles, Oregon 97058 |
| OTHER: | |
| Insurance Agent of Record | Mike Courtney-Courtney<br>Insurance Agency<br>414 East Second<br>The Dalles, Oregon 97058 |

# FINANCIAL SECTION

FRIEND & REAGAN, P.C.
Certified Public Accountants

305 E. Fifth Street
The Dalles, OR 97058
phone [541] 296.2000
fax [541] 296.5636
www.friendreagan.com

Carol D. Friend · Nathan R. Reagan · Ben G. Neumayer · Gary F. Bradford · Carolyn J. Rohde · Rochelle A. Friend

## INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Wasco County, Oregon
The Dalles, Oregon 97058

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Wasco 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 Wasco 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 basic 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 statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Wasco County, Oregon as of June 30, 2012, the respective changes in financial position thereof and the budgetary comparisons for the General Fund, Public Health Fund and the Public Works Fund 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 20, 2012, on our consideration of Wasco County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and, not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with ***Government Auditing Standards*** and 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 on pages 9-15, and the Schedule of Funding Progress on page 49, be presented to supplement the basic financial statements. Such information,

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Wasco County, Oregon's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements, and other schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditure of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, ***Audits of States, Local Governments, and Non-Profit Organizations***, and is not a required part of the general purpose financial statements. The combining and individual nonmajor fund financial statements, the schedule of expenditures of federal awards, and the other schedules listed in the table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statement themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory section has 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 it.

Lauer & Reagan P.C.

CERTIFIED PUBLIC ACCOUNTANTS

December 20, 2012

**Wasco County, Oregon**
**MANAGEMENT'S DISCUSSION AND ANALYSIS**
**For the Year Ended June 30, 2012**

This discussion and analysis is intended to be an easily readable analysis of Wasco County's financial activities based on currently known facts, decisions or conditions. This analysis focuses on current year activities and should be read in conjunction with the financial statements in the audit.

REPORT LAYOUT

This discussion and analysis is intended to serve an introduction to Wasco County's basic financial statements. The County's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves. The first several statements are highly condensed and present a government-wide view of the County's finances including the Statement of Net Assets and the Statement of Activities.

**Government-Wide Financial Statements**

*Statement of Net Assets:* The focus of the Statement of Net Assets is to present the unrestricted assets of governmental activities. Over time, increases or decrease in net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

*Statement of Activities:* The focus of the Statement of Activities is to present the major program costs and match major resources with each. To the extent a program's cost is not recovered by grants and direct charges, it is paid from general taxes and other resources. This Statement summarizes and simplifies the user's analysis to determine the extent to which programs are self-supporting and/or subsidized by general revenues.

The government wide financial statements include two service districts as discretely presented component units. Requests for copies of the separately issued financial statements for the service districts should be addressed to Wasco County, 511 Washington Street, Room 207, The Dalles, Oregon 97058.

**Fund Financial Statements**

Following the government-wide statements is a section containing fund financial statements. The County's major funds are presented in their own column and the remaining funds are combined into a column titled "Other Governmental Funds". For each major fund, a Budgetary Comparison Statement is presented. Readers who wish to obtain information on non-major funds can find it in the Combining Schedules of Non-Major Funds and/or the Supplemental Information-Budgetary Comparison Schedules sections of this report.

**Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the financial data provided in the government-wide and fund financial statements.

Finally, completing the document is a series of other financial and statistical schedules, and the reports by the independent certified public accountants, as required by statute.

The MD&A is intended to explain the significant changes in financial position and differences in operations between the current and prior years

COUNTY AS A WHOLE

GOVERNMENT-WIDE FINANCIAL STATEMENTS

This section will discuss and analyze significant differences. A condensed version of the Statement of Net Assets at June 30, 2011 and June 30, 2012 follows:

**TABLE 1**
NET ASSETS AT YEAR END

| | Primary Governmental Acitivies | |
|---|---|---|
| | June 30, 2012 | June 30, 2011 |
| ASSETS | | |
| Cash and Investments | 15,610,767 | 14,745,353 |
| Other Assets | 2,188,293 | 2,335,021 |
| Capital Assets | 12,389,308 | 12,296,915 |
| TOTAL ASSETS | 30,188,368 | 29,377,289 |
| LIABILITIES | | |
| Other Liabilities | 988,063 | 901,152 |
| Long Term Debt Outstanding | 1,618,989 | 1,993,483 |
| TOTAL LIABILITIES | 2,607,052 | 2,894,635 |
| NET ASSETS | | |
| Invested in Capital Assets/Net of Related Debt | 11,600,323 | 11,069,273 |
| Restricted | 5,860,010 | 6,670,014 |
| Unrestricted Net Assets | 10,120,982 | 8,743,367 |
| TOTAL NET ASSETS | 27,581,316 | 26,482,654 |

Governmental Activities

As noted earlier, net assets may serve over time as a useful indicator of the County's financial position. The County's assets exceeded liabilities by $27,581,316 at the close of the most recent fiscal year. A large portion of the County's net assets reflects investment in capital assets (land, buildings, improvements, machinery and equipment, bridges and infrastructure), net of accumulated depreciation, and the debt used to acquire the assets. Capital assets net of related debt changed little.

**TABLE 2**
STATEMENT OF ACTIVITIES

| | 2011/12 | 2010/11 |
|---|---|---|
| Program revenues | | |
| Charges for Services | 3,545,811 | 3,690,136 |
| Operating Grants and Contributions | 6,768,123 | 8,130,697 |
| Capital Grants and Contributions | 332,250 | 1,008,929 |
| General revenues | | |
| Taxes for General Purpose | 7,932,317 | 7,654,726 |
| Other Taxes | 645,820 | 577,423 |
| Interest | 76,276 | 56,971 |
| Other | 197,218 | 342,630 |
| Sale of Capital Assets | 14,882 | (30,221) |
| Transfers | - | 3,176 |
| Total Program and General Revenues | 19,512,697 | 21,434,467 |
| | | |
| Expenses | | |
| General Government | 3,963,000 | 3,846,950 |
| Public Safety | 6,728,153 | 5,280,012 |
| Highways and Streets | 3,260,774 | 3,358,775 |
| Health and Welfare | 3,217,182 | 3,516,849 |
| Culture and Recreation | 225,439 | 232,238 |
| Capital Projects | 956,082 | 1,763,200 |
| Interest | 63,440 | 83,486 |
| Total Expenses | 18,414,071 | 18,081,511 |
| | | |
| Change in net assets | 1,098,626 | 3,352,958 |
| | | |
| Net assets, beginning | 26,482,690 | 23,129,696 |
| Net assets, ending | 27,581,316 | 26,482,654 |

Governmental Activities

With a few exceptions, governmental program expenses remain similar to the prior year. Public Works Federal Forest Receipts are in jeopardy and it is unknown how much, if any, allocation will be re-authorized. Given that, Wasco County's overall financial position and result of operations remains steady. Wasco County is working diligently to be proactive with available funding and not reactive to funding cuts. See next paragraph "Budgetary Highlights" for explanation of changes in programs.

BUDGETARY HIGHLIGHTS

A large portion of the increase in capital projects were primarily grant funded. If grant funding is removed departmental spending has been down this year in response to the continued economic downturn, expected shortfalls in state funding, and generally conservative spending efforts from departments. While this does not solve the expected revenue shortfalls that are to come it does put Wasco County in a better financial position to be able to respond to these coming challenges. This is reflected in larger than expected ending fund balances.

The previous year saw significant investment in capital facility improvements, funded by awards, grants

and donations. Major projects included a remodel of county owned Hunt Park RV Spaces. This remodel brought in an additional $17,000 annually in State RV monies as well as additional revenue in camping fees. Also at Hunt Park the Ken Webb Kitchen was completed through a Ford Foundation grant and donations from the local community. This project brings a commercial kitchen to the park allowing us to host large group activities – our primary revenue source at the Park. The IT server room project adjacent to the Courthouse was completed and is operational housing all of the County's servers. This project moved the core IT infrastructure for Wasco County out of a basement room and out from under the main water and heating systems of the building. A new generator was purchased and mostly installed by a donation from Oregon Department of Health, Oregon Immunization Program. The emergency duress system in the Courthouse failed during an emergency situation and was subsequently replaced using Courthouse Security funds at a cost of $22,509. Had the funds the State set aside for courthouse security upgrades not been swept in this budget year this system would have been replaced using County funding sources. We reached an agreement with the vendor on the video camera system that we have been having problems with for the last several years. That agreement replaced all of the old cameras with new cameras and a new operating system at no cost.

Landfill revenue continues to be a major revenue stream and continues to trend positive with greater than budgeted revenue.

In anticipation of difficult times ahead Wasco County continued to fund an operating reserve in this budget with $225,000. It is a goal to be able to capitalize this account going forward to help offset declining Timber Revenues and continued state budgetary shortfalls.

Wasco County was able to adequately absorb the large PERS increase for the 2009-2011 biennium due to proactive budget cuts and through setting aside $120,000 to offset the expected $250,000 increase over the biennium. We will need to continue to try and put aside monies for PERS in the 2011-2013 biennium as we expect to see significant increases in PERS expenses to offset the effects of the sustained slow economy. The State is expecting a 260 million dollar shortfall for local governments which will result in an expected 5% increase for Wasco County. Some of the strategies that are being considered at the State to address PERS shortfalls are:

1. Limiting COLA's for current and future retirees to the first $24,000 which could save 3.2% of payroll.
2. Reduce the member 6% IAP pick up or reduce the required IAP contribution to 3% which could save about 3% of payroll.
3. Eliminate the Oregon income tax offsets saving 0.4% of payroll.
4. Reduced the Money Match benefit annuitization rate to 6% from 8% which will reduce the accrued liabilities and moderate long term employer contribution rates.

All of these potential changes would save Wasco County significant monies but they will all need to be approved by the Legislature Assembly and it is expected that they will all be challenged in Court.

We have spent the last year working on making the newly created Health District a completely separate and distinct entity outside of the Wasco County budget. We expect that this new entity will cost more to operate in the coming years but the three county entity needs to have a separate and distinct management structure outside of Wasco County to be able to effectively manage the needs of the three counties. This move will be similar to the structure that we have in place for NORCOR, Center for Living, Columbia George CCO and MCCOG all of which are multiple county entities.

A few of the capital projects funded in this budget are the purchase of 4 vehicles per the Vehicle Plan, several old HVAC units were replaced and backup HVAC units were added in our primary and backup server rooms. These are in addition to the capital remodel projects that were previously mentioned.

The Commission on Children and Families discussion on restructuring at the State level continues under the direction of the Early Learning Council. We expect that in the years to come that this will take on a regional form similar to Coordinated Care Organizations. As of the end of the current year funding for the Wasco County Commission on Children and Families will end and be redirected to a "hub" type entity under the Early Learning Council. Wasco County has been preparing for this structure change by not filling positions as they become vacant, contracting out remaining program dollars, and using employees on a temp basis.

Property taxes remain the single largest source of revenue to the General Fund and are projected to remain steady. We will be watching closely as market and assessed values start to come in line with each other as is happening across the State. We did not experience a significant impact in this budget year but it may start to play a role in years to come.

CAPITAL ASSETS AND DEBT ADMINISTRATION

As of June 30, 2012 the County had invested $12,389,305 in capital assets that are reflected in the following table, which represents a net increase of $92,383.

| | **Beginning Fixed Assets** | **Additions** | **Deletions** | **Ending Fixed Assets** |
|---|---|---|---|---|
| Land | 1,426,824 | 120 | (150) | 1,426,794 |
| Depreciable Assets | | | | |
| Buildings | 7,279,646 | 74,028 | - | 7,353,674 |
| Furniture and Equipment | 9,161,129 | 545,044 | (183,375) | 9,522,798 |
| Infrastructure | 4,213,451 | 387,925 | - | 4,601,376 |
| **Total Cost** | 22,081,051 | 1,007,117 | (183,525) | 22,904,642 |
| **Depreciation** | | | | |
| Accumulated Depreciation | (9,784,129) | (889,273) | 158,068 | (10,515,334) |
| **Total Depreciation** | (9,784,129) | (889,273) | 158,068 | (10,515,334) |
| **Capital Assets Net of Depreciation** | 12,296,922 | 117,844 | (25,457) | 12,389,305 |

Debt Outstanding

As of year-end, the County had $1,878,640 in debt outstanding compared to $1,361,283 last year. The increase is a result of recording the OPEB and Compensated Absences obligation.

| Governmental Activites | Beginning Balance | Additions | Reductions | Ending Balance | Due in One Year |
|---|---|---|---|---|---|
| Compensated Absences | 242,720 | 4,186 | - | 246,906 | - |
| OPEB Obligation | 274,637 | 78,410 | - | 353,047 | - |
| Veterans Facility Bonds | 830,000 | - | 405,000 | 425,000 | 425,000 |
| Discount/Premium on Refunded Bonds | (6,744) | - | (2,790) | (3,954) | (3,954) |
| Crates Point Bonded Loan | 133,639 | - | 18,431 | 115,208 | 18,621 |
| Refunded Series 2005 (Crates Point) | 404,388 | - | 36,448 | 367,940 | 38,325 |
| Totals | 1,878,640 | 82,596 | 457,089 | 1,504,147 | 477,992 |

For more detailed information on the County's debt and amortization terms refer to Note 3c to the financial statements.

## ECONOMIC FACTORS

Wasco County's permanent rate is $4.2523 per thousand. This absolute limitation on tax revenues and the County's dependence on property taxes do not allow it to keep pace with increased demands for services. Property taxes represent approximately 46% of total General Fund program resources. Beginning fund balance is 22% while operating and capital grants contributions, fees, fines and charges for services represent the balance of 32%. The County does monitor all of its resources and determines the need for program adjustments or fee increases accordingly. The General fund including its nine (9) departments is mostly dependent upon property taxes. Growth in program requirements has not exceeded the corresponding growth in taxes.

To plan for future needs, the County continues to implement strategic plans for vehicle purchases and usage, building purchase and usage, technology purchase and usage.

We anticipate significant rental revenue shortages with the planned exit of two community partners from our buildings.

NORCOR experienced a loss of rental beds to federal agencies resulting in increased costs for member counties. Proactive measures are being taken to replace this revenue by installing alternative programs for bed space at this facility. The discussion was started by one of the NORCOR member counties to change the funding formula for the NORCOR facility. We anticipate that this will shift additional cost to Wasco County in the coming years.

Wasco County has been able to manage the impact of the economic downturn that was expected in the 2011-2012 budget year but not without some tough choices. This is partly due to conservative budgeting and cost control measure. Fortunately Wasco County will see the impact of these measures in the ending fund balance.

## NEXT YEAR'S BUDGET

The County's 2012/2013 budget reflects a General Fund increase of $435,774 from the previous year. This is primarily due to an increase in Beginning Fund Balance.

The implementation of the CCO model of healthcare transformation through the creation of Coordinated Care Organizations at the State level has not yet had a major impact on the funding formula and programs of public health but we are early in the conversion process. Likewise, State changes to the Commission on Children and Families and Early Learning Council has eliminated current funding streams and programs of the local Commission on Children and Families. We have yet to see what the new model for providing this service will look like through the Early Learning Council. We expect additional decisions will be made in the next legislative session to outline how the Early Learning Council will absorb Commission on Children and Families work. We expect that this will be structured as a regional hub similar to Coordinated Care Organizations. We know that current funding for Commission on Children and Families will be diverted from Counties to "Hubs" as defined by the Early Learning Council. It is not yet clear on how or if these Hubs will put funds back into existing local service providers. To help manage this process Wasco County will continue to utilize the Commission on Children and Families volunteer Board to oversee the conversion process for Wasco County.

We would expect to see increased revenues for NORCOR through the installation of new program beds (TOOLS) thereby reducing county expenditures on NORCOR operations. This revenue increase is due to successful negotiations to bring alternative populations to the facility. Oregon Youth Authority has agreed to house an additional 4 kids in the program increasing revenue for NORCOR. A change in the

funding formula for NORCOR has resulted in a new funding formula that will likely shift additional costs to Wasco County in the next several years. We estimate that this will result in a 3% and 8% cost increase for the next two years if we are able to manage our jail population at 50 prisoners. This new formula is the result of demands made by one of the NORCOR member counties to change the formula to one that more closely reflects an actual use based formula and will result in member counties trying to reduce prison populations to cut costs. As such, Wasco County has implemented a jail matrix system to ensure that our jail population does not exceed 50 inmates. This is a cost control measure to keep from having to pay additional monies to the other member counties when we go over the 50 prisoner mark. Additionally, Wasco County has implemented a work release program to act as an alternative to sending someone to jail thereby reducing our jail utilization.

As a budget strategy, Wasco County will attempt to reduce or eliminate the use of beginning fund balance to offset the cost of road operations. We are in the process of setting up a citizen committee to help advise Wasco County on how to address this shortfall caused by loss of timber revenue. This committee will play an integral part in addressing the approximate $600,000 shortfall in funds for the Public Works Department. We still hold out hope that a legislative fix for the loss of timber dollars will materialize. We suspect however that any legislative fixes will result in significantly less revenue than have been previously received.

Changes in how Payment in Lieu of Property Tax Payments is calculated may be addressed in the upcoming legislature and could potentially be reduced or eliminated. If eliminated the estimated impact to Wasco County General Fund is approximately $195,000.

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 Budget Officer at 511 Washington Street, Room 207, The Dalles, Oregon 97058.

This page left intentionally blank

# BASIC FINANCIAL STATEMENTS

**Wasco County, Oregon**
**Statement of Net Assets**
**June 30, 2012**
(all amounts are in dollars)

| | Primary Government | Aggregate Discretely Presented Component Units |
|---|---|---|
| | Governmental Activities | |
| ASSETS: | | |
| Cash & Investments | 15,610,767 | 936,031 |
| Receivables (Net of Allowances): | | |
| Property Taxes | 668,198 | 133,014 |
| Other | 985,761 | - |
| Inventory | 534,333 | - |
| Capital Assets | | |
| Land (non-depreciable) | 1,426,794 | - |
| Depreciable Assets Net of Depreciation | 10,962,514 | - |
| TOTAL ASSETS | 30,188,368 | 1,069,046 |
| LIABILITIES: | | |
| Accounts Payable | 622,397 | - |
| Accrued Liabilities | 354,361 | - |
| Accrued Interest | 11,305 | - |
| Noncurrent Liabilities | | |
| Due in one year | | |
| Bond Payable | 459,370 | - |
| Loan Payable | 18,621 | - |
| Due in more than one year | | |
| Bond Payable | 329,615 | - |
| Loan Payable | 96,587 | - |
| Compensated Absences | 246,906 | - |
| OPEB Obligation | 467,890 | - |
| TOTAL LIABILITIES | 2,607,052 | - |
| NET ASSETS | | |
| Invested in capital assets, net of related debt | 11,600,323 | - |
| Restricted for: | | |
| General Government | 15,034 | - |
| Public Safety | 496,464 | - |
| Highways and Streets | 4,602,244 | - |
| Health and Welfare | 425,546 | - |
| Culture and Recreation | 218,081 | - |
| Debt Service | 102,641 | - |
| Unrestricted Net Assets | 10,120,982 | 1,069,046 |
| TOTAL NET ASSETS | 27,581,316 | 1,069,046 |

The notes to the financial statement are an integral part of this statement

**Wasco County, Oregon**
**Statement of Activities**
**For the year ended June 30, 2012**
(all amounts are in dollars)

| FUNCTIONS/PROGRAMS | Expenses | PROGRAM REVENUES: Fees, Fines and Charges for Services | PROGRAM REVENUES: Operating Grants and Contributions | PROGRAM REVENUES: Capital Grants and Contributions | Net (Expenses) Revenues and changes in Net Assets: PRIMARY GOVERNMENT Total Governmental Activities | Net (Expenses) Revenues and changes in Net Assets: COMPONENT UNITS |
|---|---|---|---|---|---|---|
| General Government | 3,963,000 | 1,317,558 | 567,306 | 273,143 | (1,804,993) | - |
| Public Safety | 6,728,153 | 742,718 | 1,405,993 | 59,107 | (4,520,335) | - |
| Highways and Streets | 3,260,774 | 774,931 | 2,692,750 | - | 206,906 | - |
| Health and Welfare | 3,217,182 | 576,033 | 1,852,490 | - | (788,659) | - |
| Culture and Recreation | 225,439 | 134,570 | 249,584 | - | 158,715 | (1,424,080) |
| Capital Projects | 956,082 | - | - | - | (956,082) | - |
| Interest | 63,440 | - | - | - | (63,440) | - |
| Total Governmental Activities | 18,414,071 | 3,545,811 | 6,768,123 | 332,250 | (7,767,888) | (1,424,080) |

| | | |
|---|---|---|
| **General Revenues:** | | |
| Property Taxes | 7,932,317 | 1,585,911 |
| Other Taxes | 645,820 | - |
| Interest and Investment Earnings | 76,276 | 5,329 |
| Miscellaneous | 197,218 | 1,458 |
| Gain (Loss) on Sale of Fixed Assets | 14,882 | - |
| Total General Revenues and Transfers | 8,866,513 | 1,592,697 |
| Change in net assets | 1,098,626 | 168,618 |
| Net assets, beginning | 26,482,690 | 900,429 |
| Net assets, ending | 27,581,316 | 1,069,046 |

The notes to the financial statement are an integral part of this statement

**Wasco County, Oregon**
**Balance Sheet - Governmental Funds**
**June 30, 2012**
(all amounts are in dollars)

| | 101 General Fund | 201 Public Health Fund |
|---|---|---|
| ASSETS: | | |
| Deposits and Investments | 6,591,136 | 287,523 |
| Receivables: | | |
| Accounts Receivable | 384,857 | 162,779 |
| Taxes Receivable | 628,901 | - |
| Inventories | - | - |
| TOTAL ASSETS | 7,604,895 | 450,302 |
| LIABILITIES AND FUND BALANCES | | |
| Liabilities: | | |
| Accounts Payable | 307,022 | 60,953 |
| Accrued Liabilites | 218,669 | 53,617 |
| Compensated Absences | 138,153 | 10,313 |
| Deferred Revenue | 544,726 | - |
| Total Liabilities | 1,208,570 | 124,883 |
| Fund Balances: | | |
| Non-Spendable | - | - |
| Restricted | - | 315,106 |
| Committed | - | - |
| Assigned | 1,053,269 | 10,313 |
| Unassigned | 5,343,056 | - |
| Total Fund Balances | 6,396,325 | 325,420 |
| TOTAL LIABILITIES AND FUND BALANCES | 7,604,895 | 450,302 |

The notes to the financial statement are an integral part of this statement

| 202 Public Works Fund | 321 Road Reserve Fund | Non-Major Governmental Funds | Total Governmental Funds |
|---|---|---|---|
| 3,882,642 | 2,752,187 | 2,097,279 | 15,610,767 |
| 395,628 | - | 42,498 | 985,761 |
| - | - | 39,297 | 668,198 |
| 534,333 | - | - | 534,333 |
| 4,812,602 | 2,752,187 | 2,179,074 | 17,799,060 |
| 170,778 | - | 83,644 | 622,397 |
| 52,469 | - | 29,607 | 354,361 |
| 72,743 | - | 25,697 | 246,906 |
| 23,358 | - | 34,143 | 602,227 |
| 319,348 | - | 173,090 | 1,825,891 |
| 534,333 | - | - | 534,333 |
| 3,886,179 | - | 1,124,392 | 5,325,677 |
| - | 2,752,187 | 924,476 | 3,676,663 |
| 72,743 | - | 23,195 | 1,159,520 |
| - | - | (66,079) | 5,276,977 |
| 4,493,255 | 2,752,187 | 2,005,983 | 15,973,169 |
| 4,812,602 | 2,752,187 | 2,179,074 | 17,799,060 |

**Wasco County, Oregon**
**Reconciliation of Balance Sheet to Statement of Net Assets**
**June 30, 2012**
(all amounts are in dollars)

| | | |
|---|---|---|
| Fund Balances - Governmental Funds | | 15,973,169 |
| 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 in the governmental funds. | | |
| Governmental capital assets: | | |
| Land | 1,426,794 | |
| Depreciable Assets net of Accumulated Depreciation | 10,962,514 | 12,389,308 |
| Long-term liabilities applicable to the County's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long term, are reported in the Statement of Net Assets. | | |
| Interest Payable | (11,305) | |
| Bonds Payable | (788,985) | |
| Loans Payable | (115,208) | |
| Other Post Employment Benefits | (467,890) | (1,383,388) |
| Deferred revenue represents amounts that were not available to fund current expenditures and therefore are not reported in the governmental funds. | | 602,227 |
| Net Assets of Governmental Activities | | 27,581,316 |

The notes to the financial statement are an integral part of this statement

This page left intentionally blank

**Statement of Revenues, Expenditures and Changes in Fund Balance Governmental Funds**
**For the year ended June 30, 2012**
(all amounts are in dollars)

| | 101 General Fund | 201 Public Health Fund |
|---|---|---|
| REVENUES: | | |
| Taxes | 7,471,436 | - |
| Licenses, Fees & Permits | 1,039,656 | 202,353 |
| Intergovernmental Revenues | 1,428,844 | 394,167 |
| Federal Revenues | 453,654 | 693,628 |
| Charges for Services | 920,878 | 166,339 |
| Internal Service Charges | 95,163 | - |
| Fines and Restitution | 54,651 | - |
| Investment Earnings | 29,094 | 1,745 |
| Rents | 197,146 | - |
| Contributions and Donations | 284,825 | - |
| Miscellaneous | 159,752 | 3,066 |
| Pass Through Payments | 2,830 | - |
| TOTAL REVENUES | 12,137,929 | 1,461,299 |
| EXPENDITURES: | | |
| Current | | |
| *Personal Services* | 6,069,589 | 1,613,202 |
| *Materials & Services* | 4,315,354 | 316,322 |
| Capital Outlay | 253,097 | 32,250 |
| Debt Service | - | - |
| TOTAL EXPENDITURES | 10,638,040 | 1,961,774 |
| Excess of Revenues Over (Under) Expenditures | 1,499,889 | (500,475) |
| OTHER FINANCING SOURCES (USES): | | |
| Gain/Loss on Sale of Fixed Assets | 14,867 | - |
| Transfers from Other Funds | 866,410 | 304,235 |
| Transfers to Other Funds | (1,100,850) | - |
| TOTAL OTHER FINANCING SOURCES(USES) | (219,574) | 304,235 |
| Net Changes in Fund Balance | 1,280,316 | (196,240) |
| FUND BALANCE - BEGINNING OF YEAR | 5,116,009 | 521,660 |
| FUND BALANCE - END OF YEAR | 6,396,325 | 325,420 |

The notes to the financial statement are an integral part of this statement

| 202 Public Works Fund | 321 Road Reserve Fund | Non-Major Governmental Funds | Total Governmental Funds |
|---|---|---|---|
| - | - | 454,956 | 7,926,392 |
| - | - | 547,474 | 1,789,483 |
| 1,882,137 | - | 1,428,659 | 5,133,807 |
| 798,863 | - | 339,244 | 2,285,390 |
| 226,661 | - | 6,700 | 1,320,577 |
| 27,580 | - | - | 122,743 |
| - | - | 35,289 | 89,940 |
| 21,568 | 12,199 | 11,670 | 76,276 |
| - | - | 47,187 | 244,333 |
| - | - | 20,906 | 305,731 |
| 22,139 | - | 13,801 | 198,758 |
| - | - | - | 2,830 |
| 2,978,947 | 12,199 | 2,905,886 | 19,496,260 |
| | | | |
| 1,612,586 | - | 832,854 | 10,128,231 |
| 1,393,386 | - | 1,203,391 | 7,228,452 |
| 216,297 | - | 531,738 | 1,033,382 |
| - | - | 523,958 | 523,958 |
| 3,222,268 | - | 3,091,940 | 18,914,021 |
| | | | |
| (243,321) | 12,199 | (186,053) | 582,239 |
| | | | |
| 20,664 | - | 4,808 | 40,339 |
| - | 200,000 | 304,834 | 1,675,479 |
| (263,000) | - | (311,629) | (1,675,479) |
| (242,336) | 200,000 | (1,987) | 40,339 |
| (485,658) | 212,199 | (188,040) | 622,577 |
| 4,978,912 | 2,539,988 | 2,194,024 | 15,350,593 |
| 4,493,255 | 2,752,187 | 2,005,984 | 15,973,169 |

**Wasco County, Oregon**
**Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities**
**June 30, 2012**
(all amounts are in dollars)

| | | |
|---|---|---|
| Net Change in Fund Balances - Governmental Funds | | 622,577 |
| Amounts reported for governmental activities in the Statement of Activities are different because: | | |
| Governmental funds report capital outlay as expenditures. However in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. | | |
| Expenditures for capital assets | 1,007,117 | |
| Disposal of capital assets | (25,457) | |
| Less current year depreciation | (889,273) | 92,387 |
| Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. | | |
| Principal Payments | 459,879 | |
| Change in Deferred charges related to bond issues | (2,790) | 457,089 |
| Expenditures reported for Other Post Employment Benefits in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. | | (78,410) |
| Revenues in the funds that do not provide current financial resources are not reported as revenues in the Statement of Activites as follows: | | |
| Change in deferred revenues | | 1,555 |
| In the Statement of Activities interest is accrued on long-term debt. In the governmental funds it is recorded as an interest expense when due. | | 3,428 |
| Change in Net Assets of Governmental Activities | | 1,098,628 |

The notes to the financial statement are an integral part of this statement

# FIDUCIARY FUNDS

These funds account for resources received and held by the County in a fiduciary capacity. The modified accrual basis of accounting is used to record transactions in the agency funds.

TRUST FUND: The County collects revenues and pays expenditures for the Mid-Columbia Interagency Task Force, a collaborative agreement between local law enforcement agencies.

AGENCY FUNDS: The funds received and disbursed through Wasco County's Agency Funds are, for the most part, taxes collected for other taxing districts within the county. The County Treasurer collects these funds for the various governmental units and either invests the moneys for these governments or disburses the money to them.

**Wasco County, Oregon**
**Statement of Fiduciary Net Assets**
**June 30, 2012**
(all amounts are in dollars)

| | Trust Funds | Agency Funds | Total Fiduciary Funds |
|---|---|---|---|
| ASSETS: | | | |
| Cash with Treasurer | 140,066 | 549,232 | 689,298 |
| Taxes Receivable | - | 1,958,426 | 1,958,426 |
| TOTAL ASSETS | 140,066 | 2,507,658 | 2,647,724 |
| LIABILITIES AND FUND BALANCES | | | |
| LIABILITIES: | | | |
| Due to Other Governments | 140,066 | 2,507,658 | 2,647,724 |
| TOTAL LIABILITIES | 140,066 | 2,507,658 | 2,647,724 |
| NET ASSETS | - | - | - |

The notes to the financial statement are an integral part of this statement

**Wasco County, Oregon**
**Statement of Changes in Fiduciary Net Assets - Trust Only**
**MINT Trust Fund**
**For the year ended June 30, 2012**
(all amounts are in dollars)

| | |
|---|---|
| REVENUES: | |
| Investment Earnings | 566 |
| Miscellaneous | 25,860 |
| TOTAL REVENUES | 26,426 |
| EXPENDITURES: | |
| Materials & Services | 6,490 |
| TOTAL EXPENDITURES | 6,490 |
| Change in Net Assets | 19,936 |
| Net Assets held for MINT-Beginning | 77 |
| Net Assets held for MINT-Ending | 20,013 |

The notes to the financial statement are an integral part of this statement

This page left intentionally blank

# MAJOR GOVERNMENTAL FUNDS

## GENERAL AND SPECIAL REVENUE FUNDS

Major governmental funds are defined as those funds whose revenues, expenditures/expenses, assets or liabilities (excluding extraordinary items) are at least 10 percent of corresponding totals for all governmental funds for the same items. The general fund is always classified as a major fund.

GENERAL FUND: Most of the activities relating to the operations of Wasco County are accounted for through the General Fund. Primary sources of revenues are taxes, fees and licenses, fines and forfeits, intergovernmental revenues, supplies and services sold, interest on investments, rents and other miscellaneous revenues. Expenditures are for personal services, materials and services, capital outlay and transfers to other funds.

PUBLIC HEALTH FUND: The North Central Public Health District receives revenues from state and federal grant programs, fees for immunizations, prenatal care, death certificates and various other sources. Expenditures from the Health Department Grants Fund are for personal services and materials and services.

PUBLIC WORKS FUND: The Public Works Fund accounts for revenues and expenditures used in constructing and maintaining County roads. Most of the fund's revenues are from Forest Reserve Rentals and Motor Vehicle funds. Expenditures are for personal services, materials and services and capital outlay.

**Wasco County, Oregon**
**Statement of Revenues, Expenditures and Changes in Fund Balance**
**Budget and Actual - Budgetary Basis**
**General Fund**
**For the year ended June 30, 2012**
(all amounts are in dollars)

| | BUDGETED AMOUNTS | | | VARIANCE FAVORABLE |
|---|---|---|---|---|
| | ORIGINAL | FINAL | ACTUAL | (UNFAVORABLE) |
| REVENUES: | | | | |
| Taxes | 7,179,689 | 7,179,689 | 7,471,436 | 291,747 |
| Licenses, Fees & Permits | 1,025,596 | 1,025,596 | 1,026,238 | 642 |
| Intergovernmental Revenues | 830,411 | 865,351 | 1,092,942 | 227,591 |
| Federal Revenues | 541,742 | 631,622 | 453,654 | (177,968) |
| Charges for Services | 110,674 | 118,624 | 128,888 | 10,264 |
| Internal Service Charges | 26,600 | 26,600 | 25,000 | (1,600) |
| Fines and Restitution | 40,100 | 40,100 | 54,312 | 14,212 |
| Investment Earnings | 15,400 | 15,400 | 25,861 | 10,461 |
| Rents | 207,216 | 207,216 | 197,146 | (10,070) |
| Contributions and Donations | 1,000 | 1,000 | 1,908 | 908 |
| Miscellaneous | 123,863 | 123,863 | 138,233 | 14,370 |
| Pass Through Payments | 1,300 | 1,300 | 2,830 | 1,530 |
| TOTAL REVENUES | 10,103,591 | 10,236,361 | 10,618,450 | 382,089 |
| EXPENDITURES: | | | | |
| ***Current by Department*** | | | | |
| Court | 301,167 | 301,167 | 279,760 | 21,407 |
| Assessor | 631,638 | 637,038 | 616,849 | 20,189 |
| Clerk | 313,320 | 313,320 | 297,845 | 15,475 |
| Sheriff | 1,973,670 | 1,943,606 | 1,742,408 | 201,198 |
| EAS | 1,674,298 | 1,718,902 | 1,532,277 | 186,625 |
| Administration | 3,048,191 | 3,103,767 | 2,823,296 | 280,471 |
| District Attorney | 483,226 | 483,226 | 457,663 | 25,563 |
| Planning | 512,553 | 512,553 | 467,930 | 44,623 |
| Public Works | 113,884 | 113,884 | 109,729 | 4,155 |
| Youth Services | 503,059 | 503,059 | 496,867 | 6,192 |
| ***Total Current by Department*** | 9,555,006 | 9,630,522 | 8,824,624 | 805,898 |
| ***Capital Outlay by Department*** | | | | |
| Clerk | 20,685 | 20,685 | 13,623 | 7,062 |
| Sheriff | | 80,154 | 43,952 | 36,202 |
| EAS | 251,105 | 206,501 | 47,801 | 158,700 |
| Administration | 120,000 | 147,393 | 134,329 | 13,064 |
| ***Total Capital Outlay by Department*** | 391,790 | 454,733 | 239,706 | 215,027 |
| ***Contingency*** | 386,965 | 381,276 | - | 381,276 |
| TOTAL EXPENDITURES | 10,333,761 | 10,466,531 | 9,064,330 | 1,402,201 |

The notes to the financial statement are an integral part of this statement

**Wasco County, Oregon**
**Statement of Revenues, Expenditures and Changes in Fund Balance**
**Budget and Actual - Budgetary Basis**
**General Fund**
**For the year ended June 30, 2012**
(all amounts are in dollars)

| | BUDGETED AMOUNTS | | | VARIANCE FAVORABLE |
|---|---|---|---|---|
| | ORIGINAL | FINAL | ACTUAL | (UNFAVORABLE) |
| Excess of Revenues Over (Under) Expenditures | (230,170) | (230,170) | 1,554,119 | 1,784,289 |
| OTHER FINANCING SOURCES AND (USES): | | | | |
| Sale of Fixed Assets | 9,000 | 9,000 | 14,867 | 5,867 |
| Transfers from Other Funds | 458,965 | 458,965 | 404,629 | (54,336) |
| Transfers to Other Funds | (1,037,795) | (1,037,795) | (1,037,795) | - |
| TOTAL OTHER FINANCING SOURCES AND USES | (569,830) | (569,830) | (618,300) | (48,470) |
| Net Changes in Fund Balance | (800,000) | (800,000) | 935,820 | 1,735,820 |
| FUND BALANCE - BEGINNING OF YEAR | 2,800,000 | 2,800,000 | 4,614,698 | 1,814,698 |
| Residual Equity Transfer In | - | - | 17,803 | 17,803 |
| FUND BALANCE - END OF YEAR | 2,000,000 | 2,000,000 | 5,568,320 | 3,568,320 |

**Wasco County, Oregon**
**Statement of Revenues, Expenditures and Changes in Fund Balance**
**Budget and Actual - Budgetary Basis**
**201 Public Health Fund**
**For the year ended June 30, 2012**
(all amounts are in dollars)

| | BUDGETED AMOUNTS | | | Variance Favorable |
|---|---|---|---|---|
| REVENUES: | Original | Final | Actual | (Unfavorable) |
| Licenses, Fees & Permits | 213,500 | 213,500 | 202,353 | (11,147) |
| Intergovernmental Revenues | 606,257 | 439,288 | 394,167 | (45,121) |
| Federal Revenues | 613,984 | 793,453 | 693,628 | (99,825) |
| Charges for Services | 167,083 | 167,083 | 166,339 | (744) |
| Investment Earnings | 2,500 | 2,500 | 1,745 | (755) |
| Miscellaneous | 1,000 | 1,000 | 3,066 | 2,066 |
| TOTAL REVENUES | 1,604,324 | 1,616,824 | 1,461,299 | (155,525) |
| EXPENDITURES: | | | | |
| *Current: Personal Services* | 1,717,091 | 1,717,091 | 1,604,853 | 112,238 |
| *Current: Materials & Services* | 336,825 | 349,325 | 316,322 | 33,003 |
| Capital Outlay | 70,000 | 70,000 | 32,250 | 37,750 |
| Contingency | 24,955 | 24,955 | - | 24,955 |
| TOTAL EXPENDITURES | 2,148,871 | 2,161,371 | 1,953,425 | 207,946 |
| Excess of Revenues Over (Under) Expenditures | (544,547) | (544,547) | (492,126) | 52,421 |
| OTHER FINANCING SOURCES(USES) | | | | |
| Operating Transfers In | 304,235 | 304,235 | 304,235 | - |
| NET OTHER FINANCING SOURCES (USES) | 304,235 | 304,235 | 304,235 | - |
| Net Changes in Fund Balance | (240,312) | (240,312) | (187,891) | 52,421 |
| FUND BALANCE - BEGINNING OF YEAR | 359,684 | 359,684 | 523,624 | 163,940 |
| FUND BALANCE - END OF YEAR | 119,372 | 119,372 | 335,733 | 216,361 |

The notes to the financial statement are an integral part of this statement

**Wasco County, Oregon**
**Statement of Revenues, Expenditures and Changes in Fund Balance**
**Budget and Actual - Budgetary Basis**
**202 Public Works Fund**
**For the year ended June 30, 2012**
(all amounts are in dollars)

| | BUDGETED AMOUNTS | | | Variance Favorable |
|---|---|---|---|---|
| REVENUES: | Original | Final | Actual | (Unfavorable) |
| Intergovernmental Revenues | 1,781,742 | 1,781,742 | 1,882,137 | 100,395 |
| Federal Revenues | 823,968 | 823,968 | 798,863 | (25,105) |
| Charges for Services | 179,000 | 179,000 | 226,661 | 47,661 |
| Internal Service Charges | 30,000 | 30,000 | 27,580 | (2,420) |
| Investment Earnings | 23,500 | 23,500 | 21,568 | (1,932) |
| Miscellaneous | 22,015 | 22,015 | 22,139 | 124 |
| TOTAL REVENUES | 2,860,225 | 2,860,225 | 2,978,947 | 118,722 |
| EXPENDITURES: | | | | |
| *Current: Personal Services* | 1,687,181 | 1,687,181 | 1,606,842 | 80,339 |
| *Current: Materials & Services* | 1,402,865 | 1,402,865 | 1,379,015 | 23,850 |
| Capital Outlay | 270,000 | 270,000 | 216,297 | 53,703 |
| Contingency | 400,000 | 400,000 | - | 400,000 |
| TOTAL EXPENDITURES | 3,760,046 | 3,760,046 | 3,202,153 | 557,893 |
| Excess of Revenues Over (Under) Expenditures | (899,821) | (899,821) | (223,206) | 676,615 |
| OTHER FINANCING SOURCES(USES) | | | | |
| Sale of Assets | 36,500 | 36,500 | 20,664 | (15,836) |
| Operating Transfers In | | - | - | - |
| Operating Transfers Out | (263,000) | (263,000) | (263,000) | - |
| NET OTHER FINANCING SOURCES (USES) | (226,500) | (226,500) | (242,336) | (15,836) |
| Net Changes in Fund Balance | (1,126,321) | (1,126,321) | (465,543) | 660,778 |
| FUND BALANCE - BEGINNING OF YEAR | 4,374,477 | 4,374,477 | 4,497,207 | 122,730 |
| FUND BALANCE - END OF YEAR | 3,248,156 | 3,248,156 | 4,031,665 | 783,509 |

The notes to the financial statement are an integral part of this statement

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The accounting policies of Wasco County, Oregon conform to generally accepted accounting principles (GAAP) as applicable to governments. The following is a summary of the more significant policies:

### A. REPORTING ENTITY:

Wasco County, Oregon is a non-home rule county governed by an elected Board of Commissioners consisting of a three County Commissioners, one whom serves as County Chair. Other elected officials include the County Clerk, County Treasurer, County Sheriff, County Assessor, County District Attorney and County Surveyor.

As required by GAAP, these financial statements present the County and its component units – legally separate entities for which the County is considered to be financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either a) the ability to impose its will on the organization, or b) the possibility that the component until will provide a financial benefit or impose a financial burden on the primary government.

Wasco County reports two component units. These are the Wasco County 4-H and Extension Service District and the Wasco County Library Service District. These Districts began operations July 1, 2008 and are included in the County's statements as discretely presented component units. Each District has separate audited financial statements available upon request through Wasco County.

### B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS:

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the County. For the most part, the effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segments. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segments and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

Taxes and other items not properly included among program revenues are reported instead as *general revenues.*

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

Major individual governmental funds are reported in separate columns in the fund financial statements.

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PREPARATION:

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Government fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting.* Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Property taxes, excise taxes, business income taxes, intergovernmental revenue, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the County.

The County applies all applicable GASB pronouncements, as well as Financial Accounting Standards Board (FASB) guidance, issued on or before November 30, 1989, unless that guidance conflicts with or contradicts GASB pronouncements, and does not apply FASB guidance issued subsequent to November 30, 1989 unless specifically adopted by the GASB.

GASB 34 establishes criteria (percentage of the assets, liabilities, revenues or expenditure/expense of either fund category or the governmental and enterprise funds combined) for the determination of major funds. Nonmajor funds are combined in a single column in the fund financial statements. The County reports the following major governmental funds:

GENERAL FUND: This is the County's primary operating fund and is always considered a major fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

PUBLIC HEALTH FUND: This fund receive revenues from state and federal sources to provide public health services to participating counties.

PUBLIC WORKS FUND: This fund accounts for revenues and expenditures used in constructing and maintaining County roads.

ROAD RESERVE FUND: This fund was created to accumulate monies for future road equipment purchases and construction projects. Revenues were from interest on investments. Budgeted expenditures are for Materials and Services and for Capital Outlay.

Additionally, the County reports the following fund types:

SPECIAL REVENUE FUNDS: These funds are primarily operating funds that account for revenue derived from specific taxes or other revenue sources, which are legally restricted to finance particular functions or activities. When a special revenue fund is not an operating fund, transfers are made from the special revenue fund to the operating funds authorized to make expenditures.

CAPITAL PROJECTS FUNDS: Expenditures for major construction projects or equipment acquisitions are accounted for in the capital projects funds.

DEBT SERVICE FUNDS: These funds account for the resources accumulated and payments made for principal and interest on long-term debt of governmental funds.

FIDUCIARY FUNDS: Trust and Agency Funds are used to account for assets held by the County in a trustee capacity. Agency Funds are custodial in nature and do not involve measurement of result of operations.

D. ASSETS, LIABILITIES AND NET ASSETS:

1. *Deposits and investments:* The County maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is shown on the Combined Balance Sheet as "Cash with Treasurer". Deposits and Investments are shown at cost which approximates market value at June 30, 2012. Earnings on the pooled monies are apportioned and credited to the funds monthly, based on the average daily balances of each participating fund.

2. *Inventory:* Inventory-type items are considered to be an expenditure when purchased. Except for the Public Works Fund, the amount of inventory at year end was not considered significant and is not reported on the balance sheet. The Public Works Fund inventory is recorded at cost or estimated cost and is offset by a reservation of fund balance.

3. *Net Assets:* Net assets comprise the various net earnings from operating income, nonoperating revenues and expense, capital contributions, and special items. Net assets are classified in the following three components:

*Invested in capital assets, net of related debt* - This component of net assets consists of 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 improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of invested in capital assets, net of related debt. Rather, that portion of the debt is included in the same net assets component as the unspent proceeds.
*Restricted* – This component of net assets consists of constraints imposed by creditors

(such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
*Unrestricted net assets* – This component of net assets consists of net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

4. *Fund Balance:* In the fund financial statements, Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54) defines the different types of fund balances that a governmental entity must use for financial reporting purposes. GASB 54 requires the fund balance amounts to be properly reported within one of the five fund balance components listed below:

Nonspendable- This component includes amounts that cannot be spent because they are either (1) not in spendable form or (2) legally or contractually required to be maintained intact.
Restricted- This component consists of amounts that can be spent only for the specific purpose stipulated by external resource providers, constitutional provisions, or enabling legislation.
Committed- This component consists of amounts that can only be used for the specific purposes determined by a formal action of the County's highest level of decision-making authority, which includes resolutions. Those committed amounts cannot be used for any other purpose unless the County removes or changes the specified use by taking the same type of action (resolution) it employed previously to commit those amounts.
Assigned- This component consists of amounts that are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. The authority for assigning fund balance is expressed by the Board of Commissioners, or their designee as established in the County's Fund Balance Policy.
Unassigned- This residual classification of fund balance includes all spendable amounts that have not been restricted, committed, or assigned.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources (committed, assigned and unassigned) as they are needed. When unrestricted resources (committed, assigned and unassigned) are available for use it is the County's policy to use committed resources first, then assigned, and then unassigned, as they are needed.

Below is a schedule of ending fund balances, based on the standards in GASB Statement 54:

| | General Fund | Public Health Fund | Public Works Fund | Road Reserve Fund | Nonmajor Funds | Total all Funds |
|---|---|---|---|---|---|---|
| ***Fund Balances*** | | | | | | |
| **Total Nonspendable in form:** | - | - | 534,333 | - | - | 534,333 |
| **Restricted for:** | | | | | | |
| Public Works Fund | - | - | 3,886,179 | - | - | 3,886,179 |
| Health Department | - | 315,106 | - | - | - | 315,106 |
| County Fair Fund | - | - | - | - | 84,007 | 84,007 |
| County School Fund | - | - | - | - | 102 | 102 |
| Land Corner Preservation Fund | - | - | - | - | 181,732 | 181,732 |
| Forest Health Program Fund | - | - | - | - | 134,074 | 134,074 |
| Law Library Fund | - | - | - | - | 115,385 | 115,385 |
| Community Corrections Fund | - | - | - | - | 320,665 | 320,665 |
| Court Facilities Security Fund | - | - | - | - | 60,414 | 60,414 |
| CCFC Fund | - | - | - | - | 110,440 | 110,440 |
| Clerk Records Fund | - | - | - | - | 14,932 | 14,932 |
| Debt Service Funds | - | - | - | - | 102,641 | 102,641 |
| **Total Restricted** | - | 315,106 | 3,886,179 | - | 1,124,392 | 5,325,677 |
| **Committed to:** | | | | | | |
| Household Hazardous Waste Fund | - | - | - | - | 113,979 | 113,979 |
| Road Reserve Fund | - | - | - | 2,752,187 | - | 2,752,187 |
| Capital Acquisitions Fund | - | - | - | - | 482,261 | 482,261 |
| Equipment Reserve Fund | - | - | - | - | 192,089 | 192,089 |
| 911 Capital Reserve Fund | - | - | - | - | 14,153 | 14,153 |
| Facility Reserve Fund | - | - | - | - | 121,995 | 121,995 |
| **Total Committed** | - | - | - | 2,752,187 | 924,476 | 3,676,663 |
| **Assigned for:** | | | | | | |
| Economic Development Payments Fund | 20,471 | - | - | - | - | 20,471 |
| District Attorneys Fund | 52,344 | - | - | - | - | 52,344 |
| Museum Fund | 199,300 | - | - | - | - | 199,300 |
| Animal Control Fund | 49,754 | - | - | - | - | 49,754 |
| Weed & Pest Fund | 204,370 | - | - | - | - | 204,370 |
| 911 Communications Fund | 131,133 | - | - | - | - | 131,133 |
| Kramer Field Fund | 32,315 | - | - | - | - | 32,315 |
| General Operating Reserve | 225,428 | - | - | - | - | 225,428 |
| Compensated Absences | 138,153 | 10,313 | 72,743 | - | 23,195 | 244,404 |
| **Total Assigned** | 1,053,269 | 10,313 | 72,743 | - | 23,195 | 1,159,520 |
| **Total Unassigned:** | 5,343,056 | - | - | - | (66,079) | 5,276,977 |
| ***Total Fund Balances*** | 6,396,325 | 325,420 | 4,493,255 | 2,752,187 | 2,005,983 | 15,973,169 |

5. *Capital Assets:* Capital assets, which include property and equipment, infrastructure and land, are reported in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than $5,000 and an estimated useful life of more than one year. Such assets are recorded at historical cost

or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, and equipment of the County, are depreciated using the straight-line method over the following estimated useful lives:

| | |
|---|---|
| Equipment | 5 to 45 years |
| Buildings and Improvements | 45 to 100 years |
| Infrastructure | 25 to 100 years |

6. *Compensated Absences:* Vacation time for employees who are members of bargaining units accumulates based on the number of years of service, ranging from ten to twenty working days per year. Vacation pay is vested when earned.

Vacation time for employees who are not members of bargaining units is awarded based on the number of years of service, ranging from 10 to 20 working days per year. Vacation is awarded on January 1, of any given year. Vacation pay is expected to be liquidated with expendable available financial resources and is reported as an expenditure and fund liability of the appropriate Governmental Fund.

Sick leave accumulates at the rate of twelve days per year for full time employees. There is no limit on accumulation, and it is not compensable upon termination of employment.

7. *Long-Term Obligations:* In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the statement of net assets.

In the fund financial statements, governmental fund types report the face amount of debt issued as other financing sources. Principal and interest payments are reported as debt service expenditures when paid.

8. *Property tax revenues and receivables:* Property taxes are collected by the Wasco County Tax Collector and distributed to the County's funds monthly. The fund financial statements reflect property taxes as revenue when collected by the Tax Collector and available to the County to pay current period expenditures. The government-wide financial statements reflect property taxes as revenue in the year levied.

Property taxes receivable at year end have been reported on the balance sheet. No allowance has been made for uncollectible taxes since past history has shown losses to be minimal. In the fund financial statements, taxes receivable considered not available for payment of current year expenditures have been offset as deferred revenue.

Property taxes are levied on July 1 pursuant to Oregon Revised Statute 310.030. Taxes are payable in full on November 15 or are payable in installments the last of which is due on May 15 of the year following the year in which imposed. Taxes become delinquent on personal property when any installment is not paid by its due date. Taxes become

delinquent on real property if not paid by May 15. On January 1 and July 1 tax liens attach to personal and real property respectively to secure payment of all taxes, penalties and interest ultimately imposed. Personal property is subject to summary seizure and the responsible taxpayer is subject to warrant service 30 days after the delinquency date. Foreclosure proceedings begin on real property after three years from the date taxes become delinquent.

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

10. *Interfund Activity:*
Transfers - Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. Operating interfund transactions are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers.
Receivables and Payables – Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds" (i.e., current portion of interfund loans).

11. *Use of Estimates:* The financial statements and related disclosures are prepared in conformity with accounting principles generally accepted in the United States. Management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and revenue and expenses during the period reported. These estimates include assessing the collectability of accounts receivable, the use and recoverability of inventory and the useful lives and impairment of tangible and intangible assets, among others. Estimates and assumptions are reviewed periodically and the effects of revisions are reflected in the financial statements in the period they are determined to be necessary. Actual results could differ from the estimates.

## NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY:

### A. BUDGETS AND BUDGETARY ACCOUNTING:

The budget is prepared on the modified accrual method of accounting for each fiscal year July 1 to June 30. The budget process includes a series of notices and publications culminating with the budget hearing. After the public hearing has been held, the County Court enacts the resolutions to adopt the budget, make appropriations and declare the ad valorem tax levy for all funds.

The Appropriations Resolution contains amounts for department expenditures, capital outlay, inter-fund transfers, debt service and contingency. This is the level of control for authorized expenditures. The level of expenditures is monitored throughout the year. Transfers are made from operating contingency or between the major object

classifications of the appropriation for each fund as required to prevent over-expenditures. Final budget amounts shown in the budget to actual schedules include appropriation transfers and supplemental budget increases pursuant to ORS 294.480. All appropriations transfers and supplemental budget increases are approved by the Board of Commissioners. Appropriations for all funds lapse at the end of each fiscal year.

**Excess of expenditures over appropriations**
The County has no instance where expenditures exceeded appropriations for the year ended June 30, 2012.

**Deficit fund balance**
The Parks fund had a deficit in fund balance of ($66,079) as of June 30, 2012.

## NOTE 3 -DETAILED NOTES ON ALL FUNDS:

### A. CASH AND INVESTMENTS:

Cash and Investments (recorded at cost) for the county, its discretely presented component units and fiduciary funds, consisted of petty cash of $4,360, deposits with financial institutions totaling $2,068,087 and investment in the LGIP of $14,599,096, for a total of $17,236,096.

| | Fair Value |
|---|---|
| Primary Government | 15,610,767 |
| Component Units | 936,031 |
| Fiduciary Funds | 689,298 |
| Total Deposits and Investments | 17,236,096 |

DEPOSITS:
*Custodial Credit Risk.* Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. In order to minimize this risk, state statutes require banks holding public funds 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 bank depositories, it does not guarantee that all funds are 100% protected. All of the County's June 30, 2012 bank balance of $2,303,079 was collateralized by the FDIC or the PFCP.

INVESTMENTS:
The County's cash management policies are governed by state statutes. Statutes authorize the County to invest in bankers' acceptance, time certificates of deposit, repurchase agreements, obligations of the United States and its agencies and instrumentalities and the Oregon State Treasurer's Local Government Investment Pool. The Oregon Short-Term Fund is the LGIP for local governments and was established by the State Treasurer. It was created to meet the financial and administrative responsibilities of federal arbitrage regulations. The investments are regulated by the Oregon Short-Term Fund Board and approved by the Oregon Investment Council. The County's investment in the LGIP is not rated and is treated as a cash equivalent on the

Statement of Net Assets. The fair value of the position in the LGIP is the same as the value of the pool shares.

*Custodial Credit Risk – Investments* Custodial credit risk for investments is the risk that, in the event of failure of the counterparty (e.g., broker dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in possession of another party. At June 30, 2012, the County did not have any investments exposed to custodial credit risk.

*Concentration of Credit Risk – Investments* Concentration of credit risk is the risk of loss attributed to the magnitude of an entity's investment in a single issuer. There are no investments in any one issuer that represent five percent or more of the County's total investments.

*Interest Rate Risk* The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

B. CAPITAL ASSETS:

The following schedule shows the changes in Capital Assets for the year ended June 30, 2012:

| | Beginning Balance | Additions | Deletions | Corrections | Ending Balance |
|---|---|---|---|---|---|
| Land | 1,426,824 | 120 | (150) | - | 1,426,794 |
| *Depreciable Assets* | | | | | |
| Buildings | 7,279,646 | 74,028 | - | - | 7,353,674 |
| Furniture and Equipment | 9,161,129 | 545,044 | (183,375) | - | 9,522,798 |
| Infrastructure | 4,213,451 | 387,925 | - | - | 4,601,376 |
| *Total* | 22,081,050 | 1,007,117 | (183,525) | - | 22,904,642 |
| | | | | | - |
| Accumulated Depreciation | (9,784,129) | (889,273) | 158,068 | - | (10,515,334) |
| Net Fixed Assets | 12,296,922 | 117,844 | (25,457) | - | 12,389,305 |

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

| | |
|---|---|
| General Government | 127,790 |
| Public Safety | 212,910 |
| Highways and Streets | 467,278 |
| Health and Welfare | 63,133 |
| Culture and Recreation | 18,162 |
| | 889,273 |

C. LONG-TERM DEBT:

1. *Veterans Facility Bonds:* In 1994, the County issued general obligation Veterans Facility Bonds to finance the County's portion of the costs of construction of a long-term health care facility for veterans and to pay related costs. The bonds are payable from general property tax revenues, with coupon rates that increase yearly from 3.25 % beginning in December 1995 to 4.35 % in 2013.

The County is authorized pursuant to the Oregon Constitution and Oregon Revised Statutes Sections 288.605 through 288.695 to issue advance refunding bonds for the refunding of all or any portion of its outstanding bonds. Advance refunding all or a portion

of the refundable bonds will provide significant debt service savings to the County as required by law. On December 7, 1999, the County issued General Obligation Refunding Bonds Series 1998 in the amount of $3,150,000. The net proceeds of the refunding bonds were used to purchase refundable general obligations which have been placed irrevocably in escrow and used solely to pay principal, interest and redemption premiums, if any, on the refundable 1994 general obligation bonds as they are redeemed. The ultimate savings on the advance refunding is expected to be $262,926. The interest rate on these bonds increases yearly from 3.25% in 1998 to 4.35% in 2013.

2. *Crates Point Bonded Loan*: In 1996, the County contracted with the State Of Oregon Economic Development Department, Oregon Bond Bank for a bonded loan of $320,600 to finance the construction of the infrastructure at Crates Point. The loan is expected to be repaid with revenues derived from the operation of the Discovery Center and Museum. Payments began December 1, 1997 with an interest rate of 5.329%.

3. *Notes Payable*: In 1996, the County contracted with the State Of Oregon Economic Development Department, Oregon Bond Bank for a deferred loan of $634,241 to finance the construction of the infrastructure at Crates Point. The loan is expected to be repaid with revenues derived from the operation of the Discovery Center and Museum. Payments began December 1, 2002 with an interest rate of 6.00 percent for a 20 year term. On January 14, 2005, the County refinanced the note over 15 years at an interest rate of 5.15% for an anticipated savings of $80,922.

Future debt service requirements of the County as of June 30, 2012 are:

| | Veterans Facility Bonds | | Crates Point Bonded Loan | | Crates Point Refunded Series 2005 | |
|---|---|---|---|---|---|---|
| | Principal | Interest | Principal | Interest | Principal | Interest |
| 2012-13 | 425,000 | 18,488 | 18,621 | 6,337 | 38,325 | 18,949 |
| 2013-14 | - | - | 23,820 | 5,312 | 40,299 | 16,975 |
| 2014-15 | - | - | 24,030 | 4,002 | 42,374 | 14,900 |
| 2015-16 | - | - | 24,252 | 2,680 | 44,557 | 12,718 |
| 2016-21 | - | - | 24,485 | 1,346 | 202,385 | 26,711 |
| Totals | $ 425,000 | $ 18,488 | $ 115,208 | $ 19,677 | $ 367,940 | $ 90,253 |

4. *Changes in Long-Term Debt:*

| | Beginning Balance | Additions | Deletions | Ending Balance | Due in One Year |
|---|---|---|---|---|---|
| **Compensated Absences** | 242,720 | 4,186 | - | 246,906 | - |
| **OPEB Obligation** | 274,637 | 78,410 | - | 353,047 | - |
| **Veterans Facility Bonds** | | | | | |
| Principal | 830,000 | - | 405,000 | 425,000 | 425,000 |
| Discount/Premium on Refunded Bonds | (6,744) | - | (2,790) | (3,954) | (3,954) |
| **Crates Point Bonded Loan** | | | | | |
| Principal | 133,639 | - | 18,431 | 115,208 | 18,621 |
| **Refunded Series 2005 (Crates Point)** | | | | | |
| Principal | 404,388 | - | 36,448 | 367,940 | 38,325 |
| Total Long Term Obligations | **1,878,640** | **82,596** | **457,089** | **1,504,147** | **477,992** |

D. EMPLOYEE PENSION PLANS:

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

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

2. *Funding Policy*: Members of PERS are required to contribute 6.00% of their salary covered under the plan, which is invested in the OPSRP Individual Account Program. The County is required by ORS 238.225 to contribute at an actuarially determined rate for the qualifying employees under the OPERF plan and a general service rate, and a police and fire rate for the Qualifying employees under the OPSRP plan. The rates for the year ended June 30, 2012 were as follows:

| | |
|---|---|
| OPERF | 8.65% |
| OPSRP General | 7.34% |
| OPSRP Police/Fire | 10.05% |

The contribution requirements for plan members are established by ORS Chapter 238 and may be amended by an act of the Oregon Legislature.

Actual contributions made by plan members for the IAP defined contribution portion of the OPSRP plan for the year ended June 30, 2012 are $91,168.

3. *Annual Pension Cost*: For 2012, the County's annual pension cost for PERS was equal to the County's required and actual contributions. The required contribution was determined as part of the December 31, 2009, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 8.00 percent investment rate of return (net of investment and administrative expenses), (b) projected salary increases of 3.75% per year with additional increases for promotion and longevity that vary by age and service, (c) healthcare cost inflation of 7%, grading down to 4.5% in 2029 and (d) certain demographic assumptions. The underlying long-term assumed rate of

inflation is 2.75% per year. The actuarial value of PERS assets at fair market value on the valuation date less a reserve equal to a prorate portion of the investment gains (losses) over the four-year period ending on the valuation date. The unfunded actuarial liability as of December 31, 2009 valuation, is being amortized on a level percentage of covered payroll on a closed fixed term method over a 20-year period.

Three Year Trend Information for Wasco County

| Fiscal Year Ending | Annual Pension Cost (APC) | Percentage of APC Contributed | Net Pension Obligation |
|---|---|---|---|
| 6/30/2010 | 952,814 | 100% | - |
| 6/30/2011 | 929,730 | 100% | - |
| 6/30/2012 | 919,794 | 100% | - |

E OPERATING LEASES:

The County leases equipment, primarily copiers, under non-cancelable lease agreements. Operating lease expenditures were $32,000 for the year ended June 30, 2012. Future payments associated with operating leases are due as follows:

| FYE 30-Jun | Amount |
|---|---|
| 2013 | 28,103 |
| 2014 | 28,140 |
| 2015 | 25,739 |
| 2016 | 12,605 |
| 2017 | 452 |

F. OTHER POST-EMPLOYMENT BENEFITS:

**Plan Description:** The County participates in a defined benefit postemployment healthcare plan, administered by City County Insurance Services (CIS), which offers medical, dental and vision benefits to eligible retired employees and their beneficiaries. The plan is an agent multiple-employer postemployment healthcare plan. As the administrator of the plan, CIS has the authority to determine post-retirement benefit increases and decreases. CIS does not issue a separate, publicly available financial report for this plan.

The plan allows County employees retiring under PERS or PRSRP to continue their healthcare on a self-pay basis until eligible for Medicare, usually at age 65. This plan creates an "implicit rate subsidy" because the healthcare insurance premiums paid by the County for its employees are based on a blended premium of both employees and retirees combined, which is a higher premium than would have been paid for employees alone.

**Funding Policy:** The County's policy is to pay the implicit rate subsidy on a pay-as-you-go basis. For the fiscal year 2012 the County paid healthcare insurance premiums of $1,698,322.

**Annual OPEB Cost and Net OPEB Obligation:** The County's annual OPEB expense is calculated based on the County's annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The

ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities over thirty years. The following table shows the components of the County's annual OPEB expense for the year, the amount actually contributed to the plan and changes in the County's net OPEB obligation:

| | *FYE 6/30/12* |
|---|---|
| **Determination of Annual Required Contribution** | |
| 1) Normal Cost at year end | $ 83,355 |
| 2) Amortization of UAAL | 91,496 |
| 3) Annual Required Contribution (ARC) (1) + (2) | $ 174,851 |
| **Determination of Net OPEB Obligation** | |
| 4) Annual Required Contribution | $ 174,851 |
| 5) Interest on prior year Net OPEB Obligation | 15,579 |
| 6) Adjustment to ARC | 26,469 |
| 7) Annual OPEB Cost (4) + (5) - (6) | $ 163,961 |
| 8) Explicit Benefit Payments | - |
| 9) Implicit Benefit Payments | 85,551 |
| 10) Increase in Net OPEB Obligation (7) - (8) - (9) | $ 78,410 |
| 11) Net OBEP Obligation - beginning of year | 389,480 |
| 12) Net OBEP Obligation - end of year | 467,890 |

The following table shows the annual OPEB cost and net OPEB obligation for the prior three years:

Three Year Trend Information for Wasco County

| Fiscal Year Ending | Annual Pension Cost (APC) | Percentage of APC Contributed | Net Pension Obligation |
|---|---|---|---|
| 6/30/2010 | 952,814 | 100% | - |
| 6/30/2011 | 929,730 | 100% | - |
| 6/30/2012 | 919,794 | 100% | - |

**Funded Status and Funding Progress:** As of August 1, 2010, the most recent actuarial valuation date, the plan was zero percent funded. The actuarial accrued liability for benefits was $1,251,853 and the actuarial value of assets was zero, resulting in an unfunded accrued liability of $1,251,853.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

**Actuarial Methods and Assumptions:** Projections of benefits are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs

between the County and the plan members to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Significant methods and assumptions were as follows:

| | |
|---|---|
| Actuarial Valuation Date | 8/1/2010 |
| Actuarial Cost Method | Projected Unit Credit Cost Method |
| Amortization Method | Level % of Payroll |
| Remaining Amortization Period | 15 Years |
| Actuarial Assumptions: | |
| Projected Salary Increases | 3.75% plus merit component |
| Initial Healthcare Inflation Rates | 8.5% |
| Ultimate Healthcare Inflation Rates | 5% |

G. INTERFUND TRANSFERS:

The following table reflects the interfund transfers completed during the year ended June 30, 2012:

| | Transfers In | Transfers Out |
|---|---|---|
| General Fund | 404,629 | 1,037,795 |
| Health Grants | 304,235 | - |
| Public Works Fund | - | 263,000 |
| County Fair Fund | 5,000 | - |
| Land Corner Preservation Fund | - | 45,244 |
| Forest Health Fund | - | 23,500 |
| Spec. ED Payments Fund | - | 58,055 |
| Law Library Fund | - | 3,000 |
| District Attorney Fund | - | 5,000 |
| Museum Fund | 12,500 | - |
| Animal Control Fund | 29,811 | - |
| 911 Communication Fund | 194,470 | - |
| Parks Fund | 56,079 | - |
| Community Corrections Fund | - | 209,465 |
| Court Facilities Fund | - | 30,000 |
| CCF Fund | - | 420 |
| Road Reserve Fund | 200,000 | - |
| Capital Acquisitions Fund | 135,700 | - |
| Facility Capital Reserve | 50,000 | - |
| General Reserve | 225,000 | - |
| Discovery Center DSF | 58,055 | - |
| Total | 1,675,479 | 1,675,479 |

All transfers are budgeted to provide for operations of individual funds.

H. BUDGET/G.A.A.P. RECONCILIATION:

The following schedule reconciles the amounts on the Statement of Revenues, Expenditures and Changes in Fund Balance to the amounts on the individual fund statements prepared on a budgetary basis.

| | General Fund | Health Dept Fund | Public Works Fund | Road Reserve Fund | Other Nonmajor Funds |
|---|---|---|---|---|---|
| Net change in fund balances - GAAP basis | 1,280,316 | (196,240) | (485,658) | 212,199 | (188,040) |
| *Expenditures required by GAAP not recorded under budgetary basis:* | | | | | |
| Change in Inventory | - | - | 14,371 | - | - |
| Change in compensated absences | (14,151) | 8,350 | 5,744 | - | 4,243 |
| *Net change in fund balance for budgeted funds that do not meet the GASB 54 definition of Special Revenue funds and so are included in the General Fund:* | | | | | |
| 208 - Economic Development Payments Fund | (2,071) | - | - | - | 2,071 |
| 210 - District Attorney Fund | 2,977 | - | - | - | (2,977) |
| 211 - Museum Fund | (1,020) | - | - | - | 1,020 |
| 213 - Animal Control Fund | 12,464 | - | - | - | (12,464) |
| 219 - Weed & Pest Control Fund | (69,877) | - | - | - | 69,877 |
| 220 - 911 Communications Fund | (47,230) | - | - | - | 47,230 |
| 233 - Kramer Field Fund | (149) | - | - | - | 149 |
| 327 - General Operating Reserve | (225,428) | - | - | - | 225,428 |
| Net change in fund balances - budgetary basis | 935,831 | (187,890) | (465,543) | 212,199 | 146,537 |

## NOTE 4 – OTHER INFORMATION:

### A. 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 for which the County carries commercial insurance with nominal deductible levels. Losses over the past three years have not exceeded insurance coverage.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonable estimated. Any liability for claims or judgments would be reported in the appropriate governmental fund.

The County has elected to finance the liability for unemployment compensation benefits to County employees by reimbursing the State of Oregon Employment Division for the County's actual costs for the unemployment benefits.

### B. JOINTLY GOVERNED ORGANIZATION:

Wasco County, Oregon, in conjunction with Sherman County, Hood River County, and Gilliam County, has created a regional jail facility in Wasco County known as Northern Oregon Corrections (NORCOR). The board of NORCOR is composed of five members, one from each of the participating governments, along with one sheriff. Wasco County budgeted expenditures to NORCOR for the year ended June 30, 2012 totaling $2,182,851. Financial information for this entity may be obtained from the Administrator, Northern Oregon Corrections, 201 Webber Road, The Dalles, Oregon 97058.

C. SUBSEQUENT EVENTS

Subsequent events have been evaluated through the date of this financial statement with management. The issuance date of this financial statement is the same as the report date.

**Wasco County, Oregon**
**Schedule of Funding Progress Required by GASB 45**
**For the year ended June 30, 2012**
(all amounts are in dollars)

| Acruarial Valuation Date | Actuarial Value of Assets | AAL Unit Credit | UAAL | Funded Ratio | Covered Payroll | UAAL as a % of Covered Payroll |
|---|---|---|---|---|---|---|
| 8/1/2006 | - | 1,189,023 | 1,189,023 | 0% | 6,312,444 | 19% |
| 8/1/2008 | - | 1,225,563 | 1,225,563 | 0% | 6,331,674 | 19% |
| 8/1/2010 | - | 1,251,853 | 1,251,853 | 0% | 6,964,303 | 18% |

# OTHER SUPPLEMENTARY INFORMATION

**Wasco County, Oregon**
**Combining Balance Sheet**
**Non-Major Funds**
**June 30, 2012**
(all amounts are in dollars)

| | Special Revenue Funds | Capital Project Funds | Debt Service Funds | Total Non-Major Funds |
|---|---|---|---|---|
| ASSETS: | | | | |
| Deposits and Investments | 1,189,295 | 810,497 | 97,488 | 2,097,279 |
| Receivables: | | | | |
| Accounts Receivable | 42,498 | - | - | 42,498 |
| Taxes Receivable | - | - | 39,297 | 39,297 |
| TOTAL ASSETS | 1,231,793 | 810,497 | 136,784 | 2,179,074 |
| LIABILITIES AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Accounts Payable | 83,644 | - | - | 83,644 |
| Compensated Absences | 25,697 | - | - | 25,697 |
| Accrued Payroll & Related Liabilities | 29,607 | - | - | 29,607 |
| Deferred Revenue -Taxes | - | - | 34,143 | 34,143 |
| Total Liabilities | 138,948 | - | 34,143 | 173,091 |
| Fund Balances: | | | | |
| Restricted | 1,021,751 | - | 102,641 | 1,124,392 |
| Committed | 113,979 | 810,497 | - | 924,476 |
| Assigned | 23,195 | - | - | 23,195 |
| Unassigned | (66,079) | - | - | (66,079) |
| Total Fund Balances | 1,092,845 | 810,497 | 102,641 | 2,005,983 |
| TOTAL LIABILITIES AND FUND BALANCES | 1,231,793 | 810,497 | 136,784 | 2,179,074 |

**Wasco County, Oregon**
**Combining Schedule of Revenues, Expenditures**
**and Changes in Fund Balance**
**Non-Major Funds**
**For the year ended June 30, 2012**
(all amounts are in dollars)

| | Special Revenue Funds | Capital Project Funds | Debt Service Funds | Total Non-Major Funds |
|---|---|---|---|---|
| Taxes | - | - | 454,956 | 454,956 |
| Licenses, Fees & Permits | 547,474 | - | - | 547,474 |
| Intergovernmental Revenues | 1,403,659 | - | 25,000 | 1,428,659 |
| Federal Revenues | 331,322 | 7,922 | - | 339,244 |
| Charges for Services | 6,700 | - | - | 6,700 |
| Fines and Restitution | 35,289 | - | - | 35,289 |
| Investment Earnings | 7,052 | 3,326 | 1,292 | 11,670 |
| Rents | - | 47,187 | - | 47,187 |
| Contributions and Donations | 20,906 | - | - | 20,906 |
| Miscellaneous | 13,801 | - | - | 13,801 |
| TOTAL REVENUES | 2,366,203 | 58,435 | 481,248 | 2,905,886 |
| EXPENDITURES: | | | | |
| *Current: Personal Services* | 832,854 | - | - | 832,854 |
| *Current: Materials & Services* | 1,203,391 | - | - | 1,203,391 |
| Capital Outlay | 408,817 | 122,921 | - | 531,738 |
| Debt Service | - | - | 523,958 | 523,958 |
| TOTAL EXPENDITURES | 2,445,062 | 122,921 | 523,958 | 3,091,941 |
| Excess of Revenues Over (Under) Expenditures | (78,859) | (64,486) | (42,710) | (186,054) |
| OTHER FINANCING SOURCES(USES) | | | | |
| Sale of Assets | 4,808 | - | - | 4,808 |
| Operating Transfers In | 61,079 | 185,700 | 58,055 | 304,834 |
| Operating Transfers Out | (311,629) | - | - | (311,629) |
| NET OTHER FINANCING SOURCES (USES) | (245,742) | 185,700 | 58,055 | (1,987) |
| Net Changes in Fund Balance | (324,601) | 121,214 | 15,345 | (188,041) |
| FUND BALANCE - BEGINNING OF YEAR | 1,417,446 | 689,282 | 87,296 | 2,194,024 |
| FUND BALANCE - END OF YEAR | 1,092,845 | 810,497 | 102,641 | 2,005,983 |

## SPECIAL REVENUE FUNDS
NONMAJOR GOVERNMENTAL FUNDS

** These funds do not meet the GASB 54 definition of Special Revenue Funds and are included in the General Fund GAAP basis financial statements. They are budgeted as Special Revenue Funds under Oregon Budget Law.

203 COUNTY FAIR FUND: Revenues and expenditures from the operation of the County Fair are recorded in this fund. The primary source of revenue for the Fair is money earned from the annual County Fair operation. Revenues are also received from the State Video Lottery Commission. Expenditures are mainly for the fair and year round maintenance of the fair grounds.

204 COUNTY SCHOOL FUND: The County School Fund is used to account for the receipt of forest reserve rental revenues and distributions from the State of Oregon Common School Fund. By law, these funds are distributed to the school districts in Wasco County.

205 LAND CORNER PRESERVATION FUND: This fund was created by statute to account for revenues and expenditures relating to the surveying of all section corners in Wasco County. Revenues are mainly derived from fees charged for recording and interest on investments. Expenditures are for personal services and materials and services.

206 FOREST HEALTH FUND: The County receives Federal Title III money to be used to maintain the health of forests within county boundaries. Revenues are from grants and interest. Expenditures were for materials and services.

207 HOUSEHOLD HAZARDOUS WASTE FUND: Income is from DEQ grants and surcharges on local garbage services. Monies were expended for the Sanitarian and the Public Health Business Manager to supervise the collection of fees and the contracting of services and building projects relating to the disposal of Household Hazardous Waste.

**208 SPECIAL ECONOMIC DEVELOPMENT PAYMENTS FUND: This fund was established to account for Enterprise Zone Tax Abatement Agreement Project fees. The agreement states that "Project Fees will be deposited with the County, and budgeted, expended and distributed by the Sponsor for projects and programs for local services or infrastructure".

209 LAW LIBRARY FUND: This fund is used to maintain a law library within the County. Revenues are mainly from filing fees and expenditures are for materials and services.

**210 DISTRICT ATTORNEY FUND: Established to account for forfeiture proceeds, Victim and Drug Court donation balances in the General Fund are also transferred and accounted for in this fund. Revenues are mainly from Victim and Drug Court donations and forfeiture proceeds. Expenditures are for materials and services and capital expenses.

**211 MUSEUM FUND: Revenues are mainly from donations and supplements from the City of The Dalles and Wasco County. Expenditures are for personal services, materials and services and capital expenses.

**213 ANIMAL CONTROL FUND: The Animal Control Fund is used to account for the revenues and expenditures incurred in controlling animals in Wasco County. Revenues are mainly from

dog license sales, animal boarding and sales. Expenditures are for personal services, and materials and services.

**218 GIS FUND: This fund was closed and the fund balance transferred to the General Fund.

**219 WEED AND PEST CONTROL FUND: Revenues and expenditures for the County's weed abatement and pest control are recorded in this fund. Major sources of revenue include federal and state grants and contracts. Expenditures are for personal services, materials and services and capital outlay.

**220 911 COMMUNICATIONS FUND: This fund was created to account for activities of the County acting as the administrative and fiscal agent for the 911 user group. Revenues are primarily from 911 contracts and phone taxes. Expenditures are for personal services and materials and services.

223 PARKS FUND: The Parks fund receives RV and campsite monies to pay for a Park Manager, and maintenance and utilities for Hunt Park.

227 COMMUNITY CORRECTIONS FUND: This fund is used to account for revenues from state grants and fees from participants in the community correction program. Expenditures are for personal services, materials and services and capital outlay.

229 COURT FACILITIES SECURITY FUND: This fund is used to account for revenues from assessments on court fines. Expenditures are for materials and services.

232 COMMISSION ON CHILDREN AND FAMILIES: This fund accounts for state and federal grant monies. The grants are used to redirect state and federal child and family services to the local level. Expenditures were for personal services and materials and services.

**233 KRAMER FIELD FUND: Amounts remaining after the construction of Kramer Field on Webber Street are recorded in this fund. Revenues were from interest earned on investments. Expenditures are for materials and services.

237 CLERK RECORDS FUND: During 1999, Oregon law required a separate fund be maintained to accumulate 5% of the Assessment and Taxations recording fee. These funds are to be used to acquire storage and retrieval systems, and pay expenditures related to collecting the fee and maintaining and storing records.

**327 GENERAL OPERATING RESERVE FUND: This fund was created to accumulate monies to support operating expense as determined by the Commissioners .Revenues were from interest on investments and transfers.

**Wasco County, Oregon**
**Combining Balance Sheet**
**Special Revenue Funds**
**June 30, 2012**
(all amounts are in dollars)

| | 203 County Fair Fund | 204 County School Fund | 205 Land Corner Pres Fund | 206 Forest Health Fund | 207 HHW Fund | 209 Law Lib Fund |
|---|---|---|---|---|---|---|
| ASSETS: | | | | | | |
| Deposits and Investments | 87,763 | 102 | 184,854 | 134,074 | 127,714 | 115,657 |
| Receivables | | | | | | |
| Accounts Receivable | 336 | - | - | - | 26,611 | 28 |
| TOTAL ASSETS | 88,099 | 102 | 184,854 | 134,074 | 154,325 | 115,685 |
| LIABILITIES AND FUND BALANCES | | | | | | |
| LIABILITIES: | | | | | | |
| Due to Other Funds | - | - | - | - | - | - |
| Accounts Payable | 3,537 | - | 15 | - | 17,383 | 300 |
| Accrued Liabilites | 555 | - | 605 | - | 5,942 | - |
| Compensated Absences | - | - | 2,502 | - | 8,511 | - |
| TOTAL LIABILITIES | 4,092 | - | 3,122 | - | 31,836 | 300 |
| FUND BALANCES: | | | | | | |
| Restricted | 84,007 | 102 | 181,732 | 134,074 | - | 115,385 |
| Committed | - | - | - | - | 113,979 | - |
| Assigned | - | - | - | - | 8,511 | - |
| Unassigned | - | - | - | - | - | - |
| TOTAL FUND BALANCES | 84,007 | 102 | 181,732 | 134,074 | 122,490 | 115,385 |
| TOTAL LIABILITIES AND FUND BALANCES | 88,099 | 102 | 184,854 | 134,074 | 154,325 | 115,685 |

| 209 Law Lib Fund | 223 Parks Fund | 227 Comm. Corr Fund | 229 Court Fac. Sec Fund | 232 CCFC Fund | 237 Clerk Records Fund | Total Non-Major Special Revenue Funds |
|---|---|---|---|---|---|---|
| 115,657 | - | 377,613 | 59,980 | 118,854 | 14,932 | 1,221,543 |
| 28 | 8,711 | 3,583 | 728 | 2,500 | - | 42,498 |
| 115,685 | 8,711 | 381,196 | 60,708 | 121,354 | 14,932 | 1,264,041 |
| | | | | | | |
| - | 32,248 | - | - | - | - | 32,248 |
| 300 | 42,172 | 13,798 | 294 | 6,145 | - | 83,644 |
| - | 370 | 17,366 | - | 4,770 | - | 29,607 |
| - | - | 14,684 | - | - | - | 25,697 |
| 300 | 74,790 | 45,847 | 294 | 10,915 | - | 171,196 |
| | | | | | | |
| 115,385 | - | 320,665 | 60,414 | 110,440 | 14,932 | 1,021,751 |
| - | - | - | - | - | - | 113,979 |
| - | - | 14,684 | | | | 23,195 |
| - | (66,079) | - | - | - | - | (66,079) |
| 115,385 | (66,079) | 335,349 | 60,414 | 110,440 | 14,932 | 1,092,845 |
| | | | | | | |
| 115,685 | 8,711 | 381,196 | 60,708 | 121,354 | 14,932 | 1,264,041 |

**Wasco County, Oregon**
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balance**
**Special Revenue Funds**
**For the year ended June 30, 2012**
(all amounts are in dollars)

| | 203 County Fair Fund | 204 County School Fund | 205 Land Corner Pres Fund | 206 Forest Health Fund | 207 HHW Fund | 209 Law Lib Fund |
|---|---|---|---|---|---|---|
| REVENUES: | | | | | | |
| Taxes | - | - | - | - | - | - |
| Licenses, Fees & Permits | 85,637 | - | 28,312 | - | 276,304 | 25,946 |
| Intergovernmental Revenues | 50,002 | 55,209 | - | - | - | - |
| Federal Revenues | - | 234,733 | - | - | - | - |
| Charges for Services | 2,500 | - | - | - | 4,200 | - |
| Fines and Restitution | - | - | - | - | - | - |
| Investment Earnings | 348 | 193 | 903 | 713 | 915 | 512 |
| Contributions and Donations | 7,471 | - | - | - | - | - |
| Miscellaneous | 3,514 | - | - | - | 7,139 | - |
| TOTAL REVENUES | 149,471 | 290,135 | 29,215 | 713 | 288,558 | 26,458 |
| EXPENDITURES: | | | | | | |
| *Current: Personal Services* | 23,412 | - | 9,771 | - | 187,927 | - |
| *Current: Materials & Services* | 112,989 | 290,212 | 963 | - | 229,397 | 10,544 |
| Capital Outlay | 30,437 | - | - | - | - | - |
| TOTAL EXPENDITURES | 166,838 | 290,212 | 10,734 | - | 417,323 | 10,544 |
| Excess of Revenues Over (Under) Expenditures | (17,367) | (77) | 18,481 | 713 | (128,766) | 15,914 |
| OTHER FINANCING SOURCES(USES) | | | | | | |
| Sale of Assets | - | - | - | - | 4,808 | - |
| Operating Transfers In | 5,000 | - | - | - | - | - |
| Operating Transfers Out | - | - | (45,244) | (23,500) | - | (3,000) |
| NET OTHER FINANCING SOURCES (USES) | 5,000 | - | (45,244) | (23,500) | 4,808 | (3,000) |
| Net Changes in Fund Balance | (12,367) | (77) | (26,763) | (22,787) | (123,958) | 12,914 |
| FUND BALANCE - BEGINNING OF YEAR | 96,374 | 179 | 208,495 | 156,861 | 246,447 | 102,471 |
| FUND BALANCE - END OF YEAR | 84,007 | 102 | 181,732 | 134,074 | 122,490 | 115,385 |

| 209 Law Lib Fund | 223 Parks Fund | 227 Comm. Corr Fund | 229 Court Fac. Sec Fund | 232 CCFC Fund | 237 Clerk Records Fund | Total Non-Major Special Revenue Funds |
|---|---|---|---|---|---|---|
| - | - | - | - | - | - | - |
| 25,946 | 37,337 | 85,559 | - | - | 8,379 | 547,474 |
| - | 146,172 | 732,339 | - | 419,938 | - | 1,403,659 |
| - | - | - | - | 96,589 | - | 331,322 |
| - | - | - | - | - | - | 6,700 |
| - | - | - | 35,289 | - | - | 35,289 |
| 512 | 534 | 2,056 | 359 | 420 | 100 | 7,052 |
| - | - | - | - | 13,435 | - | 20,906 |
| - | 135 | 513 | - | 2,500 | - | 13,801 |
| 26,458 | 184,177 | 820,467 | 35,648 | 532,882 | 8,479 | 2,366,203 |
| - | 15,608 | 424,988 | - | 171,147 | - | 832,854 |
| 10,544 | 43,140 | 180,444 | 22,509 | 300,019 | 13,174 | 1,203,391 |
| - | 370,980 | - | - | - | 7,400 | 408,817 |
| 10,544 | 429,729 | 605,433 | 22,509 | 471,166 | 20,574 | 2,445,062 |
| 15,914 | (245,552) | 215,034 | 13,139 | 61,716 | (12,095) | (78,859) |
| - | - | - | - | - | - | 4,808 |
| - | 56,079 | - | - | - | - | 61,079 |
| (3,000) | - | (209,465) | (30,000) | (420) | - | (311,629) |
| (3,000) | 56,079 | (209,465) | (30,000) | (420) | - | (245,742) |
| 12,914 | (189,473) | 5,569 | (16,861) | 61,296 | (12,095) | (324,601) |
| 102,471 | 123,393 | 329,780 | 77,275 | 49,144 | 27,027 | 1,417,446 |
| 115,385 | (66,079) | 335,349 | 60,414 | 110,440 | 14,932 | 1,092,845 |

**Wasco County, Oregon**
**Schedule of Revenues, Expenditures and Changes in Fund Balance**
**Budget and Actual - Budgetary Basis**
**203 County Fair Fund**
**For the year ended June 30, 2012**
(all amounts are in dollars)

| | BUDGETED AMOUNTS | | | Variance Favorable |
|---|---|---|---|---|
| REVENUES: | Original | Final | Actual | (Unfavorable) |
| Licenses, Fees & Permits | 59,670 | 59,670 | 85,637 | 25,967 |
| Intergovernmental Revenues | 36,031 | 36,031 | 50,002 | 13,971 |
| Charges for Services | | - | 2,500 | 2,500 |
| Investment Earnings | 300 | 300 | 348 | 48 |
| Contributions and Donations | 17,000 | 17,000 | 7,471 | (9,529) |
| Miscellaneous | - | - | 3,514 | 3,514 |
| TOTAL REVENUES | 113,001 | 113,001 | 149,471 | 36,470 |
| EXPENDITURES: | | | | |
| *Current: Personal Services* | 23,491 | 23,491 | 23,412 | 79 |
| *Current: Materials & Services* | 121,063 | 121,063 | 112,989 | 8,074 |
| Capital Outlay | 20,000 | 33,000 | 30,437 | 2,563 |
| Contingency | 4,447 | 4,447 | - | 4,447 |
| TOTAL EXPENDITURES | 169,001 | 182,001 | 166,838 | 15,163 |
| Excess of Revenues Over (Under) Expenditures | (56,000) | (69,000) | (17,367) | 51,633 |
| OTHER FINANCING SOURCES(USES) | | | | |
| Operating Transfers In | 5,000 | 5,000 | 5,000 | - |
| NET OTHER FINANCING SOURCES (USES) | 5,000 | 5,000 | 5,000 | - |
| Net Changes in Fund Balance | (51,000) | (64,000) | (12,367) | 51,633 |
| FUND BALANCE - BEGINNING OF YEAR | 51,000 | 64,000 | 96,374 | 32,374 |
| FUND BALANCE - END OF YEAR | - | - | 84,007 | 84,007 |

**Wasco County, Oregon**
**Schedule of Revenues, Expenditures and Changes in Fund Balance**
**Budget and Actual - Budgetary Basis**
**204 County School Fund**
**For the year ended June 30, 2012**
(all amounts are in dollars)

| | BUDGETED AMOUNTS | | | Variance Favorable |
|---|---|---|---|---|
| REVENUES: | Original | Final | Actual | (Unfavorable) |
| Intergovernmental Revenues | 55,000 | 55,000 | 55,209 | 209 |
| Federal Revenues | 460,000 | 460,000 | 234,733 | (225,267) |
| Investment Earnings | 250 | 250 | 193 | (57) |
| Miscellaneous | 500,000 | 500,000 | - | (500,000) |
| TOTAL REVENUES | 1,015,250 | 1,015,250 | 290,135 | (725,115) |
| EXPENDITURES: | | | | |
| *Current: Materials & Services* | 1,015,250 | 1,015,250 | 290,212 | 725,038 |
| TOTAL EXPENDITURES | 1,015,250 | 1,015,250 | 290,212 | 725,038 |
| Net Changes in Fund Balance | - | - | (77) | (77) |
| FUND BALANCE - BEGINNING OF YEAR | - | - | 179 | 179 |
| FUND BALANCE - END OF YEAR | - | - | 102 | 102 |

**Wasco County, Oregon**
**Schedule of Revenues, Expenditures and Changes in Fund Balance**
**Budget and Actual - Budgetary Basis**
**205 Land Corner Preservation Fund**
**For the year ended June 30, 2012**
(all amounts are in dollars)

| | BUDGETED AMOUNTS | | | Variance Favorable |
|---|---|---|---|---|
| REVENUES: | Original | Final | Actual | (Unfavorable) |
| Licenses, Fees & Permits | 30,000 | 30,000 | 28,312 | (1,688) |
| Investment Earnings | 1,000 | 1,000 | 903 | (97) |
| TOTAL REVENUES | 31,000 | 31,000 | 29,215 | (1,785) |
| EXPENDITURES: | | | | |
| *Current: Personal Services* | 9,070 | 9,070 | 7,269 | 1,801 |
| *Current: Materials & Services* | 8,000 | 8,000 | 963 | 7,038 |
| TOTAL EXPENDITURES | 17,070 | 17,070 | 8,231 | 8,839 |
| Excess of Revenues Over (Under) Expenditures | 13,930 | 13,930 | 20,983 | 7,053 |
| OTHER FINANCING SOURCES(USES) | | | | |
| Operating Transfers Out | (47,500) | (47,500) | (45,244) | 2,256 |
| NET OTHER FINANCING SOURCES (USES) | (47,500) | (47,500) | (45,244) | 2,256 |
| Net Changes in Fund Balance | (33,570) | (33,570) | (24,261) | 9,309 |
| FUND BALANCE - BEGINNING OF YEAR | 212,700 | 212,700 | 208,495 | (4,205) |
| FUND BALANCE - END OF YEAR | 179,130 | 179,130 | 184,235 | 5,105 |

**Wasco County, Oregon**
**Schedule of Revenues, Expenditures and Changes in Fund Balance**
**Budget and Actual - Budgetary Basis**
**206 Forest Health Fund**
**For the year ended June 30, 2012**
(all amounts are in dollars)

| | BUDGETED AMOUNTS | | | Variance Favorable |
|---|---|---|---|---|
| REVENUES: | Original | Final | Actual | (Unfavorable) |
| Investment Earnings | 1,000 | 1,000 | 713 | (287) |
| TOTAL REVENUES | 1,000 | 1,000 | 713 | (287) |
| EXPENDITURES: | | | | |
| *Current: Materials & Services* | 84,735 | 84,735 | - | 84,735 |
| TOTAL EXPENDITURES | 84,735 | 84,735 | - | 84,735 |
| Excess of Revenues Over (Under) Expenditures | (83,735) | (83,735) | 713 | 84,448 |
| OTHER FINANCING SOURCES(USES) | | | | |
| Operating Transfers Out | (50,000) | (50,000) | (23,500) | 26,500 |
| NET OTHER FINANCING SOURCES (USES) | (50,000) | (50,000) | (23,500) | 26,500 |
| Net Changes in Fund Balance | (133,735) | (133,735) | (22,787) | 110,948 |
| FUND BALANCE - BEGINNING OF YEAR | 133,735 | 133,735 | 156,861 | 23,126 |
| FUND BALANCE - END OF YEAR | - | - | 134,074 | 134,074 |

**Wasco County, Oregon**
**Schedule of Revenues, Expenditures and Changes in Fund Balance**
**Budget and Actual - Budgetary Basis**
**207 Household Hazardous Waste**
**For the year ended June 30, 2012**
(all amounts are in dollars)

| | BUDGETED AMOUNTS | | | Variance Favorable |
|---|---|---|---|---|
| REVENUES: | Original | Final | Actual | (Unfavorable) |
| Licenses, Fees & Permits | 280,000 | 280,000 | 276,304 | (3,696) |
| Charges for Services | 4,200 | 4,200 | 4,200 | - |
| Investment Earnings | 1,500 | 1,500 | 915 | (585) |
| Miscellaneous | 7,000 | 7,000 | 7,139 | 139 |
| TOTAL REVENUES | 292,700 | 292,700 | 288,558 | (4,142) |
| EXPENDITURES: | | | | |
| *Current: Personal Services* | 198,888 | 198,888 | 181,023 | 17,865 |
| *Current: Materials & Services* | 221,300 | 221,300 | 229,397 | (8,097) |
| Capital Outlay | 6,515 | 6,515 | - | 6,515 |
| Contingency | 101,441 | 101,441 | - | 101,441 |
| TOTAL EXPENDITURES | 528,144 | 528,144 | 410,420 | 117,724 |
| Excess of Revenues Over (Under) Expenditures | (235,444) | (235,444) | (121,862) | 113,582 |
| OTHER FINANCING SOURCES(USES) | | | | |
| Sale of Assets | 7,000 | 7,000 | 4,808 | (2,192) |
| NET OTHER FINANCING SOURCES (USES) | 7,000 | 7,000 | 4,808 | (2,192) |
| Net Changes in Fund Balance | (228,444) | (228,444) | (117,054) | 111,390 |
| FUND BALANCE - BEGINNING OF YEAR | 228,444 | 228,444 | 248,054 | 19,610 |
| FUND BALANCE - END OF YEAR | - | - | 131,000 | 131,000 |

**Wasco County, Oregon**
**Schedule of Revenues, Expenditures and Changes in Fund Balance**
**Budget and Actual - Budgetary Basis**
**208 Special Economic Development Payments Fund**
**For the year ended June 30, 2012**
(all amounts are in dollars)

| | BUDGETED AMOUNTS | | | Variance Favorable |
|---|---|---|---|---|
| REVENUES: | Original | Final | Actual | (Unfavorable) |
| Investment Earnings | 200 | 200 | 126 | (74) |
| Contributions and Donations | 250,000 | 250,000 | 250,000 | - |
| TOTAL REVENUES | 250,200 | 250,200 | 250,126 | (74) |
| EXPENDITURES: | | | | |
| *Current: Materials & Services* | 204,545 | 204,545 | 190,000 | 14,545 |
| TOTAL EXPENDITURES | 204,545 | 204,545 | 190,000 | 14,545 |
| Excess of Revenues Over (Under) Expenditures | 45,655 | 45,655 | 60,126 | 14,471 |
| OTHER FINANCING SOURCES(USES) | | | | |
| Operating Transfers Out | (58,055) | (58,055) | (58,055) | - |
| NET OTHER FINANCING SOURCES (USES) | (58,055) | (58,055) | (58,055) | - |
| Net Changes in Fund Balance | (12,400) | (12,400) | 2,071 | 14,471 |
| FUND BALANCE - BEGINNING OF YEAR | 12,400 | 12,400 | 18,400 | 6,000 |
| FUND BALANCE - END OF YEAR | - | - | 20,471 | 20,471 |

**Wasco County, Oregon**
**Schedule of Revenues, Expenditures and Changes in Fund Balance**
**Budget and Actual - Budgetary Basis**
**209 Law Library Fund**
**For the year ended June 30, 2012**
(all amounts are in dollars)

| | BUDGETED AMOUNTS | | | Variance Favorable |
|---|---|---|---|---|
| REVENUES: | Original | Final | Actual | (Unfavorable) |
| Licenses, Fees & Permits | 22,000 | 22,000 | 25,946 | 3,946 |
| Investment Earnings | 1,000 | 1,000 | 512 | (488) |
| TOTAL REVENUES | 23,000 | 23,000 | 26,458 | 3,458 |
| EXPENDITURES: | | | | |
| *Current: Materials & Services* | 30,000 | 30,000 | 10,544 | 19,456 |
| Contingency | 75,500 | 75,500 | - | 75,500 |
| TOTAL EXPENDITURES | 105,500 | 105,500 | 10,544 | 94,956 |
| Excess of Revenues Over (Under) Expenditures | (82,500) | (82,500) | 15,914 | 98,414 |
| OTHER FINANCING SOURCES(USES) | | | | |
| Operating Transfers Out | (3,000) | (3,000) | (3,000) | - |
| NET OTHER FINANCING SOURCES (USES) | (3,000) | (3,000) | (3,000) | - |
| Net Changes in Fund Balance | (85,500) | (85,500) | 12,914 | 98,414 |
| FUND BALANCE - BEGINNING OF YEAR | 85,500 | 85,500 | 102,471 | 16,971 |
| FUND BALANCE - END OF YEAR | - | - | 115,385 | 115,385 |

**Wasco County, Oregon**
**Schedule of Revenues, Expenditures and Changes in Fund Balance**
**Budget and Actual - Budgetary Basis**
**210 District Attorney Fund**
**For the year ended June 30, 2012**
(all amounts are in dollars)

| | BUDGETED AMOUNTS | | | Variance Favorable |
|---|---|---|---|---|
| REVENUES: | Original | Final | Actual | (Unfavorable) |
| Investment Earnings | 400 | 400 | 253 | (147) |
| Contributions and Donations | 12,000 | 12,000 | 14,478 | 2,478 |
| Miscellaneous | 173,350 | 173,350 | - | (173,350) |
| TOTAL REVENUES | 185,750 | 185,750 | 14,731 | (171,019) |
| EXPENDITURES: | | | | |
| *Current: Materials & Services* | 240,750 | 240,750 | 12,708 | 228,042 |
| TOTAL EXPENDITURES | 240,750 | 240,750 | 12,708 | 228,042 |
| Excess of Revenues Over (Under) Expenditures | (55,000) | (55,000) | 2,023 | 57,023 |
| OTHER FINANCING SOURCES(USES) | | | | |
| Operating Transfers Out | (5,000) | (5,000) | (5,000) | - |
| NET OTHER FINANCING SOURCES (USES) | (5,000) | (5,000) | (5,000) | - |
| Net Changes in Fund Balance | (60,000) | (60,000) | (2,977) | 57,023 |
| FUND BALANCE - BEGINNING OF YEAR | 60,000 | 60,000 | 55,321 | (4,679) |
| FUND BALANCE - END OF YEAR | - | - | 52,344 | 52,344 |

**Wasco County, Oregon**
**Schedule of Revenues, Expenditures and Changes in Fund Balance**
**Budget and Actual - Budgetary Basis**
**211 Museum Fund**
**For the year ended June 30, 2012**
(all amounts are in dollars)

| | BUDGETED AMOUNTS | | | Variance Favorable |
|---|---|---|---|---|
| REVENUES: | Original | Final | Actual | (Unfavorable) |
| Intergovernmental Revenues | 12,500 | 12,500 | 11,597 | (903) |
| Investment Earnings | 800 | 800 | 922 | 122 |
| Contributions and Donations | 15,000 | 15,000 | 18,439 | 3,439 |
| Miscellaneous | - | - | 125 | 125 |
| TOTAL REVENUES | 28,300 | 28,300 | 31,082 | 2,782 |
| EXPENDITURES: | | | | |
| *Current: Personal Services* | 26,115 | 26,115 | 27,293 | (1,178) |
| *Current: Materials & Services* | 31,184 | 31,184 | 15,270 | 15,914 |
| Capital Outlay | 143,380 | 143,380 | - | 143,380 |
| Contingency | 17,811 | 17,811 | - | 17,811 |
| TOTAL EXPENDITURES | 218,490 | 218,490 | 42,563 | 175,927 |
| Excess of Revenues Over (Under) Expenditures | (190,190) | (190,190) | (11,480) | 178,710 |
| OTHER FINANCING SOURCES(USES) | | | | |
| Operating Transfers In | 12,500 | 12,500 | 12,500 | - |
| NET OTHER FINANCING SOURCES (USES) | 12,500 | 12,500 | 12,500 | - |
| Net Changes in Fund Balance | (177,690) | (177,690) | 1,020 | 178,710 |
| FUND BALANCE - BEGINNING OF YEAR | 195,348 | 195,348 | 198,281 | 2,933 |
| FUND BALANCE - END OF YEAR | 17,658 | 17,658 | 199,300 | 181,642 |

**Wasco County, Oregon**
**Schedule of Revenues, Expenditures and Changes in Fund Balance**
**Budget and Actual - Budgetary Basis**
**213 Animal Control Fund**
**For the year ended June 30, 2012**
(all amounts are in dollars)

| | BUDGETED AMOUNTS | | | Variance Favorable |
|---|---|---|---|---|
| REVENUES: | Original | Final | Actual | (Unfavorable) |
| Licenses, Fees & Permits | 13,000 | 13,000 | 13,417 | 417 |
| Charges for Services | 102,576 | 102,576 | 94,300 | (8,276) |
| Fines and Restitution | 1,000 | 1,000 | 339 | (661) |
| Investment Earnings | 300 | 300 | 234 | (66) |
| Miscellaneous | 500 | 500 | - | (500) |
| TOTAL REVENUES | 117,376 | 117,376 | 108,290 | (9,086) |
| EXPENDITURES: | | | | |
| *Current: Personal Services* | 76,987 | 76,987 | 49,282 | 27,705 |
| *Current: Materials & Services* | 107,700 | 107,700 | 101,283 | 6,417 |
| Contingency | 4,000 | 4,000 | - | 4,000 |
| TOTAL EXPENDITURES | 188,687 | 188,687 | 150,566 | 38,121 |
| Excess of Revenues Over (Under) Expenditures | (71,311) | (71,311) | (42,275) | 29,036 |
| OTHER FINANCING SOURCES(USES) | | | | |
| Operating Transfers In | 29,811 | 29,811 | 29,811 | - |
| NET OTHER FINANCING SOURCES (USES) | 29,811 | 29,811 | 29,811 | - |
| Net Changes in Fund Balance | (41,500) | (41,500) | (12,464) | 29,036 |
| FUND BALANCE - BEGINNING OF YEAR | 50,000 | 50,000 | 62,218 | 12,218 |
| FUND BALANCE - END OF YEAR | 8,500 | 8,500 | 49,754 | 41,254 |

**Wasco County, Oregon**
**Schedule of Revenues, Expenditures and Changes in Fund Balance**
**Budget and Actual - Budgetary Basis**
**218 GIS Fund**
**For the year ended June 30, 2012**
(all amounts are in dollars)

| | BUDGETED AMOUNTS | | | Variance Favorable |
|---|---|---|---|---|
| | Original | Final | Actual | (Unfavorable) |
| TOTAL REVENUES | - | - | - | - |
| TOTAL EXPENDITURES | - | - | - | - |
| Net Changes in Fund Balance | - | - | - | - |
| FUND BALANCE - BEGINNING OF YEAR | - | - | 17,803 | 17,803 |
| Residual Equity Transfer Out | - | - | (17,803) | (17,803) |
| FUND BALANCE - END OF YEAR | - | - | - | - |

**Wasco County, Oregon**
**Schedule of Revenues, Expenditures and Changes in Fund Balance**
**Budget and Actual - Budgetary Basis**
**219 Weed & Pest Control Fund**
**For the year ended June 30, 2012**
(all amounts are in dollars)

| | BUDGETED AMOUNTS | | | Variance Favorable |
|---|---|---|---|---|
| REVENUES: | Original | Final | Actual | (Unfavorable) |
| Licenses, Fees & Permits | | - | - | - |
| Intergovernmental Revenues | 7,000 | 7,000 | 11,750 | 4,750 |
| Charges for Services | 276,900 | 276,900 | 349,052 | 72,152 |
| Internal Service Charges | 75,000 | 75,000 | 70,163 | (4,837) |
| Investment Earnings | 500 | 500 | 701 | 201 |
| Miscellaneous | 4,500 | 4,500 | 21,069 | 16,569 |
| TOTAL REVENUES | 363,900 | 363,900 | 452,735 | 88,835 |
| EXPENDITURES: | | | | |
| *Current: Personal Services* | 189,578 | 189,578 | 187,890 | 1,688 |
| *Current: Materials & Services* | 185,120 | 185,120 | 181,577 | 3,543 |
| Capital Outlay | - | 14,000 | 13,391 | 609 |
| Contingency | 44,202 | 30,202 | - | 30,202 |
| TOTAL EXPENDITURES | 418,900 | 418,900 | 382,857 | 36,043 |
| Net Changes in Fund Balance | (55,000) | (55,000) | 69,877 | 124,877 |
| FUND BALANCE - BEGINNING OF YEAR | 115,000 | 115,000 | 140,786 | 25,786 |
| FUND BALANCE - END OF YEAR | 60,000 | 60,000 | 210,663 | 150,663 |

**Wasco County, Oregon**
**Schedule of Revenues, Expenditures and Changes in Fund Balance**
**Budget and Actual - Budgetary Basis**
**220 911 Communications Fund**
**For the year ended June 30, 2012**
(all amounts are in dollars)

| | BUDGETED AMOUNTS | | | Variance Favorable |
|---|---|---|---|---|
| REVENUES: | Original | Final | Actual | (Unfavorable) |
| Intergovernmental Revenues | 311,193 | 311,193 | 312,555 | 1,362 |
| Charges for Services | 347,725 | 347,725 | 348,638 | 913 |
| Investment Earnings | 500 | 500 | 420 | (80) |
| Miscellaneous | 200 | 200 | 325 | 125 |
| TOTAL REVENUES | 659,618 | 659,618 | 661,938 | 2,320 |
| EXPENDITURES: | | | | |
| *Current: Personal Services* | 755,288 | 755,288 | 735,483 | 19,805 |
| *Current: Materials & Services* | 107,800 | 107,800 | 73,695 | 34,105 |
| Contingency | 46,000 | 46,000 | - | 46,000 |
| TOTAL EXPENDITURES | 909,088 | 909,088 | 809,178 | 99,910 |
| Excess of Revenues Over (Under) Expenditures | (249,470) | (249,470) | (147,240) | 102,230 |
| OTHER FINANCING SOURCES(USES) | | | | |
| Operating Transfers In | 194,470 | 194,470 | 194,470 | - |
| NET OTHER FINANCING SOURCES (USES) | 194,470 | 194,470 | 194,470 | - |
| Net Changes in Fund Balance | (55,000) | (55,000) | 47,230 | 102,230 |
| FUND BALANCE - BEGINNING OF YEAR | 55,000 | 55,000 | 128,651 | 73,651 |
| FUND BALANCE - END OF YEAR | - | - | 175,882 | 175,882 |

**Wasco County, Oregon**
**Schedule of Revenues, Expenditures and Changes in Fund Balance**
**Budget and Actual - Budgetary Basis**
**223 Parks Fund**
**For the year ended June 30, 2012**
(all amounts are in dollars)

| | BUDGETED AMOUNTS | | | Variance Favorable |
|---|---|---|---|---|
| REVENUES: | Original | Final | Actual | (Unfavorable) |
| Licenses, Fees & Permits | 31,500 | 31,500 | 37,337 | 5,837 |
| Intergovernmental Revenues | 342,891 | 342,891 | 146,172 | (196,719) |
| Investment Earnings | 400 | 400 | 534 | 134 |
| Miscellaneous | - | - | 135 | 135 |
| TOTAL REVENUES | 374,791 | 374,791 | 184,177 | (190,614) |
| EXPENDITURES: | | | | |
| *Current: Personal Services* | 15,660 | 15,660 | 15,608 | 52 |
| *Current: Materials & Services* | 49,750 | 49,750 | 43,140 | 6,610 |
| Capital Outlay | 430,000 | 430,000 | 370,980 | 59,020 |
| Contingency | 9,560 | 9,560 | - | 9,560 |
| TOTAL EXPENDITURES | 504,970 | 504,970 | 429,729 | 75,241 |
| Excess of Revenues Over (Under) Expenditures | (130,179) | (130,179) | (245,552) | (115,373) |
| OTHER FINANCING SOURCES(USES) | | | | |
| Operating Transfers In | 56,079 | 56,079 | 56,079 | - |
| NET OTHER FINANCING SOURCES (USES) | 56,079 | 56,079 | 56,079 | - |
| Net Changes in Fund Balance | (74,100) | (74,100) | (189,473) | (115,373) |
| FUND BALANCE - BEGINNING OF YEAR | 74,100 | 74,100 | 123,393 | 49,293 |
| FUND BALANCE - END OF YEAR | - | - | (66,079) | (66,079) |

**Wasco County, Oregon**
**Schedule of Revenues, Expenditures and Changes in Fund Balance**
**Budget and Actual - Budgetary Basis**
**227 Community Corrections Fund**
**For the year ended June 30, 2012**
(all amounts are in dollars)

| | BUDGETED AMOUNTS | | | Variance Favorable |
|---|---|---|---|---|
| REVENUES: | Original | Final | Actual | (Unfavorable) |
| Licenses, Fees & Permits | 74,050 | 74,050 | 85,559 | 11,509 |
| Intergovernmental Revenues | 725,400 | 725,400 | 732,339 | 6,939 |
| Investment Earnings | 2,000 | 2,000 | 2,056 | 56 |
| Miscellaneous | 100 | 100 | 513 | 413 |
| TOTAL REVENUES | 801,550 | 801,550 | 820,467 | 18,917 |
| EXPENDITURES: | | | | |
| *Current: Personal Services* | 498,960 | 498,960 | 430,151 | 68,809 |
| *Current: Materials & Services* | 210,183 | 210,183 | 180,444 | 29,739 |
| Capital Outlay | 5,000 | 5,000 | - | 5,000 |
| Contingency | 127,942 | 127,942 | - | 127,942 |
| TOTAL EXPENDITURES | 842,085 | 842,085 | 610,596 | 231,489 |
| Excess of Revenues Over (Under) Expenditures | (40,535) | (40,535) | 209,871 | 250,406 |
| OTHER FINANCING SOURCES(USES) | | | | |
| Operating Transfers Out | (209,465) | (209,465) | (209,465) | - |
| NET OTHER FINANCING SOURCES (USES) | (209,465) | (209,465) | (209,465) | - |
| Net Changes in Fund Balance | (250,000) | (250,000) | 406 | 250,406 |
| FUND BALANCE - BEGINNING OF YEAR | 250,000 | 250,000 | 349,627 | 99,627 |
| FUND BALANCE - END OF YEAR | - | - | 350,033 | 350,033 |

**Wasco County, Oregon**
**Schedule of Revenues, Expenditures and Changes in Fund Balance**
**Budget and Actual - Budgetary Basis**
**229 Court Facilities Fund**
**For the year ended June 30, 2012**
(all amounts are in dollars)

| | BUDGETED AMOUNTS | | | Variance Favorable |
|---|---|---|---|---|
| REVENUES: | Original | Final | Actual | (Unfavorable) |
| Fines and Restitution | 25,000 | 25,000 | 35,289 | 10,289 |
| Investment Earnings | 500 | 500 | 359 | (141) |
| TOTAL REVENUES | 25,500 | 25,500 | 35,648 | 10,148 |
| EXPENDITURES: | | | | |
| *Current: Materials & Services* | 35,500 | 35,500 | 22,509 | 12,991 |
| Contingency | 30,000 | 30,000 | - | 30,000 |
| TOTAL EXPENDITURES | 65,500 | 65,500 | 22,509 | 42,991 |
| Excess of Revenues Over (Under) Expenditures | (40,000) | (40,000) | 13,139 | 53,139 |
| OTHER FINANCING SOURCES(USES) | | | | |
| Operating Transfers Out | (30,000) | (30,000) | (30,000) | - |
| NET OTHER FINANCING SOURCES (USES) | (30,000) | (30,000) | (30,000) | - |
| Net Changes in Fund Balance | (70,000) | (70,000) | (16,861) | 53,139 |
| FUND BALANCE - BEGINNING OF YEAR | 70,000 | 70,000 | 77,275 | 7,275 |
| FUND BALANCE - END OF YEAR | - | - | 60,414 | 60,414 |

**Wasco County, Oregon**
**Schedule of Revenues, Expenditures and Changes in Fund Balance**
**Budget and Actual - Budgetary Basis**
**232 Commission on Children and Families Fund**
**For the year ended June 30, 2012**
(all amounts are in dollars)

| | BUDGETED AMOUNTS | | | Variance Favorable |
|---|---|---|---|---|
| REVENUES: | Original | Final | Actual | (Unfavorable) |
| Intergovernmental Revenues | 453,042 | 453,042 | 419,938 | (33,104) |
| Federal Revenues | 114,250 | 114,250 | 96,589 | (17,661) |
| Investment Earnings | 500 | 500 | 420 | (80) |
| Contributions and Donations | 10,500 | 15,500 | 13,435 | (2,065) |
| Miscellaneous | | - | 2,500 | 2,500 |
| TOTAL REVENUES | 578,292 | 583,292 | 532,882 | (50,410) |
| EXPENDITURES: | | | | |
| *Current: Personal Services* | 171,446 | 171,446 | 171,147 | 299 |
| *Current: Materials & Services* | 406,848 | 411,848 | 300,019 | 111,829 |
| Contingency | 33,462 | 33,462 | - | 33,462 |
| TOTAL EXPENDITURES | 611,756 | 616,756 | 471,166 | 145,590 |
| Excess of Revenues Over (Under) Expenditures | (33,464) | (33,464) | 61,716 | 95,180 |
| OTHER FINANCING SOURCES(USES) | | | | |
| Operating Transfers Out | (26,000) | (26,000) | (420) | 25,580 |
| NET OTHER FINANCING SOURCES (USES) | (26,000) | (26,000) | (420) | 25,580 |
| Net Changes in Fund Balance | (59,464) | (59,464) | 61,296 | 120,760 |
| FUND BALANCE - BEGINNING OF YEAR | 59,464 | 59,464 | 49,144 | (10,320) |
| FUND BALANCE - END OF YEAR | - | - | 110,440 | 110,440 |

**Wasco County, Oregon**
**Schedule of Revenues, Expenditures and Changes in Fund Balance**
**Budget and Actual - Budgetary Basis**
**233 Kramer Field Fund**
**For the year ended June 30, 2012**
(all amounts are in dollars)

| | BUDGETED AMOUNTS | | | Variance Favorable |
|---|---|---|---|---|
| | Original | Final | Actual | (Unfavorable) |
| REVENUES: | | | | |
| Investment Earnings | 100 | 100 | 149 | 49 |
| TOTAL REVENUES | 100 | 100 | 149 | 49 |
| EXPENDITURES: | | | | |
| *Current: Materials & Services* | 32,200 | 32,200 | - | 32,200 |
| TOTAL EXPENDITURES | 32,200 | 32,200 | - | 32,200 |
| Net Changes in Fund Balance | (32,100) | (32,100) | 149 | 32,249 |
| FUND BALANCE - BEGINNING OF YEAR | 32,100 | 32,100 | 32,166 | 66 |
| FUND BALANCE - END OF YEAR | - | - | 32,315 | 32,315 |

**Wasco County, Oregon**
**Schedule of Revenues, Expenditures and Changes in Fund Balance**
**Budget and Actual - Budgetary Basis**
**237 Clerk Records Fund**
**For the year ended June 30, 2012**
(all amounts are in dollars)

| | BUDGETED AMOUNTS | | | Variance Favorable |
|---|---|---|---|---|
| REVENUES: | Original | Final | Actual | (Unfavorable) |
| Licenses, Fees & Permits | 8,000 | 8,000 | 8,379 | 379 |
| Investment Earnings | 40 | 40 | 100 | 60 |
| TOTAL REVENUES | 8,040 | 8,040 | 8,479 | 439 |
| EXPENDITURES: | | | | |
| *Current: Materials & Services* | 23,040 | 23,040 | 13,174 | 9,866 |
| Capital Outlay | 10,000 | 10,000 | 7,400 | 2,600 |
| TOTAL EXPENDITURES | 33,040 | 33,040 | 20,574 | 12,466 |
| Net Changes in Fund Balance | (25,000) | (25,000) | (12,095) | 12,905 |
| FUND BALANCE - BEGINNING OF YEAR | 25,000 | 25,000 | 27,027 | 2,027 |
| FUND BALANCE - END OF YEAR | - | - | 14,932 | 14,932 |

**Wasco County, Oregon**
**Schedule of Revenues, Expenditures and Changes in Fund Balance**
**Budget and Actual - Budgetary Basis**
**327 General Operating Reserve**
**For the year ended June 30, 2012**
(all amounts are in dollars)

| | BUDGETED AMOUNTS | | | Variance Favorable |
|---|---|---|---|---|
| REVENUES: | Original | Final | Actual | (Unfavorable) |
| Investment Earnings | - | - | 428 | 428 |
| TOTAL REVENUES | - | - | 428 | 428 |
| EXPENDITURES: | | | | |
| Capital Outlay | 225,000 | 225,000 | - | 225,000 |
| TOTAL EXPENDITURES | 225,000 | 225,000 | - | 225,000 |
| Excess of Revenues Over (Under) Expenditures | (225,000) | (225,000) | 428 | 225,428 |
| OTHER FINANCING SOURCES(USES) | | | | |
| Operating Transfers In | 225,000 | 225,000 | 225,000 | - |
| NET OTHER FINANCING SOURCES (USES) | 225,000 | 225,000 | 225,000 | - |
| Net Changes in Fund Balance | - | - | 225,428 | 225,428 |
| FUND BALANCE - BEGINNING OF YEAR | | - | - | - |
| FUND BALANCE - END OF YEAR | - | - | 225,428 | 225,428 |

# CAPITAL PROJECTS FUNDS

## MAJOR GOVERNMENTAL FUNDS

ROAD RESERVE FUND: This fund was created to accumulate monies for future road equipment purchases and construction projects. Revenues were from interest on investments. Budgeted expenditures are for Materials and Services and Capital Outlay.

**Wasco County, Oregon**
**Schedule of Revenues, Expenditures and Changes in Fund Balance**
**Budget and Actual - Budgetary Basis**
**321 Road Reserve Fund**
**For the year ended June 30, 2012**
(all amounts are in dollars)

| | BUDGETED AMOUNTS | | | Variance Favorable |
|---|---|---|---|---|
| | Original | Final | Actual | (Unfavorable) |
| REVENUES: | | | | |
| Investment Earnings | 6,000 | 6,000 | 12,199 | 6,199 |
| TOTAL REVENUES | 6,000 | 6,000 | 12,199 | 6,199 |
| EXPENDITURES: | | | | |
| *Current: Materials & Services* | 2,442,375 | 2,442,375 | - | 2,442,375 |
| Capital Outlay | 300,000 | 300,000 | - | 300,000 |
| TOTAL EXPENDITURES | 2,742,375 | 2,742,375 | - | 2,742,375 |
| Excess of Revenues Over (Under) Expenditures | (2,736,375) | (2,736,375) | 12,199 | 2,748,574 |
| OTHER FINANCING SOURCES(USES) | | | | |
| Operating Transfers In | 200,000 | 200,000 | 200,000 | - |
| NET OTHER FINANCING SOURCES (USES) | 200,000 | 200,000 | 200,000 | - |
| Net Changes in Fund Balance | (2,536,375) | (2,536,375) | 212,199 | 2,748,574 |
| FUND BALANCE - BEGINNING OF YEAR | 2,536,375 | 2,536,375 | 2,539,988 | 3,613 |
| FUND BALANCE - END OF YEAR | - | - | 2,752,187 | 2,752,187 |

# CAPITAL PROJECTS FUNDS

NONMAJOR GOVERNMENTAL FUNDS

322 CAPITAL ACQUISITIONS FUND: This fund was established to accumulate monies for future capital improvements and tax dollars appeals settlements. Revenues are from interest on investments and rents.

324 911 EQUIPMENT RESERVE FUND: This fund was created to accumulate monies for the purchase of 911 equipment. Revenues were from interest on investments and transfers.

325 911 CAPITAL RESERVE FUND: This fund was created to accumulate monies for potential 911 capital expenditures. Revenues were from interest on investments and transfers.

326 FACILITY CAPITAL RESERVE FUND: This fund was created to accumulate monies for potential capital expenditures required by county facilities. Revenues were from interest on investments and transfers.

**Wasco County, Oregon**
**Combining Balance Sheet**
**Capital Project Funds**
**June 30, 2012**
(all amounts are in dollars)

| | 322 Capital Acquisitions Fund | 324 Equipment Reserve Fund | 325 911 Capital Reserve Fund | 326 Facility Reserve Fund | Total Capital Project Funds |
|---|---|---|---|---|---|
| ASSETS: | | | | | |
| Deposits and Investments | 482,261 | 192,089 | 14,153 | 121,995 | 810,497 |
| TOTAL ASSETS | 482,261 | 192,089 | 14,153 | 121,995 | 810,497 |
| LIABILITIES AND FUND BALANCES | | | | | |
| Liabilities: | | | | | |
| Accounts Payable | - | - | - | - | - |
| Total Liabilities | - | - | - | - | - |
| Fund Balances: | | | | | |
| Committed | 482,261 | 192,089 | 14,153 | 121,995 | 810,497 |
| Unassigned | - | - | - | - | - |
| Total Fund Balances | 482,261 | 192,089 | 14,153 | 121,995 | 810,497 |
| TOTAL LIABILITIES AND FUND BALANCES | 482,261 | 192,089 | 14,153 | 121,995 | 810,497 |

**Wasco County, Oregon**
**Combining Schedule of Revenues, Expenditures**
**and Changes in Fund Balance**
**Capital Project Funds**
**For the year ended June 30, 2012**
(all amounts are in dollars)

| | 322 Capital Acquisitions Fund | 324 Equipment Reserve Fund | 325 911 Capital Reserve Fund | 326 Facility Reserve Fund | Total Capital Project Funds |
|---|---|---|---|---|---|
| REVENUES: | | | | | |
| Federal Revenues | - | - | 7,922 | - | 7,922 |
| Investment Earnings | 1,952 | 883 | 44 | 447 | 3,326 |
| Rents | 47,187 | - | - | - | 47,187 |
| TOTAL REVENUES | 49,139 | 883 | 7,966 | 447 | 58,435 |
| EXPENDITURES: | | | | | |
| Capital Outlay | 111,494 | - | 11,426 | - | 122,921 |
| TOTAL EXPENDITURES | 111,494 | - | 11,426 | - | 122,921 |
| Excess of Revenues Over (Under) Expenditures | (62,356) | 883 | (3,460) | 447 | (64,486) |
| OTHER FINANCING SOURCES(USES) | | | | | |
| Operating Transfers In | 135,700 | - | - | 50,000 | 185,700 |
| NET OTHER FINANCING SOURCES (USES) | 135,700 | - | - | 50,000 | 185,700 |
| Net Changes in Fund Balance | 73,344 | 883 | (3,460) | 50,447 | 121,214 |
| FUND BALANCE - BEGINNING OF YEAR | 408,916 | 191,206 | 17,613 | 71,547 | 689,282 |
| FUND BALANCE - END OF YEAR | 482,261 | 192,089 | 14,153 | 121,995 | 810,497 |

**Wasco County, Oregon**
**Schedule of Revenues, Expenditures and Changes in Fund Balance**
**Budget and Actual - Budgetary Basis**
**322 Capital Acquisitions Fund**
**For the year ended June 30, 2012**
(all amounts are in dollars)

| | BUDGETED AMOUNTS | | | Variance Favorable |
|---|---|---|---|---|
| REVENUES: | Original | Final | Actual | (Unfavorable) |
| Intergovernmental Revenues | 164,000 | 164,000 | - | (164,000) |
| Investment Earnings | 2,131 | 2,131 | 1,952 | (179) |
| Rents | 48,269 | 48,269 | 47,187 | (1,082) |
| TOTAL REVENUES | 214,400 | 214,400 | 49,139 | (165,261) |
| EXPENDITURES: | | | | |
| Capital Outlay | 785,100 | 785,100 | 111,494 | 673,606 |
| Contingency | | - | - | - |
| TOTAL EXPENDITURES | 785,100 | 785,100 | 111,494 | 673,606 |
| Excess of Revenues Over (Under) Expenditures | (570,700) | (570,700) | (62,356) | 508,344 |
| OTHER FINANCING SOURCES(USES) | | | | |
| Operating Transfers In | 135,700 | 135,700 | 135,700 | - |
| NET OTHER FINANCING SOURCES (USES) | 135,700 | 135,700 | 135,700 | - |
| Net Changes in Fund Balance | (435,000) | (435,000) | 73,344 | 508,344 |
| FUND BALANCE - BEGINNING OF YEAR | 435,000 | 435,000 | 408,916 | (26,084) |
| FUND BALANCE - END OF YEAR | - | - | 482,261 | 482,261 |

**Wasco County, Oregon**
**Schedule of Revenues, Expenditures and Changes in Fund Balance**
**Budget and Actual - Budgetary Basis**
**324 Equipment Reserve Fund**
**For the year ended June 30, 2012**
(all amounts are in dollars)

| | BUDGETED AMOUNTS | | | Variance Favorable |
|---|---|---|---|---|
| REVENUES: | Original | Final | Actual | (Unfavorable) |
| Investment Earnings | 1,000 | 1,000 | 883 | (117) |
| TOTAL REVENUES | 1,000 | 1,000 | 883 | (117) |
| EXPENDITURES: | | | | |
| Capital Outlay | 149,200 | 149,200 | - | 149,200 |
| TOTAL EXPENDITURES | 149,200 | 149,200 | - | 149,200 |
| Net Changes in Fund Balance | (148,200) | (148,200) | 883 | 149,083 |
| FUND BALANCE - BEGINNING OF YEAR | 148,200 | 148,200 | 191,206 | 43,006 |
| FUND BALANCE - END OF YEAR | - | - | 192,089 | 192,089 |

**Wasco County, Oregon**
**Schedule of Revenues, Expenditures and Changes in Fund Balance**
**Budget and Actual - Budgetary Basis**
**325 911 Capital Reserve Fund**
**For the year ended June 30, 2012**
(all amounts are in dollars)

| | BUDGETED AMOUNTS | | | Variance Favorable |
|---|---|---|---|---|
| REVENUES: | Original | Final | Actual | (Unfavorable) |
| Federal Revenues | 45,000 | 45,000 | 7,922 | (37,078) |
| Investment Earnings | 500 | 500 | 44 | (456) |
| TOTAL REVENUES | 45,500 | 45,500 | 7,966 | (37,534) |
| EXPENDITURES: | | | | |
| Capital Outlay | 70,500 | 70,500 | 11,426 | 59,074 |
| TOTAL EXPENDITURES | 70,500 | 70,500 | 11,426 | 59,074 |
| Net Changes in Fund Balance | (25,000) | (25,000) | (3,460) | 21,540 |
| FUND BALANCE - BEGINNING OF YEAR | 25,000 | 25,000 | 17,613 | (7,387) |
| FUND BALANCE - END OF YEAR | - | - | 14,153 | 14,153 |

**Wasco County, Oregon**
**Schedule of Revenues, Expenditures and Changes in Fund Balance**
**Budget and Actual - Budgetary Basis**
**326 Facility Capital Reserve**
**For the year ended June 30, 2012**
(all amounts are in dollars)

| | BUDGETED AMOUNTS | | | Variance Favorable |
|---|---|---|---|---|
| REVENUES: | Original | Final | Actual | (Unfavorable) |
| Investment Earnings | 500 | 500 | 447 | (53) |
| TOTAL REVENUES | 500 | 500 | 447 | (53) |
| EXPENDITURES: | | | | |
| Capital Outlay | 100,500 | 100,500 | - | 100,500 |
| TOTAL EXPENDITURES | 100,500 | 100,500 | - | 100,500 |
| Excess of Revenues Over (Under) Expenditures | (100,000) | (100,000) | 447 | 100,447 |
| OTHER FINANCING SOURCES(USES) | | | | |
| Operating Transfers In | 50,000 | 50,000 | 50,000 | - |
| NET OTHER FINANCING SOURCES (USES) | 50,000 | 50,000 | 50,000 | - |
| Net Changes in Fund Balance | (50,000) | (50,000) | 50,447 | 100,447 |
| FUND BALANCE - BEGINNING OF YEAR | 50,000 | 50,000 | 71,547 | 21,547 |
| FUND BALANCE - END OF YEAR | - | - | 121,995 | 121,995 |

# DEBT SERVICE FUNDS

## NONMAJOR GOVERNMENTAL FUNDS

404 VA BOND DEBT SERVICE FUND: This fund is used to account for the collection of taxes to repay the principal and interest of the bonds sold in 1994-95 and refinanced in 1998, to help finance the building of a Veteran's Home in Columbia View Heights.

417 CRATES POINT DEBT SERVICE FUND: In 1996, the County contracted with the State Of Oregon Economic Development Department, Oregon Bond Bank for a bonded loan of $320,600 to finance the construction of the infrastructure at Crates Point. This loan was refinanced during the current fiscal year. The loan is repaid with revenues derived from the operation of the Discovery Center and Museum. These are recorded as donations in the debt service fund. Payment of principal and interest is recorded in this fund.

**Wasco County, Oregon**
**Combining Balance Sheet**
**Non-Major Debt Service Funds**
**June 30, 2012**
(all amounts are in dollars)

| | 404 VA Bond Fund | 417 Discovery Center Fund | Total Debt Service Funds |
|---|---|---|---|
| ASSETS: | | | |
| Deposits and Investments | 97,487 | 1 | 97,488 |
| Taxes Receivable | 39,297 | - | 39,297 |
| TOTAL ASSETS | 136,783 | 1 | 136,784 |
| LIABILITIES AND FUND BALANCES | | | |
| LIABILITIES: | | | |
| Deferred Revenue | 34,143 | - | 34,143 |
| TOTAL LIABILITIES | 34,143 | - | 34,143 |
| FUND BALANCES: | | | |
| Restricted | 102,640 | 1 | 102,641 |
| TOTAL FUND BALANCES | 102,640 | 1 | 102,641 |
| TOTAL LIABILITIES AND FUND BALANCES | 136,783 | 1 | 136,784 |

**Wasco County, Oregon**
**Combining Schedule of Revenues, Expenditures**
**and Changes in Fund Balance**
**Non-Major Debt Service Funds**
**For the year ended June 30, 2012**
(all amounts are in dollars)

| | 404 VA Bond Fund | 417 Discovery Center Fund | Total Debt Service Funds |
|---|---|---|---|
| REVENUES: | | | |
| Taxes | 454,956 | - | 454,956 |
| Intergovernmental Revenues | - | 25,000 | 25,000 |
| Investment Earnings | 1,292 | - | 1,292 |
| TOTAL REVENUES | 456,248 | 25,000 | 481,248 |
| EXPENDITURES: | | | |
| Debt Service | 440,903 | 83,055 | 523,958 |
| TOTAL EXPENDITURES | 440,903 | 83,055 | 523,958 |
| Excess of Revenues Over (Under) Expenditures | 15,345 | (58,055) | (42,710) |
| OTHER FINANCING SOURCES(USES) | | | |
| Operating Transfers In | - | 58,055 | 58,055 |
| NET OTHER FINANCING SOURCES (USES) | - | 58,055 | 58,055 |
| Net Changes in Fund Balance | 15,345 | - | 15,345 |
| FUND BALANCE - BEGINNING OF YEAR | 87,295 | 1 | 87,296 |
| FUND BALANCE - END OF YEAR | 102,640 | 1 | 102,641 |

**Wasco County, Oregon**
**Schedule of Revenues, Expenditures and Changes in Fund Balance**
**Budget and Actual - Budgetary Basis**
**404 VA Bond Debt Service Fund**
**For the year ended June 30, 2012**
(all amounts are in dollars)

| | BUDGETED AMOUNTS | | | Variance Favorable |
|---|---|---|---|---|
| REVENUES: | Original | Final | Actual | (Unfavorable) |
| Taxes | 435,000 | 435,000 | 454,956 | 19,956 |
| Investment Earnings | 500 | 500 | 1,292 | 792 |
| TOTAL REVENUES | 435,500 | 435,500 | 456,248 | 20,748 |
| EXPENDITURES: | | | | |
| Debt Service | | | | |
| Principal | 405,000 | 405,000 | 405,000 | - |
| Interest | 35,903 | 35,903 | 35,903 | - |
| TOTAL EXPENDITURES | 440,903 | 440,903 | 440,903 | - |
| Net Changes in Fund Balance | (5,403) | (5,403) | 15,345 | 20,748 |
| FUND BALANCE - BEGINNING OF YEAR | 36,500 | 36,500 | 87,295 | 50,795 |
| FUND BALANCE - END OF YEAR | 31,097 | 31,097 | 102,640 | 71,543 |

**Wasco County, Oregon**
**Schedule of Revenues, Expenditures and Changes in Fund Balance**
**Budget and Actual - Budgetary Basis**
**417 Discovery Center Debt Service**
**For the year ended June 30, 2012**
(all amounts are in dollars)

| | BUDGETED AMOUNTS | | | Variance Favorable |
|---|---|---|---|---|
| REVENUES: | Original | Final | Actual | (Unfavorable) |
| Intergovernmental Revenues | 25,000 | 25,000 | 25,000 | - |
| Miscellaneous | - | - | - | - |
| TOTAL REVENUES | 25,000 | 25,000 | 25,000 | - |
| EXPENDITURES: | | | | |
| Debt Service | | | | |
| Principal | 54,879 | 54,879 | 54,879 | - |
| Interest | 28,176 | 28,176 | 28,176 | - |
| TOTAL EXPENDITURES | 83,055 | 83,055 | 83,055 | - |
| Excess of Revenues Over (Under) Expenditures | (58,055) | (58,055) | (58,055) | - |
| OTHER FINANCING SOURCES(USES) | | | | |
| Operating Transfers In | 58,055 | 58,055 | 58,055 | - |
| Operating Transfers Out | - | - | - | - |
| NET OTHER FINANCING SOURCES (USES) | 58,055 | 58,055 | 58,055 | - |
| Net Changes in Fund Balance | - | - | - | - |
| FUND BALANCE - BEGINNING OF YEAR | - | - | 1 | 1 |
| FUND BALANCE - END OF YEAR | - | - | 1 | 1 |

## AGENCY FUNDS

**Wasco County, Oregon**
**Combining Schedule of Changes in Assets and Liabilities**
**Agency Funds**
**For the year ended June 30, 2012**
(all amounts are in dollars)

| | Beginning Balance | Additions | Deductions | Ending Balance |
|---|---|---|---|---|
| ASSETS: | | | | |
| Cash with Treasurer | 460,012 | 23,556,888 | 23,467,668 | 549,232 |
| Taxes Receivable | 1,864,787 | 23,688,537 | 23,594,897 | 1,958,427 |
| TOTAL ASSETS | 2,324,799 | 47,245,425 | 47,062,565 | 2,507,659 |
| LIABILITIES: | | | | |
| Deferred Revenue | 1,864,787 | 23,688,537 | 23,594,897 | 1,958,427 |
| Due to Other Governments | 460,012 | 23,556,888 | 23,467,668 | 549,232 |
| TOTAL LIABILITIES | 2,324,799 | 47,245,425 | 47,062,565 | 2,507,659 |

# OTHER SCHEDULES

**Wasco County, Oregon**
**Schedule of Accountability of Elected Officials**
**For the year ended June 30, 2012**
(all amounts are in dollars)

| | County Treasurer | County Clerk | County Sheriff | Assessor/Tax Collector |
|---|---|---|---|---|
| Beginning Balance | 15,057,720 | 200 | 200 | 150 |
| Receipts | 43,093,487 | 311,468 | 1,786,361 | 616,849 |
| Disbursements | (40,915,661) | (311,468) | (1,786,361) | (616,849) |
| Ending Balance | 17,235,546 | 200 | 200 | 150 |

**Wasco County, Oregon**
**Schedule of Property Tax Transactions**
**For the year ended June 30, 2012**

(all amounts are in dollars)

| | TAXES RECEIVABLE July 1 | CURRENT YEAR LEVY | NET ADJUSTMENTS | DEDUCT TAX COLLECTIONS | TAXES RECEIVABLE June 30 |
|---|---|---|---|---|---|
| 2011-12 | | 33,375,339 | (852,503) | (31,135,354) | 1,387,482 |
| 2010-11 | 1,463,077 | - | (10,551) | (660,207) | 792,319 |
| 2009-10 | 663,939 | - | (2,333) | (246,959) | 414,647 |
| 2008-09 | 391,700 | - | (548) | (262,766) | 128,386 |
| 2007-08 | 80,448 | - | (157) | (60,818) | 19,473 |
| 2006-07 | 15,308 | - | (132) | (10,248) | 4,928 |
| 2005-06 | 7,159 | - | (63) | (2,132) | 4,964 |
| 2004-05 | 1,681 | - | - | - | 1,681 |
| 2003-04 | 263 | - | - | - | 263 |
| 2002-03 | 266 | - | - | - | 266 |
| 2001-02 | 268 | - | - | - | 268 |
| 2000-01 | 257 | - | - | - | 257 |
| 1999-00 | 234 | - | - | - | 234 |
| 1998-99 | 236 | - | - | - | 236 |
| 1997-98 | 228 | - | - | - | 228 |
| 1996-97 | 1,000 | - | - | - | 1,000 |
| 1995-96 | 1,000 | - | - | - | 1,000 |
| 1994-95 | 1,000 | - | - | - | 1,000 |
| 1985-86 | 953 | - | - | - | 953 |
| 1984-85 | 55 | - | - | - | 55 |
| TOTALS | 2,629,072 | 33,375,339 | (866,287) | (32,378,484) | 2,759,640 |

Note: Years that are not listed above have been paid in full

**Wasco County, Oregon**
**Schedule of Insurance**
**For the year ended June 30, 2012**
(all amounts are in dollars)

| Company | Policy Number | Amount | Coverage | Annual Premium | Expiration |
|---|---|---|---|---|---|
| CCIS | 10PWASC | 46,885,424 | Property/Mobile Equip | 74,298 | 7/1/2012 |
| CCIS | 10BWASC | Per Prop Sched | Boiler/Machinery | - | 7/1/2012 |
| CCIS | 10LWASC | 10,000,000 | General & Auto Liability | 74,089 | 7/1/2012 |
| CCIS | 10APD | | Auto Physical Damage | - | 7/1/2012 |
| National Union Fire Ins. | 10EC | | Excess Crime | - | 7/1/2012 |
| RSUI Indemnity | 10EQWASC | 10,000,000 | Excess Earthquake | 5,000 | 7/1/2012 |
| RSUI Indemnity | 10F | | Excess Flood | - | 7/1/2012 |
| Colony Insurance | | 1,000,000 | Pollution | 1,967 | 6/7/2013 |
| Public Official Bonds | | | | | |
| Ohio Casualty | | 20,000 | Sheriff | 100 | 12/31/2012 |
| Ohio Casualty | | 5,000 | Assessor | 100 | 7/1/2012 |
| Ohio Casualty | | 10,000 | Fair Board | 145 | 1/1/2013 |
| Ohio Casualty | | 25,000 | All Employees Bond | 1,063 | 7/1/2012 |
| Old Republic | | 30,000 | Clerk | 100 | 9/1/2012 |
| Old Republic | | 100,000 | Treasurer | 375 | 1/1/2013 |
| Old Republic | | 30,000 | Finance/Budget Officer | 100 | 12/1/2012 |

**Wasco County, Oregon**
**Schedule of Expenditure of Federal Awards**
**For the year ended June 30, 2012**
(all amounts are in dollars)

| FEDERAL GRANTOR/PASS-THROUGH GRANTOR/ PROGRAM TITLE | FEDERAL CFDA NUMBER | PROGRAM OR AWARD AMOUNT RECEIVED | PROGRAM OR AWARD AMOUNT EXPENDED |
|---|---|---|---|
| **U.S. DEPARTMENT OF AGRICULTURE:** | | | |
| *Passed through Oregon Department of Human Services:* | | | |
| Special Supplemental Nutrition Program for Women, Infants, and Children | 10.557 | 171,922 | 171,922 |
| Women, Infants, and Children Grants to State | 10.578 | 5,000 | 5,000 |
| *Passed through Oregon Department of Admin. Services:* | | | |
| Schools and Roads - Grants to States | 10.665 | 970,183 | 970,183 |
| **TOTAL U.S. DEPARTMENT OF AGRICULTURE** | | 1,147,105 | 1,147,105 |
| **U.S. DEPARTMENT OF COMMERCE:** | | | |
| *Passed through Oregon Department of Administrative Services:* | | | |
| Habitat Conservation | 11.463 | 86,058 | 86,058 |
| **TOTAL U.S. DEPARTMENT OF DEFENSE** | | 86,058 | 86,058 |
| **U.S. DEPARTMENT OF DEFENSE:** | | | |
| *Passed through Oregon Department of Administrative Services:* | | | |
| Flood Control Leases | 12.112 | 374 | 374 |
| **TOTAL U.S. DEPARTMENT OF DEFENSE** | | 374 | 374 |
| **U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:** | | | |
| Passed through Oregon Housing and Community Services: | | | |
| Community Development Block Grant | 14.228 | 145,409 | 145,409 |
| **TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT** | | 145,409 | 145,409 |
| **U.S. DEPARTMENT OF THE INTERIOR:** | | | |
| *Passed through Oregon Department of Administrative Services:* | | | |
| Mineral Leases | 15.214 | 549 | 549 |
| Taylor Grazing | 15.227 | 2,675 | 2,675 |
| **TOTAL U.S. DEPARTMENT OF THE INTERIOR** | | 3,224 | 3,224 |
| **U.S. DEPARTMENT OF JUSTICE:** | | | |
| *Passed through Oregon State Police:* | | | |
| Juvenile Accountability Block Grant | 16.523 | 10,000 | 10,000 |
| *Passed through Oregon Commission on Children and Families:* | | | |
| Juvenile Justice and Delinquency Prevention - Allocation to States | 16.540 | 22,709 | 22,709 |
| *Passed through Oregon Department of Justice:* | | | |
| Crime Victim Assistance | 16.575 | 30,616 | 30,616 |
| *Passed through Oregon Emergency Management:* | | | |
| Congressionally Recommended Awards | 16.753 | 7,922 | 7,922 |
| **TOTAL U.S. DEPARTMENT OF JUSTICE** | | 71,247 | 71,247 |

**Wasco County, Oregon**
**Schedule of Expenditure of Federal Awards**
**For the year ended June 30, 2012**
(all amounts are in dollars)

| FEDERAL GRANTOR/PASS-THROUGH GRANTOR/ PROGRAM TITLE | FEDERAL CFDA NUMBER | PROGRAM OR AWARD AMOUNT RECEIVED | PROGRAM OR AWARD AMOUNT EXPENDED |
|---|---|---|---|
| **U.S. DEPARTMENT OF TRANSPORTATION:** | | | |
| Highway Planning and Construction | 20.205 | 8,432 | 8,432 |
| *Passed through Oregon Department of Transportation:* | | | |
| Capital Assistance Program for Elderly Persons and Persons with Disabilities | 20.513 | 45,859 | 45,859 |
| **TOTAL U.S. DEPARTMENT OF TRANSPORTATION** | | 54,291 | 54,291 |
| **ENVIRONMENTAL PROTECTION AGENCY** | | | |
| *Passed through Oregon Department of Human Resources - Health Division:* | | | |
| State Public Water System Supervision | 66.432 | 16,872 | 16,872 |
| Capitalization Grants for Drinking Water | 66.468 | 25,500 | 25,500 |
| **TOTAL U.S. DEPARTMENT OF ENERGY** | | 42,372 | 42,372 |
| **U.S. DEPARTMENT OF HEALTH AND HUMAN RESOURCES:** | | | |
| *Passed through Oregon Department of Human Resources - Health Division:* | | | |
| Public Health Emergency Preparedness | 93.069 | 147,520 | 147,520 |
| Climate Change and Public Health | 93.070 | 20,000 | 20,000 |
| Family Planning Services | 93.217 | 51,131 | 51,131 |
| Substance Abuse and Mental Health Services | 93.243 | 8,842 | 8,842 |
| Immunization and Cooperative Agreements | 93.268 | 600 | 600 |
| Drug-Free Communities Support Program Grants | 93.276 | 63,000 | 63,000 |
| ARRA -Medical Assistance Program | 93.712 | 17,500 | 17,500 |
| Medical Assistance Program | 93.778 | 172,291 | 172,291 |
| Maternal and Child Health Services Block Grant to the States | 93.994 | 64,955 | 64,955 |
| *Passed through Oregon Department of Administrative Services:* | | | |
| Child Support Enforcement | 93.563 | 43,584 | 43,584 |
| *Passed through Oregon Health Authority:* | | | |
| Project Grants and Cooperative Agreements for Tuberculosis Control Program | 93.116 | 287 | 287 |
| *Passed through Oregon Commissionon Children and Families:* | | | |
| Promoting Safe and Stable Families | 93.556 | 6,221 | 6,221 |
| Social Services Block Grant | 93.667 | 18,526 | 18,526 |
| **TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN RESOURCES** | | 614,457 | 614,457 |
| **U.S. DEPARTMENT OF HOMELAND SECURITY:** | | | |
| *Passed through Oregon State Marine Board:* | | | |
| Boating Safety Financial Assistance | 97.012 | 18,231 | 18,231 |
| *Passed through Oregon State Police:* | | | |
| Emergency Management Performance Grants | 97.042 | 36,019 | 36,019 |
| State Homeland Security Program | 97.073 | 50,995 | 50,995 |
| *Passed through Oregon Emergency Management:* | | | |
| Citizen Corps | 97.053 | 446 | 446 |
| Buffer Zone Protection Program | 97.078 | 15,112 | 15,112 |
| **TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY** | | 120,803 | 120,803 |
| ***TOTAL FEDERAL AWARDS*** | | ***2,285,340*** | ***2,285,340*** |

Note: Modified accrual basis was used for the Schedule of Federal Awards Document

**Wasco County, Oregon**
**Notes to the Schedule of Expenditures of Federal Awards**
**For the Year Ended June 30, 2012**

1. BASIS OF PRESENTATION:

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

# OTHER REQUIRED REPORTS

FRIEND & REAGAN, P.C.
Certified Public Accountants

305 E. Fifth Street
The Dalles, OR 97058
phone [541] 296.2000
fax [541] 296.5636
www.friendreagan.com

Carol D. Friend · Nathan R. Reagan · Ben G. Neumayer · Gary F. Bradford · Carolyn J. Rohde · Rochelle A. Friend

**Independent Auditor's 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
Wasco County
The Dalles, Oregon

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Wasco County, Oregon as of and for the year ended June 30, 2012, which collectively comprise Wasco County, Oregon's basic financial statements and have issued our report thereon dated December 20, 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 Wasco County is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Wasco County, Oregon'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 Wasco County, Oregon's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Wasco County, Oregon's internal control over financial reporting.

A *deficiency in 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 misstatements on a timely basis. A *material weakness* is a deficiency, or combination of significant 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.

Our consideration of the 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 deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as identified above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Wasco 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 that are required to be reported under ***Government Auditing Standards***.

We noted certain matters that we reported to Management of Wasco County, Oregon in a separate letter dated December 20, 2012.

This report is intended solely for the information and use of the Wasco County Commissioners, Management and federal awarding agencies and pass-through entities. This report is not intended to be used and should not be used by anyone other than those specified parties.

Merd Reagen PC.
CERTIFIED PUBLIC ACCOUNTANTS

December 20, 2012

FRIEND & REAGAN, P.C.
Certified Public Accountants

305 E. Fifth Street
The Dalles, OR 97058
phone [541] 296.2000
fax [541] 296.5636
www.friendreagan.com

Carol D. Friend · Nathan R. Reagan · Ben G. Neumayer · Gary F. Bradford · Carolyn J. Rohde · Rochelle A. Friend

**Independent Auditor's Report on Compliance with Requirements That Could Have a Direct and Material Effect On Each Major Program and On Internal Control over Compliance in Accordance with OMB Circular A-133**

County Commissioners
Wasco County
The Dalles, Oregon

Compliance

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

We conducted our audit of compliance in accordance with the 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 Wasco 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 on Wasco County, Oregon's compliance with those requirements.

In our opinion, Wasco 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

The management of Wasco 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 Wasco County, Oregon's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our 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 Wasco 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 more than a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected and corrected, on a timely basis.

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

This report is intended solely for the information and use of the Wasco County, Oregon's Board of Commissioners, Management and federal awarding agencies and pass-through entities. This report is not intended to be used and should not be used by anyone other than those specified above.

Grove, Reagan PC.
CERTIFIED PUBLIC ACCOUNTANTS

December 20, 2012

**Wasco County, Oregon**
**Schedule of Findings and Questioned Costs**
**For the Year Ended June 30, 2012**

**Section 1**

| Financial Statements: | Summary of Auditor's Results |
|---|---|
| 1. Type of auditor's report issued: | Unqualified |
| 2. Internal controls over financial reporting: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified not considered to be material weaknesses? | No |
| 3. Noncompliance material to financial statements noted? | No |
| **Federal Awards:** | |
| 1. Internal controls over major programs: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified not considered to be material weaknesses? | No |
| 2. Type of auditor's report issued on compliance for major programs: | Unqualified |
| 3. Any audit findings disclosed which are required to be reported in accordance with OMB Circular A-133, Section 510(a)? | No |
| 4. Identification of major programs: | |
| 10.665 | School & Roads Grants to States |
| 5. The dollar threshold used to distinguish between Type A and Type B programs? | $300,000 |
| 6. Auditee qualified as a low risk auditee? | Yes |

**Section 2**
Financial Statement Findings — None

**Section 3**
Federal Award Findings and Questioned Costs — None

**Section 4**
Summary Schedule of Prior Audit Findings
11-1 Period end review process

*Criteria:* The County's finance director is responsible for providing the Commissioners and others, a complete and accurate trial balance at the end of each accounting period and year end.
*Condition:* The trial balance provided for the auditor included $193,801 in duplicate accounts receivable entries and an incorrect accounting for foreclosure and senior deferral proceeds of $78,440. The errors in the foreclosure and senior deferral accounting resulted in the taxing districts receiving incorrect information regarding their individual receipts and disbursements, and ending cash with county balances.
*Cause:* The County does not have a policy requiring review of journal entries prepared by elected officials. The County also does not have a policy requiring reconciliation of receivable or payable balances to the corresponding sub-ledgers at period end.
*Resolution:* The month end closing process now includes a reconciliation between the accounts payable and accounts receivable trial balance and the corresponding sub-ledgers.

11-2 Financial Statement Preparation
*Criteria:* The financial statements are the responsibility of the county's management, including the prevention or detection of material misstatements in the presentation and disclosure of the financial statements. Non-attest services performed by the auditor in the preparation of the financial statements cannot be considered compensating controls.
*Condition:* The County engages their auditors to provide non-attest services for the preparation of its financial statements. Management makes all financial reporting decisions, and accepts responsibility for the content of the financial statements.
*Cause:* The County's accounting personnel do not regularly prepare financial statements and related notes in accordance with GAAP, and therefore have contracted with their auditors to provide that service.
*Resolution:* The County's Finance Officer obtained additional education and training in the preparation of financial statements, so that the non-attest services are no longer a control deficiency.

FRIEND & REAGAN, P.C.
Certified Public Accountants

305 E. Fifth Street
The Dalles, OR 97058
phone [541] 296.2000
fax [541] 296.5636
www.friendreagan.com

Carol D. Friend · Nathan R. Reagan · Ben G. Neumayer · Gary F. Bradford · Carolyn J. Rohde · Rochelle A. Friend

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

We have audited the basic financial statements of Wasco County, Oregon of and for the year ended June 30, 2012, and have issued our report thereon dated January 25, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

### Compliance

As part of obtaining reasonable assurance about whether the Wasco County, Oregon's financial statements are free of material misstatements, 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 statements 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).**

In connection with our testing nothing came to our attention that caused us to believe Wasco County, Oregon 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 Parks fund ended the year with a deficit fund balance.

**OAR 162-10-0230 internal Control**

In planning and performing our audit, we considered Wasco County, Oregon'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 report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements in accordance with *Government Auditing Standards,* dated January 25, 2012, is presented in this report as listed in the Table of Contents.

This report is intended solely for the information and use of the Board of Commissioners and Management of Wasco County, Oregon and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than these parties.

CERTIFIED PUBLIC ACCOUNTANTS

December 20, 2012