



**McMinnville, Oregon**  
**ANNUAL FINANCIAL REPORT**  
**For the Year Ended June 30, 2013**

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**YAMHILL COUNTY**

**OFFICERS AND MEMBERS OF THE GOVERNING BODY**

**For the Year Ended June 30, 2013**

<b><u>Commissioners</u></b>	<b><u>Term Expires December 31,</u></b>
Katherine George 15195 NE Ribbon Ridge Road Newberg, OR 97132	2014
Mary P. Stern 1863 NW Doral Street McMinnville, OR 97128	2014
Allen Springer 1910 NE Springer Ct McMinnville, OR 97128	2016

**Other Elected Officials**

Scott Maytubby, Assessor  
Brian Van Bergen, Clerk  
Brad Berry, District Attorney  
Jack Crabtree, Sheriff  
Mike Green, Treasurer

**County Administrator**

Laura Tschabold

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**YAMHILL COUNTY**

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## INDEPENDENT AUDITOR'S REPORT

Board of County Commissioners  
YAMHILL COUNTY  
McMinnville, Oregon

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of YAMHILL COUNTY as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

#### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## INDEPENDENT AUDITOR'S REPORT (Continued)

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of YAMHILL COUNTY, as of June 30, 2013, the respective changes in financial position, and, where applicable, cash flows thereof, and the budgetary comparisons for the General, Road, Health and Human Services, and Solid Waste Funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

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

#### ***Other information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report December 27, 2013 on our consideration of YAMHILL COUNTY's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

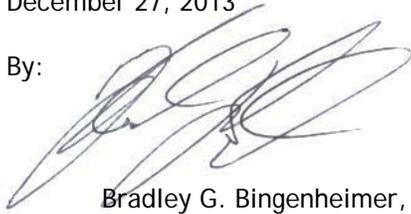
## INDEPENDENT AUDITOR'S REPORT (Continued)

### Report on Other Legal and Regulatory Requirements

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated December 27, 2013, on our consideration of YAMHILL COUNTY's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

Boldt Carlisle + Smith  
Certified Public Accountants  
Salem, Oregon  
December 27, 2013

By:



Bradley G. Bingenheimer, Member

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## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

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# YAMHILL COUNTY

## Management's Discussion and Analysis For the Year Ended June 30, 2013

As management of Yamhill County, we offer readers of Yamhill County's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2013.

### Financial Highlights

- The assets exceeded its liabilities at the close of the most recent fiscal year by \$173,356,856 (*net position*). Of this amount, \$11,873,305 (*unrestricted net position*) may be used to meet ongoing obligations to citizens and creditors.
- As of the close of the fiscal year, governmental funds reported combined ending fund balances of \$22,773,863, an increase of \$760,119 from the prior year.
- At the end of the current fiscal year, unassigned fund balance of the General Fund was \$8,575,801, or 37 % of total General Fund expenditures. This is down from the 39% in the prior fiscal year.
- Total long-term obligations decreased by \$134,993 during the current fiscal year. The scheduled payments on bonded debt and capital leases and were made, and no new debt was incurred.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Yamhill County's basic financial statements. Yamhill County's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also contains supplementary information in addition to the basic financial statements.

**Government-wide financial statements.** The *government-wide financial statements* are designed to provide readers with a broad view of Yamhill County's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of Yamhill County's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of Yamhill County is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused earned time off).

Both of the government-wide financial statements distinguish functions of Yamhill County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their cost through user fees and charges (*business-type activities*). The governmental activities of Yamhill County include general government, public safety, highways and streets, health and sanitation, parks, culture and recreation and education. The business-type activity of Yamhill County is the Cove Orchard Sewer Service District.

The government-wide financial statements include not only Yamhill County, but also Yamhill Extension Service District and Cove Orchard Sewer Service District for which Yamhill County is financially accountable. Financial information for these *component* units is blended together with the financial information for the County.

The government-wide financial statements can be found on pages 1 and 2 of this report.

**Fund financial statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Yamhill County, like other state and local governments uses fund accounting to demonstrate compliance with finance-related legal requirements. All of the funds of Yamhill County can be divided into three categories: governmental, proprietary and fiduciary.

**Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Yamhill County maintains 24 individual governmental funds. The activity from the Transportation Department is included in the General Government. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General, Road, Health and Human Services, and Solid Waste, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided elsewhere in this report.

Yamhill County adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

The governmental fund financial statements can be found on pages 3 – 13 of this report.

**Proprietary funds.** Yamhill County maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. Yamhill County uses enterprise funds to account for Cove Orchard Sewer Service District. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among Yamhill County's various functions. Yamhill County uses internal service funds to account for its insurance costs, telecommunications costs and to maintain the County's vehicles which include the Sheriff's Office patrol cars. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statement provides separate information for Cove Orchard Sewer Service District. Individual data for the internal service funds is provided in the form of combining statements elsewhere in this report.

The proprietary fund financial statements can be found on pages 14-16 of this report.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support Yamhill County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statement can be found on 17 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found pages 18-44 of this report. The County has also adopted an updated Governmental Fund classification structure as required under GASB 54. Details of this reporting standard can be found in Note 1, on page 25.

**Other information.** The combining and individual fund financial statements and schedules referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following the notes to basic financial statements. Combining and individual fund financial statements and schedules can be found on pages 45-85 of this report.

**Government-wide Financial Analysis (Statement of Net Position)**

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. In the case of Yamhill County, assets exceeded liabilities by \$173,356,856 at the close of the most recent fiscal year.

By far the largest portion of Yamhill County’s net position (86.1%) reflects its net investment in capital assets (e.g., land, buildings, infrastructure, machinery and equipment). Yamhill County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Yamhill County’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

	Net Position					
	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
<b>Assets</b>						
Current and other assets	\$ 33,182,844	\$ 32,438,895	\$ 107,466	\$ 98,090	\$ 33,290,310	\$ 32,536,985
Capital assets	<u>151,104,151</u>	<u>158,896,920</u>	<u>80,222</u>	<u>81,067</u>	<u>151,184,373</u>	<u>158,977,987</u>
Total assets	<u>184,286,995</u>	<u>191,335,815</u>	<u>187,688</u>	<u>179,157</u>	<u>184,474,683</u>	<u>191,514,972</u>
<b>Liabilities</b>						
Long-term liabilities outstanding	4,234,927	5,207,306	-	-	4,234,927	5,207,306
Other liabilities	<u>6,881,704</u>	<u>5,531,134</u>	<u>1,196</u>	<u>981</u>	<u>6,882,900</u>	<u>5,532,115</u>
Total liabilities	<u>11,116,631</u>	<u>10,738,440</u>	<u>1,196</u>	<u>981</u>	<u>11,117,827</u>	<u>10,739,421</u>
<b>Net position</b>						
Net investment in capital assets	149,198,055	156,849,881	80,222	81,067	149,278,277	156,930,948
Restricted	12,205,274	13,534,593	-	-	12,205,274	13,534,593
Unrestricted	<u>11,767,035</u>	<u>10,212,901</u>	<u>106,270</u>	<u>97,109</u>	<u>11,873,305</u>	<u>10,310,010</u>
Total net position	<u>\$ 173,170,364</u>	<u>\$ 180,597,375</u>	<u>\$ 186,492</u>	<u>\$ 178,176</u>	<u>\$ 173,356,856</u>	<u>\$ 180,775,551</u>

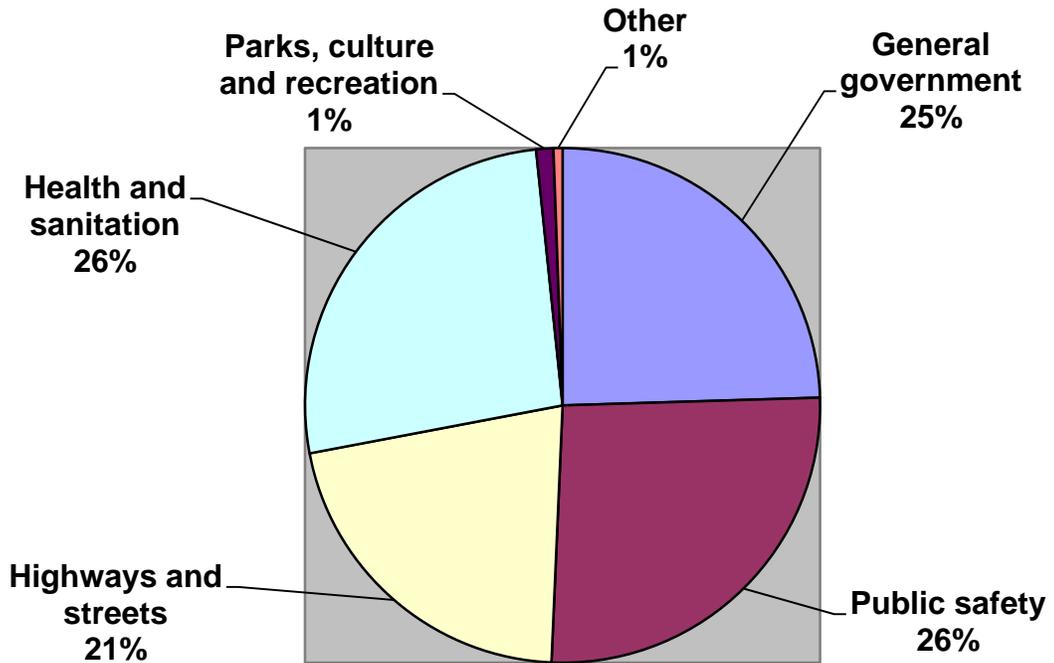
A portion of Yamhill County’s net position \$12,205,274 represents resources that are subject to some restrictions on how they may be used. The remaining balance of *unrestricted net position* (6.8%) may be used to meet the government’s ongoing obligations to citizen’s and creditors.

**Governmental activities.** Governmental activities decreased Yamhill County's net position by \$7,132,931.

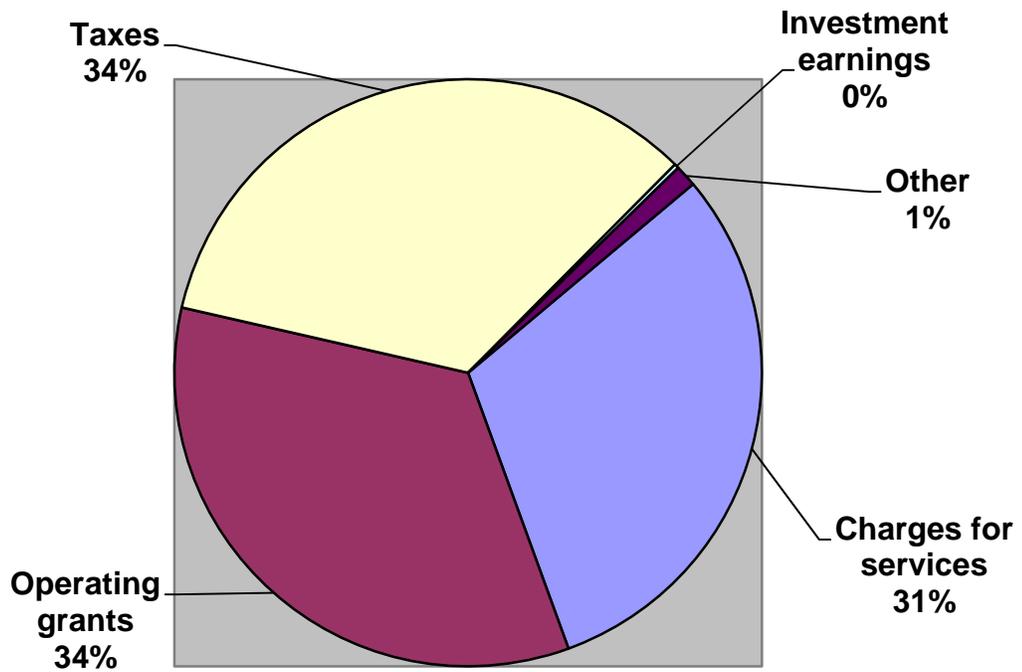
**Changes in Net Position**

	Governmental Activities		Business-Type Activities		Totals	
	2013	2012	2013	2012	2013	2012
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 16,470,246	\$ 16,303,580	\$ 49,036	\$ 47,923	\$ 16,519,282	\$ 16,351,503
Operating grants and contributions	18,391,358	19,208,534	-	-	18,391,358	19,208,534
Capital grants and contributions	6,691	1,452,361	-	-	6,691	1,452,361
General revenues:						
Property taxes	18,251,517	17,847,984			18,251,517	17,847,984
Investment earnings	132,913	108,672	393	333	133,306	109,005
Gain (loss) on sale of capital assets	(433,290)	267,349	-	-	(433,290)	267,349
Miscellaneous	1,073,758	927,917	254	255	1,074,012	928,172
Total revenues	<u>53,893,193</u>	<u>56,116,397</u>	<u>49,683</u>	<u>48,511</u>	<u>53,942,876</u>	<u>56,164,908</u>
<b>Expenses</b>						
Governmental activities:						
General government	14,961,317	16,290,893	-	-	14,961,317	16,290,893
Public safety	15,950,089	15,733,196	-	-	15,950,089	15,733,196
Highways and streets	13,005,391	12,972,328	-	-	13,005,391	12,972,328
Health and sanitation	16,058,668	14,959,780	-	-	16,058,668	14,959,780
Parks, cultural and recreation	655,749	616,570	-	-	655,749	616,570
Education	347,532	345,407	-	-	347,532	345,407
Interest on long-term obligations	47,432	67,802	-	-	47,432	67,802
Sewer	-	-	41,313	48,024	41,313	48,024
Total expenses	<u>61,026,178</u>	<u>60,985,976</u>	<u>41,313</u>	<u>48,024</u>	<u>61,067,491</u>	<u>61,034,000</u>
Increase (decrease) in net assets						
before transfers	(7,132,985)	(4,869,579)	8,370	487	(7,124,615)	(4,869,092)
Transfers	<u>54</u>	<u>41</u>	<u>(54)</u>	<u>(41)</u>	<u>-</u>	<u>-</u>
Change in net position	(7,132,931)	(4,869,538)	8,316	446	(7,124,615)	(4,869,092)
Net position at beginning of year	180,597,375	185,466,913	178,176	157,030	180,775,551	185,623,943
Prior period adjustment	<u>(294,080)</u>	<u>-</u>	<u>-</u>	<u>20,700</u>	<u>(294,080)</u>	<u>20,700</u>
Net position at end of year	<u>\$ 173,170,364</u>	<u>\$ 180,597,375</u>	<u>\$ 186,492</u>	<u>\$ 178,176</u>	<u>\$ 173,356,856</u>	<u>\$ 180,775,551</u>

### Expenses by Function - Governmental Activities



### Governmental Activities Revenue



## **Financial Analysis of the Government's Funds**

As noted earlier, Yamhill County uses fund accounting to demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of *governmental funds* is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, governmental funds reported combined ending fund balances of \$22,773,863, an increase of \$760,119 in comparison with the prior year. \$8,532,215 of the total amount constitutes the unassigned fund balance, which is available for spending at the County's discretion. The remainder of fund balance is restricted to indicate that it is not available for new spending because it has already been restricted, committed, or assigned.

The General Fund is the chief operating fund of Yamhill County. At the end of the current fiscal year, the fund balance of the General Fund was \$8,792,423.

The Road Fund is dedicated to the maintenance and construction of roads within the County and has a fund balance of \$2,302,716, a decrease of \$20,622. Of this, \$232,702 represents the value of parts inventory and is nonspendable.

The Health and Human Services Fund provides health service to the residents of the County and has a fund balance of \$3,829,162 as of June 30, 2013, a decrease of \$548,736 from the prior year.

The Solid Waste Fund ended the year with fund balance of \$3,901,109, an increase of \$193,721 over the previous year.

The nonmajor special revenue and capital projects funds consist of various programs which have dedicated revenues either as fees for services or other sources. The combined fund balances of these programs are \$3,948,453 which has increased \$907,162 from the previous year.

## **General Fund Budgetary Highlights**

There were no significant changes to the original budget of the General Fund. Expenditures were \$24,925,693 or 15.9% less than budgeted. This can be contributed to budgeting for grants applied for, but not received and conservative budgeting by many of the County's department heads and managers. This also includes \$942,562 which was budgeted for contingencies which remained unspent at year end.

## Capital Assets and Debt Administration

**Capital assets.** Investment in capital assets for governmental and business-type activities of the County as June 30, 2013 amounted to \$151,104,151 (net of accumulated depreciation). This investment in capital assets includes land, buildings and systems, improvements, machinery and equipment, park facilities, roads, bridges and culverts. The total decrease in Yamhill County's investment in capital assets for the current fiscal year was \$7,793,614. The primary reason is the depreciation of the County's infrastructure.

### Capital Assets (Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Capital assets not being depreciated	\$ 49,381,290	\$ 49,381,290	\$ 78,356	\$ 78,356	\$ 49,459,646	\$ 49,459,646
Building	12,023,054	13,009,155	-	-	12,023,054	13,009,155
Machinery and equipment	5,352,773	5,280,973	1,866	2,711	5,354,639	5,283,684
Infrastructure	<u>84,347,034</u>	<u>91,225,502</u>	<u>-</u>	<u>-</u>	<u>84,347,034</u>	<u>91,225,502</u>
Total	<u>\$ 151,104,151</u>	<u>\$ 158,896,920</u>	<u>\$ 80,222</u>	<u>\$ 81,067</u>	<u>\$ 151,184,373</u>	<u>\$ 158,977,987</u>

Additional information on Yamhill County's capital assets can be found in Note 4 on pages 31 and 32 of this report.

**Long-term debt.** At the end of the fiscal year, Yamhill County had total outstanding bonded debt of \$750,000. This full amount is comprised of a full faith and credit bond. Additional long-term obligations include loans (\$1,117,176); capital leases (\$38,920), landfill liability (\$3,431,624), and accumulated compensated absences (\$1,336,530).

### Outstanding Debt General Obligation and Revenue Bonds

	2013	2012
Full Faith and Credit Bonds	<u>\$ 750,000</u>	<u>\$ 805,000</u>

Additional information on Yamhill County's long-term obligations can be found in Note 5 on pages 33 and 34 of this report.

## **Economic Factors and Next Year's Budgets and Rates**

The unemployment rate for Yamhill County for August 2013 was 7.6 percent, down from 8.3 percent in the same month in 2012. This was below the state's unemployment rate of 8.1 percent and slightly above the national average of 7.3 percent.

Businesses in the county include a steel rolling mill, a large baked-goods plant, a major dental equipment manufacturer and a cooperative creamery. There are several large national chain stores in the county, but overall the community takes pride in supporting local businesses.

Wineries continue to be a big *tourism* draw in addition to other tourist related businesses - restaurants, bed and breakfasts, tasting rooms and small specialty shops. The Allison Inn, located in Newberg, has become a destination place for some visitors interested in wine tourism. The county is also home to an aircraft museum whose major attraction is Howard Hughes' Spruce Goose. The completion of a water park adjacent to the air museum has added another stop for tourists.

In addition to a decrease in the unemployment rate, there are other slight signs of improvement in the economy. The Yamhill County Planning Department reported continued positive growth for 2012-13 with approximately 13% increase over permit activity in 2011-12. The Clerk's office also reported an increase in recordings for 2012-13. However, both departments report that early activity for 2013-14 appear to be static. It is too early to predict if activity will increase for the remainder of the 2013-14 fiscal year.

## **Request for Information**

This financial report is designed to provide a general overview of Yamhill County's finances for all of those interested in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Financial Services Manager, Yamhill County Courthouse, 535 NE 5<sup>th</sup> Street, McMinnville, OR 97128.

## **BASIC FINANCIAL STATEMENTS**

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**YAMHILL COUNTY**

**STATEMENT OF NET POSITION**

**June 30, 2013**

	Governmental Activities	Business-type Activities	Totals
<b><u>ASSETS</u></b>			
Cash and investments	\$ 28,433,523	\$ 89,348	\$ 28,522,871
Receivables	4,510,360	18,118	4,528,478
Inventory	232,702	-	232,702
Prepaid items	6,259	-	6,259
Capital assets:			
Land, right-of-way, and gravel roads	49,381,290	78,356	49,459,646
Other capital assets, net	101,722,861	1,866	101,724,727
 TOTAL ASSETS	 <u>184,286,995</u>	 <u>187,688</u>	 <u>184,474,683</u>
 <b><u>LIABILITIES</u></b>			
Accounts payable and accrued expenses	1,465,672	560	1,466,232
Payroll and related liabilities	1,770,363	636	1,770,999
Unearned revenue	18,000	-	18,000
Deposits payable	25,034	-	25,034
Bond premium, net	36,000	-	36,000
Net other post-employment benefits	1,127,312	-	1,127,312
Long-term obligations:			
Due within one year	2,439,323	-	2,439,323
Due in more than one year	4,234,927	-	4,234,927
 TOTAL LIABILITIES	 <u>11,116,631</u>	 <u>1,196</u>	 <u>11,117,827</u>
 <b><u>NET POSITION</u></b>			
Net investment in capital assets	149,198,055	80,222	149,278,277
Restricted for:			
Highways and streets	2,311,301	-	2,311,301
Schools and education	157,153	-	157,153
Health services	7,730,271	-	7,730,271
County library	2,170	-	2,170
Grants	84,687	-	84,687
Public safety	1,191,928	-	1,191,928
Capital projects	377,002	-	377,002
Other purposes	350,762	-	350,762
Unrestricted	11,767,035	106,270	11,873,305
 TOTAL NET POSITION	 <u>\$ 173,170,364</u>	 <u>\$ 186,492</u>	 <u>\$ 173,356,856</u>

*See accompanying notes*

**YAMHILL COUNTY**

**STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2013**

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities
<b>Governmental activities</b>						
General government	\$ 14,961,317	\$ 4,246,561	\$ 3,753,015	\$ 6,691	\$ (6,955,050)	\$ (6,955,050)
Public safety	15,950,089	1,237,922	2,740,801	-	(11,971,366)	(11,971,366)
Highways and streets	13,005,391	169,067	6,042,184	-	(6,794,140)	(6,794,140)
Health and sanitation	16,058,668	10,457,078	5,703,985	-	102,395	102,395
Parks, culture and recreation	655,749	359,618	95,025	-	(201,106)	(201,106)
Education	347,532	-	56,348	-	(291,184)	(291,184)
Interest on long-term obligations	47,432	-	-	-	(47,432)	(47,432)
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>61,026,178</b>	<b>16,470,246</b>	<b>18,391,358</b>	<b>6,691</b>	<b>(26,157,883)</b>	<b>(26,157,883)</b>
<b>Business-type activities</b>						
Sewer	41,313	49,036	-	-	\$ 7,723	7,723
<b>Totals</b>	<b>\$ 61,067,491</b>	<b>\$ 16,519,282</b>	<b>\$ 18,391,358</b>	<b>\$ 6,691</b>	<b>(26,157,883)</b>	<b>(26,150,160)</b>
<b>General revenues</b>						
Taxes					18,251,517	18,251,517
Franchise and miscellaneous taxes					24,281	24,281
Investment earnings					132,913	133,306
Miscellaneous					1,049,477	1,049,731
(Loss) on sale of capital assets					(433,290)	(433,290)
<b>Transfers</b>					54	(54)
<b>TOTAL GENERAL REVENUES AND TRANSFERS</b>					<b>19,024,952</b>	<b>19,025,545</b>
<b>CHANGES IN NET POSITION</b>					<b>(7,132,931)</b>	<b>8,316</b>
<b>NET POSITION - BEGINNING</b>					<b>180,597,375</b>	<b>178,176</b>
<b>PRIOR PERIOD ADJUSTMENT</b>					<b>(294,080)</b>	<b>(294,080)</b>
<b>NET POSITION - ENDING</b>					<b>\$ 173,170,364</b>	<b>\$ 173,356,856</b>

*See accompanying notes*

**YAMHILL COUNTY**

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2013**

	General	Road	Health and Human Services	Solid Waste	Total Nonmajor Funds	Total Governmental Funds
<b><u>ASSETS</u></b>						
Cash and investments	\$ 8,990,756	\$ 2,410,222	\$ 3,381,288	\$ 3,747,519	\$ 4,892,140	\$ 23,421,925
Receivables	2,341,414	459,156	1,361,052	198,260	116,628	4,476,510
Inventory	-	232,702	-	-	-	232,702
Prepaid items	2,523	-	-	-	3,736	6,259
<b>TOTAL ASSETS</b>	<b>\$ 11,334,693</b>	<b>\$ 3,102,080</b>	<b>\$ 4,742,340</b>	<b>\$ 3,945,779</b>	<b>\$ 5,012,504</b>	<b>\$ 28,137,396</b>
<b><u>LIABILITIES</u></b>						
Accounts payable	\$ 293,537	\$ 689,028	\$ 309,218	\$ 31,299	\$ 105,835	\$ 1,428,917
Payroll and related liabilities	887,889	102,436	598,744	13,371	153,364	1,755,804
Deposits	12,515	7,900	-	-	4,619	25,034
Advances from other funds	-	-	-	-	769,744	769,744
<b>TOTAL LIABILITIES</b>	<b>1,193,941</b>	<b>799,364</b>	<b>907,962</b>	<b>44,670</b>	<b>1,033,562</b>	<b>3,979,499</b>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>						
Unavailable revenue	1,348,329	-	5,216	-	30,489	1,384,034
<b><u>FUND BALANCES</u></b>						
Nonspendable	2,523	232,702	-	-	3,736	238,961
Restricted	-	2,070,014	3,829,162	3,901,109	2,518,248	12,318,533
Assigned	214,099	-	-	-	1,470,055	1,684,154
Unassigned	8,575,801	-	-	-	(43,586)	8,532,215
<b>TOTAL FUND BALANCES</b>	<b>8,792,423</b>	<b>2,302,716</b>	<b>3,829,162</b>	<b>3,901,109</b>	<b>3,948,453</b>	<b>22,773,863</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 11,334,693</b>	<b>\$ 3,102,080</b>	<b>\$ 4,742,340</b>	<b>\$ 3,945,779</b>	<b>\$ 5,012,504</b>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	151,104,151
Other long-term assets are not available to pay for current-period expenditures and therefore are unavailable in the funds.	1,366,034
The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position	\$ 5,750,431
Plus: Compensated absences of the internal service fund included below	13,447
The bond premium is reported in the statement of net position but is not reported in the funds	(36,000)
The net post-employment benefits obligation is reported in the statement of net position but is not reported in the funds	(1,127,312)
Some liabilities, including compensated absences, capital leases payable and bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(6,674,250)

**NET POSITION OF GOVERNMENTAL ACTIVITIES** **\$ 173,170,364**

*See accompanying notes*

**YAMHILL COUNTY**

**STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2013**

	General	Road	Health and Human Services	Solid Waste	Total Nonmajor Funds	Total Governmental Funds
<b>REVENUES</b>						
Property taxes	\$ 17,806,743	\$ -	\$ -	\$ -	\$ 308,379	\$ 18,115,122
Miscellaneous taxes	16,195	-	-	-	8,086	24,281
Licenses, permits and fees	774,509	49,604	260,163	-	251,623	1,335,899
Intergovernmental	3,944,133	6,042,184	5,703,008	-	2,824,613	18,513,938
Charges for services	3,172,199	119,463	9,236,613	1,038,913	1,152,253	14,719,441
Fines and forfeitures	431,776	-	52,498	-	30,362	514,636
Interest	47,618	8,535	19,760	17,191	19,727	112,831
Other	510,233	101,815	98,333	3,425	253,916	967,722
<b>TOTAL REVENUES</b>	<b>26,703,406</b>	<b>6,321,601</b>	<b>15,370,375</b>	<b>1,059,529</b>	<b>4,848,959</b>	<b>54,303,870</b>
<b>EXPENDITURES</b>						
Current						
General government	10,019,514	-	-	-	1,632,580	11,652,094
Public safety	12,594,678	-	-	-	3,205,694	15,800,372
Parks, culture, and recreation	183,537	-	-	-	434,259	617,796
Highways and streets	-	4,001,059	-	-	-	4,001,059
Health and welfare	-	-	15,447,940	436,794	-	15,884,734
Education	-	-	-	-	50,171	50,171
Capital outlay	99,276	2,234,135	143,002	-	836,142	3,312,555
Debt service	-	-	-	-	190,625	190,625
<b>TOTAL EXPENDITURES</b>	<b>22,897,005</b>	<b>6,235,194</b>	<b>15,590,942</b>	<b>436,794</b>	<b>6,349,471</b>	<b>51,509,406</b>
Excess (deficiency) of revenues over expenditures	3,806,401	86,407	(220,567)	622,735	(1,500,512)	2,794,464
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	1,976,057	513,629	1,464,687	-	3,856,567	7,810,940
Transfers out	(5,553,864)	(620,658)	(1,792,856)	(429,014)	(1,448,893)	(9,845,285)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(3,577,807)</b>	<b>(107,029)</b>	<b>(328,169)</b>	<b>(429,014)</b>	<b>2,407,674</b>	<b>(2,034,345)</b>
Net change in fund balances	228,594	(20,622)	(548,736)	193,721	907,162	760,119
Fund balances at beginning of year	8,563,829	2,323,338	4,377,898	3,707,388	3,335,371	22,307,824
Prior period adjustment	-	-	-	-	(294,080)	(294,080)
<b>Fund balances at end of year</b>	<b>\$ 8,792,423</b>	<b>\$ 2,302,716</b>	<b>\$ 3,829,162</b>	<b>\$ 3,901,109</b>	<b>\$ 3,948,453</b>	<b>\$ 22,773,863</b>

*See accompanying notes*

**YAMHILL COUNTY**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2013**

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 760,119
<i>Amounts reported for governmental activities in the Statement of Activities are different because of the following:</i>	
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. The difference between these two amounts is:	
Capitalized expenditures	\$ 2,787,385
Depreciation	<u>(10,016,106)</u> (7,228,721)
The net effect of transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.	(564,048)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds as follows:	
Property taxes	(7,619)
Charges for services	(130,409)
Other	3,000
The change in other post-employment benefits are reported as additional expenses in the Statement of Activities	(152,394)
The issuance of long-term obligations provides current financial resources to governmental funds, while repayment of the principal of long-term obligations consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.	
Amortization of bond premium	2,250
Principal payments	188,242
Some expenses reported in the government wide statements do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds	
Compensated absences	(51,957)
Net income of internal service funds after eliminating transfers and income reported above	<u>48,606</u>
CHANGES IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ (7,132,931)</u></u>

*See accompanying notes*

**YAMHILL COUNTY**

**GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL  
For the Year Ended June 30, 2013**

	Budget		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Property taxes	\$ 16,834,990	\$ 16,834,990	\$ 17,806,743	\$ 971,753
Miscellaneous taxes	10,000	10,000	16,195	6,195
Licenses and permits	569,650	569,650	774,509	204,859
Intergovernmental	5,949,405	5,949,405	3,827,326	(2,122,079)
Charges for services	4,373,338	4,388,338	4,759,157	370,819
Fines and forfeitures	364,256	364,256	431,776	67,520
Interest earnings	20,000	20,000	43,182	23,182
Other	480,003	480,003	510,233	30,230
<b>TOTAL REVENUES</b>	<u>28,601,642</u>	<u>28,616,642</u>	<u>28,169,121</u>	<u>(447,521)</u>
<b>EXPENDITURES</b>				
Administrative Services				
Personnel services	859,238	859,238	805,025	54,213
Materials and services	88,335	88,335	69,725	18,610
<b>Total Administrative Services</b>	<u>947,573</u>	<u>947,573</u>	<u>874,750</u>	<u>72,823</u>
Assessor				
Personnel services	1,399,490	1,399,490	1,197,776	201,714
Materials and services	291,267	291,267	190,256	101,011
<b>Total Assessor</b>	<u>1,690,757</u>	<u>1,690,757</u>	<u>1,388,032</u>	<u>302,725</u>
Board of Commissioners				
Personnel services	426,522	426,522	411,540	14,982
Materials and services	59,397	59,397	67,575	(8,178)
<b>Total Board of Commissioners</b>	<u>485,919</u>	<u>485,919</u>	<u>479,115</u>	<u>6,804</u>
Clerk				
Personnel services	441,070	441,070	428,588	12,482
Materials and services	329,276	329,276	315,397	13,879
Capital outlay	15,000	15,000	509	14,491
<b>Total Clerk</b>	<u>785,346</u>	<u>785,346</u>	<u>744,494</u>	<u>40,852</u>
Information Systems				
Personnel services	845,800	845,800	838,824	6,976
Materials and services	338,821	338,821	273,916	64,905
Capital outlay	102,000	102,000	40,015	61,985
<b>Total Information Systems</b>	<u>1,286,621</u>	<u>1,286,621</u>	<u>1,152,755</u>	<u>133,866</u>

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**GENERAL FUND (Continued)**  
**STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL**

	Budget		Actual	Variance
	Original	Final		
<b>EXPENDITURES (Continued)</b>				
District Attorney				
Personnel services	\$ 1,727,764	\$ 1,727,764	\$ 1,705,370	\$ 22,394
Materials and services	286,858	286,858	254,547	32,311
Capital outlay	15,000	15,000	-	15,000
Total District Attorney	<u>2,029,622</u>	<u>2,029,622</u>	<u>1,959,917</u>	<u>69,705</u>
Planning				
Personnel services	975,436	975,436	907,635	67,801
Materials and services	365,491	365,491	335,139	30,352
Total Planning	<u>1,340,927</u>	<u>1,340,927</u>	<u>1,242,774</u>	<u>98,153</u>
Surveyor				
Personnel services	60,008	75,008	60,290	14,718
Materials and services	12,122	12,122	5,475	6,647
Total Surveyor	<u>72,130</u>	<u>87,130</u>	<u>65,765</u>	<u>21,365</u>
Support Enforcement				
Personnel services	401,251	401,251	374,658	26,593
Materials and services	38,530	38,530	27,995	10,535
Total Support Enforcement	<u>439,781</u>	<u>439,781</u>	<u>402,653</u>	<u>37,128</u>
Treasurer				
Personnel services	7,834	7,834	9,438	(1,604)
Materials and services	2,813	3,313	1,645	1,668
Total Treasurer	<u>10,647</u>	<u>11,147</u>	<u>11,083</u>	<u>64</u>
County Counsel				
Personnel services	363,641	363,641	395,307	(31,666)
Materials and services	59,166	59,166	25,504	33,662
Total County Counsel	<u>422,807</u>	<u>422,807</u>	<u>420,811</u>	<u>1,996</u>
Transportation				
Personnel services	83,997	83,997	85,427	(1,430)
Materials and services	2,072,118	2,072,118	1,829,150	242,968
Capital outlay	1,612,400	1,617,033	26,737	1,590,296
Total Transportation	<u>3,768,515</u>	<u>3,773,148</u>	<u>1,941,314</u>	<u>1,831,834</u>

*Continued on next page*

**GENERAL FUND (Continued)**  
**STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL**

	Budget		Actual	Variance
	Original	Final		
<b>EXPENDITURES (Continued)</b>				
Non-departmental				
Materials and services	\$ 714,089	\$ 714,089	\$ 597,925	\$ 116,164
Emergency Management				
Personnel services	136,147	136,147	136,681	(534)
Materials and services	183,735	183,735	63,735	120,000
Total Emergency Management	319,882	319,882	200,416	119,466
Jail				
Personnel services	3,801,131	3,801,131	3,548,983	252,148
Materials and services	795,404	795,404	779,266	16,138
Total Jail	4,596,535	4,596,535	4,328,249	268,286
Marine				
Personnel services	85,013	85,013	87,204	(2,191)
Materials and services	38,864	38,864	32,830	6,034
Total Marine	123,877	123,877	120,034	3,843
Sheriff				
Personnel services	4,497,419	4,497,419	4,240,667	256,752
Materials and services	728,223	728,223	733,821	(5,598)
Total Sheriff	5,225,642	5,225,642	4,974,488	251,154
911/Dispatch Services				
Materials and services	556,754	556,754	556,752	2
Mediation Services				
Materials and services	85,000	89,400	95,207	(5,807)
Narcotics Investigation				
Personnel services	21,777	21,777	17,009	4,768
Materials and services	52,358	52,358	29,726	22,632
Capital outlay	10,000	10,000	6,009	3,991
Total Narcotics Investigation	84,135	84,135	52,744	31,391

*Continued on next page*

**GENERAL FUND (Continued)**  
**STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL**

	Budget		Actual	Variance
	Original	Final		
<b>EXPENDITURES (Continued)</b>				
Juvenile Department				
Personnel services	\$ 1,307,880	\$ 1,307,880	\$ 1,250,576	\$ 57,304
Materials and services	130,987	130,987	122,382	8,605
Total Juvenile Department	1,438,867	1,438,867	1,372,958	65,909
Juvenile Detention				
Personnel services	1,490,749	1,490,749	1,309,154	181,595
Materials and services	160,760	160,760	139,079	21,681
Capital outlay	17,500	17,500	26,006	(8,506)
Total Juvenile Detention	1,669,009	1,669,009	1,474,239	194,770
Parks				
Personnel services	136,691	136,691	134,910	1,781
Materials and services	184,614	184,614	80,518	104,096
Total Parks	321,305	321,305	215,428	105,877
Courthouse Security				
Personnel services	241,350	241,350	240,331	1,019
Materials and services	13,057	13,057	9,571	3,486
Total Courthouse Security	254,407	254,407	249,902	4,505
Air Support				
Materials and services	14,417	14,417	3,888	10,529
Contingency	952,095	942,562	-	942,562
<b>TOTAL EXPENDITURES</b>	<b>29,636,659</b>	<b>29,651,659</b>	<b>24,925,693</b>	<b>4,725,966</b>
Excess (deficiency) of revenues over expenditures	(1,035,017)	(1,035,017)	3,243,428	4,278,445
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	175,000	175,000	175,000	-
Transfers out	(2,687,058)	(2,687,058)	(2,705,479)	(18,421)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(2,512,058)</b>	<b>(2,512,058)</b>	<b>(2,530,479)</b>	<b>(18,421)</b>
Net change in fund balance	(3,547,075)	(3,547,075)	712,949	4,260,024
Fund balance at beginning of year	5,843,407	5,843,407	7,358,058	1,514,651
Fund balance at end of year	\$ 2,296,332	\$ 2,296,332	\$ 8,071,007	\$ 5,774,675

*See accompanying notes*

**YAMHILL COUNTY**

**ROAD FUND  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL  
For the Year Ended June 30, 2013**

	Budget		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Licenses and permits	\$ 41,000	\$ 41,000	\$ 49,604	\$ 8,604
Intergovernmental	5,829,062	5,829,062	6,042,184	213,122
Charges for services	808,319	808,319	621,127	(187,192)
Interest earnings	4,000	4,000	8,535	4,535
Other	<u>38,857</u>	<u>38,857</u>	<u>113,780</u>	<u>74,923</u>
<b>TOTAL REVENUES</b>	<u>6,721,238</u>	<u>6,721,238</u>	<u>6,835,230</u>	<u>113,992</u>
<b>EXPENDITURES</b>				
Motor Vehicle				
Personnel services	549,451	549,451	537,455	11,996
Materials and services	<u>1,059,357</u>	<u>1,059,357</u>	<u>893,682</u>	<u>165,675</u>
Total Motor Vehicle	<u>1,608,808</u>	<u>1,608,808</u>	<u>1,431,137</u>	<u>177,671</u>
Engineering				
Personnel services	188,553	188,553	147,194	41,359
Materials and services	<u>45,407</u>	<u>45,407</u>	<u>30,183</u>	<u>15,224</u>
Total Engineering	<u>233,960</u>	<u>233,960</u>	<u>177,377</u>	<u>56,583</u>
Road				
Personnel services	1,659,055	1,659,055	1,424,997	234,058
Materials and services	1,966,695	1,864,695	1,587,437	277,258
Capital outlay	<u>1,986,000</u>	<u>1,986,000</u>	<u>2,234,135</u>	<u>(248,135)</u>
Total Road	<u>5,611,750</u>	<u>5,509,750</u>	<u>5,246,569</u>	<u>263,181</u>
Debt service	<u>51,296</u>	<u>153,296</u>	<u>153,187</u>	<u>109</u>
Contingency	<u>921,993</u>	<u>921,993</u>	<u>-</u>	<u>921,993</u>
<b>TOTAL EXPENDITURES</b>	<u>8,427,807</u>	<u>8,427,807</u>	<u>7,008,270</u>	<u>1,419,537</u>
Net change in fund balance	(1,706,569)	(1,706,569)	(173,040)	1,533,529
Fund balance at beginning of year	<u>1,821,569</u>	<u>1,821,569</u>	<u>2,475,756</u>	<u>654,187</u>
Fund balance at end of year	<u>\$ 115,000</u>	<u>\$ 115,000</u>	<u>\$ 2,302,716</u>	<u>\$ 2,187,716</u>

*See accompanying notes*

**YAMHILL COUNTY**

**HEALTH AND HUMAN SERVICES FUND  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL  
For the Year Ended June 30, 2013**

	Budget		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Licenses and permits	\$ 296,569	\$ 296,569	\$ 260,163	\$ (36,406)
Intergovernmental	6,702,891	6,702,891	5,703,008	(999,883)
Charges for services	8,167,552	8,167,552	9,302,207	1,134,655
Fines and penalties	42,660	42,660	52,498	9,838
Interest earnings	16,623	16,623	19,760	3,137
Other	75,313	75,313	98,333	23,020
<b>TOTAL REVENUES</b>	<u>15,301,608</u>	<u>15,301,608</u>	<u>15,435,969</u>	<u>134,361</u>
<b>EXPENDITURES</b>				
Community Health				
Personnel services	2,148,069	2,148,069	1,969,712	178,357
Materials and services	1,180,401	1,180,401	1,148,406	31,995
Capital outlay	2,145	2,145	10,055	(7,910)
<b>Total Community Health</b>	<u>3,330,615</u>	<u>3,330,615</u>	<u>3,128,173</u>	<u>202,442</u>
Developmentally Disabled				
Personnel services	945,093	945,093	944,354	739
Materials and services	1,053,933	1,053,933	928,394	125,539
Capital outlay	940	940	4,597	(3,657)
<b>Total Developmentally Disabled</b>	<u>1,999,966</u>	<u>1,999,966</u>	<u>1,877,345</u>	<u>122,621</u>
Mental Health				
Personnel services	2,004,602	2,004,602	1,926,660	77,942
Materials and services	1,146,253	1,146,253	1,126,032	20,221
Capital outlay	2,083	2,083	9,540	(7,457)
<b>Total Mental Health</b>	<u>3,152,938</u>	<u>3,152,938</u>	<u>3,062,232</u>	<u>90,706</u>
Abacus				
Personnel services	1,636,455	1,636,455	1,635,297	1,158
Materials and services	403,610	403,610	406,129	(2,519)
Capital outlay	1,802	1,802	92,922	(91,120)
<b>Total Abacus</b>	<u>2,041,867</u>	<u>2,041,867</u>	<u>2,134,348</u>	<u>(92,481)</u>

*Continued on next page*

**HEALTH AND HUMAN SERVICES FUND (Continued)**  
**STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL**

	Budget		Actual	Variance
	Original	Final		
<b>EXPENDITURES (Continued)</b>				
Family and Youth				
Personnel services	\$ 2,616,590	\$ 2,616,590	\$ 2,508,157	\$ 108,433
Materials and services	661,171	661,171	612,614	48,557
Capital outlay	<u>2,709</u>	<u>2,709</u>	<u>12,604</u>	<u>(9,895)</u>
Total Family and Youth	<u>3,280,470</u>	<u>3,280,470</u>	<u>3,133,375</u>	<u>147,095</u>
Chemical Dependency Services				
Personnel services	1,434,893	1,434,893	1,527,805	(92,912)
Materials and services	290,821	290,821	373,797	(82,976)
Capital outlay	<u>1,390</u>	<u>1,390</u>	<u>6,572</u>	<u>(5,182)</u>
Total Chemical Dependency Services	<u>1,727,104</u>	<u>1,727,104</u>	<u>1,908,174</u>	<u>(181,070)</u>
HHS Central Services				
Personnel services	34,697	34,697	25,304	9,393
Materials and services	1,304,026	1,304,026	598,686	705,340
Capital outlay	<u>80,052</u>	<u>80,052</u>	<u>243</u>	<u>79,809</u>
Total HHS Central Services	<u>1,418,775</u>	<u>1,418,775</u>	<u>624,233</u>	<u>794,542</u>
Enhanced Care Facility				
Personnel services	1,318,912	1,318,912	1,342,210	(23,298)
Materials and services	165,701	165,701	167,239	(1,538)
Capital outlay	<u>1,378</u>	<u>1,378</u>	<u>6,469</u>	<u>(5,091)</u>
Total Enhanced Care Facility	<u>1,485,991</u>	<u>1,485,991</u>	<u>1,515,918</u>	<u>(29,927)</u>
TOTAL EXPENDITURES	<u>18,437,726</u>	<u>18,437,726</u>	<u>17,383,798</u>	<u>1,053,928</u>
Excess (deficiency) of revenues over expenditures	(3,136,118)	(3,136,118)	(1,947,829)	1,188,289
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	<u>1,326,841</u>	<u>1,326,841</u>	<u>1,399,093</u>	<u>72,252</u>
Net change in fund balance	(1,809,277)	(1,809,277)	(548,736)	1,260,541
Fund balance at beginning of year	<u>4,129,061</u>	<u>4,129,061</u>	<u>4,377,898</u>	<u>248,837</u>
Fund balance at end of year	<u>\$ 2,319,784</u>	<u>\$ 2,319,784</u>	<u>\$ 3,829,162</u>	<u>\$ 1,509,378</u>

*See accompanying notes*

**YAMHILL COUNTY**

**SOLID WASTE FUND**

**STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the Year Ended June 30, 2013**

	Budget		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Charges for services	\$ 980,299	\$ 980,299	\$ 1,038,913	\$ 58,614
Interest earnings	7,000	7,000	17,191	10,191
Other	2,700	2,700	3,425	725
<b>TOTAL REVENUES</b>	<u>989,999</u>	<u>989,999</u>	<u>1,059,529</u>	<u>69,530</u>
<b>EXPENDITURES</b>				
Personnel services	268,235	268,235	306,126	(37,891)
Materials and services	1,415,751	1,415,751	256,583	1,159,168
Contingency	2,602,914	2,602,914	-	2,602,914
<b>TOTAL EXPENDITURES</b>	<u>4,286,900</u>	<u>4,286,900</u>	<u>562,709</u>	<u>3,724,191</u>
Excess (deficiency) of revenues over expenditures	(3,296,901)	(3,296,901)	496,820	3,793,721
<b>OTHER FINANCING (USES)</b>				
Transfers out	<u>(303,099)</u>	<u>(303,099)</u>	<u>(303,099)</u>	<u>-</u>
Net change in fund balance	(3,600,000)	(3,600,000)	193,721	3,793,721
Fund balance at beginning of year	<u>3,600,000</u>	<u>3,600,000</u>	<u>3,707,388</u>	<u>107,388</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,901,109</u>	<u>\$ 3,901,109</u>

*See accompanying notes*

**YAMHILL COUNTY**

**STATEMENT OF NET POSITION  
 PROPRIETARY FUNDS  
 June 30, 2013**

	<u>Business-type Activities</u>	<u>Governmental Activities</u>
	Cove Orchard Sewer Service District	Internal Service
<b><u>ASSETS</u></b>		
Current assets		
Cash and investments	\$ 89,348	\$ 5,011,598
Receivables	18,118	33,850
Due from other funds	-	769,744
	<hr/>	<hr/>
Total current assets	107,466	5,815,192
Capital assets		
Land	78,356	-
Other capital assets, net	1,866	-
	<hr/>	<hr/>
Total capital assets, net	80,222	-
	<hr/>	<hr/>
<b>TOTAL ASSETS</b>	<b>187,688</b>	<b>5,815,192</b>
	<hr/>	<hr/>
<b><u>LIABILITIES</u></b>		
Accounts payable and accrued expenses	560	36,755
Payroll and related liabilities	636	14,559
Compensated absences payable	-	13,447
	<hr/>	<hr/>
<b>TOTAL LIABILITIES</b>	<b>1,196</b>	<b>64,761</b>
	<hr/>	<hr/>
<b><u>NET POSITION</u></b>		
Net investment in capital assets	80,222	-
Unrestricted	106,270	5,750,431
	<hr/>	<hr/>
<b>TOTAL NET POSITION</b>	<b>\$ 186,492</b>	<b>\$ 5,750,431</b>
	<hr/>	<hr/>

*See accompanying notes*

**YAMHILL COUNTY**

**STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
For the Year Ended June 30, 2013**

	<u>Business-type Activities</u>	<u>Governmental Activities</u>
	Cove Orchard Sewer Service District	Internal Service
<b>OPERATING REVENUES</b>		
Charges for services	\$ 49,036	\$ 54,827
Other	<u>254</u>	<u>213,490</u>
<b>TOTAL OPERATING REVENUES</b>	<u>49,290</u>	<u>268,317</u>
<b>OPERATING EXPENSES</b>		
Personnel services	5,671	217,822
Materials and services	34,797	1,497,421
Depreciation	<u>845</u>	<u>-</u>
<b>TOTAL OPERATING EXPENSES</b>	<u>41,313</u>	<u>1,715,243</u>
Operating income (loss)	7,977	(1,446,926)
<b>NONOPERATING REVENUES</b>		
Investment earnings	<u>393</u>	<u>20,082</u>
Income (loss) before transfers	<u>8,370</u>	<u>(1,426,844)</u>
<b>TRANSFERS</b>		
Transfers in	78	2,359,746
Transfers out	<u>(132)</u>	<u>(884,296)</u>
<b>TOTAL TRANSFERS</b>	<u>(54)</u>	<u>1,475,450</u>
Change in net position	8,316	48,606
Net position - beginning	<u>178,176</u>	<u>5,701,825</u>
Net position - ending	<u>\$ 186,492</u>	<u>\$ 5,750,431</u>

*See accompanying notes*

**YAMHILL COUNTY**

**STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
For the Year Ended June 30, 2013**

	<u>Business-type Activities</u>	<u>Governmental Activities</u>
	Cove Orchard Sewer Service District	Internal Service
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	\$ 51,806	\$ -
Receipts from interfund services provided	-	30,593
Other receipts	254	223,292
Payments to suppliers of goods or services	(34,830)	(1,518,736)
Payments to employees for services	<u>(5,423)</u>	<u>(215,135)</u>
Net cash provided by (used in) operating activities	<u>11,807</u>	<u>(1,479,986)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Repayments of advances to other funds	-	245,955
Transfers in	78	2,359,746
Transfers out	<u>(132)</u>	<u>(325,347)</u>
Net cash provided by (used in) operating activities	<u>(54)</u>	<u>2,280,354</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Acquisition of capital assets	<u>-</u>	<u>(558,949)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest on investments	<u>393</u>	<u>20,082</u>
Net increase in cash and cash equivalents	12,146	261,501
Cash and cash equivalents - beginning of year	<u>77,202</u>	<u>4,750,097</u>
Cash and cash equivalents - end of year	<u>\$ 89,348</u>	<u>\$ 5,011,598</u>
<b>Reconciliation of operating income (loss) to net cash (used in) operating activities</b>		
Operating income (loss)	\$ 7,977	\$ (1,446,926)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities		
Depreciation	845	-
(Increase) decrease in assets:		
Receivables	2,770	(14,432)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	(33)	(21,315)
Payroll and related liabilities	248	1,395
Compensated absences payable	<u>-</u>	<u>1,292</u>
Net cash provided by (used in) operating activities	<u>\$ 11,807</u>	<u>\$ (1,479,986)</u>
<b>SUPPLEMENTAL DISCLOSURE OF NONCASH TRANSACTIONS</b>		
Transfers out	<u>\$ -</u>	<u>\$ (558,949)</u>

*See accompanying notes*

YAMHILL COUNTY

STATEMENT OF FIDUCIARY NET POSITION

June 30, 2013

	<u>Agency Funds</u>
<b><u>ASSETS</u></b>	
Cash and investments	\$ 1,966,895
Property taxes receivable	<u>8,199,904</u>
 TOTAL ASSETS	 <u>\$ 10,166,799</u>
 <b><u>LIABILITIES</u></b>	
Intergovernmental payables	\$ 10,070,526
Amounts held in trust	<u>96,273</u>
 TOTAL LIABILITIES	 <u>\$ 10,166,799</u>

*See accompanying notes*

**YAMHILL COUNTY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2013**

**1. Summary of significant accounting policies**

**A. The reporting entity**

Yamhill County was created in 1843 and is an unchartered county, and now operates under the provisions of Oregon Revised Statutes (ORS) title 20, Chapters 201 and 215 inclusive. The governing board is a Board of Commissioners, elected at large from throughout the County. The Board of Commissioners are full-time County employees. The Board votes on all ordinances and determines matters of policy. The County Administrator serves at the pleasure of the Board. Other elected officers include the Assessor, Clerk, Sheriff, and Treasurer. The District Attorney and the Circuit Court Judges are elected officials of the State. The County provides a full range of County services to the community which includes planning and zoning, sheriff services, incarceration, courts, tax collections and assessment, document recording, parks, County road, and health and human services.

The accompanying basic financial statements present all activities, funds, and component units for which the County is considered to be financially accountable. The criteria used in making this determination includes appointment of a voting majority, imposition of will, financial benefit or burden on the primary government, and fiscal dependency on the primary government. Based upon the evaluation of this criteria, the County is a primary government with the following component units:

Yamhill County Extension Service District and Yamhill Emergency Communications District are reported as special revenue funds

Cove Orchard Sewer Service District is reported as an enterprise fund

Blended component units, although legally separate entities, are, in substance, part of Yamhill County's operations and so data from these units are combined with data of the primary government. Their financial statements may be obtained from the County.

The County formed the Yamhill County Hospital Authority (Authority). The Authority only issues conduit debt for health facilities and the County has no assets or liabilities recorded for the Authority. See Note 6.

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

The government-wide financial statements (i.e., the statement of net position 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. *Governmental activities* are supported by taxes and intergovernmental revenues.

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 1. Summary of significant accounting policies (continued)

#### B. Government-wide and fund financial statements (continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *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 segment 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, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major governmental funds and major proprietary funds are reported in separate columns in the respective fund financial statements.

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of 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.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the functions of the County, the elimination of which would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 1. Summary of significant accounting policies (continued)

#### C. Measurement focus, basis of accounting and financial statement presentation (continued)

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues are charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Governmental 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. Significant revenues, which are susceptible to accrual under the modified accrual basis of accounting, include property taxes and federal and state grants. Other revenue items are considered to be measurable and available when received by the County. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The bases of accounting described above are in accordance with accounting principles generally accepted in the United States of America.

The County reports the following major governmental funds:

*General* - accounts for all financial resources of the general government, except those required to be accounted for in another fund. With the implementation of GASB 54, the O&C Reserve Fund has been combined with the General Fund for financial reporting purposes.

*Road* - accounts for the receipt and expenditure of state gasoline taxes for road repair and construction.

*Health and Human Services* - accounts for revenues and expenditures associated with the use of money for a continuum of care to persons experiencing mental or emotional disorders or who have a developmental disability. Money is provided to the fund from state grants, federal funds, county general funds, local contracts and user fees.

*Solid Waste* - accounts for revenues and expenditures associated with solid waste programs. Funding is primarily from user fees and contracts.

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 1. Summary of significant accounting policies (continued)

#### C. Measurement focus, basis of accounting and financial statement presentation (continued)

The County reports the following major proprietary funds:

*Cove Orchard Sewer Service District* – accounts for the operating of the sewer system.

Additionally, the County reports the following fund types:

*Special Revenue* - accounts 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* - accounts for expenditures on major construction projects or equipment acquisition. The principal sources of revenues are proceeds from certificates of participation issued to finance capital acquisitions, proceeds from the sale of County owned property, general obligation bond proceeds, full faith and credit bonds, and revenue bonds.

*Internal Service* – accounts for the cost of providing services to other funds of the County which are charged a fee on a cost reimbursement basis for those services.

*Fiduciary* - accounts for resources received and held by the County in a fiduciary capacity. Disbursements from these funds are made in accordance with the trust agreement or applicable legislative enactment for each particular fund.

#### D. Budget policies and budgetary control

Generally, Oregon Local Budget Law requires annual budgets be adopted for all funds of the County except agency funds and the pension trust fund. The County uses the modified accrual basis of accounting for all budgets. All annual appropriations lapse at fiscal year end.

The County begins its budgeting process by appointing Budget Committee members in the fall of each year. Budget recommendations are developed by management through early spring, with the Budget Committee meeting and approving the budget document in late spring. Public notices of the budget hearing are generally published in May or June and the hearing is held in June. The County Commissioners adopt the budget, make appropriations, and declare the tax levy no later than June 30. Expenditure appropriations may not be legally over-expended, except in the case of grant receipts and bond sale proceeds which could not be reasonably estimated at the time the budget was adopted.

## **NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**

### **1. Summary of significant accounting policies (continued)**

#### **D. Budget policies and budgetary control (continued)**

The resolution authorizing appropriations for each fund sets the level at which expenditures cannot legally exceed appropriations. The County established the levels of budgetary control at the program or department level for all funds.

Budget amounts shown in the financial statements have been revised since the original budget amounts were adopted. The County Commissioners must authorize all appropriation transfers and supplementary budgetary appropriations.

#### **E. Risk management**

The County is exposed to various risks of loss related to errors and omissions; automobile; damage to and destruction of assets; bodily injury; and worker's compensation for which the County carries commercial insurance. There has been no significant reduction in insurance coverage from the prior year and settled claims have not reached the level of commercial coverage in any of the past three fiscal years.

#### **F. Cash and cash equivalents**

For purposes of reporting cash flows, cash and cash equivalents include cash on hand, checking, savings and money market accounts, and any highly-liquid debt instruments purchased with a maturity of three months or less.

#### **G. Property taxes**

Uncollected property taxes in governmental funds are reported in governmental funds balance sheet as receivables; the portion which is available to finance expenditures of the current period is recorded as revenue and the remaining balance is recorded as deferred revenue. Property taxes collected within 60 days of the end of the current period are considered measurable and available and are recognized as revenue. All property taxes receivable are due from property owners within the County.

Property taxes receivable in the agency funds are offset by amounts held in trust and, accordingly, have not been recorded as revenue.

Under state law, county governments are responsible for extending authorized property tax levies, computing tax rates, billing and collecting all property taxes, and making periodic remittances of collections to entities levying taxes. Real and personal property taxes are levied upon all taxable property within the County and become a lien against the property as of July 1 of each year and are payable in three installments which are due on November 15, February 15 and May 15 following the lien date.

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 1. Summary of significant accounting policies (continued)

#### H. Grants and entitlements

Federal and state grants and state shared revenues are recorded as revenue in all fund types as earned.

#### I. Other receivables

In governmental fund types, the portion of the receivable which is available to finance expenditures of the current period is recorded as revenue and the remaining balance is recorded as deferred revenue. Revenues are recorded when earned in proprietary fund types.

#### J. Inventories

Inventories are valued at the lower of cost (first-in, first-out method) or market. Inventories consist of expendable supplies held for consumption.

#### K. Capital assets

Capital assets, which include property, equipment, infrastructure assets (e.g., roads, bridges, sidewalks, sewers, street lighting, and similar items), and their improvements, are reported in the applicable governmental or business-type activities columns 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 at least 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 costs 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 estimated useful lives as follows:

Buildings improvements	30 - 50 years
Land improvements	25 years
Machinery and equipment	7 -10 years
Vehicles	5 years
Bridges	50 years
Culverts	25 years
Paved roads	20 years

Upon disposal of such assets, the accounts are relieved of the related costs and accumulated depreciation and resulting gains or losses are reflected in the statement of activities.

## **NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**

### **1. Summary of significant accounting policies (continued)**

#### **L. Long-term obligations**

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

#### **M. Solid Waste Landfills Post-Closure Care Liability**

The County accepted ownership of two landfills in the 1980's and is responsible for their maintenance costs per DEQ. The two landfills are the Whiteson landfill which closed in 1983 and the Newberg landfill which closed in 1985. The County has received closure landfill permits from the Oregon Department of Environmental Quality. State and federal laws and regulations require the County to perform certain maintenance and monitoring functions at the site.

The County has recorded a liability for the estimated cost of landfill post-closure care. This estimated liability was the total permit and worst-case scenario costs as estimated by the May 2009 Parametrix analysis reduced by the actual costs incurred in each fiscal year. The County has a \$10 million insurance policy which provides coverage for bodily injury, property damage, and remediation costs for pre-existing and new pollution incidents reported during the current policy period of March 29, 2011 to 2016. The County accounts for the costs of maintaining the closed landfills in the Solid Waste Fund.

The estimated future costs to maintain and monitor the landfill may change due to one or more of the following factors: inflation, deflation, changes in technology or changes to applicable laws or regulations.

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 1. Summary of significant accounting policies (continued)

#### N. Equity

##### Government-wide and proprietary fund financial statements

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

***Net investment in capital assets*** – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.

***Restricted net position*** – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

***Unrestricted net position*** – All other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

In the government-wide and proprietary fund financial statements, when both restricted and unrestricted resources are available for use, it is the County’s policy to use restricted resources first, and then unrestricted resources as they are needed.

##### Governmental Fund Type Fund Balance Reporting

The Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54) requires governmental type fund balance amounts to be properly reported within one of the fund balance categories list below:

***Non-spendable*** — Amounts that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to be maintained intact.

***Restricted*** — Amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

***Committed*** — Amounts that can be used only for specific purposes determined by a formal action of the Board of Commissioners. The Board of Commissioners is the highest level of decision-making authority for the County. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board of Commissioners.

***Assigned*** — Amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The Board of Commissioners has granted authority to the Finance Manager to assign fund balance amounts.

***Unassigned*** — the residual classification for the government’s general fund and includes all spendable amounts not contained in the other classifications. Additionally, other funds may report negative unassigned fund balance in certain circumstances.

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 1. Summary of significant accounting policies (continued)

#### N. Equity (continued)

##### Governmental Fund Type Fund Balance Reporting (continued)

In the governmental fund financial statements, when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the County considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the County considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board of Commissioners has provided otherwise in its commitment or assignment actions.

#### O. Compensated absences

It is the government's policy to permit employees to accumulate earned but unused vacation and compensatory time. There is no liability for unpaid accumulated sick leave, as sick pay does not vest and is recorded as an expenditure when paid. Employees covered under collective bargaining can earn flexible time off in lieu of vacation and sick pay. Flexible time earned vests over 14 years. All vacation and compensatory time is accrued when earned in the government-wide and proprietary funds. A liability for these amounts is reported in the governmental fund types only if they have matured, for example, as the result of employee resignation and retirements.

#### P. Use of estimates

Preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates. The major estimate is the lives used for the depreciation of capital assets.

### 2. Deposits and investments

The County maintains a pool of cash and investments that are available for use by all funds. Each fund's portion of this pool is displayed on the financial statements as cash and investments. Interest earned on pooled cash and investments is allocated to participating funds based upon their combined cash and investment balances.

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

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 2. Deposits and investments (continued)

The Oregon State Treasury administers the LGIP. The LGIP is an unrated, open-ended, no-load, diversified portfolio offered to any agency, political subdivision or public corporation of the state who by law is made the custodian of, or has control of, any fund. The LGIP is commingled with the State's short-term funds. To provide regulatory oversight, the Oregon Legislature established the Oregon Short-Term Fund Board and LGIP investments are approved by the Oregon Investment Council. The fair value of the County's position in the LGIP is the same as the value of the pool shares.

*Credit Risk.* Oregon statutes authorize the County to invest in obligations of the U. S. Treasury and U. S. agencies, bankers' acceptances, repurchase agreements, commercial paper rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record, and the state treasurer's investment pool.

As of June 30, 2013, the County had the following investments:

	<u>Standard and Poor's Ratings</u>	<u>Maturities</u>	<u>Fair Value</u>
State Treasurer's Investment Pool	N/A	N/A	\$ 29,742,005

*Interest Rate Risk.* The County's formal policy limits investment maturities to 18 months as a means of managing its exposure to fair-value losses arising from increases in interest rates.

*Concentration of Credit Risk.* The County's formal policy places a limit on the amount that may be invested in any one issuer as follows:

U.S. Treasury Bills, Notes and Bonds	50%
Federal Agency Bonds and Discount Notes	25%
Local Government Investment Pool	100%
Time Certificates of Deposit	
Banker's Acceptance	25%
Repurchase Agreements	25%

*Custodial Credit Risk – Investments.* This is the risk that, in the event of the failure of a counterparty, the County will not be able to recover the value of its investments that are in the possession of an outside party. The County does not have a policy which limits the amount of investments that can be held by counterparties.

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 2. Deposits and investments (continued)

*Custodial Credit Risk - Deposits.* This is the risk that in the event of a bank failure, the County's deposits may not be returned. The Federal Depository Insurance Corporation (FDIC) provides insurance for the County's deposits with financial institutions up to \$250,000 each for the aggregate of all non-interest bearing accounts and the aggregate of all interest bearing accounts at each institution. Deposits in excess of FDIC coverage with institutions participating in the Oregon Public Funds Collateralization Program are collateralized with securities held by the Federal Home Loan Bank of Seattle in the name of the institution. As of June 30, 2013, \$681,432 of the County's bank balances were exposed to custodial credit risk as they were collateralized with securities held by the pledging financial institution's agent but not in the County's name.

A. The County's deposits and investments at June 30, 2013 are as follows:

Total investments	\$ 29,742,005
Cash on hand	23,092
Cash with fiscal agent	76,026
Deposits with financial institutions	<u>648,643</u>
Total deposits and investments	<u>\$ 30,489,766</u>

B. Cash and investments by fund:

<u>Governmental activities/funds</u>	
General	\$ 8,990,756
Road	2,410,222
Health and Human Services	3,381,288
Solid Waste	3,747,519
Nonmajor	<u>4,892,140</u>
Total governmental funds	23,421,925
Internal Service funds	<u>5,011,598</u>
Total governmental activities	28,433,523
<u>Business-type activities/Proprietary fund</u>	
Cove Orchard Sewer Service District	89,348
<u>Fiduciary fund</u>	
Agency	<u>1,966,895</u>
Total cash and investments	<u>\$ 30,489,766</u>

**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**

**3. Receivables**

A. The County's receivables at June 30, 2013 are as follows:

	General	Road	Health and Human Services	Solid Waste	Nonmajor Governmental	Total Governmental Funds
Property taxes	\$ 1,686,936	\$ -	\$ -	\$ -	\$ 30,427	\$ 1,717,363
Accounts	<u>654,478</u>	<u>459,156</u>	<u>1,361,052</u>	<u>198,260</u>	<u>86,201</u>	<u>2,759,147</u>
	<u>\$ 2,341,414</u>	<u>\$ 459,156</u>	<u>\$ 1,361,052</u>	<u>\$ 198,260</u>	<u>\$ 116,628</u>	<u>\$ 4,476,510</u>

	Internal Service	Total Governmental Activities	Business Activities/ Proprietary fund Cove Orchard Sewer Service District	Fiduciary Agency	Totals
Property taxes	\$ -	\$ 1,717,363	\$ -	\$ 8,199,904	\$ 9,917,267
Accounts	<u>33,850</u>	<u>2,792,997</u>	<u>18,118</u>	<u>-</u>	<u>2,844,965</u>
	<u>\$ 33,850</u>	<u>\$ 4,510,360</u>	<u>\$ 18,118</u>	<u>\$ 8,199,904</u>	<u>\$ 12,762,232</u>

B. Property taxes

i. Collection procedures

Taxes are levied on July 1 and are payable in three installments due November 15, February 15 and May 15.

**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**

**3. Receivables (continued)**

B. Property taxes (continued)

ii. Transactions

	Balances July 1, 2012	Current Levy	Adjustments	Net Interest (Discounts)	Collections	Balances June 30, 2013
2012-13	\$ -	\$ 104,798,436	\$ (642,898)	\$ (2,515,033)	\$ (96,777,187)	\$ 4,863,318
2011-12	4,561,218	-	(121,110)	159,945	(2,380,278)	2,219,775
2010-11	2,705,426	-	(41,099)	229,534	(1,450,027)	1,443,834
2009-10	1,431,241	-	(7,084)	201,927	(885,635)	740,449
2008-09	419,829	-	(6,828)	89,432	(340,790)	161,643
2007-08	157,342	-	(5,458)	13,934	(51,363)	114,455
Prior	481,258	-	(71,415)	29,157	(65,207)	373,793
	<u>\$9,756,314</u>	<u>\$ 104,798,436</u>	<u>\$ (895,892)</u>	<u>\$ (1,791,104)</u>	<u>\$ (101,950,487)</u>	<u>\$ 9,917,267</u>

iii. Ensuing year's levies

The County's permanent tax rate is \$2.5775 per \$1,000 of assessed value as limited by the Constitution of the State of Oregon.

The Yamhill County Extension Service District's permanent tax rate is \$.0449 per \$1,000 assessed value as limited by the Constitution of the State of Oregon.

The tax rate limit of \$10.00 per thousand of assessed value imposed by the Oregon Constitution is not expected to affect these levies.

**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**

**4. Capital assets**

A. Capital asset activity for the governmental activities for the year ended June 30, 2013 was as follows:

	Balances July 1, 2012	Additions	Deletions	Balances June 30, 2013
Capital assets, not being depreciated:				
Land	\$ 2,649,034	\$ -	\$ -	\$ 2,649,034
Right of way	27,583,456	-	-	27,583,456
Gravel roads	19,148,800	-	-	19,148,800
Total capital assets, not being depreciated	<u>49,381,290</u>	<u>-</u>	<u>-</u>	<u>49,381,290</u>
Capital assets being depreciated:				
Buildings	19,162,144	28,748	(765,301)	18,425,591
Machinery and equipment	15,954,532	1,415,816	(399,463)	16,970,885
Infrastructure	360,351,522	1,342,821	-	361,694,343
Total capital assets being depreciated	<u>395,468,198</u>	<u>2,787,385</u>	<u>(1,164,764)</u>	<u>397,090,819</u>
Less accumulated depreciation for:				
Buildings	6,152,989	472,608	(223,060)	6,402,537
Machinery and equipment	10,673,559	1,322,209	(377,656)	11,618,112
Infrastructure	269,126,020	8,221,289	-	277,347,309
Total accumulated depreciation	<u>285,952,568</u>	<u>10,016,106</u>	<u>(600,716)</u>	<u>295,367,958</u>
Total capital assets being depreciated, net	<u>109,515,630</u>	<u>(7,228,721)</u>	<u>(564,048)</u>	<u>101,722,861</u>
Governmental activities capital assets, net	<u>\$ 158,896,920</u>	<u>\$ (7,228,721)</u>	<u>\$ (564,048)</u>	<u>\$ 151,104,151</u>

B. Depreciation expense was charged to functions/programs of the County as follows:

Governmental activities:	
General government	\$ 1,537,812
Public safety	84,592
Highways and streets	8,334,537
Health and sanitation	35,585
Parks, culture and recreation	23,580
Total depreciation expense- governmental activities	<u>\$10,016,106</u>

**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**

**4. Capital assets (continued)**

C. Capital asset activity for the business-type activities for the year ended June 30, 2013 was as follows:

	Balances <u>June 30, 2012</u>	Additions	Balances <u>June 30, 2013</u>
Capital assets, not being depreciated			
Land	\$ 78,356	\$ -	\$ 78,356
Capital assets, being depreciated			
Buildings and equipment	963,173	-	963,173
Less accumulated depreciation for:			
Buildings and equipment	<u>(960,462)</u>	<u>(845)</u>	<u>(961,307)</u>
Total capital assets, being depreciated, net	<u>2,711</u>	<u>(845)</u>	<u>1,866</u>
Total capital assets	<u>\$ 81,067</u>	<u>\$ (845)</u>	<u>\$ 80,222</u>

D. Depreciation expense was charged to functions/programs of the County as follows:

Business-type activities:	
Sewer	<u>\$ 845</u>

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 5. Long-term obligations

A. Transactions for the year ended June 30, 2013 are as follows:

	Outstanding July 1, 2012	Additions	Reductions	Outstanding June 30, 2013	Balances Due Within One Year
<u>Governmental activities</u>					
Full Faith and Credit Bond original amount \$1,750,000; interest rates of 2.0 percent to 4.7 percent					
Principal	\$ 805,000	\$ -	\$ 55,000	\$ 750,000	\$ 55,000
Interest	-	34,725	34,725	-	
	<u>805,000</u>	<u>34,725</u>	<u>89,725</u>	<u>750,000</u>	
Loan - Oregon Economic and Community Development Department (OECD), original commitment \$1,000,000; interest at 2.61 percent					
Principal	1,165,749		48,573	1,117,176	48,873
Interest	-	52,327	52,327	-	
	<u>1,165,749</u>	<u>52,327</u>	<u>100,900</u>	<u>1,117,176</u>	
Capital Lease - Key Gov't Finance Inc. for hardware and software, interest at 4.107 percent					
Principal	76,290	-	37,370	38,920	38,920
Interest	-	2,753	2,753	-	
	<u>76,290</u>	<u>2,753</u>	<u>40,123</u>	<u>38,920</u>	
Landfill liability	3,478,923		47,299	3,431,624	960,000
Vested compensated absences	<u>1,283,281</u>	<u>2,154,798</u>	<u>2,101,549</u>	<u>1,336,530</u>	<u>1,336,530</u>
Principal	6,809,243	2,154,798	2,289,791	6,674,250	
Interest	-	89,805	89,805	-	
	<u>\$ 6,809,243</u>	<u>\$ 2,244,603</u>	<u>\$ 2,379,596</u>	<u>\$ 6,674,250</u>	<u>\$ 2,439,323</u>

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 5. Long-term obligations (continued)

B. The future maturities of long-term obligations outstanding as of June 30, 2013 is as follows:

Fiscal Year	Full Faith and Credit Bond August 27, 2003		Loan OECD		Capital Lease Key Gov't Finance Inc.		Vested Compensated	Totals	
	Principal	Interest	Principal	Interest	Principal	Interest	Absences	Principal	Interest
2014	\$ 55,000	\$ 32,525	\$ 48,873	\$ 50,627	\$ 38,920	\$ 1,203	\$ 1,336,530	\$ 1,479,323	\$ 84,355
2015	55,000	30,243	54,184	48,917	-	-	-	109,184	79,160
2016	60,000	27,770	54,551	46,749	-	-	-	114,551	74,519
2017	60,000	25,190	54,933	44,567	-	-	-	114,933	69,757
2018	65,000	22,503	60,331	42,370	-	-	-	125,331	64,873
2017-21	370,000	64,485	328,604	172,500	-	-	-	698,604	236,985
2022-26	85,000	1,997	418,654	87,225	-	-	-	503,654	89,222
2027-31	-	-	97,046	4,367	-	-	-	97,046	4,367
	<u>\$ 750,000</u>	<u>\$ 204,713</u>	<u>\$ 1,117,176</u>	<u>\$ 497,322</u>	<u>\$ 38,920</u>	<u>\$ 1,203</u>	<u>\$ 1,336,530</u>	<u>\$ 3,242,626</u>	<u>\$ 703,238</u>

C. The landfill post-closure care liability represents the total permit and worst-case scenario costs of the Whitson and Newberg landfills per the May 2009 analysis by Parametrix less actual costs paid in this fiscal year of \$47,299. Future maturities have not been established but the County has budgeted \$960,000 to be retired in the ensuing fiscal year. However, future maturities are subject to change due to inflation, deflation, changes in technology or changes to applicable laws or regulations.

### 6. Conduit debt

The County has issued two limited obligation ("conduit") revenue bonds for the express purpose of providing capital financing for specific third-party borrowers. Although the conduit debt obligations bear the name of the County, the County has no obligation for such debt; accordingly, the debt is not reported as a liability in the County's financial statements.

On April 24, 2003 the County Hospital Authority (Authority) issued \$17,500,000 in revenue bonds. The proceeds were assigned to Friendsview Manor dba Friendsview Retirement Community, an Oregon non-profit organization, to finance the construction costs of a retirement facility. Friendsview Manor pledged revenue to secure the payment of the bonds and is further secured by a credit facility issued by U.S. Bank.

On October 24, 2007, Friendsview Manor issued variable rate demand series 2007 bonds in the amount of \$23,620,000 to fully defease the 2003 revenue bonds, finance improvements, remodel and expand the continuing care retirement facility, and to pay the costs associated with issuance of the bonds. The bonds do not constitute a debt or liability of the Authority or Yamhill County. The Authority has no taxing power.

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 6. Conduit debt (continued)

On May 1, 2005, Yamhill County issued tax-exempt variable rate demand revenue bonds, series 2005A and federally taxable variable demand rate revenue bonds, series 2005B in the aggregate amount of \$28,400,000. The bonds that were issued, series 2005A and series 2005B, can collectively be referred to as “the series 2005 bonds”. The proceeds of the bonds were assigned to George Fox University ("University") for the following purposes:

- finance the costs of construction, additions, renovations, improvements and equipping of the University's new residence hall and the Herbert Hoover Academic Building,
- improvements to parking areas and athletic facilities,
- acquisition of property contiguous to the Newberg Campus and capital improvements thereto,
- improvements to educational and educational support facilities located on the Newberg Campus, and
- provide funds sufficient to pay maturing principal and interest on the 1997 series A bonds when due beginning October 1, 2005, and redeem all remaining principal amounts on the 1997 SeriesA bonds on March 1, 2007.

In July 2012, the County issued tax-exempt series 2012A and 2012B bonds to fully refund the series 2005 bonds. The bonds were assigned to George Fox University. The outstanding amounts for Series 2012A and Series 2012B issues at June 30, 2013 are \$19,510,000 and \$4,005,000 respectively.

### 7. Interfund balances and transfers

A. Interfund transfers used to reallocate financial resources to funds where they will be expended were as follows:

Fund	Transfers	
	In	Out
General	\$ 1,976,057	\$ 5,553,864
Road	513,629	620,658
Health and Human Services	1,464,687	1,792,856
Solid Waste	-	429,014
Nonmajor	3,856,567	1,448,893
Governmental Activities - non-cash	558,949	-
Cove Orchard Sewer Service District	78	132
Internal Service	2,359,746	325,347
Internal Service - non-cash	-	558,949
	<u>\$ 10,729,713</u>	<u>\$ 10,729,713</u>

Transfers between funds were made to facilitate operations of County services, provide for transfers to the Internal Service Funds and provide sufficient operating resources to the Health and Human Services and Nonmajor funds.

**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**

**7. Interfund balances and transfers (continued)**

B. Advances and due to/from other funds are as follows:

<u>Advances to other funds</u>	<u>Nonmajor funds</u>
Internal Service	<u>\$ 769,744</u>

The Self-Insurance Fund has outstanding advances to nonmajor funds as follows:

- Capital Improvement Fund
  - Acquire real property; remaining balance \$555,571
  - Purchase a chiller; remaining balance \$165,934
- Fair Fund
  - Remaining balance \$48,239

**8. Unavailable revenue**

Resources owned by the County, which are measurable but not available, and are unavailable in the governmental funds, consist of the following:

	<u>General</u>	<u>Health and Human Services</u>	<u>Nonmajor Governmental</u>	<u>Totals</u>
Property taxes	\$ 1,330,329	\$ -	\$ 22,759	\$ 1,353,088
Other	-	5,216	7,730	12,946
Prepaid items	<u>18,000</u>	<u>-</u>	<u>-</u>	<u>18,000</u>
Total	<u>\$ 1,348,329</u>	<u>\$ 5,216</u>	<u>\$ 30,489</u>	<u>\$ 1,384,034</u>

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 9. Retirement plan

The County contributes to the Oregon Public Employees' Retirement System (PERS), an agent multiple-employer defined benefit pension plan and the Oregon Public Service Retirement Plan (OPSRP), an agent multiple-employer hybrid pension plan. Both PERS and OPSRP are governed by the Public Employees' Retirement Board (PERB) under the provisions of Oregon Revised Statutes 238. PERS provides retirement benefits under a variety of benefit options, as selected by retiring employees, and provides death and disability benefits. OPSRP provides a combination of retirement benefits under a defined benefit plan and an individual account program (IAP), the balance of which will be paid out in either a lump sum or over a 5, 10, 15 or 20 year period. Employees hired on or after August 29, 2003 participate only in OPSRP. Beginning January 1, 2004, active PERS members hired before August 29, 2003, became members of the IAP of OPSRP. These members retain their existing PERS account, however any future member contributions will be placed in the OPSRP IAP. A copy of the Oregon Public Employees' Retirement System annual financial report may be obtained by writing to Public Employees' Retirement System, P.O. Box 23700, Tigard, OR 97281-3700, by calling (503) 598-7377 or at [www.oregon.gov/PERS](http://www.oregon.gov/PERS).

County employees are eligible to participate after completing six months of service. Covered employees are required by state statute to contribute 6 percent of their compensation to the plan. Current law permits the County to pay this amount on behalf of the employees. The County's contribution rate is set by PERB and is periodically adjusted based upon actuarial computations of the amount needed to provide retirement benefits. The required contribution was determined as part of the December 31, 2004 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions include:

- Long-term inflation rate of 2.75 percent per year
- Rate of return on investments of 8 percent
- Projected increases in salaries of 3.75 percent
- Health cost inflation graded from 7% in 2010 to 4.5% in 2029

During the year, the County's contribution rates were as follows:

For employees hired before August 29, 2003 – 12.17 percent

For employees hired after August 29, 2003:

Police and fire – 8.84 percent

All other employees – 6.13 percent

The actuarial value of assets is determined using the Expected Value Method. The County's unfunded actuarial liability is being amortized as a level percentage of payroll over 30 years on an open basis. The County's annual pension cost was equal to the County's required and actual contributions.

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 9. Retirement plan (continued)

The County's contribution to the plan for the years ending June 30, 2013, 2012, and 2011, were as follows:

June 30,	Annual Pension Cost (APC)	Contributions	Percentage of APC Contributed	Net Pension Obligation
2013	\$ 2,851,103	\$ 2,851,103	100	\$ -
2012	2,783,672	2,783,672	100	-
2011	2,289,099	2,289,099	100	-

The County's schedule of funding progress as of the dates of actuarial valuations is as follows:

Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	UAAL as a Percent of Covered Payroll
2011	49,368,116	53,073,411	3,705,295	93%	21,695,391	17%
2010	50,594,864	50,082,170	(512,694)	101%	22,476,974	(2%)
2009	46,262,877	45,990,333	(272,544)	101%	21,770,669	(1%)
2008	39,730,256	42,184,835	2,454,579	94%	20,819,666	12%
2007	53,483,124	38,797,756	(14,685,368)	138%	19,196,097	(77%)
2006	48,376,680	35,252,368	(13,124,312)	137%	18,238,600	(72%)
2005	40,848,229	31,906,359	(8,941,870)	128%	16,765,134	(53%)
2004	32,355,464	30,084,814	(2,270,650)	108%	16,198,706	(14%)
2003	25,246,454	26,093,816	847,362	97%	15,193,244	6%
2001	22,367,955	19,185,831	(3,182,124)	117%	15,864,020	(20%)

### 10. Other post-employment benefits

#### Plan description and benefits provided

The County provides *other post-employment benefits* (OPEB) for employees, retirees, spouses and dependents through a single employer defined contribution plan in the form of group health insurance benefits. As required by ORS 243.303(2) retirees who were hired after July 1, 2003 are allowed to continue, at the retirees' expense, coverage under the group health insurance plan until age 65. The difference between the premium actually paid by retirees under the group insurance plan and the premium that they would pay if they were not included in the plan is considered to be an implicit subsidy under the provisions of GASB 45. The plan does not issue a separate stand-alone financial report.

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 10. Other post-employment benefits (continued)

#### Membership

The County's membership in the plan at August 1, 2012 consisted of the following:

Active employees	314
Retirees, spouses or dependents	<u>13</u>
Total	<u><u>327</u></u>

#### Funding policy and contributions

The County funds the plan only to the extent of current year insurance premium requirements on a pay-as-you-go basis. The premium requirements for the County are as follows:

For retirees	\$ 571
For spouses of retirees	577

The County has not established an irrevocable trust to accumulate assets to fund the cost of the net OPEB obligation that arises from the implicit subsidy.

#### Annual OPEB cost and net OPEB Obligation

The County had its first actuarial valuation performed as of August 1, 2010 to determine the *unfunded accrued actuarial liability* (UAAL), *annual required contribution* (ARC) and NOPEBO as of that date. The ARC represents a level funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The annual OPEB cost is equal to the ARC as follows:

Normal cost	\$ 153,771
Amortization of UAAL	<u>128,005</u>
Annual required contribution	<u><u>\$ 281,776</u></u>

**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**

**10. Other post-employment benefits (continued)**

The net OPEB obligation as of June 30, 2013 was calculated as follows:

Annual required contribution	\$ 281,776
Interest on prior year Net OPEB	38,997
Adjustment to ARC	(66,255)
Contributions made	<u>(102,124)</u>
Increase in net OPEB obligation	152,394
Net OPEB obligation at beginning of year	<u>974,918</u>
Net OPEB obligation at end of year	<u>\$1,127,312</u>

The County's annual OPEB cost, percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation as of June 30, 2013 is as follows:

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Annual</u> <u>OPEB Cost</u>	<u>Percentage of</u> <u>Annual OPEB</u> <u>Cost Contributed</u>	<u>Net OPEB</u> <u>Obligation</u>
2013	\$ 254,518	40.12%	\$ 1,127,312
2012	244,297	38.30%	974,918
2011	381,586	32.79%	824,195

Funded status and funding progress

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revisions as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress presents information about the actuarial value of plan assets and the unfunded actuarial liability.

<u>Valuation</u> <u>Date</u>	<u>Assets</u>	<u>Actuarial</u> <u>Accrued</u> <u>Liability</u>	<u>Unfunded</u> <u>Accrued</u> <u>Liability</u>	<u>Funded</u> <u>Ratio</u>	<u>Covered</u> <u>Payroll</u>	<u>UAL/</u> <u>Payroll</u>
August 1, 2012	\$ --	\$ 1,674,753	\$ 1,674,753	0%	21,801,224	7.7%
August 1, 2010	--	1,671,079	1,671,079	0%	21,694,412	7.7%

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 10. Other post-employment benefits (continued)

#### Actuarial methods and assumptions

Actuarial valuations will be performed every two years for the County's OPEB plan. Projections of benefits for financial reporting purposes are based on the plan as understood by the employer and plan members and include the types of benefits provided at the time of each valuation and historical patterns of sharing of benefit costs between the employer and the plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets consistent with the long-term perspective of the calculations.

In the August 1, 2012 actuarial valuation, the projected unit credit actuarial cost method was used to determine contribution levels comprised of normal cost and amortization payments. The actuarial assumptions included a 3.5 percent rate for discounting future liabilities, a payroll growth rate of 3.75 percent per year, annual premium rate increases from 7.25 percent in 2012 to 5.5 percent in 2053, and participation rate of 55 percent of future retirees electing coverage under the plan. The unfunded actuarial accrued liability is being amortized using a level dollar amount over an open period of 10 years.

### 11. Contingency – sick leave

Portions of amounts accumulated at any point in time can be expected to be redeemed before termination of employment; however, such redemptions cannot be reasonably estimated. As of June 30, 2013, employees of the County had accumulated 5,477 days of sick leave.

### 12. Litigation

The County, in the regular course of business, is named as a defendant in various lawsuits. The likely outcome of these lawsuits is not determinable at this time and the County does not believe that the ultimate resolution of these lawsuits will have a material adverse effect on the County's General Fund.

### 13. Net position restricted through enabling legislation

Net position restricted due to enabling legislation as of June 30, 2013 is \$3,249,948 for the following purposes:

Highway and bike path repairs and improvements	\$ 2,591,692
County schools	14,339
Law library	2,170
Dog Control	194,374
911 service	24,595
System development charges	96,611
County clerk	149,338
Public land corner preservation	201,424

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 14. Governmental fund balances

Fund balances for governmental funds have been reported in the categories of nonspendable, restricted, committed, assigned and unassigned. The specific purposes for these amounts are as follows:

<b>Fund balances:</b>	<u>General</u>	<u>Road</u>	<u>Health and Human Services</u>	<u>Solid Waste</u>	<u>Other Governmental Funds</u>	<u>Total</u>
<b>Nonspendable</b>						
Inventory	\$ -	\$ 232,702	\$ -	\$ -	\$ -	\$ 232,702
Prepaid items	2,523	-	-	-	3,736	6,259
<b>Restricted for:</b>						
Highways and streets	-	2,070,014	-	-	8,585	2,078,599
Schools and education	-	-	-	-	134,394	134,394
Health services	-	-	3,829,162	3,901,109	-	7,730,271
County library	-	-	-	-	2,170	2,170
Grants	-	-	-	-	84,687	84,687
Public safety	-	-	-	-	1,188,190	1,188,190
Capital projects	-	-	-	-	377,052	377,052
Other purposes	-	-	-	-	723,170	723,170
<b>Assigned for:</b>						
Capital projects	-	-	-	-	1,470,055	1,470,055
Landfill costs	214,099	-	-	-	-	214,099
<b>Unassigned:</b>	<u>8,575,801</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(43,586)</u>	<u>8,532,215</u>
<b>Total fund balances</b>	<u>\$ 8,792,423</u>	<u>\$ 2,302,716</u>	<u>\$ 3,829,162</u>	<u>\$ 3,901,109</u>	<u>\$ 3,948,453</u>	<u>\$ 22,773,863</u>

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 15. Budgetary perspective differences

The amounts reported for the general fund in the governmental fund financial statements are different than the amounts reported in the budget to actual comparison statement as follows:

	General	Road	Health and Human Services	Solid Waste
<b>Revenues</b>				
Total fund revenues - budgetary basis	\$ 28,169,121	\$ 6,835,230	\$ 15,435,969	\$ 1,059,529
Revenues of separately budgeted funds which are included in the fund on the governmental fund financial statements:				
O&C Reserve	121,243	-	-	-
Certain items are classified as revenues on the budgetary basis and are shown as other financing sources on the governmental fund financial statements	<u>(1,586,958)</u>	<u>(513,629)</u>	<u>(65,594)</u>	<u>-</u>
Total revenues reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	<u>\$ 26,703,406</u>	<u>\$ 6,321,601</u>	<u>\$ 15,370,375</u>	<u>\$ 1,059,529</u>
<b>Expenditures</b>				
Total fund expenditures - budgetary basis	\$ 24,925,693	\$ 7,008,270	\$ 17,383,798	\$ 562,709
Expenditures of separately budgeted funds which are included in the fund on the governmental fund financial statements:				
O&C Reserve	14,124	-	-	-
Certain items are classified as expenditures on the budgetary basis and are shown as other financing (uses) on the governmental fund financial statements	<u>(2,042,812)</u>	<u>(773,076)</u>	<u>(1,792,856)</u>	<u>(125,915)</u>
Total expenditures reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	<u>\$ 22,897,005</u>	<u>\$ 6,235,194</u>	<u>\$ 15,590,942</u>	<u>\$ 436,794</u>
<b>Other financing sources (uses)</b>				
Total fund other financing sources (uses) - budgetary basis	\$ (2,530,479)	\$ -	\$ 1,399,093	\$ (303,099)
Other financing sources (uses) of separately budgeted funds which are included in the fund on the governmental fund financial statements:				
O&C Reserve	(805,573)	-	-	-
Landfill License Agreement	214,099	-	-	-
Certain items are classified as revenues/expenditures on the budgetary basis and are shown as other financing sources (uses) on the governmental fund financial statements	<u>(455,854)</u>	<u>(107,029)</u>	<u>(1,727,262)</u>	<u>(125,915)</u>
Total other financing sources (uses) reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	<u>\$ (3,577,807)</u>	<u>\$ (107,029)</u>	<u>\$ (328,169)</u>	<u>\$ (429,014)</u>
<b>Beginning fund balance</b>				
Beginning fund balance - budgetary basis	\$ 7,358,058	\$ 2,475,756	\$ 4,377,898	\$ 3,707,388
Beginning fund balance of separately budgeted funds which are included in the fund on the governmental fund financial statements:				
O&C Reserve	1,205,771	-	-	-
Interfund loans are recorded on the fund financial statements but are budgeted as proceeds from interfund loans and debt service expenditures on the budgetary basis	<u>-</u>	<u>(152,418)</u>	<u>-</u>	<u>-</u>
Total beginning fund balance reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	<u>\$ 8,563,829</u>	<u>\$ 2,323,338</u>	<u>\$ 4,377,898</u>	<u>\$ 3,707,388</u>

**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**

**15. Budgetary perspective differences (continued)**

	General	Road	Health and Human Services	Solid Waste
<b>Ending fund balances</b>				
Ending fund balance - budgetary basis	\$ 8,071,007	\$ 2,302,716	\$ 3,829,162	\$ 3,901,109
Ending fund balance of separately budgeted funds which are included in the fund on the governmental fund financial statements				
O&C Reserve	507,317	-	-	-
Landfill License Agreement	214,099	-	-	-
Total ending fund balance reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	<u>\$ 8,792,423</u>	<u>\$ 2,302,716</u>	<u>\$ 3,829,162</u>	<u>\$ 3,901,109</u>

**16. Expenditures in excess of appropriations**

Oregon law prohibits expenditures or expenses of a fund in excess of board-approved appropriations.

Expenditures in excess of appropriations occurred as follows:

Fund/Category	Appropriation	Actual	Variance
General			
Mediation services	\$ 89,400	\$ 95,207	\$ (5,807)

**17. Subsequent events**

- A. On July 1, 2013, the County borrowed \$10,366,640 from the Oregon Department of Transportation to finance its portion of the project costs for the Newberg-Dundee Bypass. The loan matures January 25, 2036 and has an interest rate of 2.26 percent.
- B. The Full Faith and Credit Bond was paid off by the County in October 2013. The County paid \$700,904 in principal, interest and fees.

**COMBINING AND INDIVIDUAL FUND FINANCIAL  
STATEMENTS AND SCHEDULES**

**YAMHILL COUNTY**  
**COMBINING BALANCE SHEET**  
**GENERAL FUNDS**  
**June 30, 2013**

	General	O&C Reserve	Landfill License Agreement	Totals
<b><u>ASSETS</u></b>				
Cash and investments	\$ 8,269,340	\$ 507,317	\$ 214,099	\$ 8,990,756
Receivables	2,341,414	-	-	2,341,414
Prepaid items	<u>2,523</u>	<u>-</u>	<u>-</u>	<u>2,523</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 10,613,277</u></b>	<b><u>\$ 507,317</u></b>	<b><u>\$ 214,099</u></b>	<b><u>\$ 11,334,693</u></b>
<b><u>LIABILITIES</u></b>				
Account payable	\$ 293,537	\$ -	\$ -	\$ 293,537
Payroll and related liabilities	887,889	-	-	887,889
Deposits	<u>12,515</u>	<u>-</u>	<u>-</u>	<u>12,515</u>
<b>TOTAL LIABILITIES</b>	<b><u>1,193,941</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>1,193,941</u></b>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>				
Unavailable revenue	<u>1,348,329</u>	<u>-</u>	<u>-</u>	<u>1,348,329</u>
<b><u>FUND BALANCES</u></b>				
Nonspendable	2,523	-	-	2,523
Assigned	-	-	214,099	214,099
Unassigned	<u>8,068,484</u>	<u>507,317</u>	<u>-</u>	<u>8,575,801</u>
<b>TOTAL FUND BALANCES</b>	<b><u>8,071,007</u></b>	<b><u>507,317</u></b>	<b><u>214,099</u></b>	<b><u>8,792,423</u></b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b><u>\$ 10,613,277</u></b>	<b><u>\$ 507,317</u></b>	<b><u>\$ 214,099</u></b>	<b><u>\$ 11,334,693</u></b>

**YAMHILL COUNTY**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
GENERAL FUNDS  
For the Year Ended June 30, 2013**

	General	O&C Reserve	Landfill License Agreement	Totals
<b>REVENUES</b>				
Property taxes	\$ 17,806,743	\$ -	\$ -	\$ 17,806,743
Miscellaneous taxes	16,195	-	-	16,195
Licenses, permits and fees	774,509	-	-	774,509
Intergovernmental	3,827,326	116,807	-	3,944,133
Charges for services	3,172,199	-	-	3,172,199
Fines and forfeitures	431,776	-	-	431,776
Interest	43,182	4,436	-	47,618
Other	510,233	-	-	510,233
<b>TOTAL REVENUES</b>	<u>26,582,163</u>	<u>121,243</u>	<u>-</u>	<u>26,703,406</u>
<b>EXPENDITURES</b>				
Current				
General government	10,005,390	14,124	-	10,019,514
Public safety	12,594,678	-	-	12,594,678
Parks, culture, and recreation	183,537	-	-	183,537
Capital outlay	99,276	-	-	99,276
<b>TOTAL EXPENDITURES</b>	<u>22,882,881</u>	<u>14,124</u>	<u>-</u>	<u>22,897,005</u>
Excess (deficiency) of revenues over expenditures	<u>3,699,282</u>	<u>107,119</u>	<u>-</u>	<u>3,806,401</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,761,958	-	214,099	1,976,057
Transfers out	<u>(4,748,291)</u>	<u>(805,573)</u>	<u>-</u>	<u>(5,553,864)</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(2,986,333)</u>	<u>(805,573)</u>	<u>214,099</u>	<u>(3,577,807)</u>
Net change in fund balances	712,949	(698,454)	214,099	228,594
Fund balances at beginning of year	<u>7,358,058</u>	<u>1,205,771</u>	<u>-</u>	<u>8,563,829</u>
Fund balances at end of year	<u>\$ 8,071,007</u>	<u>\$ 507,317</u>	<u>\$ 214,099</u>	<u>\$ 8,792,423</u>

**YAMHILL COUNTY**

**O&C RESERVE  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the Year Ended June 30, 2013**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Intergovernmental	\$ -	\$ 116,807	\$ 116,807
Interest	<u>4,634</u>	<u>4,436</u>	<u>(198)</u>
<b>TOTAL REVENUES</b>	4,634	121,243	116,609
<b>EXPENDITURES</b>			
Materials and services	<u>403,881</u>	<u>14,124</u>	<u>389,757</u>
Excess (deficiency) of revenues over expenditures	(399,247)	107,119	506,366
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	<u>(805,573)</u>	<u>(805,573)</u>	<u>-</u>
Net change in fund balance	(1,204,820)	(698,454)	506,366
Fund balance at beginning of year	<u>1,204,820</u>	<u>1,205,771</u>	<u>951</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 507,317</u>	<u>\$ 507,317</u>

**YAMHILL COUNTY**

**LANDFILL LICENSE AGREEMENT  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the Year Ended June 30, 2013**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>OTHER FINANCING SOURCES</b>			
Transfer in	<u>\$ 214,099</u>	<u>\$ 214,099</u>	<u>\$ -</u>
Net change in fund balance	214,099	214,099	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ 214,099</u></u>	<u><u>\$ 214,099</u></u>	<u><u>\$ -</u></u>

**YAMHILL COUNTY**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**June 30, 2013**

	Special Revenue	Capital Projects	Totals
<b><u>ASSETS</u></b>			
Cash and investments	\$ 2,295,911	\$ 2,596,229	\$ 4,892,140
Receivables	76,504	40,124	116,628
Prepaid items	3,736	-	3,736
 TOTAL ASSETS	 \$ 2,376,151	 \$ 2,636,353	 \$ 5,012,504
<b><u>LIABILITIES</u></b>			
Accounts payable	\$ 58,656	\$ 47,179	\$ 105,835
Payroll and related liabilities	132,802	20,562	153,364
Deposits	4,619	-	4,619
Advances from other funds	48,239	721,505	769,744
 TOTAL LIABILITIES	 244,316	 789,246	 1,033,562
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>			
Unavailable revenue	30,489	-	30,489
<b><u>FUND BALANCES</u></b>			
Nonspendable	3,736	-	3,736
Restricted	2,141,196	377,052	2,518,248
Assigned	-	1,470,055	1,470,055
Unassigned	(43,586)	-	(43,586)
 TOTAL FUND BALANCES	 2,101,346	 1,847,107	 3,948,453
 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	 \$ 2,376,151	 \$ 2,636,353	 \$ 5,012,504

**YAMHILL COUNTY**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2013**

	Special Revenue	Capital Projects	Totals
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>REVENUES</b>			
Property taxes	\$ 308,379	\$ -	\$ 308,379
Miscellaneous taxes	8,086	-	8,086
Licenses, permits and fees	251,623	-	251,623
Intergovernmental	2,729,046	95,567	2,824,613
Charges for services	864,513	287,740	1,152,253
Fines and forfeitures	30,362	-	30,362
Interest	11,819	7,908	19,727
Other	253,317	599	253,916
	<u>                    </u>	<u>                    </u>	<u>                    </u>
TOTAL REVENUES	4,457,145	391,814	4,848,959
<b>EXPENDITURES</b>			
Current			
General government	447,847	1,184,733	1,632,580
Public safety	3,128,782	76,912	3,205,694
Parks, culture, and recreation	402,297	31,962	434,259
Education	50,171	-	50,171
Capital outlay	313,064	523,078	836,142
Debt service	-	190,625	190,625
	<u>                    </u>	<u>                    </u>	<u>                    </u>
TOTAL EXPENDITURES	4,342,161	2,007,310	6,349,471
Excess (deficiency) of revenues over expenditures	<u>                    </u>	<u>                    </u>	<u>                    </u>
	114,984	(1,615,496)	(1,500,512)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	695,995	3,160,572	3,856,567
Transfers out	(1,180,721)	(268,172)	(1,448,893)
	<u>                    </u>	<u>                    </u>	<u>                    </u>
TOTAL OTHER FINANCING SOURCES (USES)	(484,726)	2,892,400	2,407,674
Net change in fund balances	(369,742)	1,276,904	907,162
Fund balances at beginning of year	2,765,168	570,203	3,335,371
Prior period adjustment	(294,080)	-	(294,080)
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Fund balances at end of year	<u>\$ 2,101,346</u>	<u>\$ 1,847,107</u>	<u>\$ 3,948,453</u>

**YAMHILL COUNTY**

**COMBINING BALANCE SHEET  
SPECIAL REVENUE FUNDS  
June 30, 2013**

	Community Corrections	County Clerk's Records	Dog Control	Law Library	County School
<b><u>ASSETS</u></b>					
Cash and investments	\$ 1,057,868	\$ 151,713	\$ 215,458	\$ 12,724	\$ 14,339
Receivables	37,316	-	173	-	-
Prepaid items	2,150	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 1,097,334</b>	<b>\$ 151,713</b>	<b>\$ 215,631</b>	<b>\$ 12,724</b>	<b>\$ 14,339</b>
<b><u>LIABILITIES</u></b>					
Accounts payable	\$ 23,163	\$ 1,935	\$ 2,708	\$ 10,259	\$ -
Payroll and related liabilities	110,823	440	13,930	295	-
Deposits	-	-	4,619	-	-
Advances from other funds	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>133,986</b>	<b>2,375</b>	<b>21,257</b>	<b>10,554</b>	<b>-</b>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>					
Unavailable revenue	-	-	-	-	-
<b><u>FUND BALANCES</u></b>					
Nonspendable	2,150	-	-	-	-
Restricted	961,198	149,338	194,374	2,170	14,339
Unassigned	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>963,348</b>	<b>149,338</b>	<b>194,374</b>	<b>2,170</b>	<b>14,339</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 1,097,334</b>	<b>\$ 151,713</b>	<b>\$ 215,631</b>	<b>\$ 12,724</b>	<b>\$ 14,339</b>

County Fair	911 Emergency System	Economic Development	Corner Restoration	Title III	Yamhill Emergency Communications District	Extension Service District	Habitat Conservation	Totals
\$ 14,050	\$ 24,595	\$ 382,484	\$ 207,812	\$ 84,687	\$ 8,089	\$ 114,192	\$ 7,900	\$ 2,295,911
4,189	-	-	1,286	-	1,522	28,905	3,113	76,504
1,586	-	-	-	-	-	-	-	3,736
<u>\$ 19,825</u>	<u>\$ 24,595</u>	<u>\$ 382,484</u>	<u>\$ 209,098</u>	<u>\$ 84,687</u>	<u>\$ 9,611</u>	<u>\$ 143,097</u>	<u>\$ 11,013</u>	<u>\$ 2,376,151</u>
\$ 5,760	\$ -	\$ 10,062	\$ 3,243	\$ -	\$ -	\$ 283	\$ 1,243	\$ 58,656
1,684	-	14	4,431	-	-	-	1,185	132,802
-	-	-	-	-	-	-	-	4,619
48,239	-	-	-	-	-	-	-	48,239
<u>55,683</u>	<u>-</u>	<u>10,076</u>	<u>7,674</u>	<u>-</u>	<u>-</u>	<u>283</u>	<u>2,428</u>	<u>244,316</u>
6,142	-	-	-	-	1,588	22,759	-	30,489
1,586	-	-	-	-	-	-	-	3,736
-	24,595	372,408	201,424	84,687	8,023	120,055	8,585	2,141,196
(43,586)	-	-	-	-	-	-	-	(43,586)
<u>(42,000)</u>	<u>24,595</u>	<u>372,408</u>	<u>201,424</u>	<u>84,687</u>	<u>8,023</u>	<u>120,055</u>	<u>8,585</u>	<u>2,101,346</u>
<u>\$ 19,825</u>	<u>\$ 24,595</u>	<u>\$ 382,484</u>	<u>\$ 209,098</u>	<u>\$ 84,687</u>	<u>\$ 9,611</u>	<u>\$ 143,097</u>	<u>\$ 11,013</u>	<u>\$ 2,376,151</u>

**YAMHILL COUNTY**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
For the Year Ended June 30, 2013**

	Community Corrections	County Clerk's Records	Dog Control	Law Library	County School	Commission on Children and Families
<b>REVENUES</b>						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous taxes	-	-	-	-	8,086	-
Licenses, permits and fees	-	-	251,623	-	-	-
Intergovernmental	2,185,632	-	-	-	56,348	-
Charges for services	380,311	13,958	19,599	59,177	-	-
Fines and forfeitures	-	-	20,811	9,551	-	-
Interest	5,809	699	1,170	110	76	-
Other	32,369	-	43,500	-	-	-
<b>TOTAL REVENUES</b>	<u>2,604,121</u>	<u>14,657</u>	<u>336,703</u>	<u>68,838</u>	<u>64,510</u>	<u>-</u>
<b>EXPENDITURES</b>						
Current						
General government	-	9,796	-	84,625	-	-
Public safety	2,675,567	-	356,660	-	-	-
Parks, culture, and recreation	-	-	-	-	-	-
Education	-	-	-	-	50,171	-
Capital outlay	-	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>2,675,567</u>	<u>9,796</u>	<u>356,660</u>	<u>84,625</u>	<u>50,171</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(71,446)</u>	<u>4,861</u>	<u>(19,957)</u>	<u>(15,787)</u>	<u>14,339</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	616,719	-	-	-	-	-
Transfers out	<u>(550,259)</u>	<u>(118)</u>	<u>(39,927)</u>	<u>(6,552)</u>	<u>-</u>	<u>(56,559)</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>66,460</u>	<u>(118)</u>	<u>(39,927)</u>	<u>(6,552)</u>	<u>-</u>	<u>(56,559)</u>
Net change in fund balances	(4,986)	4,743	(59,884)	(22,339)	14,339	(56,559)
Fund balances at beginning of year	968,334	144,595	254,258	24,509	-	56,559
Prior period adjustment	-	-	-	-	-	-
<b>Fund balances at end of year</b>	<u>\$ 963,348</u>	<u>\$ 149,338</u>	<u>\$ 194,374</u>	<u>\$ 2,170</u>	<u>\$ 14,339</u>	<u>\$ -</u>

County Fair	911 Emergency System	Economic Development	Corner Restoration	Title III	Yamhill Emergency Communications District	Extension Service District	Transportation	Habitat Conservation	Totals
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 308,379	\$ -	\$ -	\$ 308,379
-	-	-	-	-	-	-	-	-	8,086
-	-	-	-	-	-	-	-	-	251,623
48,110	47,945	263,404	-	80,692	-	-	-	46,915	2,729,046
311,107	-	-	80,361	-	-	-	-	-	864,513
-	-	-	-	-	-	-	-	-	30,362
-	354	1,550	1,147	152	-	730	-	22	11,819
74,348	-	103,100	-	-	-	-	-	-	253,317
<u>433,565</u>	<u>48,299</u>	<u>368,054</u>	<u>81,508</u>	<u>80,844</u>	<u>-</u>	<u>309,109</u>	<u>-</u>	<u>46,937</u>	<u>4,457,145</u>
-	-	203,462	149,402	562	-	-	-	-	447,847
-	96,555	-	-	-	-	-	-	-	3,128,782
373,256	-	-	-	-	-	-	-	29,041	402,297
-	-	-	-	-	-	-	-	-	50,171
15,703	-	-	-	-	-	297,361	-	-	313,064
<u>388,959</u>	<u>96,555</u>	<u>203,462</u>	<u>149,402</u>	<u>562</u>	<u>-</u>	<u>297,361</u>	<u>-</u>	<u>29,041</u>	<u>4,342,161</u>
<u>44,606</u>	<u>(48,256)</u>	<u>164,592</u>	<u>(67,894)</u>	<u>80,282</u>	<u>-</u>	<u>11,748</u>	<u>-</u>	<u>17,896</u>	<u>114,984</u>
51,625	-	-	23,151	-	-	-	-	4,500	695,995
(91,468)	-	(89,985)	(36,936)	(9)	-	(479)	(294,618)	(13,811)	(1,180,721)
<u>(39,843)</u>	<u>-</u>	<u>(89,985)</u>	<u>(13,785)</u>	<u>(9)</u>	<u>-</u>	<u>(479)</u>	<u>(294,618)</u>	<u>(9,311)</u>	<u>(484,726)</u>
4,763	(48,256)	74,607	(81,679)	80,273	-	11,269	(294,618)	8,585	(369,742)
(46,763)	72,851	297,801	283,103	4,414	8,023	108,786	588,698	-	2,765,168
-	-	-	-	-	-	-	(294,080)	-	(294,080)
<u>\$ (42,000)</u>	<u>\$ 24,595</u>	<u>\$ 372,408</u>	<u>\$ 201,424</u>	<u>\$ 84,687</u>	<u>\$ 8,023</u>	<u>\$ 120,055</u>	<u>\$ -</u>	<u>\$ 8,585</u>	<u>\$ 2,101,346</u>

**YAMHILL COUNTY**

**COMBINING BALANCE SHEET  
CAPITAL PROJECTS FUNDS  
June 30, 2013**

	<u>Bicycle and Footpath</u>	<u>Capital Improvement</u>	<u>Systems Development</u>	<u>Totals</u>
<b><u>ASSETS</u></b>				
Cash and investments	\$ 275,656	\$ 2,223,912	\$ 96,661	\$ 2,596,229
Receivables	<u>4,735</u>	<u>35,389</u>	<u>-</u>	<u>40,124</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 280,391</u></b>	<b><u>\$ 2,259,301</u></b>	<b><u>\$ 96,661</u></b>	<b><u>\$ 2,636,353</u></b>
<b><u>LIABILITIES</u></b>				
Accounts payable	\$ -	\$ 47,179	\$ -	\$ 47,179
Payroll and related liabilities	-	20,562	-	20,562
Advances from other funds	<u>-</u>	<u>721,505</u>	<u>-</u>	<u>721,505</u>
<b>TOTAL LIABILITIES</b>	<b><u>-</u></b>	<b><u>789,246</u></b>	<b><u>-</u></b>	<b><u>789,246</u></b>
<b><u>FUND BALANCES</u></b>				
Restricted for capital projects	280,391	-	96,661	377,052
Assigned for capital projects	<u>-</u>	<u>1,470,055</u>	<u>-</u>	<u>1,470,055</u>
<b>TOTAL FUND BALANCES</b>	<b><u>280,391</u></b>	<b><u>1,470,055</u></b>	<b><u>96,661</u></b>	<b><u>1,847,107</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 280,391</u></b>	<b><u>\$ 2,259,301</u></b>	<b><u>\$ 96,661</u></b>	<b><u>\$ 2,636,353</u></b>

**YAMHILL COUNTY**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
CAPITAL PROJECTS FUNDS  
For the Year Ended June 30, 2013**

	Bicycle and Footpath	Capital Improvement	Systems Development	Totals
<b>REVENUES</b>				
Intergovernmental	\$ 54,981	\$ 40,586	\$ -	\$ 95,567
Charges for services	-	239,929	47,811	287,740
Interest	1,239	6,236	433	7,908
Other	-	599	-	599
	<u>56,220</u>	<u>287,350</u>	<u>48,244</u>	<u>391,814</u>
<b>TOTAL REVENUES</b>				
	<u>56,220</u>	<u>287,350</u>	<u>48,244</u>	<u>391,814</u>
<b>EXPENDITURES</b>				
Current				
General government	-	1,184,733	-	1,184,733
Public safety	341	76,571	-	76,912
Culture and recreation	-	-	31,962	31,962
Capital outlay	-	510,108	12,970	523,078
Debt service	-	190,625	-	190,625
	<u>341</u>	<u>1,962,037</u>	<u>44,932</u>	<u>2,007,310</u>
<b>TOTAL EXPENDITURES</b>				
	<u>341</u>	<u>1,962,037</u>	<u>44,932</u>	<u>2,007,310</u>
Excess (deficiency) of revenues over expenditures	<u>55,879</u>	<u>(1,674,687)</u>	<u>3,312</u>	<u>(1,615,496)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	3,153,791	6,781	3,160,572
Transfers out	<u>(19,814)</u>	<u>(247,448)</u>	<u>(910)</u>	<u>(268,172)</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>				
	<u>(19,814)</u>	<u>2,906,343</u>	<u>5,871</u>	<u>2,892,400</u>
Net change in fund balances	36,065	1,231,656	9,183	1,276,904
Fund balances at beginning of year	<u>244,326</u>	<u>238,399</u>	<u>87,478</u>	<u>570,203</u>
Fund balances at end of year	<u>\$ 280,391</u>	<u>\$ 1,470,055</u>	<u>\$ 96,661</u>	<u>\$ 1,847,107</u>

**YAMHILL COUNTY**

**COMMUNITY CORRECTIONS - SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the Year Ended June 30, 2013**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Intergovernmental	\$ 2,376,431	\$ 2,185,632	\$ (190,799)
Charges for services	365,700	383,767	18,067
Interest earnings	4,000	5,809	1,809
Other	<u>31,000</u>	<u>32,369</u>	<u>1,369</u>
<b>TOTAL REVENUES</b>	<u>2,777,131</u>	<u>2,607,577</u>	<u>(169,554)</u>
<b>EXPENDITURES</b>			
Jail			
Personnel services	93,822	99,688	(5,866)
Materials and services	<u>110,966</u>	<u>110,966</u>	<u>-</u>
Total Jail	<u>204,788</u>	<u>210,654</u>	<u>(5,866)</u>
Community Corrections			
Personnel services	235,937	231,304	4,633
Materials and services	<u>15,826</u>	<u>15,293</u>	<u>533</u>
Total Community Corrections	<u>251,763</u>	<u>246,597</u>	<u>5,166</u>
State Enhancement			
Personnel services	1,406,403	1,380,657	25,746
Materials and services	776,972	429,555	347,417
Capital outlay	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Total State Enhancement	<u>2,188,375</u>	<u>1,810,212</u>	<u>378,163</u>
Victims Panel			
Materials and services	<u>2,404</u>	<u>647</u>	<u>1,757</u>
Work Release			
Personnel services	204,313	197,163	7,150
Materials and services	<u>44,871</u>	<u>41,271</u>	<u>3,600</u>
Total Work Release	<u>249,184</u>	<u>238,434</u>	<u>10,750</u>

*Continued on next page*

**COMMUNITY CORRECTIONS - SPECIAL REVENUE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Continued)**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>EXPENDITURES (continued)</b>			
Senate Bill 1145			
Personnel services	\$ 137,183	\$ 140,285	\$ (3,102)
Materials and services	<u>64,883</u>	<u>58,026</u>	<u>6,857</u>
Total Senate Bill 1145	<u>202,066</u>	<u>198,311</u>	<u>3,755</u>
Jail Facilities Maintenance			
Personnel services	234,836	223,052	11,784
Materials and services	<u>315,823</u>	<u>297,919</u>	<u>17,904</u>
Total Jail Facilities Maintenance	<u>550,659</u>	<u>520,971</u>	<u>29,688</u>
TOTAL EXPENDITURES	<u>3,649,239</u>	<u>3,225,826</u>	<u>423,413</u>
Excess (deficiency) of revenues over expenditures	(872,108)	(618,249)	253,859
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	<u>547,108</u>	<u>613,263</u>	<u>66,155</u>
Net change in fund balance	(325,000)	(4,986)	320,014
Fund balance at beginning of year	<u>715,000</u>	<u>968,334</u>	<u>253,334</u>
Fund balance at end of year	<u>\$ 390,000</u>	<u>\$ 963,348</u>	<u>\$ 573,348</u>

**YAMHILL COUNTY**

**COUNTY CLERK'S RECORDS - SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the Year Ended June 30, 2013**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Charges for services	\$ 14,000	\$ 13,958	\$ (42)
Interest	<u>700</u>	<u>699</u>	<u>(1)</u>
<b>TOTAL REVENUES</b>	<u>14,700</u>	<u>14,657</u>	<u>(43)</u>
<b>EXPENDITURES</b>			
Personnel services	16,258	1,772	14,486
Materials and services	36,314	8,142	28,172
Capital outlay	<u>5,000</u>	<u>-</u>	<u>5,000</u>
<b>TOTAL EXPENDITURES</b>	<u>57,572</u>	<u>9,914</u>	<u>47,658</u>
Net change in fund balance	(42,872)	4,743	47,615
Fund balance at beginning of year	<u>144,054</u>	<u>144,595</u>	<u>541</u>
 Fund balance at end of year	 <u>\$ 101,182</u>	 <u>\$ 149,338</u>	 <u>\$ 48,156</u>

**YAMHILL COUNTY**

**DOG CONTROL - SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the Year Ended June 30, 2013**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Licenses and permits	\$ 254,400	\$ 251,623	\$ (2,777)
Charges for services	20,600	19,599	(1,001)
Fines and penalties	14,100	20,811	6,711
Interest	1,200	1,170	(30)
Miscellaneous	<u>47,050</u>	<u>43,500</u>	<u>(3,550)</u>
 TOTAL REVENUES	 <u>337,350</u>	 <u>336,703</u>	 <u>(647)</u>
 <b>EXPENDITURES</b>			
Personnel services	335,834	302,463	33,371
Materials and services	106,685	89,499	17,186
Capital outlay	<u>5,000</u>	<u>-</u>	<u>5,000</u>
 TOTAL EXPENDITURES	 <u>447,519</u>	 <u>391,962</u>	 <u>55,557</u>
 Excess (deficiency) of revenues over expenditures	 (110,169)	 (55,259)	 54,910
 <b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	<u>(4,625)</u>	<u>(4,625)</u>	<u>-</u>
 Net change in fund balance	 (114,794)	 (59,884)	 54,910
Fund balance at beginning of year	<u>223,000</u>	<u>254,258</u>	<u>31,258</u>
 Fund balance at end of year	 <u>\$ 108,206</u>	 <u>\$ 194,374</u>	 <u>\$ 86,168</u>

**YAMHILL COUNTY**

**LAW LIBRARY - SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the Year Ended June 30, 2013**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Charges for services	\$ 73,555	\$ 59,177	\$ (14,378)
Fines and penalties	-	9,551	9,551
Interest	135	110	(25)
Miscellaneous	<u>50</u>	<u>-</u>	<u>(50)</u>
 TOTAL REVENUES	 <u>73,740</u>	 <u>68,838</u>	 <u>(4,902)</u>
 <b>EXPENDITURES</b>			
Personnel services	14,707	12,675	2,032
Materials and services	80,602	78,502	2,100
Contingency	<u>13,431</u>	<u>-</u>	<u>13,431</u>
 TOTAL EXPENDITURES	 <u>108,740</u>	 <u>91,177</u>	 <u>17,563</u>
 Net change in fund balance	 (35,000)	 (22,339)	 12,661
Fund balance at beginning of year	<u>35,000</u>	<u>24,509</u>	<u>(10,491)</u>
 Fund balance at end of year	 <u>\$ -</u>	 <u>\$ 2,170</u>	 <u>\$ 2,170</u>

**YAMHILL COUNTY**

**COUNTY SCHOOL - SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the Year Ended June 30, 2013**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Miscellaneous taxes	\$ -	\$ 8,086	\$ 8,086
Intergovernmental	56,334	56,348	14
Interest	100	76	(24)
Miscellaneous	<u>8,000</u>	<u>-</u>	<u>(8,000)</u>
 TOTAL REVENUES	 64,434	 64,510	 76
 <b>EXPENDITURES</b>			
Materials and services	<u>64,434</u>	<u>50,171</u>	<u>14,263</u>
 Net change in fund balance	 -	 14,339	 14,339
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
 Fund balance at end of year	 <u>\$ -</u>	 <u>\$ 14,339</u>	 <u>\$ 14,339</u>

**YAMHILL COUNTY**

**COMMISSION ON CHILDREN AND FAMILIES - SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the Year Ended June 30, 2013**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	<u>-</u>	<u>(56,559)</u>	<u>(56,559)</u>
Net change in fund balance	-	(56,559)	(56,559)
Fund balance at beginning of year	<u>-</u>	<u>56,559</u>	<u>56,559</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**YAMHILL COUNTY**

**COUNTY FAIR - SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the Year Ended June 30, 2013**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Intergovernmental	\$ 47,500	\$ 48,110	\$ 610
Charges for services	303,000	315,732	12,732
Interest	50	-	(50)
Other	<u>112,920</u>	<u>74,348</u>	<u>(38,572)</u>
<b>TOTAL REVENUES</b>	<u>463,470</u>	<u>438,190</u>	<u>(25,280)</u>
<b>EXPENDITURES</b>			
County Fair			
Materials and services	<u>231,887</u>	<u>216,382</u>	<u>15,505</u>
Fair Event Center			
Personnel services	66,620	66,047	573
Materials and services	192,990	181,974	11,016
Capital outlay	<u>13,900</u>	<u>15,703</u>	<u>(1,803)</u>
Total Fair Event Center	<u>273,510</u>	<u>263,724</u>	<u>9,786</u>
Debt service	<u>17,289</u>	<u>16,241</u>	<u>1,048</u>
Contingency	<u>10,462</u>	<u>-</u>	<u>10,462</u>
<b>TOTAL EXPENDITURES</b>	<u>533,148</u>	<u>496,347</u>	<u>36,801</u>
Excess (deficiency) of revenues over expenditures	(69,678)	(58,157)	11,521
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	<u>51,625</u>	<u>47,000</u>	<u>(4,625)</u>
Net change in fund balance	(18,053)	(11,157)	6,896
Fund balance at beginning of year	<u>18,053</u>	<u>17,396</u>	<u>(657)</u>
Fund balance at end of year	<u>\$ -</u>	6,239	<u>\$ 6,239</u>
<b>Reconciliation to generally accepted accounting principles</b>			
Advances from other funds		<u>(48,239)</u>	
Fund balance at end of year		<u>\$ (42,000)</u>	

**YAMHILL COUNTY**

**911 EMERGENCY SYSTEM - SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 For the Year Ended June 30, 2013**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Intergovernmental	\$ 236,277	\$ 47,945	\$ (188,332)
Interest	<u>200</u>	<u>354</u>	<u>154</u>
 TOTAL REVENUES	 236,477	 48,299	 (188,178)
 <b>EXPENDITURES</b>			
Materials and services	<u>306,477</u>	<u>96,555</u>	<u>209,922</u>
 Net change in fund balance	 (70,000)	 (48,256)	 21,744
Fund balance at beginning of year	<u>70,000</u>	<u>72,851</u>	<u>2,851</u>
 Fund balance at end of year	 <u>\$ -</u>	 <u>\$ 24,595</u>	 <u>\$ 24,595</u>

**YAMHILL COUNTY**

**ECONOMIC DEVELOPMENT - SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 For the Year Ended June 30, 2013**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Intergovernmental	\$ 250,000	\$ 263,404	\$ 13,404
Interest	500	1,550	1,050
Miscellaneous	<u>-</u>	<u>103,100</u>	<u>103,100</u>
<b>TOTAL REVENUES</b>	<u>250,500</u>	<u>368,054</u>	<u>117,554</u>
<b>EXPENDITURES</b>			
Materials and services	554,817	293,447	261,370
Contingency	<u>45,000</u>	<u>-</u>	<u>45,000</u>
<b>TOTAL EXPENDITURES</b>	<u>599,817</u>	<u>293,447</u>	<u>306,370</u>
Net change in fund balance	(349,317)	74,607	423,924
Fund balance at beginning of year	<u>349,317</u>	<u>297,801</u>	<u>(51,516)</u>
 Fund balance at end of year	 <u>\$ -</u>	 <u>\$ 372,408</u>	 <u>\$ 372,408</u>

**YAMHILL COUNTY**

**CORNER RESTORATION - SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the Year Ended June 30, 2013**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Charges for services	\$ 76,000	\$ 103,512	\$ 27,512
Interest	<u>881</u>	<u>1,147</u>	<u>266</u>
<b>TOTAL REVENUES</b>	<u>76,881</u>	<u>104,659</u>	<u>27,778</u>
<b>EXPENDITURES</b>			
Personnel services	142,036	146,741	(4,705)
Materials and services	71,263	39,597	31,666
Capital outlay	<u>9,000</u>	<u>-</u>	<u>9,000</u>
<b>TOTAL EXPENDITURES</b>	<u>222,299</u>	<u>186,338</u>	<u>35,961</u>
Net change in fund balance	(145,418)	(81,679)	63,739
Fund balance at beginning of year	<u>461,204</u>	<u>283,103</u>	<u>(178,101)</u>
Fund balance at end of year	<u>\$ 315,786</u>	<u>\$ 201,424</u>	<u>\$ (114,362)</u>

**YAMHILL COUNTY**

**TITLE III - SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the Year Ended June 30, 2013**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Intergovernmental	\$ 46,000	\$ 80,692	\$ 34,692
Interest	<u>100</u>	<u>152</u>	<u>52</u>
 TOTAL REVENUES	 46,100	 80,844	 34,744
 <b>EXPENDITURES</b>			
Materials and services	<u>50,600</u>	<u>571</u>	<u>50,029</u>
 Net change in fund balance	 (4,500)	 80,273	 84,773
Fund balance at beginning of year	<u>4,500</u>	<u>4,414</u>	<u>(86)</u>
 Fund balance at end of year	 <u>\$ -</u>	 <u>\$ 84,687</u>	 <u>\$ 84,687</u>

YAMHILL COUNTY

YAMHILL EMERGENCY COMMUNICATIONS DISTRICT - SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGE IN FUND BALANCE - BUDGET AND ACTUAL  
For the Year Ended June 30, 2013

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Net change in fund balance	\$ -	\$ -	\$ -
Fund balance at beginning of year	<u>-</u>	<u>8,023</u>	<u>8,023</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 8,023</u>	<u>\$ 8,023</u>

**YAMHILL COUNTY**

**EXTENSION SERVICE DISTRICT - SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the Year Ended June 30, 2013**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Property taxes	\$ 305,826	\$ 308,379	\$ 2,553
Interest	<u>600</u>	<u>730</u>	<u>130</u>
<b>TOTAL REVENUES</b>	<u>306,426</u>	<u>309,109</u>	<u>2,683</u>
<b>EXPENDITURES</b>			
Materials and services	295,236	297,840	(2,604)
Contingency	<u>15,000</u>	<u>-</u>	<u>15,000</u>
<b>TOTAL EXPENDITURES</b>	<u>310,236</u>	<u>297,840</u>	<u>12,396</u>
Net change in fund balance	(3,810)	11,269	15,079
Fund balance at beginning of year	<u>88,000</u>	<u>108,786</u>	<u>20,786</u>
Fund balance at end of year	<u>\$ 84,190</u>	<u>\$ 120,055</u>	<u>\$ 35,865</u>

YAMHILL COUNTY

TRANSPORTATION - SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the Year Ended June 30, 2013

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	<u>(405,000)</u>	<u>(294,618)</u>	<u>110,382</u>
Net change in fund balance	(405,000)	(294,618)	110,382
Fund balance at beginning of year	405,000	588,698	183,698
Prior period adjustment	<u>-</u>	<u>(294,080)</u>	<u>(294,080)</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**YAMHILL COUNTY**

**HABITAT CONSERVATION - SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the Year Ended June 30, 2013**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Intergovernmental	\$ 46,914	\$ 46,915	\$ 1
Other	<u>-</u>	<u>22</u>	<u>22</u>
<b>TOTAL REVENUES</b>	<u>46,914</u>	<u>46,937</u>	<u>23</u>
<b>EXPENDITURES</b>			
Personnel services	23,147	23,105	42
Materials and services	<u>23,267</u>	<u>19,747</u>	<u>3,520</u>
<b>TOTAL EXPENDITURES</b>	<u>46,414</u>	<u>42,852</u>	<u>3,562</u>
Excess (deficiency) of revenues over expenditures	500	4,085	3,585
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	<u>4,500</u>	<u>4,500</u>	<u>-</u>
Net change in fund balance	5,000	8,585	3,585
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ 5,000</u>	<u>\$ 8,585</u>	<u>\$ 3,585</u>

**YAMHILL COUNTY**

**BICYCLE AND FOOTPATH - CAPITAL PROJECTS FUND  
 SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 For the Year Ended June 30, 2013**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Intergovernmental	\$ 54,159	\$ 54,981	\$ 822
Interest	<u>2,000</u>	<u>1,239</u>	<u>(761)</u>
<b>TOTAL REVENUES</b>	<u>56,159</u>	<u>56,220</u>	<u>61</u>
<b>EXPENDITURES</b>			
Materials and services	43,131	20,155	22,976
Contingency	<u>256,919</u>	<u>-</u>	<u>256,919</u>
<b>TOTAL EXPENDITURES</b>	<u>300,050</u>	<u>20,155</u>	<u>279,895</u>
Net change in fund balance	(243,891)	36,065	279,956
Fund balance at beginning of year	<u>243,891</u>	<u>244,326</u>	<u>435</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 280,391</u>	<u>\$ 280,391</u>

**YAMHILL COUNTY**

**CAPITAL IMPROVEMENT -CAPITAL PROJECTS FUND  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the Year Ended June 30, 2013**

	Budget	Actual	Variance
<b>REVENUES</b>			
Intergovernmental	\$ -	\$ 40,586	\$ 40,586
Charges for services	1,554,779	1,604,207	49,428
Interest earnings	-	6,236	6,236
Other	<u>421,568</u>	<u>422,167</u>	<u>599</u>
<b>TOTAL REVENUES</b>	<u>1,976,347</u>	<u>2,073,196</u>	<u>96,849</u>
<b>EXPENDITURES</b>			
Facilities Maintenance			
Personnel services	513,533	451,309	62,224
Materials and services	630,808	513,605	117,203
Capital outlay	<u>8,000</u>	<u>-</u>	<u>8,000</u>
Total Facilities Maintenance	<u>1,152,341</u>	<u>964,914</u>	<u>187,427</u>
Information Systems			
Materials and services	<u>242,750</u>	<u>205,835</u>	<u>36,915</u>
Capital Improvement			
Personnel services	12,984	13,173	(189)
Materials and services	227,179	200,876	26,303
Capital outlay	<u>374,171</u>	<u>93,457</u>	<u>280,714</u>
Total Capital Improvement	<u>614,334</u>	<u>307,506</u>	<u>306,828</u>
Maintenance Reserve			
Capital outlay	<u>140,000</u>	<u>-</u>	<u>140,000</u>
Jail			
Materials and services	78,785	76,571	2,214
Capital outlay	<u>100,000</u>	<u>79,589</u>	<u>20,411</u>
Total Jail	<u>178,785</u>	<u>156,160</u>	<u>22,625</u>
Software Reserve			
Capital outlay	<u>1,305,456</u>	<u>337,062</u>	<u>968,394</u>
Debt service	<u>200,626</u>	<u>190,625</u>	<u>10,001</u>
<b>TOTAL EXPENDITURES</b>	<u>3,834,292</u>	<u>2,162,102</u>	<u>1,672,190</u>
Excess (deficiency) of revenues over expenditures	<u>(1,857,945)</u>	<u>(88,906)</u>	<u>1,769,039</u>

*Continued on next page*

**CAPITAL IMPROVEMENT FUND  
 STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Continued)**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	\$ 1,367,945	\$ 1,367,945	\$ -
Transfers out	<u>(125,000)</u>	<u>(125,000)</u>	<u>-</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>1,242,945</u>	<u>1,242,945</u>	<u>-</u>
Net change in fund balance	(615,000)	1,154,039	1,769,039
Fund balance at beginning of year	<u>681,527</u>	<u>1,037,521</u>	<u>355,994</u>
Fund balance at end of year	<u><u>\$ 66,527</u></u>	2,191,560	<u><u>\$ 2,125,033</u></u>
<b>Reconciliation to generally accepted accounting principles</b>			
Advances from other funds		<u>(721,505)</u>	
Fund balance at end of year		<u><u>\$ 1,470,055</u></u>	

**YAMHILL COUNTY**

**SYSTEMS DEVELOPMENT - CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the Year Ended June 30, 2013**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Charges for services	\$ 35,256	\$ 54,592	\$ 19,336
Interest	<u>1,000</u>	<u>433</u>	<u>(567)</u>
<b>TOTAL REVENUES</b>	<u>36,256</u>	<u>55,025</u>	<u>18,769</u>
<b>EXPENDITURES</b>			
Non-departmental			
Materials and services	2,030	2,051	(21)
County Fair			
Capital outlay	10,283	12,970	(2,687)
Parks			
Materials and services	23,608	30,821	(7,213)
Parks System Development			
Capital outlay	<u>83,995</u>	<u>-</u>	<u>83,995</u>
<b>TOTAL EXPENDITURES</b>	<u>119,916</u>	<u>45,842</u>	<u>74,074</u>
Net change in fund balance	(83,660)	9,183	92,843
Fund balance at beginning of year	<u>89,630</u>	<u>87,478</u>	<u>(2,152)</u>
Fund balance at end of year	<u>\$ 5,970</u>	<u>\$ 96,661</u>	<u>\$ 90,691</u>

**YAMHILL COUNTY**

**COVE ORCHARD SERVICE DISTRICT - ENTERPRISE FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the Year Ended June 30, 2013**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Charges for services	\$ 48,941	\$ 51,884	\$ 2,943
Interest	300	393	93
Miscellaneous	<u>-</u>	<u>254</u>	<u>254</u>
 TOTAL REVENUES	 <u>49,241</u>	 <u>52,531</u>	 <u>3,290</u>
 <b>EXPENDITURES</b>			
Personnel services	6,168	5,768	400
Materials and services	56,600	34,832	21,768
Capital outlay	8,000	-	8,000
Contingency	<u>51,480</u>	<u>-</u>	<u>51,480</u>
 TOTAL EXPENDITURES	 <u>122,248</u>	 <u>40,600</u>	 <u>81,648</u>
 Net change in fund balance	 (73,007)	 11,931	 84,938
Fund balance at beginning of year	<u>73,007</u>	<u>76,221</u>	<u>3,214</u>
 Fund balance at end of year	 <u>\$ -</u>	 88,152	 <u>\$ 88,152</u>
 <b>Reconciliation to generally accepted accounting principles</b>			
Capital assets, net		80,222	
Receivables		<u>18,118</u>	
 Net position at end of year		 <u>\$ 186,492</u>	

**YAMHILL COUNTY**

**COMBINING STATEMENT OF NET POSITION  
INTERNAL SERVICE FUNDS  
June 30, 2013**

	<u>Telecommunications</u>	<u>Self-Insurance</u>	<u>Motor Vehicle Replacement</u>	<u>Totals</u>
<b><u>ASSETS</u></b>				
Cash and investments	\$ 668,306	\$ 2,347,179	\$ 1,996,113	\$ 5,011,598
Receivables	9,616	24,234	-	33,850
Advances to other funds	<u>-</u>	<u>769,744</u>	<u>-</u>	<u>769,744</u>
 TOTAL ASSETS	 <u>677,922</u>	 <u>3,141,157</u>	 <u>1,996,113</u>	 <u>5,815,192</u>
<b><u>LIABILITIES</u></b>				
Accounts payable and accrued expenditures	2,189	33,567	999	36,755
Payroll and related liabilities	6,785	7,774	-	14,559
Compensated absences	<u>10,773</u>	<u>2,674</u>	<u>-</u>	<u>13,447</u>
 TOTAL LIABILITIES	 <u>19,747</u>	 <u>44,015</u>	 <u>999</u>	 <u>64,761</u>
<b><u>NET POSITION</u></b>				
Unrestricted	<u>\$ 658,175</u>	<u>\$ 3,097,142</u>	<u>\$ 1,995,114</u>	<u>\$ 5,750,431</u>

**YAMHILL COUNTY**

**COMBINING STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION  
INTERNAL SERVICE FUNDS  
For the Year Ended June 30, 2013**

	<u>Telecommunications</u>	<u>Self-Insurance</u>	<u>Motor Vehicle Replacement</u>	<u>Totals</u>
<b>OPERATING REVENUES</b>				
Charges for services	\$ -	\$ 52,703	\$ 2,124	\$ 54,827
Other	<u>120,412</u>	<u>21,262</u>	<u>71,816</u>	<u>213,490</u>
<b>TOTAL OPERATING REVENUES</b>	<u>120,412</u>	<u>73,965</u>	<u>73,940</u>	<u>268,317</u>
<b>OPERATING EXPENSES</b>				
Personnel services	156,514	61,308	-	217,822
Materials and services	<u>244,281</u>	<u>1,223,254</u>	<u>29,886</u>	<u>1,497,421</u>
<b>TOTAL OPERATING EXPENSES</b>	<u>400,795</u>	<u>1,284,562</u>	<u>29,886</u>	<u>1,715,243</u>
Operating income (loss)	(280,383)	(1,210,597)	44,054	(1,446,926)
<b>NONOPERATING REVENUES</b>				
Investment earnings	<u>2,982</u>	<u>8,281</u>	<u>8,819</u>	<u>20,082</u>
Income (loss) before transfers	<u>(277,401)</u>	<u>(1,202,316)</u>	<u>52,873</u>	<u>(1,426,844)</u>
<b>TRANSFERS</b>				
Transfers in	328,923	1,459,520	571,303	2,359,746
Transfers out	<u>(22,320)</u>	<u>(240,254)</u>	<u>(621,722)</u>	<u>(884,296)</u>
<b>TOTAL TRANSFERS</b>	<u>306,603</u>	<u>1,219,266</u>	<u>(50,419)</u>	<u>1,475,450</u>
Change in net position	29,202	16,950	2,454	48,606
Net position-beginning of year	<u>628,973</u>	<u>3,080,192</u>	<u>1,992,660</u>	<u>5,701,825</u>
Net position-end of year	<u>\$ 658,175</u>	<u>\$ 3,097,142</u>	<u>\$ 1,995,114</u>	<u>\$ 5,750,431</u>

**YAMHILL COUNTY**

**COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
For the Year Ended June 30, 2013**

	<u>Telecommunications</u>	<u>Self-Insurance</u>	<u>Motor Vehicle Replacement</u>	<u>Totals</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from interfund services provided	\$ -	\$ 28,469	\$ 2,124	\$ 30,593
Other receipts from services provided	110,796	21,262	91,234	223,292
Payments to suppliers of goods or services	(258,574)	(1,231,275)	(28,887)	(1,518,736)
Payments to employees for services	<u>(152,964)</u>	<u>(62,171)</u>	<u>-</u>	<u>(215,135)</u>
Net cash provided by (used in) operating activities	<u>(300,742)</u>	<u>(1,243,715)</u>	<u>64,471</u>	<u>(1,479,986)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Repayments of advances to other funds	-	93,537	152,418	245,955
Transfers in	328,923	1,459,520	571,303	2,359,746
Transfers out	<u>(22,320)</u>	<u>(240,254)</u>	<u>(62,773)</u>	<u>(325,347)</u>
Net cash provided by noncapital financing activities	<u>306,603</u>	<u>1,312,803</u>	<u>660,948</u>	<u>2,280,354</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition of capital assets	<u>-</u>	<u>-</u>	<u>(558,949)</u>	<u>(558,949)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest on investments	<u>2,982</u>	<u>8,281</u>	<u>8,819</u>	<u>20,082</u>
Net increase in cash and cash equivalents	8,843	77,369	175,289	261,501
Cash and cash equivalents-beginning of year	<u>659,463</u>	<u>2,269,810</u>	<u>1,820,824</u>	<u>4,750,097</u>
Cash and cash equivalents-end of year	<u>\$ 668,306</u>	<u>\$ 2,347,179</u>	<u>\$ 1,996,113</u>	<u>\$ 5,011,598</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities</b>				
Operating income (loss)	\$ (280,383)	\$ (1,210,597)	\$ 44,054	\$ (1,446,926)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities				
(Increase) decrease in assets:				
Receivables	(9,616)	(24,234)	19,418	(14,432)
Increase (decrease) in liabilities:				
Accounts payable and accrued expenditures	(14,293)	(8,021)	999	(21,315)
Payroll and related liabilities	1,696	(301)	-	1,395
Compensated absences	<u>1,854</u>	<u>(562)</u>	<u>-</u>	<u>1,292</u>
Net cash provided by (used in) operating activities	<u>\$ (300,742)</u>	<u>\$ (1,243,715)</u>	<u>\$ 64,471</u>	<u>\$ (1,479,986)</u>
<b>SUPPLEMENTAL DISCLOSURE OF NONCASH TRANSACTIONS</b>				
Transfers out	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (558,949)</u>	<u>\$ (558,949)</u>

**YAMHILL COUNTY**

**TELECOMMUNICATIONS - INTERNAL SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the Year Ended June 30, 2013**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Interest	\$ 1,000	\$ 2,982	\$ 1,982
Other	<u>106,155</u>	<u>120,412</u>	<u>14,257</u>
<b>TOTAL REVENUES</b>	<u>107,155</u>	<u>123,394</u>	<u>16,239</u>
<b>EXPENDITURES</b>			
Personnel services	152,850	157,651	(4,801)
Materials and services	291,035	263,610	27,425
Capital outlay	<u>550,000</u>	<u>-</u>	<u>550,000</u>
<b>TOTAL EXPENDITURES</b>	<u>993,885</u>	<u>421,261</u>	<u>572,624</u>
Excess (deficiency) of revenues over expenditures	(886,730)	(297,867)	588,863
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	<u>311,730</u>	<u>328,923</u>	<u>17,193</u>
Net change in fund balance	(575,000)	31,056	606,056
Fund balance at beginning of year	<u>575,000</u>	<u>637,892</u>	<u>62,892</u>
Fund balance at end of year	<u>\$ -</u>	668,948	<u>\$ 668,948</u>
<b>Reconciliation to generally accepted accounting principles</b>			
Compensated absences		<u>(10,773)</u>	
Net position at end of year		<u>\$ 658,175</u>	

**YAMHILL COUNTY**

**SELF-INSURANCE - INTERNAL SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the Year Ended June 30, 2013**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Charges for services	\$ 1,710,265	\$ 1,605,760	\$ (104,505)
Interest	6,281	8,281	2,000
Other	<u>-</u>	<u>21,262</u>	<u>21,262</u>
<b>TOTAL REVENUES</b>	<u>1,716,546</u>	<u>1,635,303</u>	<u>(81,243)</u>
<b>EXPENDITURES</b>			
Personnel services	196,269	182,184	14,085
Materials and services	1,985,234	1,343,194	642,040
Contingency	<u>614,402</u>	<u>-</u>	<u>614,402</u>
<b>TOTAL EXPENDITURES</b>	<u>2,795,905</u>	<u>1,525,378</u>	<u>1,270,527</u>
Net change in fund balance	(1,079,359)	109,925	1,189,284
Fund balance at beginning of year	<u>1,799,809</u>	<u>2,220,147</u>	<u>420,338</u>
Fund balance at end of year	<u>\$ 720,450</u>	2,330,072	<u>\$ 1,609,622</u>
<b>Reconciliation to generally accepted accounting principles</b>			
Advances to other funds		769,744	
Compensated absences		<u>(2,674)</u>	
Net position at end of year		<u>\$ 3,097,142</u>	

**YAMHILL COUNTY**

**MOTOR VEHICLE REPLACEMENT - INTERNAL SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the Year Ended June 30, 2013**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Charges for services	\$ 712,830	\$ 725,845	\$ 13,015
Interest	8,000	8,819	819
Other	<u>27,000</u>	<u>71,816</u>	<u>44,816</u>
<b>TOTAL REVENUES</b>	<u>747,830</u>	<u>806,480</u>	<u>58,650</u>
<b>EXPENDITURES</b>			
Materials and services	102,818	92,659	10,159
Capital outlay	1,001,453	558,949	442,504
Contingency	<u>145,000</u>	<u>-</u>	<u>145,000</u>
<b>TOTAL EXPENDITURES</b>	<u>1,249,271</u>	<u>651,608</u>	<u>597,663</u>
Net change in fund balance	(501,441)	154,872	656,313
Fund balance at beginning of year	<u>1,750,524</u>	<u>1,840,242</u>	<u>89,718</u>
Fund balance at end of year	<u>\$ 1,249,083</u>	<u>\$ 1,995,114</u>	<u>\$ 746,031</u>

**YAMHILL COUNTY**

**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUNDS**

**For the Year Ended June 30, 2013**

	Balance June 30, 2012	Additions	Deductions	Balance June 30, 2013
<b><u>Unsegregated Tax and Interest</u></b>				
Assets				
Cash and investments	\$ 1,486,593	\$ 107,430,167	\$ 107,272,560	\$ 1,644,200
Property taxes receivable	<u>8,077,134</u>	<u>104,798,436</u>	<u>104,675,666</u>	<u>8,199,904</u>
 Total assets	 <u>\$ 9,563,727</u>	 <u>\$ 212,228,603</u>	 <u>\$ 211,948,226</u>	 <u>\$ 9,844,104</u>
 Liabilities				
Intergovernmental payables	\$ 9,563,727	\$ 107,464,476	\$ 107,184,099	\$ 9,844,104
	<u>9,563,727</u>	<u>107,464,476</u>	<u>107,184,099</u>	<u>9,844,104</u>
 <b><u>Holding Trust</u></b>				
Assets				
Cash and investments	\$ 94,897	\$ 6,078	\$ 4,702	\$ 96,273
	<u>94,897</u>	<u>6,078</u>	<u>4,702</u>	<u>96,273</u>
 Liabilities				
Amounts held in trust	\$ 94,897	\$ 6,078	\$ 4,702	\$ 96,273
	<u>94,897</u>	<u>6,078</u>	<u>4,702</u>	<u>96,273</u>
 <b><u>Assessment and Mapping</u></b>				
Assets				
Cash and investments	\$ 235,127	\$ 1,115,012	\$ 1,123,717	\$ 226,422
	<u>235,127</u>	<u>1,115,012</u>	<u>1,123,717</u>	<u>226,422</u>
 Liabilities				
Intergovernmental payables	\$ 235,127	\$ 2,238,415	\$ 2,247,120	\$ 226,422
	<u>235,127</u>	<u>2,238,415</u>	<u>2,247,120</u>	<u>226,422</u>
 <b><u>Total-All Agency Funds</u></b>				
Assets				
Cash and investments	\$ 1,816,617	\$ 108,551,257	\$ 108,400,979	\$ 1,966,895
Property taxes receivable	<u>8,077,134</u>	<u>104,798,436</u>	<u>104,675,666</u>	<u>8,199,904</u>
 Total assets	 <u>\$ 9,893,751</u>	 <u>\$ 213,349,693</u>	 <u>\$ 213,076,645</u>	 <u>\$ 10,166,799</u>
 Liabilities				
Intergovernmental payables	\$ 9,798,854	\$ 109,702,891	\$ 109,431,219	\$ 10,070,526
Amounts held in trust	<u>94,897</u>	<u>6,078</u>	<u>4,702</u>	<u>96,273</u>
 Total liabilities	 <u>\$ 9,893,751</u>	 <u>\$ 109,708,969</u>	 <u>\$ 109,435,921</u>	 <u>\$ 10,166,799</u>

# YAMHILL COUNTY

## SCHEDULE OF CASH RECEIPTS FOR ELECTED OFFICIALS AGENCY FUND For the Year Ended June 30, 2013

Official	Classification of Cash and Cash Equivalents										
	Total Cash and Cash Equivalents	Cash			Total Cash and Cash Equivalents	Local Government Investment					Total
	June 30, 2012	Cash Receipts	Disbursements and Refunds	Turned to Treasurer	June 30, 2013	Cash on Hand	Checking	Unsegregated Tax Accts	Pool		
Assessor	\$ 350	\$ 510,031	\$ -	\$ 510,031	\$ 350	\$ 350	\$ -	\$ -	\$ -	\$ 350	
Clerk	1,100	626,673	-	626,673	1,100	1,100	-	-	-	1,100	
Commissioners	4,700	5,951	-	5,951	4,700	4,700	-	-	-	4,700	
District Attorney	1,000	602,647	-	602,647	1,000	1,000	-	-	-	1,000	
Sheriff	1,010	2,761,717	-	2,761,717	1,010	1,010	-	-	-	1,010	
Surveyor	100	113,844	-	113,844	100	100	-	-	-	100	
Treasurer	29,198,792	49,912,155	48,629,441	-	30,481,506	14,832	724,669	1,644,200	28,097,805	30,481,506	
	<u>\$ 29,207,052</u>	<u>\$ 54,533,018</u>	<u>\$ 48,629,441</u>	<u>\$ 4,620,862</u>	<u>\$ 30,489,766</u>	<u>\$ 23,092</u>	<u>\$ 724,669</u>	<u>\$ 1,644,200</u>	<u>\$ 28,097,805</u>	<u>\$ 30,489,766</u>	

**INDEPENDENT AUDITOR'S REPORT REQUIRED BY THE  
MINIMUM STANDARDS FOR AUDITS OF OREGON MUNICIPAL  
CORPORATIONS**

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**INDEPENDENT AUDITOR'S REPORT REQUIRED BY THE  
MINIMUM STANDARDS FOR AUDITS OF OREGON MUNICIPAL CORPORATIONS**

Board of County Commissioners  
**YAMHILL COUNTY**  
McMinnville, Oregon

We have audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of YAMHILL COUNTY as of and for the year ended June 30, 2013, and have issued our report thereon dated December 27, 2013.

**Compliance**

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-240 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, our audit was not directed primarily toward obtaining knowledge of such noncompliance. As such, 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).

**INDEPENDENT AUDITOR'S REPORT REQUIRED BY THE  
MINIMUM STANDARDS FOR AUDITS OF OREGON MUNICIPAL CORPORATIONS (Continued)**

In connection with our testing nothing came to our attention that caused us to believe the County was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-240 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations except as follows:

Expenditures in excess of appropriations (which is prohibited by ORS 294.435) occurred as follows:

<u>Fund/Category</u>	<u>Appropriation</u>	<u>Actual</u>	<u>Variance</u>
General			
Mediation services	\$ 85,000	\$ 89,400	\$ (5,807)
Extension Service District			
Materials and services	295,236	297,840	(2,604)

**OAR 162-10-0230 Internal Control**

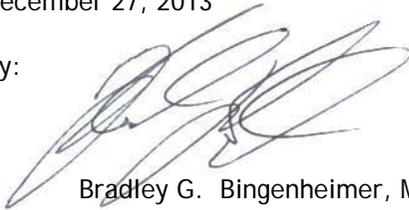
In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control. Significant deficiencies and material weaknesses in internal controls were communicated separately in a letter issued to management.

**Restriction on Use**

This report is intended solely for the information and use of the commissioners and management of YAMHILL COUNTY and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than these parties.

Boldt Carlisle + Smith  
 Certified Public Accountants  
 Salem, Oregon  
 December 27, 2013

By:



Bradley G. Bingenheimer, Member

**GRANT COMPLIANCE – SINGLE AUDIT**

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**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***

Board of County Commissioners  
**YAMHILL COUNTY**  
McMinnville, Oregon

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of YAMHILL COUNTY, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated December 27, 2013.

***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs to be a material weakness (see item 2013-1)

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompany schedule of findings and questioned costs to be a significant deficiency (see item 2013-2).

Board of County Commissioners

YAMHILL COUNTY  
McMinnville, Oregon

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* (Continued)

*Compliance and Other Matters*

As part of obtaining reasonable assurance about whether the County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

*Yamhill County's Response to Findings*

The County's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

*Purpose of this Report*

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Boldt Carlisle & Smith*

Boldt Carlisle + Smith  
Certified Public Accountants  
Salem, Oregon  
December 27, 2013



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH  
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

Board of County Commissioners  
YAMHILL COUNTY  
Yamhill, Oregon

***Report on Compliance for Each Major Federal Program***

We have audited the County's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have direct and material effect on each of the County's major federal programs for the year ended June 30, 2013. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH  
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY OMB CIRCULAR A-133 (Continued)**

***Basis for Qualified Opinion on CFDA 20.509 Formula Grants for Other Than Urbanized Areas and Transit Services Programs Cluster (20.513 Capital Assistance Program for Elderly Persons and Persons with Disabilities and 20.516 Job Access - Reverse Commute Program)***

As described in the accompanying schedule of findings and questioned costs, YAMHILL COUNTY did not comply with requirements regarding CFDA 20.509 Formula Grants for Other Than Urbanized Areas, 20.513 Capital Assistance Program for Elderly Persons and Persons with Disabilities and 20.516 Job Access - Reverse Commute Program as described in finding numbers 2013-3 for allowable costs and 2013-5 for reporting. Compliance with such requirements is necessary, in our opinion, for YAMHILL COUNTY to comply with the requirements applicable to these programs.

***Qualified Opinion on CFDA 20.509 Formula Grants for Other Than Urbanized Areas and Transit Services Programs Cluster (20.513 Capital Assistance Program for Elderly Persons and Persons with Disabilities and 20.516 Job Access - Reverse Commute Program)***

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, the County, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on CFDA 20.509 Formula Grants for Other Than Urbanized Areas, 20.513 Capital Assistance Program for Elderly Persons and Persons with Disabilities and 20.516 Job Access - Reverse Commute Program for the year ended June 30, 2013.

***Other Matters***

The County's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

**Report on Internal Control Over Compliance**

Management of YAMHILL COUNTY, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 the County's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified a deficiency in internal control over compliance that we consider to be a material weakness.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH  
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY OMB CIRCULAR A-133 (Continued)

Report on Internal Control Over Compliance (continued)

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2013-4 to be a material weakness.

A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

The County's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

*Boldt Carlisle & Smith*

Boldt Carlisle + Smith  
Certified Public Accountants  
Salem, Oregon  
December 27, 2013

**YAMHILL COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**For the Year Ended June 30, 2013**

Section I – Summary of Auditor’s Results

**Financial Statements**

Type of auditor’s report issued:	Unqualified
Internal control over financial reporting:	
♦ Material weakness(es) identified?	Yes
♦ Significant deficiencies identified that are not considered to be material weaknesses?	Yes
Noncompliance material to financial statements noted?	No

**Federal Awards**

Internal control over major programs:	
♦ Material weakness(es) identified?	Yes
♦ Significant deficiencies identified that are not considered to be material weaknesses?	No
Type of auditor’s report issued on compliance for major programs:	Qualified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	Yes
Identification of major programs:	

CFDA Number(s)

20.509  
20.513 / 20.516

Name of Federal Program or Cluster

Formula Grants for Other Than Urbanized Areas  
Transit Services Programs Cluster  
Capital Assistance Program for Elderly Persons and  
Persons with Disabilities  
Job Access – Reverse Commute Program

Dollar threshold used to distinguish between type A and type B programs:	\$300,000
Auditee qualified as low-risk auditee?	Yes

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

### Section II – Financial Statement Findings

#### **Material Weakness:**

##### 2013-1 Accounts Payable

Criteria: Internal controls should include procedures to ensure that all material transactions be recorded in the correct period regardless of budgetary authority.

Condition: Construction occurred during June 2013 as approved by the Board of Commissioners. However, when presented with the invoice in the amount of \$544,190 for these services the contractor was informed that there was not budget authority for the expenditure and requested to submit a revised invoice dated in July 2013. Once the construction services were performed the County had a legal obligation to make payment for those services. Therefore, a liability and related expenditure should have been recorded for this amount in the Road fund.

Cause: The contract for construction services did not specify that the work was not to commence until after June 30, 2013.

Effect: The financial statements of the Road fund would be materially misstated unless the liability and expenditure are recorded.

Response: Management has agreed to record the transaction in the year ended June 30, 2013.

#### **Significant Deficiencies:**

##### 2013-2 Preparation of the Financial Statements

Criteria: The preparation of the financial statements is the responsibility of management. Management is also responsible for designing and implementing internal controls over the preparation of the financial statements.

Condition: The auditor has prepared the financial statements (a nonattest service) on behalf of management. Therefore, management has not designed or implemented internal controls over the preparation of the financial statements. Management has identified the Finance Director as having suitable skills, knowledge or experience to accept responsibility for the financial statements.

Cause: Management has performed a cost-benefit analysis and determined it is most efficient to have the auditors prepare the financial statements in conjunction with the audit of the financial statements.

Effect: Management believes there are no negative effects, or potentially negative effects, on the financial statements.

Response: Management has determined that it is not cost effective to correct this deficiency in internal controls.

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

### Section III – Federal Award Findings and Questioned Costs

2013-03

U.S. Department of Transportation – Federal Transit Administration  
Oregon Department of Transportation agreements No. 27737, 28423, 28424

20.509 Formula Grants for Other Than Urbanized Areas

Transit Services Programs Cluster

20.513 Capital Assistance Program for Elderly Persons and Persons with Disabilities

20.516 Job Access – Reverse Commute Program

Criteria: OMB Circular A-87 states: “To be allowable under Federal awards, costs must meet the following criteria...be adequately documented.” Additionally, the grant agreements with the Oregon Department of Transportation states: “Recipient shall retain proper and complete books of record and account and maintain all fiscal records related to this Agreement and the Project in accordance with generally accepted accounting principles.”

Condition: The County did not maintain documentation to support the amounts claimed for reimbursement under the grants.

Questioned

Costs: 20.509 \$666,862; 20.513 \$304,064; 20.516 \$38,335 which represent the total amount of reimbursements received under the grants.

Perspective: The costs claimed under the grant consist predominately of payments to an outside contractor for the operation of the transit system. Total payment to the contractor, before reduction for fare box receipts, were \$1,231,706 during the year.

Effect: Costs claimed for reimbursement under the grants could be determined to be unallowable due to documentation not being maintained.

Recommendation:

The County should maintain detail documentation of the costs claimed for reimbursement under each grant.

Views of

Management: The County will begin to maintain documentation of the costs charged to each of the Federal programs.

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

### Section III – Federal Award Findings and Questioned Costs

2013-04

U.S. Department of Transportation – Federal Transit Administration  
Oregon Department of Transportation agreements No. 27737, 28423, 28424  
Transit Services Programs Cluster

- 20.513 Capital Assistance Program for Elderly Persons and Persons with Disabilities
- 20.516 Job Access – Reverse Commute Program

Criteria: OMB Circular A-133 §.300 states: “The auditee shall: (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs.”

Condition: The County did not design and implement internal controls over allowable costs charged to the grants as there is no supervisory review and approval process for the costs claimed for reimbursement.

Questioned

Costs: 20.509 \$666,862; 20.513 \$304,064; 20.516 \$38,335 which represent the total amount of reimbursements received under the grants.

Perspective: The costs claimed under the grant consist predominately of payments to an outside contractor for the operation of the transit system. Total payment to the contractor, before reduction for fare box receipts, were \$1,231,706 during the year.

Effect: Unallowable costs could be claimed for reimbursement under the grants.

Recommendation:

The County should design and implement internal controls whereby one person prepares the documentation of the costs to be claimed for reimbursement and another person reviews that documentation before it is submitted to the Oregon Department of Transportation.

Views of

Management: The County will initiate a process to review and approve the costs charged to the programs before they are submitted to the Oregon Department of Transportation for reimbursement.

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)**

Section III – Federal Award Findings and Questioned Costs

2013-05

U.S. Department of Transportation – Federal Transit Administration  
Transit Services Programs Cluster

- 20.513 Capital Assistance Program for Elderly Persons and Persons with Disabilities
- 20.516 Job Access – Reverse Commute Program

Criteria: The grant agreements with the Oregon Department of Transportation states: “Reports are due to State, Public Transit Division...no later than forty-five (45) days after the last day of each quarter.”

Condition: The reports for the quarters ended September 30, 2012, December 31, 2012 and March 31, 2013 were filed more than 45 days after quarter end.

Questioned  
Costs: None

Perspective: The Oregon Department of Transportation reimbursed the County for the costs claimed even though the reports were filed late.

Effect: Reimbursements claimed under the grant could be denied.

Recommendation:  
The County should develop systems to allow for the timely reporting of costs.

Views of  
Management: The County will develop a system to track the submission of reports to the Oregon Department of Transportation on a timely basis.

YAMHILL COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended June 30, 2013

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
<hr/> <i>Department of Agriculture</i> <hr/>			
<b>Food and Nutrition Service</b>			
<i>Passed through Oregon State Health Division</i>			
School Breakfast Program	10.553		\$ 10,255
National School Lunch Program	10.555		15,831
<b>Forest Service</b>			
<i>Passed through Oregon Department of Administrative Services</i>			
Schools and Roads - Grants to States	10.665		<u>265,166</u>
Total Department of Agriculture			<u>291,252</u>
<hr/> <i>Department of Housing and Urban Development</i> <hr/>			
<b>Office of Community Planning and Development</b>			
<i>Passed through Oregon Housing and Community Services</i>			
Community Development Block Grants/State's Program	14.228		<u>19,726</u>
<hr/> <i>Department of the Interior</i> <hr/>			
<b>Bureau of Land Management</b>			
Payments in Lieu of Taxes	15.226		22,844
Distribution of Receipts to State and Local Governments	15.227		<u>272,785</u>
Total Department of the Interior			<u>295,629</u>
<hr/> <i>Department of Justice</i> <hr/>			
<b>Office of Victims of Crime</b>			
<i>Passed through Oregon State Criminal Justice Division</i>			
Crime Victims Assistance	16.575	VOCA	50,067
<b>Bureau of Justice Assistance</b>			
Drug Court Discretionary Grant Program	16.585	2012-DC-BX-0047	96,892
Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to Units of Local Government	16.804	2009-SB-B9-1892	2,034
<i>Passed through Oregon Department of Justice</i>			
Marijuana Eradication	16.580		2,412
State Criminal Alien Assistance Program	16.606		18,263
Bulletproof Vest Partnership Program	16.607		4,889
<i>Passed through Oregon State Criminal Justice Division</i>			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	BJ/DC-2011-YamhillCo-00009	67,167
Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to States and Territories	16.803	M5736-12JAG M5736-11JAG	27,184 <u>15,980</u>
Total Department of Justice			<u>284,888</u>

*Continued on next page*

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
<b><i>Department of Transportation</i></b>			
<b>Federal Transit Administration</b>			
<i>Passed through Oregon Department of Transportation</i>			
Formula Grants for Other Than Urbanized Areas	20.509	28423 28424	\$ 270,041 <u>396,825</u>
Subtotal Formula Grants for Other Than Urbanized Areas			<u>666,866</u>
<i>Transit Services Programs Cluster</i>			
Capital Assistance Program for Elderly Persons and Persons with Disabilities	20.513	27737	304,067
Job Access Reverse Commute	20.516	27644	<u>38,335</u>
Subtotal Transit Services Programs Cluster			<u>342,402</u>
<b>National Highway Traffic Safety Administration</b>			
<i>Passed through Oregon State Sheriffs' Association</i>			
Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601		<u>8,340</u>
Occupant Protection Incentive Grants	20.600		<u>3,990</u>
Total Department of Transportation			<u>1,021,598</u>
<b><i>Environmental Protection Agency</i></b>			
<b>Office of Water</b>			
<i>Passed through Oregon Department of Human Services</i>			
State Public Water System Supervision	66.432		15,436
Capitalization Grants for Drinking Water State Revolving Funds	66.468		<u>18,186</u>
Total Environmental Protection Agency			<u>33,622</u>
<b><i>Department of Education</i></b>			
<b>Office of Elementary and Secondary Education</b>			
<i>Passed through Oregon Department of Human Services</i>			
Safe and Drug-Free Schools and Communities - State Grants	84.186		<u>27,500</u>
<b><i>Department of Health and Human Services</i></b>			
<b>Office of Population Affairs</b>			
<i>Passed through Oregon Department of Human Services and Oregon Health Authority</i>			
Family Planning Services	93.217		<u>32,909</u>
<b>Administration for Children and Families</b>			
<i>Passed through Oregon Commission on Children and Families</i>			
Promoting Safe and Stable Families	93.556		<u>27,997</u>
Social Services Block Grant	93.667		<u>81,158</u>
<i>Passed through Oregon State Adult and Family Services Division</i>			
Child Support Enforcement	93.563		<u>237,873</u>
<b>Centers for Disease Control and Prevention</b>			
<i>Passed through Oregon Health Authority</i>			
Public Health Emergency Preparedness	93.069		<u>103,869</u>
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116		<u>1,469</u>
Accreditation Read - Mini Grant	93.507		<u>10,000</u>
Immunization Affordable Care Act	93.539		<u>50,175</u>

*Continued on next page*

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
<b><i>Department of Health and Human Services (continued)</i></b>			
<b>Health Resources and Services Administration</b>			
<i>Passed through Multnomah County</i>			
HIV Emergency Relief Project Grants	93.914		\$ 30,282
<i>Passed through Oregon Department of Human Services Service Division</i>			
Maternal and Child Health Services Block Grant	93.994		48,857
<i>Passed through Oregon Health Sciences University</i>			
Maternal and Child Health Services Block Grant	93.994		24,000
<b>Substance Abuse and Mental Health Services Administration</b>			
<i>Substance Abuse and Mental Health Services -</i>			
Drug-Free Communities Support Program Grants	93.276	1H79T1024478-01 5H79T1021515-03	148,608 26,613 40,563 20,000
			<u>235,784</u>
<i>Passed through Oregon Health Authority</i>			
<i>Substance Abuse and Mental Health Services -</i>			
Projects of Regional and National Significance	93.243		9,229
<i>Passed through Oregon Department of Human Services Service Division</i>			
Block Grants for Community Mental Health Services	93.958		100,891
Block Grants for Prevention and Treatment of Substance Abuse	93.959		247,920
			<u>1,242,413</u>
<b><i>National Assn of County &amp; City Health Officials</i></b>			
Medical Reserve Corps	93.008		4,000
<b><i>Federal Surplus Property Program</i></b>			
<i>Passed through Oregon Department of Administrative Services</i>			
Donation of Federal Surplus Personal Property	39.003		16,504
<b><i>Social Security Administration</i></b>			
Social Security - Work Incentives - Planning and Assistance Program	96.008		12,400
<b><i>Department of Homeland Security</i></b>			
<i>Passed through Oregon State Police Office of Emergency Management</i>			
Hazard Mitigation Grant Program	97.039		19,672
Emergency Management Performance Grants	97.042		31,191
State Homeland Security Grant	97.073		7,836
<i>Passed through Oregon State Marine Board</i>			
Boating Safety Financial Assistance	97.012		14,457
			<u>73,156</u>
<b><i>US Election Assistance Commission</i></b>			
Help America Vote Act Requirements Payments	90.401		11,586
Total Expenditures of Federal Awards			<u>\$ 3,334,274</u>

*See accompanying notes*

**YAMHILL COUNTY**

**NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**June 30, 2013**

***Basis of Presentation***

The accompanying schedule of expenditures of federal awards is a summary of the County's federal award programs presented on the modified accrual basis of accounting in accordance with generally accepted accounting principles.