



Yamhill County
OREGON
Excellence in Service

Comprehensive Annual Financial Report

Prepared by

Julia M. Staigers

Financial Services Manager

Yamhill County, Oregon

For the Year Ended June 30, 2005

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YAMHILL COUNTY
Year ended June 30, 2005

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INTRODUCTORY SECTION



Yamhill County

OREGON

Excellence in Service

Yamhill County



DEPARTMENT OF ADMINISTRATIVE SERVICES

COURTHOUSE • 535 N.E. 5TH St. • McMinnville, OR 97128-4523 • (503) 434-7501 • FAX (503) 434-7553

July 1, 2005

Citizens of Yamhill County
Board of Commissioners:

State law requires that all general-purpose local governments publish within six months, unless granted an extension, of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of Yamhill County for the fiscal year ended June 30, 2005.

This report consists of management's representations concerning the finances of Yamhill County. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of Yamhill County has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of Yamhill County's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, Yamhill County's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Yamhill County's financial statements have been audited by Isler&Co,LLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of Yamhill County for the fiscal year ended June 30, 2005, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that Yamhill County's financial statements for the fiscal year ended June 30, 2005, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of Yamhill County was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are reported as a separate section in this report.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. Yamhill County's MD&A can be found immediately following the report of the independent auditors.

PROFILE OF THE GOVERNMENT

Yamhill County is located in the Willamette Valley southwest of the City of Portland. It was established in 1843 as one of the original four districts in Oregon. Yamhill County's current boundaries, incorporating 718 square miles, were established in 1860. The southwestern end of the County is still primarily a rural area, but the expanding Portland Metropolitan area is moving into the northeastern boundaries of the County, causing it to have more of a suburban characteristic.

Yamhill County is a General Law county, which means that it operates under the general laws the State of Oregon has established for operations of a county. There are 3 full time commissioners and an appointed administrator. The Board of Commissioners is the policy making authority for the county and is responsible for passing ordinances, adopting the budget, appointing committees and hiring both the administrator and attorney. The administrator is responsible for carrying out the policies and ordinances of the commissioners and for overseeing the day-to-day operations of the county. There is also an elected Clerk, Treasurer, Assessor, Surveyor, Sheriff and District Attorney. All elected officials serve 4-year terms and are limited by county ordinance to 3 terms.

Yamhill County provides a full range of services. These services include property assessment, tax collection, sheriff protection, health and immunization clinics, animal control, land use planning, maintenance of county roads and infrastructure, parks and a county fair.

The annual budget serves as the foundation for Yamhill County's financial planning and control. Yamhill County groups all departments into five Service Teams based on the services they provide. The Service Teams are Public Safety, Land Use and Transportation, Health and Human Services, General Government and Non-departmental. Each Service Team develops a proposed budget for each of their departments based on expected revenues, community needs and how best to deliver these services with these dollars. The County Administrator develops these proposed budgets into Yamhill County's balanced proposed budget for the Board of Commissioners. The Commissioners then approve this budget and it is presented to the Budget Committee where open public hearings are held to discuss the budget. The Budget Committee then approves the budget. Finally the approved budget is presented to the Board of Commissioners where it must be adopted by June 30, the close of Yamhill County's fiscal year.

Department heads may make transfers of appropriations within a department, but transfers of appropriations between departments require the approval of the Board of Commissioners. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted.

FACTORS AFFECTING FINANCIAL CONDITION

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which Yamhill County operates.

Local Economy. The expansion of the Portland Metro area continues to push into the northeastern side of the county. The economic downturn in the electronics industry has had some influence in this area, but other industries are moving in. Yamhill County Government continues

to be aware of the need for developing long-range plans for transportation, water, land-use, criminal justice and human services.

Agriculture is still the county's primary industry. Wheat and barley, horticulture crops and dairy products are the major products. Yamhill County is the major supplier of filberts in the United States. It is also the heart of Oregon's wine industry.

Industries within the county include a steel rolling mill, electronics manufacturing firm, state-of-the-art paper mill, manufacturer of dental equipment, national cookie manufacturer and an international airline and helicopter company. A federal medium security prison is located in the more rural western side of the county. Yamhill County is also home to an aircraft museum where the main attraction is Howard Hughes' Spruce Goose. Numerous cottage businesses that are associated with art and local food products flourish in the County.

A large, new hospital is under construction in the eastern half of the county, a public golf course was developed and opened this past year and a new country inn was opened. The above mentioned air museum is adding a state of the art IMAX theatre.

The past year has shown a strengthening of the local economy. The county has an unemployment rate of 6.3%.

Financial Planning. Although the Oregon state economy is still behind the national average, it has been improving this past year. Some of the funds that were cut for Health and Human Services programs during the downturn have been restored.

This year the jail will once again gain a portion of its revenue from renting bed space to other Oregon counties and the Federal Government. The Criminal Justice Team and the Board of Commissioners have been working toward the jail having the ability to operate without additional income from bed rentals. Under the current plan, this should occur in the next 3-5 years.

The county has been helped financially by a large state multi-year grant to replace six bridges in the county. We have also received several Homeland Security Grants.

The Board of Commissioners has purchased most of the properties on the blocks surrounding the Courthouse to plan for future expansion. The county is currently undertaking some large remodeling and retrofitting projects for County departments to occupy these buildings. The old McMinnville Post Office is being redone to house the county Clerk and the Board of Commissioners will be moving into a historic older home across from the Courthouse. The Courthouse will be configured to provide an additional courtroom as well as moving several departments to new areas within the building.

An older commercial facility in the vicinity of the Courthouse has been renovated and remodeled purchased to house the Family and Youth Division of the Health and Human Services Department. It was occupied this past summer. The county has also received a grant to build additional space for additional Health and Human Services programs.

Debt Administration. Yamhill County had no general obligation bonds outstanding at June 30, 2005, but had a Full Faith and Credit bond with an outstanding balance on June 30, 2005, of \$1,545,000. Yamhill County has maintained an A rating from Moody's Investor Services on prior general obligation bond issues.

Cash Management. Oregon State Laws have restrictions on the types of investments that are allowed by public entities and Yamhill County strictly adheres to these limits. Yamhill County has an Investment Advisory Board consisting of one County Commissioner, The Administrative Services Manager, the County Treasurer, the Financial Services Manager and two appointments

that are not employees of the County. Their objective is to analyze the county's cash flows and needs and find acceptable investment opportunities for our funds.

Cash that may be needed on a short term basis to meet current needs is invested in the Oregon State Investment Pool. The average annual yield on investment was 2.22%. This alternative provides a safe and liquid investment for the County's money. All interest earned on investments is distributed to each fund on an "as earned" basis by the balance in that fund.

Risk Management. Yamhill County seeks to control insurance costs by negotiating with several agents for the lowest premium costs while maintaining a reasonable level of protection for its employees and the entity. Programs and classes are also held to teach employees better health and safety habits.

The County has a self-insurance fund. This is a reserve fund that allows the County to take high deductibles on worker's compensation and liability insurance thereby reducing premium costs.

Pension and other post-employment benefits. Yamhill County provides a defined benefit pension plan for its employees through the Oregon Public Employees Retirement System (OPERS). Recent actuarial studies of the plan show it to be underfunded.

The state legislature has taken some steps to correct the problem. In the early 90's, there had been concerns about OPERS meeting the funding obligations of the plan, so the Oregon Legislature created a second tier to begin in 1996 to provide for a more stable funding plan. With the latest studies, a third tier was added in 2003. Anyone joining the program between 1996 and 2003 was enrolled as a Tier 2 member. Members that have joined since 2004 are tier 3 members. The County's current rates are running a little over 20% of payroll.

Yamhill County did not join OPERS until October 1998, so with the exception of personnel employed in public safety prior to 1996, most general employees at Yamhill County are enrolled in OPERS Tier 2.

Oregon statutes require personnel employed in public safety to be members of OPERS or an equivalent. Public safety personnel employed prior to January 1996 are members of OPERS Tier 1.

Yamhill County has available, but does not pay the premium for, health insurance plans for both "early" retirees (before age 65) and a Medicare supplement. The retiree can purchase this coverage through a group plan administered by the county, but the retiree is responsible to pay the premium.

ACKNOWLEDGEMENTS

The preparation of the comprehensive annual financial report on a timely basis was made possible by the dedicated service of the entire staff of the Accounting department. We also would like to thank the audit team from Isler&Co, LLC.

Finally I would like to thank the Yamhill County Administration, the Commissioners and their staff for their support and commitment to maintaining high financial and accounting standards.

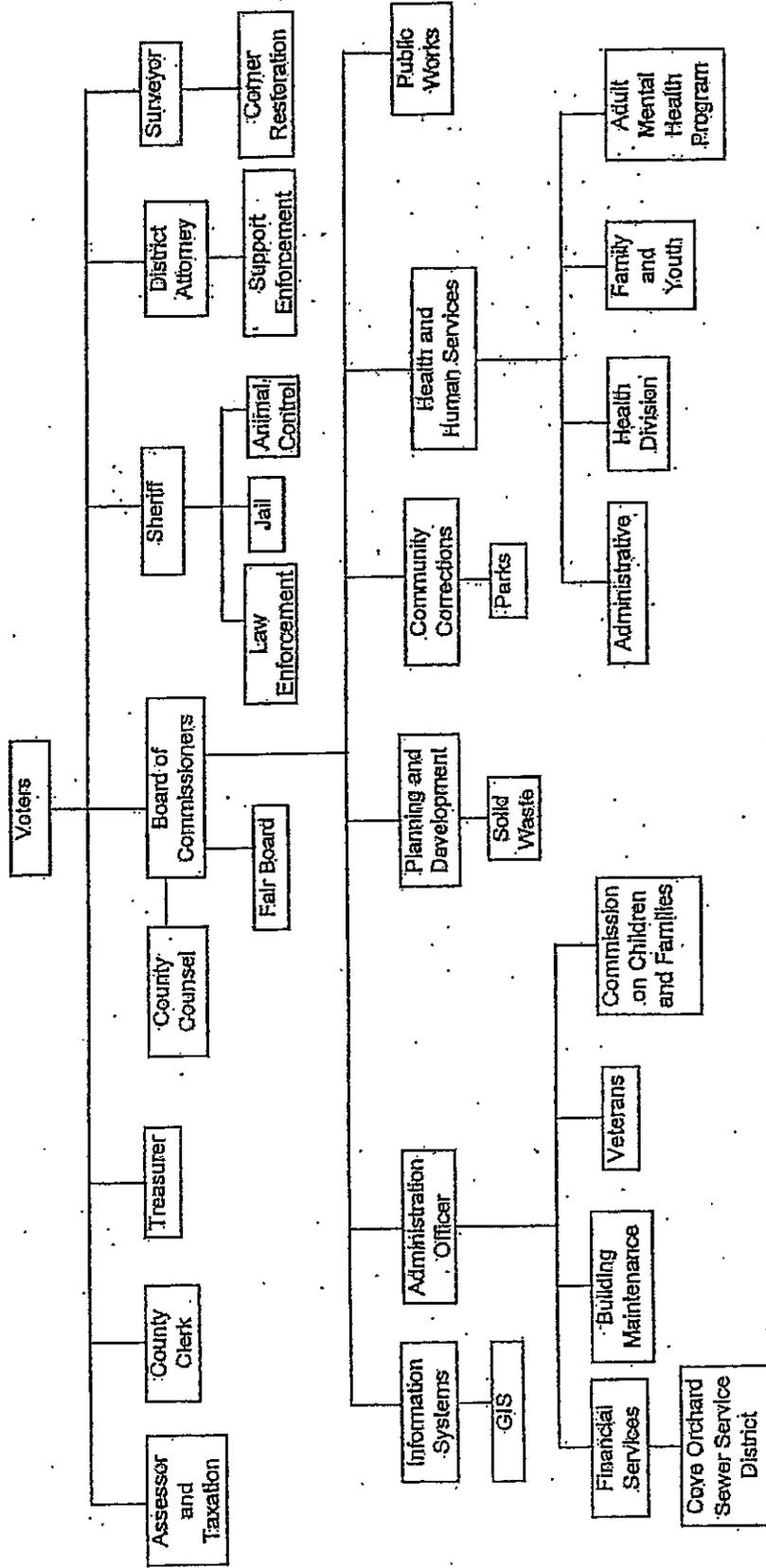
Sincerely,


Julia M. Staigers
Financial Services Manager

YAMHILL COUNTY OREGON

ORGANIZATIONAL CHART

June 30, 2005



**YAMHILL COUNTY, OREGON
ELECTED OFFICIALS
As of June 30, 2004**

<u>ELECTED OFFICIAL</u>	<u>TERM EXPIRES</u>
Katherine George	2007
Mary P. Stern	2007
Leslie Lewis, Commissioner	2005
Jan Coleman, County Clerk	2005
Jack Crabtree, Sheriff	2007
Dan Linscheid, Surveyor	2007
Nancy Reed, Tresurer	2005
David Lawson, Assessor	2005
Brad Berry, District Attorney	2005

BUDGET OFFICER AND ADMINISTRATIVE SERVICES DIRECTOR
John Krawczyk

INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS
Isler & Co,LLC, Certified Public Accountants

FINANCIAL SECTION



Yamhill County

OREGON

Excellence in Service



Certified Public Accountants
and Business Advisors

OFFICES:
EUGENE
KLAMATH FALLS
MEDFORD
PORTLAND

Independent Auditors' Report

Yamhill County
McMinnville, Oregon

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Yamhill County, Oregon ("Yamhill County") as of and for the year ended June 30, 2005, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amount and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Yamhill County as of June 30, 2005, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund and the Major Special Revenue Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 14, 2005, 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in considering the results of our audit.

The management's discussion and analysis on pages 3 through 9, is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise Yamhill County's basic financial statements. The combining and individual nonmajor fund financial statements and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of Yamhill County. The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

ISLER & CO., L.L.C.

A handwritten signature in cursive script that reads "Paul R. Nielson".

by: Paul Nielson, a principal of the firm
Eugene, Oregon
October 14, 2005

YAMHILL COUNTY

Year ended June 30, 2005

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Yamhill County, we offer readers of Yamhill County's financial statements this narrative overview and analysis of the financial activities of Yamhill County for the fiscal year ended June 30, 2005. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i - iv of this report. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

Financial Highlights

The assets of Yamhill County exceeded its liabilities at the close of the most recent fiscal year by \$213,300,465 (net assets). Of this amount, \$6,431,365 (unrestricted net assets) may be used to meet the government's ongoing obligation to citizens and creditors.

The government's total net assets increased by \$3,677,010. This increase can be attributed to revenues of \$61,241,793 and net government activities expenses of \$57,564,783.

As of the close of the fiscal year, Yamhill County's governmental funds reported combined ending fund balances of \$28,966,556, an increase of \$12,121,931 in comparison with the prior year. Approximately \$4,243,449 of this total is available for spending at the government's discretion (unreserved fund balance).

At the end of the current fiscal year, unreserved fund balance of the general fund was \$4,243,449, or 20.35 percent of total general fund expenditures.

Yamhill County's total debt decreased by \$205,000 (11.7 percent) during the current fiscal year. The key factor in this decrease was a payment on a full faith and credit bond issued by the county.

Overview of the Financial Statements

This discussion and analysis are 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 other supplementary information in addition to the basic financial statements themselves.

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 assets presents information on all of Yamhill County's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets 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 assets changed during the most recent fiscal year. All changes in net assets 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, land use and transportation, health and human services and non-departmental. Business-type activities of Yamhill County include the Cove Orchard Sewer Service District.

The government-wide financial statements include not only Yamhill County itself (known as the primary government), but also Yamhill Extension Service District, the Yamhill Communications District, and Cove Orchard Sewer Service District component units for which Yamhill County is financially accountable. Although all are legally separate, for all practical purposes they are departments of Yamhill County, and therefore has been included as an integral part of the primary government.

The government-wide financial statements can be found on pages 10 - 11 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 ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Yamhill County can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

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 23 individual governmental funds. 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 fund, road fund, health and human services fund, solid waste fund, community corrections fund, capital project fund and the capital improvement fund, all of which are considered to be major funds. Data from the other 17 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements 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 basic governmental fund financial statements can be found on pages 12 - 22 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 and telecommunications costs. Because both of these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds 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 basic proprietary fund financial statements can be found on pages 23 - 25 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 statements can be found on page 26 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 on pages 27 - 39 of this report.

Other information. The combining statements referred to earlier in connection with non-major governmental funds and internal service funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 40 - 73 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Yamhill County, assets exceeded liabilities by \$213,300,465 at the close of the most recent fiscal year.

By far the largest portion of Yamhill County's net assets (85%) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment), less any related debt used to acquire those assets that is still outstanding. 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.

Yamhill County's Net Assets:

	Governmental Activity		Business-Type Activity		Total	
	2005	2004	2005	2004	2005	2004
Current and other assets	\$ 34,858,643	\$ 21,950,099	\$ 86,731	\$ 85,900	\$ 34,945,374	22,035,999
Capital assets	183,659,896	13,178,279	331,764	383,761	183,991,660	13,562,040
Total assets	218,518,539	35,128,378	418,495	469,661	218,937,034	35,598,039
Long-term liabilities outstanding	1,845,666	2,076,294	-	-	1,845,666	2,076,294
Other liabilities	3,786,819	2,946,918	4,084	8,106	3,790,903	2,955,024
Total liabilities	5,632,485	5,023,212	4,084	8,106	5,636,569	5,031,318
Net assets:						
Invested in capital assets, net of related debt	181,814,230	11,565,652	331,764	383,761	182,145,994	11,949,413
Restricted	24,723,106	12,609,562	-	-	24,723,106	12,609,562
Unrestricted	6,348,718	5,929,952	82,647	77,794	6,431,365	6,007,746
Total net assets	\$ 212,886,054	\$ 30,105,166	\$ 414,411	\$ 461,555	\$ 213,300,465	\$ 30,566,721

An additional portion of Yamhill County's net assets (11.6%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$6,431,365) may be used to meet the government's ongoing obligations to citizen's and creditors.

At the end of the current fiscal year, Yamhill County is able to report positive balances in all categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

The County's net assets increased by \$3,677,010 during the current fiscal year; this increase was from two main sources. First, the County received a large grant to repair and improve some of its bridges and secondly the County has continued to purchased real property in the vicinity of the current Courthouse for future expansion. A small amount of the increase is also represented by the difference in the basis of accounting used in the government wide statements and that in the fund financial statements.

Governmental activities. Governmental activities increased Yamhill County's net assets by \$3,724,154. As stated above this was primarily due to the addition of the county's investment in infrastructure to the financial statements this year, thereby accounting for more than 93 percent of the total growth in the net assets of Yamhill County. Key elements of this increase are as follows:

Yamhill County's Changes in Net Assets:

	Governmental Activities		Business-Type Activities		Total	
	2005	2004	2005	2004	2005	2004
Revenues:						
Program revenues:						
Charges for services	\$ 11,852,174	\$ 13,000,780	\$ 44,230	\$ 45,044	\$ 11,896,404	\$ 13,045,824
Operating grants and contributions	35,343,715	18,190,742	5,803	43,586	35,349,518	18,234,328
Capital grants and contributions	285,322	245,322	-	-	285,322	245,322
General revenues:						
Property taxes	13,167,985	12,200,013	-	-	13,167,985	12,200,013
Investment income	689,154	224,643	1,784	768	690,938	225,411
Gain (loss) on sale of assets	(148,374)	89,871	-	-	(148,374)	89,871
Total revenues	61,189,976	43,951,371	51,817	89,398	61,241,793	44,040,769
Expenses:						
General government	12,364,916	12,292,046	-	-	12,364,916	12,292,046
Public safety	12,803,510	11,822,770	-	-	12,803,510	11,822,770
Highways and streets	20,425,123	5,122,731	-	-	20,425,123	5,122,731
Health and sanitation	10,926,544	11,480,486	-	-	10,926,544	11,480,486
Parks, cultural and recreation	550,989	474,151	-	-	550,989	474,151
Education	394,740	366,370	-	-	394,740	366,370
Sewer	-	-	98,961	123,695	98,961	123,695
Total expenses	57,465,822	41,558,554	98,961	123,695	57,564,783	41,682,249
Change in net assets	3,724,154	2,392,817	(47,144)	(34,297)	3,677,010	2,358,520
Net assets at beginning of year	209,161,900	27,712,350	461,555	495,852	209,623,455	28,208,202
Net assets at end of year	\$ 212,886,054	\$ 30,105,167	\$ 414,411	\$ 461,555	\$ 213,300,465	\$ 30,566,722

Expenses increased by \$15,882,534, this is due primarily to an increase in highways and streets expenses of \$15,302,392. This increase was two main components. When the county infrastructure was added to the financial statements, there was also an offsetting account for depreciation of those assets. In addition to that, Yamhill County also received a large grant to repair and update 6 county bridges. Although this work was started in this year, it will be done over the next several years.

Financial Analysis of the Government's Funds

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

Governmental funds. The focus of Yamhill County's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing Yamhill County's 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, Yamhill County's governmental funds reported combined ending fund balances of \$28,966,556, an increase of \$12,212,931 in comparison with the prior year. Approximately \$4,243,449 of the total amount (\$28,966,556) constitutes unreserved fund balance, which is available for spending at the County's discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed.

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 \$4,243,449, all of which is unreserved.

The balance of Yamhill County's General fund increased by \$99,386 during the current fiscal year, the key factor in this growth was higher revenues from property taxes than originally anticipated.

The Road Fund fund balance was \$1,192,329, at the end of this fiscal year. This is a decrease of \$560,477 from last fiscal year, all of which is restricted.

The Community Correction fund has a balance of 1,774,078, at the end of this fiscal year. This is an increase of \$12,998 from last fiscal year, all of which is restricted.

The Capital Improvements fund has a balance of \$383,232, at the end of this fiscal year. This is a decrease of \$256,774 from last fiscal year, all of which is restricted.

The Capital project fund has a balance of \$13,822,543, at the end of this fiscal year, all of which is restricted.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget were mainly due to providing expenditure authority for a new clear path computer which necessitated some movement of budgetary authority. Also, the County was in the process of adding additional space to our Juvenile Detention Facility and needed additional expenditure authority to complete the project. The budget was amended to facilitate this project.

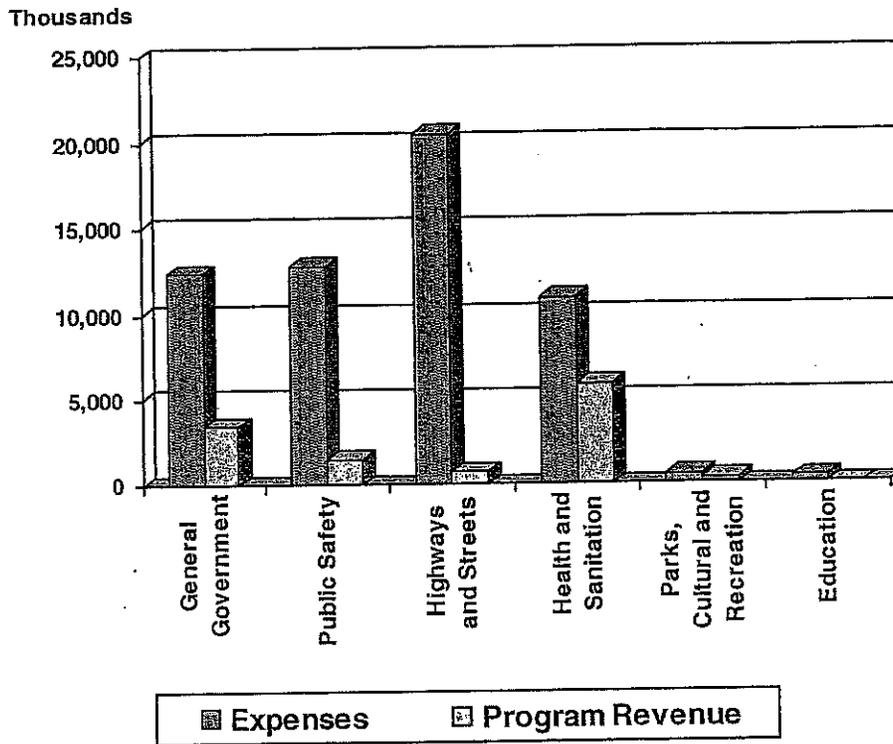
Capital Assets and Debt Administration

Capital assets. Yamhill County's investment in capital assets for its governmental and business type activities as of June 30, 2005 amounts to \$183,991,660 (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 increase in Yamhill County's investment in capital assets for the current fiscal year was 93 percent. The primary reason for this large increase was due to the addition in the general ledger of all infrastructure owned by the County. This change was made to comply with recent Governmental Accounting Standards Board statements.

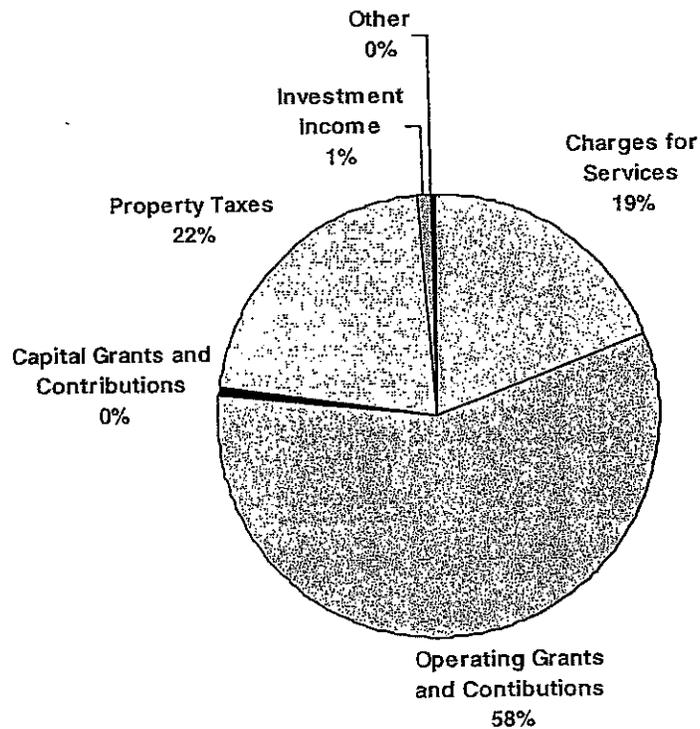
Other major capital asset events during the current fiscal year included the following:

The County completed a major remodel of an old hospital facility that has been converted into offices and counselling rooms for the Family & Youth Programs. We continue to purchase property within the Courthouse area for future development. The Public Works department purchased four new road graders this past year and traded in four old road graders. They have a cyclical program of trading in used road graders and purchasing new ones for maximum efficiency.

Expenses and Program Revenue – Governmental Activities



Revenue by Sources – Governmental Activities



	Governmental Activities		Business-Type Activities		Total	
	2005	2004	2005	2004	2005	2004
Land	\$48,973,725	\$ 1,622,315	\$ 78,356	\$ 78,356	\$49,052,081	\$ 1,700,671
Building	9,963,888	8,021,931	253,408	305,405	10,217,296	8,327,336
Machinery and equipment	3,496,303	2,127,555	-	-	3,496,303	2,127,555
Infrastructure	<u>21,225,980</u>	<u>1,406,478</u>	<u>-</u>	<u>-</u>	<u>21,225,980</u>	<u>1,406,478</u>
	<u>\$83,659,896</u>	<u>\$13,178,279</u>	<u>\$ 331,764</u>	<u>\$ 383,761</u>	<u>\$83,991,660</u>	<u>\$13,562,040</u>

Additional information on Yamhill County's fixed assets can be found in Note III C on pages 34 - 35 of this report.

Long-term debt. At the end of the fiscal year, Yamhill County had total bonded outstanding debt of \$1,545,000. This full amount is comprised of a full faith and credit bond.

Yamhill County's Outstanding Debt General Obligation and Revenue Bonds

	Governmental Activities		Business-Type Activities		Total	
	2005	2004	2005	2004	2005	2004
Full faith and Credit Bonds	\$ 1,545,000	\$ 1,750,000	\$ -	\$ 78,356	\$ 1,545,000	\$ 1,828,356
	<u>\$ 1,545,000</u>	<u>\$ 1,750,000</u>	<u>\$ -</u>	<u>\$ 78,356</u>	<u>\$ 1,545,000</u>	<u>\$ 1,828,356</u>

Economic Factors and Next Year's Budgets and Rates.

The unemployment rate for Yamhill County is currently 6.3 percent, which is .05 percent lower than a year ago. This compares favorably with the state's unemployment rate of 6.5 percent and unfavorably with the national average rate of 5.2 percent.

Among businesses in the community is a steel rolling mill, a large bake-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 tourist draw and along with them other tourist related businesses such as restaurants, bed and breakfasts and small specialty shops. The County is growing at a rapid rate, especially the east side of the County that borders on the Portland Metro area. The first 9 holes of a new public golf course were completed this year and a new hospital is being built in that area.

Inflationary trends in the region compare favorably to national trends.

All of these factors were considered in preparing Yamhill County's budget for the 2005-06 fiscal year.

During the current fiscal year, unreserved fund balance in the general fund was \$4,243,449. Yamhill County has appropriated this among the departments in proportion to how much each saved for spending in the 2006 fiscal year budget.

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 5th Street, McMinnville, OR 97128.



Yamhill County

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Statement of Net Assets

June 30, 2005

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	\$ 31,491,716	\$ 86,581	\$ 31,578,297
Receivables:			914,426
Taxes	914,426	-	
Accounts	2,208,222	150	2,208,372
Loans	27,069	-	27,069
Inventories	194,881	-	194,881
Prepays and deposits	22,329	-	22,329
Capital assets, net	183,659,896	331,764	183,991,660
Total assets	<u>218,518,539</u>	<u>418,495</u>	<u>218,937,034</u>
LIABILITIES			
Accounts payable	2,244,134	884	2,245,018
Payroll payable	442,223	-	442,223
Compensated absences	1,036,072	-	1,036,072
Deferred revenue	31,391	-	31,391
Deposits payable	32,999	3,200	36,199
Noncurrent liabilities:			332,971
Due within one year	332,971	-	
Due in more than one year	1,512,695	-	1,512,695
Total liabilities	<u>5,632,485</u>	<u>4,084</u>	<u>5,636,569</u>
NET ASSETS			
Invested in capital assets, net of related debt	181,814,230	331,764	182,145,994
Restricted for:			1,192,329
Highways & streets	1,192,329	-	
Public safety	1,921,440	-	1,921,440
Health and sanitation	5,194,392	-	5,194,392
Economic development	282,325	-	282,325
Capital outlay	15,249,359	-	15,249,359
Other	883,261	-	883,261
Unrestricted	6,348,718	82,647	6,431,365
Total net assets	<u>\$ 212,886,054</u>	<u>\$ 414,411</u>	<u>\$ 213,300,465</u>

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

YAMHILL COUNTY, OREGON
 Statement of Activities
 For the Year Ended June 30, 2005

Function / Programs	Program Revenues					Expenses	Total
	Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities		
Governmental activities:							
General government	\$ 12,364,916	\$ 18,431,619	\$ 285,322	\$ 9,813,148	\$ -	\$ 9,813,148	\$ 9,813,148
Public safety	12,803,510	3,838,034	-	(7,482,526)	-	(7,482,526)	(7,482,526)
Highways and streets	20,425,123	5,598,687	-	(14,090,126)	-	(14,090,126)	(14,090,126)
Health and sanitation	10,926,544	7,236,997	-	2,150,668	-	2,150,668	2,150,668
Parks, cultural and recreation	550,989	76,795	-	(143,644)	-	(143,644)	(143,644)
Education	394,740	161,583	-	(232,131)	-	(232,131)	(232,131)
Total governmental activities	57,465,822	35,343,715	285,322	(9,984,611)	-	(9,984,611)	(9,984,611)
Business-type activities:							
Sewer	98,961	5,803	-	-	(48,928)	(48,928)	(48,928)
Total	\$ 57,564,783	\$ 35,349,518	\$ 285,322	(9,984,611)	(48,928)	(10,033,539)	(10,033,539)
General Revenues:							
Taxes				13,167,985	-	13,167,985	13,167,985
Investment income				689,154	1,784	690,938	690,938
Loss on sale of assets				(148,374)	-	(148,374)	(148,374)
Total general revenues				13,708,765	1,784	13,710,549	13,710,549
Change in net assets				3,724,154	(47,144)	3,677,010	3,677,010
Net assets - beginning (as restated)				209,161,900	461,555	209,623,455	209,623,455
Net assets - ending				\$ 212,886,054	\$ 414,411	\$ 213,300,465	\$ 213,300,465

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

YAMHILL COUNTY, OREGON
Governmental Funds
Balance Sheet
June 30, 2005

	General Fund	Road Fund	Health and Human Service Fund	Solid Waste Fund	Community Correction Fund	Capital Improvement Fund	Capital Project Fund	Other Governmental Funds	Total Governmental Funds
ASSETS									
Cash and investments	\$ 5,927,398	\$ 1,004,315	\$ 2,483,494	\$ 2,434,849	\$ 1,846,936	\$ 528,202	\$ 13,933,203	\$ 2,615,774	\$ 30,774,171
Receivables:									
Taxes	864,810	-	-	-	-	4,395	-	45,221	914,426
Accounts	777,087	528,868	438,613	73,004	154,144	1,129	21,939	197,121	2,191,905
Loans	-	-	-	-	-	-	-	27,069	27,069
Prepays	-	-	-	-	-	12,500	-	9,829	22,329
Due from other funds	20,170	15,577	25,007	663,678	48,492	95,302	-	101,818	970,044
Inventories	-	194,881	-	-	-	-	-	-	194,881
Total Assets	\$ 7,589,465	\$ 1,743,641	\$ 2,947,114	\$ 3,171,531	\$ 2,049,572	\$ 641,528	\$ 13,955,142	\$ 2,996,832	\$ 35,094,825
LIABILITIES									
Accounts payable	\$ 877,707	\$ 266,015	\$ 382,930	\$ 170,410	\$ 87,944	\$ 26,986	\$ 132,599	\$ 281,016	\$ 2,225,607
Payroll and related liabilities	232,090	41,064	112,980	5,085	31,647	5,854	-	8,903	437,623
Compensated absences	541,523	149,316	220,449	17,409	83,758	8,675	-	14,942	1,036,072
Due to other funds	898,109	94,917	-	14,990	72,145	213,182	-	209,289	1,502,632
Deposits	2,974	-	-	-	-	-	-	30,025	32,999
Deferred revenue	793,613	-	-	-	-	3,599	-	96,124	893,336
Total Liabilities	\$ 3,346,016	\$ 551,312	\$ 716,359	\$ 207,894	\$ 275,494	\$ 258,296	\$ 132,599	\$ 640,299	\$ 6,128,269
FUND BALANCES									
Reserved for highways and streets	-	1,192,329	-	-	-	-	-	227,508	1,419,837
Reserved for public safety	-	-	-	-	1,774,078	-	-	147,363	1,921,441
Reserved for health and sanitation	-	-	2,230,755	2,963,637	-	-	-	282,325	5,194,392
Reserved for economic development	-	-	-	-	-	383,232	-	751,844	282,325
Reserved for capital improvement	-	-	-	-	-	-	13,822,543	-	1,135,076
Reserved for capital project	-	-	-	-	-	-	-	947,493	13,822,543
Reserved for other special revenue	-	-	-	-	-	-	-	-	-
Unreserved, undesignated	-	-	-	-	-	-	-	-	-
General fund	4,243,449	-	-	-	-	-	-	-	4,243,449
Total Fund Balances	\$ 4,243,449	\$ 1,192,329	\$ 2,230,755	\$ 2,963,637	\$ 1,774,078	\$ 383,232	\$ 13,822,543	\$ 2,356,533	\$ 28,966,556
Total Liabilities and Fund Balances	\$ 7,589,465	\$ 1,743,641	\$ 2,947,114	\$ 3,171,531	\$ 2,049,572	\$ 641,528	\$ 13,955,142	\$ 2,996,832	\$ 35,094,825

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

YAMHILL COUNTY, OREGON
 Reconciliation of the Balance Sheet -
 Governmental Funds to the Statement of Net Assets
 As of June 30, 2005

Fund Balances - Governmental Funds		\$ 28,966,556
<p>Amounts reported for governmental activities in the statement of net assets are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.</p>		
Governmental capital assets	409,383,058	
Less accumulated depreciation	<u>(225,749,190)</u>	183,633,868
<p>Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.</p>		
Capital leases payable		(276,389)
Bond payable		(1,545,000)
<p>Deferred revenue represents amounts that were not available to fund current expenditures and therefore is reported in the governmental funds.</p>		
		861,945
<p>Internal service funds are used by management to charge costs of certain activities to individual funds. Net assets of the internal service funds are reported with governmental activities.</p>		
		1,245,074
Net assets of governmental activities		<u>\$ 212,886,054</u>

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

YAMHILL COUNTY, OREGON
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2005

	General Fund	Road Fund	Health and Human Service Fund	Solid Waste Fund	Community Correction Fund	Capital Improvement Fund	Capital Project Fund	Other Governmental Funds	Total Governmental Funds
REVENUES:									
Property taxes	\$ 12,429,575	\$ -	\$ -	\$ -	\$ -	\$ 1,027	\$ -	\$ 776,170	\$ 13,206,772
Licenses and permits	796,046	55,751	192,744	-	-	-	-	172,728	1,217,269
Intergovernmental	4,030,616	5,598,687	7,236,997	-	2,437,327	285,322	14,543,000	1,497,088	35,629,037
Charges for services	3,658,807	667,767	5,260,134	774,526	536,833	703,695	-	1,006,809	12,606,571
Fines and forfeitures	390,406	-	30,834	-	-	-	-	125,221	546,461
Interest income	147,823	18,545	51,578	57,438	33,831	11,913	-	67,151	672,004
Miscellaneous	290,056	12,792	118,913	-	14,348	21,919	-	441,647	899,675
Total revenues	<u>21,741,129</u>	<u>6,353,542</u>	<u>12,891,200</u>	<u>831,964</u>	<u>3,022,339</u>	<u>1,023,876</u>	<u>14,826,925</u>	<u>4,086,814</u>	<u>64,777,789</u>
EXPENDITURES									
General government	9,058,601	-	-	1,454,575	-	1,647,933	-	2,232,672	14,393,781
Public safety, jail and sheriff	10,601,544	-	-	-	3,104,650	-	-	527,784	14,233,978
Highways and streets	-	6,851,019	-	-	-	-	1,004,382	-	7,855,401
Health and sanitation	193,842	-	13,311,575	-	-	-	-	390,433	13,311,575
Parks, culture and recreation	-	-	-	-	-	-	-	394,931	394,931
Education	978,148	-	-	-	-	-	-	1,043,461	2,021,609
Capital outlay	20,832,135	6,851,019	13,311,575	1,454,575	3,104,650	1,647,933	1,004,382	4,569,281	52,795,550
Total expenditures	<u>908,994</u>	<u>(497,477)</u>	<u>(420,375)</u>	<u>(622,611)</u>	<u>(62,311)</u>	<u>(624,057)</u>	<u>13,822,543</u>	<u>(502,467)</u>	<u>11,982,239</u>
Excess revenues over (under) expenditures									
OTHER FINANCING SOURCES (USES):									
Capital leases	291,208	-	-	-	363,919	407,283	-	17,000	291,208
Interfund transfers in	457,610	-	1,011,400	-	(286,610)	(40,000)	-	(96,692)	2,277,212
Interfund transfers out	(1,558,426)	(63,000)	(225,000)	(66,000)	(286,610)	(40,000)	-	(96,692)	(2,337,728)
Total other financing sources (uses)	<u>(809,608)</u>	<u>(63,000)</u>	<u>786,400</u>	<u>(66,000)</u>	<u>95,309</u>	<u>367,283</u>	<u>-</u>	<u>(79,692)</u>	<u>230,692</u>
Excess revenues and other financing sources over (under) expenditures and other financing uses	99,386	(560,477)	366,025	(688,611)	12,998	(266,774)	13,822,543	(582,159)	12,212,931
Fund balance - beginning	4,144,053	1,752,806	1,864,730	3,652,248	1,761,080	640,006	-	2,938,692	18,753,625
Fund balance - ending	<u>\$ 4,243,449</u>	<u>\$ 1,192,329</u>	<u>\$ 2,230,755</u>	<u>\$ 2,963,637</u>	<u>\$ 1,774,078</u>	<u>\$ 383,232</u>	<u>\$ 13,822,543</u>	<u>\$ 2,356,533</u>	<u>\$ 28,966,556</u>

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

YAMHILL COUNTY, OREGON
 Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance -
 Governmental Funds to the Statement of Activities
 For the Year Ended June 30, 2005

Net change in fund balance - governmental funds		\$ 12,212,931
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Governmental funds report capital outlay as expenditures. However in the statement of activities, the cost of those assets is depreciated over their estimated useful lives:</p>		
Expenditure for capital outlay	7,458,673	
Less current year depreciation	<u>(16,127,787)</u>	(8,669,114)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds:</p>		
Change in deferred revenue		(38,787)
<p>Repayment of long-term debt is an expenditure in the governmental funds, however repayment reduces long-term liabilities in the statement of net assets:</p>		
Principal payments		494,054
Basis on the disposed assets		(173,685)
Net loss of internal service funds after eliminating transfers and income reported above		(101,245)
Change in net assets of governmental activities		<u><u>\$ 3,724,154</u></u>

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

MAJOR FUNDS

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

Road Fund accounts for revenue and expenditures associated with the operations of the County Road Department.

Health and Human Service Fund 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 Fund accounts for revenues and expenditures associated with solid waste programs. Funding is primarily from user fees and contracts.

Community Corrections Fund accounts for revenues and expenditures associated with supervising convicted persons placed on probation or released from prison on parole residing in Yamhill County.

Capital Improvement Fund accounts for revenues and expenditures associated with purchases and replacement of major capital items and the repair and remodeling of facilities.

Capital Project Fund accounts for repair and upgrade of six bridges in Yamhill County. The funding source for these projects is the Oregon Transportation Commission under the Oregon Transportation Investment Act of 2003.



Yamhill County

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GENERAL FUND

Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES:				
Property taxes				
Current year	\$ 11,256,916	\$ 11,256,916	\$ 11,904,332	\$ 647,416
Prior year	500,000	500,000	525,243	25,243
Licenses and permits	554,553	554,553	796,046	241,493
Intergovernmental	6,401,503	6,401,503	4,030,616	(2,370,887)
Charges for services	2,676,508	2,514,635	3,656,807	1,142,172
Fines and forfeitures	498,895	498,895	390,406	(108,489)
Interest income	75,000	75,000	147,623	72,623
Miscellaneous	452,319	452,319	290,056	(162,263)
Total revenues	<u>22,415,694</u>	<u>22,253,821</u>	<u>21,741,129</u>	<u>(512,692)</u>
EXPENDITURES:				
Administrative services	572,624	575,124	573,771	1,353
Assessor	1,168,348	1,168,348	1,156,273	12,075
Board of commissioners	474,500	474,500	451,939	22,561
County clerk	1,381,654	1,366,654	1,213,184	153,470
Information systems	935,233	1,226,440	1,182,647	43,793
District attorney	1,406,639	1,396,639	1,293,750	102,889
Planning	1,162,230	1,165,230	1,082,882	82,348
Surveyor	151,338	136,548	146,519	(9,971)
Support enforcement	363,931	358,931	336,571	22,360
Treasurer	99,753	104,253	103,814	439
Veterans	72,430	72,430	63,450	8,980
County counsel	311,486	314,986	311,539	3,447
Transportation	887,230	887,230	545,503	341,727
Non-departmental	2,290,846	2,220,995	1,245,423	975,572
Emergency services	78,684	78,684	77,624	1,060
Jail	3,016,548	3,071,548	3,036,336	35,212
Marine	68,225	68,225	53,623	14,602
Sheriff	4,279,075	4,279,075	3,981,441	297,634
Mediation services	59,500	59,500	41,835	17,665
GIS	290,622	290,622	198,199	92,423
Narcotics investigation	79,850	79,850	30,673	49,177
Juvenile department	3,317,659	3,417,659	3,450,570	(32,911)
Justice court	164,747	-	-	-
Parks	436,480	381,480	193,842	187,638
Air support division	184,800	58,339	60,727	(2,388)
Contingency	799,494	680,759	-	680,759
Total expenditures	<u>24,053,926</u>	<u>23,934,049</u>	<u>20,832,135</u>	<u>3,101,914</u>
Excess revenues over (under) expenditures	<u>(1,638,232)</u>	<u>(1,680,228)</u>	<u>908,994</u>	<u>2,589,222</u>
OTHER FINANCING SOURCES (USES):				
Interfund transfers in	-	139,000	457,610	318,610
Interfund transfers out	(1,477,319)	(1,634,323)	(1,558,426)	75,897
Capital leases	-	-	291,208	291,208
Total other financing sources (uses)	<u>(1,477,319)</u>	<u>(1,495,323)</u>	<u>(809,608)</u>	<u>685,715</u>
Excess revenues and other financing sources over (under) expenditures and other financing uses	<u>(3,115,551)</u>	<u>(3,175,551)</u>	<u>99,386</u>	<u>3,274,937</u>
Fund balance - beginning	<u>3,322,017</u>	<u>3,322,017</u>	<u>4,144,063</u>	<u>822,046</u>
Fund balance - ending	<u>\$ 206,466</u>	<u>\$ 146,466</u>	<u>\$ 4,243,449</u>	<u>\$ 4,096,983</u>

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

YAMHILL COUNTY, OREGON

ROAD FUND

Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual (Budgetary Basis)
 For the Year Ended June 30, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES:				
Intergovernmental	\$ 5,532,700	\$ 5,532,700	\$ 5,598,687	\$ 65,987
Charges for services	440,463	440,463	667,767	227,304
Licenses and permits	55,000	55,000	55,751	751
Investment earnings	-	-	18,545	18,545
Other revenue	17,400	17,400	12,792	(4,608)
Total revenues	<u>6,045,563</u>	<u>6,045,563</u>	<u>6,353,542</u>	<u>307,979</u>
EXPENDITURES:				
Personal services	2,410,601	2,410,601	2,464,730	(54,129)
Materials and services	5,055,048	4,897,563	4,186,314	711,249
Capital outlay	70,000	70,000	84,289	(14,289)
Debt service	-	157,485	115,686	41,799
Contingency	170,000	170,000	-	170,000
Total expenditures	<u>7,705,649</u>	<u>7,705,649</u>	<u>6,851,019</u>	<u>854,630</u>
Excess (deficiency) of revenues over (under) expenditures	(1,660,086)	(1,660,086)	(497,477)	1,162,609
OTHER FINANCING SOURCES (USES):				
Transfers out	(63,000)	(63,000)	(63,000)	-
Net change in fund balances	<u>(1,723,086)</u>	<u>(1,723,086)</u>	<u>(560,477)</u>	<u>1,162,609</u>
Fund Balance:				
Beginning of year	<u>1,923,086</u>	<u>1,923,086</u>	<u>1,752,806</u>	<u>(170,280)</u>
End of year	<u>\$ 200,000</u>	<u>\$ 200,000</u>	<u>\$ 1,192,329</u>	<u>\$ 992,329</u>

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

YAMHILL COUNTY, OREGON
HEALTH AND HUMAN SERVICE FUND
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES:				
Intergovernmental	\$ 7,556,698	\$ 7,556,698	\$ 7,236,997	\$ (319,701)
Charges for services	4,534,624	4,534,624	5,260,134	725,510
Licenses and permits	183,369	183,369	192,744	9,375
Fines and penalties	39,360	39,360	30,834	(8,526)
Investment earnings	32,000	32,000	51,578	19,578
Support	4,500	4,500	3,000	(1,500)
Other revenue	81,218	81,218	115,913	34,695
Total revenues	<u>12,431,769</u>	<u>12,431,769</u>	<u>12,891,200</u>	<u>459,431</u>
EXPENDITURES:				
Personal services	7,308,763	7,308,763	6,977,848	330,915
Materials and services	6,484,914	6,484,914	6,174,617	310,297
Capital outlay	142,823	142,823	159,110	(16,287)
Total expenditures	<u>13,936,500</u>	<u>13,936,500</u>	<u>13,311,575</u>	<u>624,925</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,504,731)</u>	<u>(1,504,731)</u>	<u>(420,375)</u>	<u>1,084,356</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	1,011,400	1,011,400	1,011,400	-
Transfers out	(71,500)	(71,500)	(225,000)	(153,500)
Total other financing sources (uses)	<u>939,900</u>	<u>939,900</u>	<u>786,400</u>	<u>(153,500)</u>
Net change in fund balances	<u>(564,831)</u>	<u>(564,831)</u>	<u>366,025</u>	<u>930,856</u>
Fund Balance:				
Beginning of year	<u>1,971,089</u>	<u>1,971,089</u>	<u>1,864,730</u>	<u>(106,359)</u>
End of year	<u>\$ 1,406,258</u>	<u>\$ 1,406,258</u>	<u>\$ 2,230,755</u>	<u>\$ 824,497</u>

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

YAMHILL COUNTY, OREGON
SOLID WASTE FUND
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES:				
Charges for services	\$ 627,465	\$ 627,465	\$ 774,526	\$ 147,061
Investment earnings	53,463	53,463	57,438	3,975
Total revenues	<u>680,928</u>	<u>680,928</u>	<u>831,964</u>	<u>151,036</u>
EXPENDITURES:				
Personal services	337,485	337,485	326,309	11,176
Materials and services	4,120,812	4,120,812	733,159	3,387,653
Capital outlay	-	-	395,107	(395,107)
Total expenditures	<u>4,458,297</u>	<u>4,458,297</u>	<u>1,454,575</u>	<u>3,003,722</u>
Excess (deficiency) of revenues over (under) expenditures	(3,777,369)	(3,777,369)	(622,611)	3,154,758
OTHER FINANCING SOURCES (USES):				
Transfers out	(66,000)	(66,000)	(66,000)	-
Net change in fund balances	(3,843,369)	(3,843,369)	(688,611)	3,154,758
Fund Balance:				
Beginning of year	3,843,369	3,843,369	3,652,248	(191,121)
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,963,637</u>	<u>\$ 2,963,637</u>

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

YAMHILL COUNTY, OREGON
COMMUNITY CORRECTIONS FUND
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES:				
Intergovernmental	\$ 2,267,775	\$ 2,267,775	\$ 2,437,327	\$ 169,552
Charges for services	678,328	678,328	536,833	(141,495)
Investment earnings	17,000	17,000	33,831	16,831
Other revenue	-	-	14,348	14,348
Total revenues	<u>2,963,103</u>	<u>2,963,103</u>	<u>3,022,339</u>	<u>59,236</u>
EXPENDITURES:				
Personal services	2,210,080	2,217,580	2,011,616	205,964
Materials and services	978,632	944,632	748,350	196,282
Capital outlay	280,000	305,000	316,652	(11,652)
Debt service	-	11,500	28,032	(16,532)
Contingency	269,000	269,000	-	269,000
Total expenditures	<u>3,737,712</u>	<u>3,747,712</u>	<u>3,104,650</u>	<u>643,062</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(774,609)</u>	<u>(784,609)</u>	<u>(82,311)</u>	<u>702,298</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	383,919	393,919	383,919	(10,000)
Transfers out	<u>(238,610)</u>	<u>(238,610)</u>	<u>(288,610)</u>	<u>(50,000)</u>
Total other financing sources (uses)	<u>145,309</u>	<u>155,309</u>	<u>95,309</u>	<u>(60,000)</u>
Net change in fund balances	<u>(629,300)</u>	<u>(629,300)</u>	<u>12,998</u>	<u>642,298</u>
Fund Balance:				
Beginning of year	<u>1,170,000</u>	<u>1,170,000</u>	<u>1,761,080</u>	<u>591,080</u>
End of year	<u>\$ 540,700</u>	<u>\$ 540,700</u>	<u>\$ 1,774,078</u>	<u>\$ 1,233,378</u>

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

YAMHILL COUNTY, OREGON
CAPITAL IMPROVEMENT FUND
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES:				
Property taxes	\$ -	\$ -	\$ 1,027	\$ 1,027
Intergovernmental	255,322	255,322	285,322	30,000
Charges for services	677,440	677,440	703,695	26,255
Investment earnings	5,000	5,000	11,913	6,913
Other revenue	<u>36,047</u>	<u>36,047</u>	<u>21,919</u>	<u>(14,128)</u>
Total revenues	<u>973,809</u>	<u>973,809</u>	<u>1,023,876</u>	<u>50,067</u>
EXPENDITURES:				
Personal services	337,465	350,071	335,708	14,363
Materials and services	1,175,924	1,097,413	966,590	130,823
Capital outlay	529,500	504,500	256,531	247,969
Debt service	-	95,905	89,104	6,801
Contingency	<u>47,230</u>	<u>47,230</u>	<u>-</u>	<u>47,230</u>
Total expenditures	<u>2,090,119</u>	<u>2,095,119</u>	<u>1,647,933</u>	<u>447,186</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,116,310)</u>	<u>(1,121,310)</u>	<u>(624,057)</u>	<u>497,253</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	196,992	241,992	407,283	165,291
Transfers out	-	(40,000)	(40,000)	-
Bonds issued	<u>802,023</u>	<u>802,023</u>	<u>-</u>	<u>(802,023)</u>
Total other financing sources (uses)	<u>999,015</u>	<u>1,004,015</u>	<u>367,283</u>	<u>(636,732)</u>
Net change in fund balances	<u>(117,295)</u>	<u>(117,295)</u>	<u>(256,774)</u>	<u>(139,479)</u>
Fund Balance:				
Beginning of year	<u>155,520</u>	<u>155,520</u>	<u>640,006</u>	<u>484,486</u>
End of year	<u>\$ 38,225</u>	<u>\$ 38,225</u>	<u>\$ 383,232</u>	<u>\$ 345,007</u>

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

YAMHILL COUNTY, OREGON
CAPITAL PROJECT FUND
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES:				
Intergovernmental	\$ 14,543,000	\$ 14,543,000	\$ 14,543,000	\$ -
Investment earnings	<u>100,000</u>	<u>100,000</u>	<u>283,925</u>	<u>183,925</u>
Total revenues	<u>14,643,000</u>	<u>14,643,000</u>	<u>14,826,925</u>	<u>183,925</u>
EXPENDITURES:				
Materials and services	6,982,000	6,982,000	993,928	5,988,072
Capital outlay	<u>140,000</u>	<u>140,000</u>	<u>10,454</u>	<u>129,546</u>
Total expenditures	<u>7,122,000</u>	<u>7,122,000</u>	<u>1,004,382</u>	<u>6,117,618</u>
Excess (deficiency) of revenues over (under) expenditures	7,521,000	7,521,000	13,822,543	6,301,543
Fund Balance:				
Beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
End of year	<u>\$ 7,521,000</u>	<u>\$ 7,521,000</u>	<u>\$ 13,822,543</u>	<u>\$ 6,301,543</u>

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

YAMHILL COUNTY, OREGON
Statement of Net Assets
Proprietary Funds
June 30, 2005

	<u>Enterprise Fund</u>	<u>Internal Service Funds</u>
ASSETS		
Current assets:		
Cash and investments	\$ 86,581	\$ 717,545
Accounts receivable	150	16,318
Due from other funds	-	532,588
Total current assets	<u>86,731</u>	<u>1,266,451</u>
Noncurrent assets:		
Land	78,356	-
Buildings and equipment	957,674	224,851
Accumulated depreciation	<u>(704,266)</u>	<u>(198,824)</u>
Total noncurrent assets	<u>331,764</u>	<u>26,027</u>
Total assets	<u>418,495</u>	<u>1,292,478</u>
LIABILITIES		
Current liabilities:		
Accounts payable	884	18,527
Payroll payable	-	4,600
Deposits payable	<u>3,200</u>	<u>-</u>
Total current liabilities	<u>4,084</u>	<u>23,127</u>
Long-term liabilities:		
Capital lease obligation	<u>-</u>	<u>24,277</u>
Total liabilities	<u>4,084</u>	<u>47,404</u>
NET ASSETS		
Investment in capital assets, net of related debt	331,764	1,750
Unrestricted	<u>82,647</u>	<u>1,243,324</u>
Total net assets	<u>\$ 414,411</u>	<u>\$ 1,245,074</u>

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

YAMHILL COUNTY, OREGON
Statement of Revenues, Expenses and Changes in Net Assets
Proprietary Funds
For the Year Ended June 30, 2005

	<u>Enterprise Fund</u>	<u>Internal Service Funds</u>
Operating revenues:		
Charges for services	<u>\$ 44,230</u>	<u>\$ 1,086,646</u>
Operating expenses:		
Personal services	-	107,354
Materials and services	46,964	1,113,529
Depreciation	<u>51,997</u>	<u>44,674</u>
Total operating expenses	<u>98,961</u>	<u>1,265,557</u>
Total operating income (loss)	<u>(54,731)</u>	<u>(178,911)</u>
Nonoperating revenues (expenses):		
Intergovernmental revenue	5,803	-
Interest income	1,784	17,150
Interfund transfers in	-	70,000
Interfund transfers out	<u>-</u>	<u>(9,484)</u>
Total nonoperating revenues	<u>7,587</u>	<u>77,666</u>
Change in net assets	(47,144)	(101,245)
Net assets - beginning	<u>461,555</u>	<u>1,346,319</u>
Net assets - ending	<u><u>\$ 414,411</u></u>	<u><u>\$ 1,245,074</u></u>

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

YAMHILL COUNTY, OREGON
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2005

	<u>Enterprise Fund</u>	<u>Internal Service Funds</u>
Cash flows from operating activities:		
Receipts from customers and users	\$ 51,183	\$ 556,024
Payments to employees	-	(106,636)
Payments to suppliers	(50,986)	(1,109,328)
Net cash provided (used) by operating activities	<u>197</u>	<u>(659,940)</u>
Cash flows from noncapital financing activities:		
Intergovernmental	-	70,000
Transfers in	5,803	(9,484)
Transfers out	-	-
Net cash provided by noncapital financing activities:	<u>5,803</u>	<u>60,516</u>
Cash flows from capital and related financing activities:		
Purchases of fixed assets	-	(21,338)
Principal payments on capital leases	-	(27,782)
Net cash used by capital and related financing activities:	<u>-</u>	<u>(49,120)</u>
Cash flows from investing activities:		
Interest received on investments	<u>1,784</u>	<u>17,150</u>
Net increase (decrease) in cash and cash equivalents	7,784	(631,394)
Cash and cash equivalents - beginning of year	<u>78,797</u>	<u>1,348,939</u>
Cash and cash equivalents - end of year	<u>\$ 86,581</u>	<u>\$ 717,545</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities		
Operating income (loss)	\$ (54,731)	\$ (178,911)
Depreciation	51,997	44,674
Change in accounts receivable	6,953	(530,622)
Change in accounts payable	(4,022)	4,201
Change in accrued payroll	-	718
Cash provided (used) by operating activities	<u>\$ 197</u>	<u>\$ (659,940)</u>

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

YAMHILL COUNTY, OREGON
Statement of Fiduciary Net Assets
June 30, 2005

	Agency Funds
	<u> </u>
ASSETS	
Cash and cash equivalents	\$ 2,149,321
State school receivable	562,532
Property taxes receivable	<u>4,029,463</u>
Total assets	<u>6,741,316</u>
LIABILITIES	
Due to other taxing districts/agencies	6,298,760
Other liabilities	<u>442,556</u>
Total liabilities	<u>\$ 6,741,316</u>

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

YAMHILL COUNTY

Notes to Financial Statements

June 30, 2005

I - Summary of significant accounting policies

A. Reporting entity

Yamhill County (County), Oregon was created in 1843 and is an unchartered county. Elected officials of the County consist of three County Commissioners, the Clerk, Sheriff, Surveyor, Treasurer and Assessor. The District Attorney and the Circuit Court Judges are elected officials of the state. The Commissioners are responsible for the fiscal administration of the County budget. The County provides a full range of services including property tax assessment, tax collection, sheriff, health and immunization clinics; animal control, land use planning, county road and infrastructure maintenance, and a County fair.

The County is a municipal corporation governed by elected County Commissioners. As required by generally accepted accounting principles, these financial statements present Yamhill County and its component units, entities for which Yamhill County is considered to be financially accountable. 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. Yamhill County Extension Service District and Yamhill Emergency Communications District are reported as special revenue funds and Cove Orchard Sewer Service District is reported as an enterprise fund. Their financial statements may be obtained from the County.

On April 3, 2003, 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.

B. Government wide and fund financial statements

The government wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of Yamhill County (the primary government) and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which Yamhill County is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or 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 individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement focus, basis of accounting, and financial statement preparation

The government wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, 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.

YAMHILL COUNTY

Notes to Financial Statements

June 30, 2005

Note I - Summary of significant accounting policies (continued)

C. Measurement focus, basis of accounting, and financial statement preparation, continued

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 County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Yamhill County reports the following major governmental funds:

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

The *Road Fund* accounts for revenue and expenditures associated with the operations of the County Road Department.

The *Health and Human Services Fund* 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.

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

The *Community Corrections Fund* accounts for revenues and expenditures associated with supervising convicted persons placed on probation or released from prison on parole residing in Yamhill County.

The *Capital Improvement Fund* accounts for revenues and expenditures associated with purchases and replacement of major capital items and the repair and remodeling of facilities.

The *Capital Project Fund* accounts for the repair and upgrade of six bridges in Yamhill County. Funding is provided by the Oregon Transportation Commission under the Oregon Transportation Investment Act of 2003.

Proprietary Funds are used to account for the County's ongoing operations and activities which are similar to those found in the private sector.

The following is Yamhill County's non-major proprietary fund:

The *Cove Orchard Sewer Service District* accounts for the construction and operation of a sewage facility in the Cove Orchard community. Revenues are provided by user charges.

Additionally, Yamhill County reports the following fund types:

Other Governmental Funds include all nonmajor special revenue and capital projects funds of Yamhill County.

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

YAMHILL COUNTY

Notes to Financial Statements

June 30, 2005

Note 1 - Summary of significant accounting policies (continued)

C. Measurement focus, basis of accounting, and financial statement preparation, continued

Capital projects funds account 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 funds account for those activities and services furnished internally to other organizational units within Yamhill County on a cost reimbursement basis. Charges are made to the various departments to support these activities. Yamhill County's internal service funds include the *Self-insurance* fund and the *Telecommunications* fund. The aggregate of all internal service funds is reflected in the fund financial statements.

Fiduciary funds (e.g., agency funds) are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the government.

Private sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The County has elected not to follow subsequent private sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payables from the County's business-type activities to the governmental activities.

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.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Cove Orchard Sewer Service District and the County's internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service 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.

D. Assets, liabilities, and net assets or equity

1. Deposits and investments

Yamhill County's cash and cash equivalents are considered to be cash on hand, demand deposits, and investments with original maturities of three years or less from the date of acquisition.

State statutes authorize the County to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, municipal bonds, banker's acceptances, repurchase agreements, and the State Treasurer's Local Government Investment Pool (LGIP).

Investments for the County, as well as for its component units, are reported at fair value. The only investment of the County is the LGIP. The LGIP operates in accordance with appropriate state laws and regulations.

YAMHILL COUNTY
Notes to Financial Statements
June 30, 2005

Note I - Summary of significant accounting policies (continued)

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

2. Receivables and payables

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to / from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government wide financial statements as "internal balances."

Property tax receivables are deemed to be substantially collectible or recoverable through foreclosure. Accordingly, no allowance for doubtful tax accounts is deemed necessary. All other receivables are shown net of an allowance for uncollectible amounts.

Property taxes are levied and become a lien on July 1. Property taxes are assessed in October and tax payments are due November 15th of the same year. Under the partial payment schedule, the first one third of taxes are due November 15th, the second one-third on February 15th, and the remaining one third on May 15th. A three percent discount is allowed if full payment is made by November 15th and a two percent discount is allowed if two thirds payment is made by November 15th. Taxes become delinquent if not paid by the due date and interest accrues after each trimester at a rate of one percent per month. Property foreclosure proceedings are initiated four years after the tax due date.

Receivables of the proprietary fund types are recorded as revenue earned, including services earned but not billed.

Receivables for federal and state grants and state, county, and local shared revenue are recorded as revenue in all fund types as earned. The receivables for state, county, and local shared revenue are recorded in accounts receivable.

Investment earnings (e.g., accrued interest receivable) are recorded as revenue in all fund types as interest income.

3. Inventory

Inventories for all governmental funds are valued at cost. Inventories are maintained only in the Road Fund. Inventories are stated at cost (first-in, first-out basis) in the Road fund. The other funds use the consumption method to account for their inventories.

YAMHILL COUNTY
Notes to Financial Statements
June 30, 2005

Note I - Summary of significant accounting policies (continued)

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

4. Capital assets

Capital assets, which includes 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 three years. 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 asset lives are not capitalized.

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

Buildings and 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

5. Compensated absences

Vested vacation and compensatory time that is expected to be liquidated with expendable available financial resources is recognized as expenditures and liabilities of the governmental fund that will pay it. 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.

6. 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 assets. 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.

YAMHILL COUNTY
Notes to Financial Statements
June 30, 2005

Note II - Stewardship, compliance, and accountability

A. Budget information

Budgets are prepared and adopted, and expenditures are appropriated, in accordance with Oregon Local Budget Law. Except for the agency funds, the County is required by law to budget all funds. The budgetary level of control is by department for the General Fund. All other funds appropriate by fund, department, or object. Expenditures may not legally exceed the adopted level of detail and all annual appropriations lapse at year end. The County does not use encumbrance accounting.

Unexpected additional resources may be added to the budget through the use of a supplemental budget. A supplemental budget requires hearings before the public, publication in newspapers, and adoption by the Board of Commissioners. Management may modify original and supplemental budgets by the use of appropriation transfers, which require only the approval of the Board. However, the transfers of appropriations within a budgetary control level may be made without the approval of the Board. During the year, the County modified its adopted budget with a number of transfer resolutions and supplemental budgets.

B. Excess of expenditures over appropriations

For the year ended June 30, 2005, expenditures in the following funds exceeded budgeted appropriations by the amounts shown:

<u>Fund/Appropriation:</u>	<u>Amount</u>	<u>Fund/Appropriation:</u>	<u>Amount</u>
General Fund:		Commission on Children and Families Fund:	
Surveyor	\$ 9,971	Materials and services	\$ 64,597
Juvenile department	32,911	Motor Vehicle Replacement Fund:	
Air support division	2,388	Materials and services	21,997

C. Deficit fund equity

The County had following deficit fund balance (or negative net assets) as of June 30, 2005.

County Fair Fund	(7,071)
Communication Levy Fund	(132,899)

YAMHILL COUNTY

Notes to Financial Statements

June 30, 2005

Note III - Detailed notes on all funds**A. Cash and investments**

The County pools virtually all funds for investment purposes. Interest earned on pooled investments is allocated to funds based on the prorated amounts pooled by the respective funds. Each fund type's portion of this pool is displayed as "Cash and investments."

At June 30, 2005, the carrying amount of the County's deposits was \$33,727,617 and the bank balance was \$34,664,935.

Oregon Revised Statutes, Chapter 294, authorizes the County to invest in obligations of the U.S. Treasury, U.S. Government agencies and instrumentalities, bankers' acceptances guaranteed by a qualified financial institution, commercial paper, corporate bonds, repurchase agreements, State of Oregon Local Government Investment Pool, and various interest bearing bonds of Oregon municipalities.

The County is authorized to invest in the LGIP, an external investment pool, within prescribed limits. The investments are booked at fair value and are the same as the value of the pool shares. The LGIP investments are governed by a written investment policy that is reviewed annually by the Oregon Short Term Fund Board. The Oregon Short Term Fund Board is comprised of members of local government and private investment professionals, who are appointed by the Governor of the State of Oregon.

As of June 30, 2005, the County's cash and investment balances were reported as follows:

	Government Wide Statements	Agency Funds	Total
Petty cash	\$ 8,961	\$ -	\$ 8,961
Deposits with financial institutions	9,635,997	2,149,320	11,785,317
Investments in LGIP	21,933,339	-	21,933,339
Total cash and investments	<u>\$ 31,578,297</u>	<u>\$ 2,149,320</u>	<u>\$ 33,727,617</u>

Custodial credit risk - deposits. This is the risk that in the event of a bank failure, the County's deposits may not be returned to it. The County does not have a deposit policy for custodial risk, but follows the requirements of ORS 295. As required by the Statute, County officials obtain, from its depositories, certificates of participation in the State Collateral Pool for the full amount of the County's deposits. The depositories, throughout the period of its possession of public fund deposits, are to maintain securities having a value of not less the 25 percent of the certificates of participation issued by its pool manager.

Interest rate risk. While the County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates, it has historically invested only in the LGIP. As of June 30, 2005, the weighted average maturities for the LGIP were 178 days.

B. Notes receivable

During the year ended June 30, 2005, the Economic Development Fund had a loan outstanding from the Farm Labor Camp. The balance at June 30, 2005 is as follows:

	Balance at beginning of year	Principal Received	Balance at end of year
Farm Labor Camp	\$ 40,129	\$ 13,060	\$ 27,069

YAMHILL COUNTY
Notes to Financial Statements
June 30, 2005

Note III - Detailed notes on all funds, continued

C. Capital assets

Capital asset activity for the year ended June 30, 2005 was as follows:

	Beginning Balance	Prior Year Infrastructure	Current Year Increases	Decreases	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 1,622,315	\$ -	\$ 568,333	\$ -	\$ 2,190,648
Right of way	-	27,630,670	3,607	-	27,634,277
Gravel roads	-	19,148,800	-	-	19,148,800
Total capital assets, not being depreciated	<u>1,622,315</u>	<u>46,779,470</u>	<u>571,940</u>	<u>-</u>	<u>48,973,725</u>
Capital assets, being depreciated:					
Buildings	11,089,209	-	2,237,104	-	13,326,313
Machinery and equipment	7,765,848	-	2,288,467	(1,043,472)	9,010,843
Infrastructure	1,523,335	334,099,985	2,673,708	-	338,297,028
Total capital assets being depreciated	<u>20,378,392</u>	<u>334,099,985</u>	<u>7,199,279</u>	<u>(1,043,472)</u>	<u>360,634,184</u>
Less accumulated depreciation for:					
Buildings	(3,067,278)	-	(295,147)	-	(3,362,425)
Machinery and equipment	(5,638,292)	-	(745,844)	869,596	(5,514,540)
Infrastructure	(116,857)	(201,822,721)	(15,131,470)	-	(217,071,048)
Total accumulated depreciation	<u>(8,822,427)</u>	<u>(201,822,721)</u>	<u>(16,172,461)</u>	<u>869,596</u>	<u>(225,948,013)</u>
Total capital assets, being depreciated, net	<u>11,555,965</u>	<u>132,277,264</u>	<u>(8,973,182)</u>	<u>(173,876)</u>	<u>134,686,171</u>
Governmental activities capital assets, net	<u>\$ 13,178,280</u>	<u>\$ 179,056,734</u>	<u>\$ (8,401,242)</u>	<u>\$ (173,876)</u>	<u>\$ 183,659,896</u>
	Beginning Balance	Increases	Decreases	Ending Balance	
Business-type activities:					
Capital assets, not being depreciated:					
Land	\$ 78,356	\$ -	\$ -	\$ -	\$ 78,356
Capital assets, being depreciated:					
Buildings	957,674	-	-	-	957,674
Less accumulated depreciation	(652,269)	(51,997)	-	-	(704,266)
Total capital assets, being depreciated, net	<u>305,405</u>	<u>(51,997)</u>	<u>-</u>	<u>-</u>	<u>253,408</u>
Business-type activities capital assets, net	<u>\$ 383,761</u>	<u>\$ (51,997)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 331,764</u>

YAMHILL COUNTY
Notes to Financial Statements
June 30, 2005

Note III - Detailed notes on all funds, continued**C. Capital assets, continued**

Depreciation expense was charged to functions/programs of the primary government as follows:

Primary Government

Governmental activities:		
General government	\$	607,476
Public safety		259,574
Highways and streets		15,247,037
Health and sanitation		43,216
Culture and recreation		<u>15,158</u>
Total depreciation expense - governmental activities	\$	<u>16,172,461</u>
Business-type activities:		
Cove Orchard	\$	<u>51,997</u>

D. Interfund due from/ due to and transfers

Payable fund	Receivable Fund							Total	
	General	Road	Health and Human Service	Solid Waste	Community Correction	Capital Improvement	Internal Service Funds		Nonmajor Governmental Funds
General	\$ -	\$ 77	\$ -	\$ 447,858	\$ 48,492	\$ 45,219	\$ 350,000	\$ 6,463	\$ 898,109
Road	-	-	-	-	-	-	-	94,917	94,917
Solid Waste	-	14,907	-	-	-	83	-	-	14,990
Community Correction	-	-	22,145	-	-	50,000	-	-	72,145
Capital Improvement	-	-	1,500	43,674	-	-	168,008	-	213,182
Nonmajor governmental	20,170	593	1,362	172,146	-	-	14,580	438	209,289
Total	<u>\$20,170</u>	<u>\$15,577</u>	<u>\$ 25,007</u>	<u>\$ 663,678</u>	<u>\$ 48,492</u>	<u>\$ 95,302</u>	<u>\$ 532,588</u>	<u>\$ 101,818</u>	<u>\$ 1,502,632</u>

Transfers out of:	Transfers in to:						Total
	General	Health and Human Service	Community Correction	Capital Improvement	Internal Service Funds	Other Governmental Funds	
General	\$ -	\$ 1,011,400	\$ 383,919	\$ 76,107	\$ 70,000	\$ 17,000	\$ 1,558,426
Road	63,000	-	-	-	-	-	63,000
Health and Human Service	-	-	-	225,000	-	-	225,000
Solid Waste	66,000	-	-	-	-	-	66,000
Community Correction	288,610	-	-	-	-	-	288,610
Capital Improvement	40,000	-	-	-	-	-	40,000
Internal Services	-	-	-	9,484	-	-	9,484
Nonmajor Governmental	-	-	-	96,692	-	-	96,692
Total	<u>\$ 457,610</u>	<u>\$ 1,011,400</u>	<u>\$ 383,919</u>	<u>\$ 407,283</u>	<u>\$ 70,000</u>	<u>\$ 17,000</u>	<u>\$ 2,347,212</u>

E. Long-term debt

Capital leases. The County has entered into various lease/purchase agreements to acquire property and equipment. The capital lease obligations are for general government activities and internal service funds. These lease agreements qualify as capital leases for accounting purposes and have been capitalized in accordance with generally accepted accounting principles.

	Governmental Activities	Internal Service Fund	Total
Equipment	\$ 347,101	\$ 131,116	\$ 478,217
Less: accumulated depreciation	(117,014)	(109,575)	(226,589)
	<u>\$ 230,087</u>	<u>\$ 21,541</u>	<u>\$ 251,628</u>

YAMHILL COUNTY
Notes to Financial Statements
June 30, 2005

Note III - Detailed notes on all funds, continued

E. Long-term debt, continued

Capital lease obligations outstanding at year-end are as follows:

Governmental activities	\$ 276,389
Governmental activities - internal service fund	<u>24,277</u>
	<u>\$ 300,666</u>

The annual debt service requirements for capital leases to be paid with governmental funds at June 30, 2005 are as follows:

<u>Year Ending June 30:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2006	122,971	11,012	133,983
2007	57,149	5,836	62,985
2008	59,207	3,779	62,986
2009	61,339	1,647	62,986
Total	<u>300,666</u>	<u>22,274</u>	<u>322,940</u>

Bond. On August 27, 2003 the County issued Full Faith and Credit Bonds. The bond proceeds are to be used to purchase the PMC Building, emergency communications equipment, and to finance the Juvenile Detention Center improvements. The bond is for the amount of \$1,750,000. The balance of the bond on June 30, 2005 was \$1,545,000. The bond interest is payable semiannually on September 1st and March 1st at an interest rate of 2.0% to 4.7%, beginning March 1st, 2004 and ending September 1, 2023. The bond principal is payable annually beginning on September 1, 2004. The schedule of future bond payments is as follows:

Annual debt service requirements to maturity at year end are as follows:

Year ending June 30,	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2006	\$ 210,000	\$ 52,625
2007	220,000	48,325
2008	80,000	44,945
2009	80,000	42,525
2010	80,000	40,000
2011 - 2015	400,000	180,000
2016 - 2020	400,000	90,000
2021 - 2025	<u>75,000</u>	<u>40,000</u>
Total	<u>\$ 1,545,000</u>	<u>\$ 538,420</u>

Changes in long-term liabilities

Long-term liability activity for the year ended June 30, 2005, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due within one year</u>
Governmental activities:					
General obligation bonds	\$ 1,750,000	\$ -	\$ (205,000)	\$ 1,545,000	\$ 210,000
Capital lease	326,294	291,208	(316,836)	300,666	122,971
	<u>\$ 2,076,294</u>	<u>\$ 291,208</u>	<u>\$ (521,836)</u>	<u>\$ 1,845,666</u>	<u>\$ 332,971</u>

YAMHILL COUNTY

Notes to Financial Statements

June 30, 2005

Note III - Detailed notes on all funds, continued

F. Conduit financing

The County has no obligation for the following conduit debt:

On April 3, 2003, Yamhill County created a component unit, the Yamhill County Hospital Authority ("Authority"). On April 24, 2003 the Authority issued \$17,600,000 in revenue bonds which have not been recorded in the County's financial statements. The proceeds of these bonds were assigned to Friendsview Retirement Community - Oregon to finance the costs of a new retirement facility. Friendsview Retirement Community - Oregon has pledged revenue to secure the payment of the bonds. As of June 30, 2005, \$17,600,000 of the refunding bonds were outstanding.

On May 1, 2005, Yamhill County issued its tax-exempt variable rate demand revenue bonds, series 2005A and its federally taxable variable demand rate revenue bonds, series 2005 in the aggregate principal amount not to exceed \$28,400,000, which have not been recorded in the County's financial statements. The proceeds of the series 2005 bonds were assigned to George Fox University ("University") to (1) finance the costs of construction, additions, renovations, improvements and equipping of the University's new residence hall and the Herbert Hoover Academic Building, (2) improvements to parking areas and athletic facilities, (3) acquisition of property contiguous to the Newberg Campus and capital improvements thereto, (4) improvements to educational and educational support facilities located on the Newberg Campus, (5) provide funds sufficient to pay maturing principal of and interest on the 1997 series A bonds when due beginning October 1, 2005, and redeem all remaining principal amounts on the 1997 Series A bonds on March 1, 2007.

Note IV - Other information

A. Contingent liabilities

Accumulated sick leave has not been accrued and reported in the financial statements. Sick leave can be taken only in the event of illness and is not convertible into pay upon termination of employment, with certain exceptions. Sick leave is recorded as an expenditure when paid. Employees covered by the flexible earned time option accrue Personal Extended Leave Time. This is paid out in the event of extended illness or retirement only and vests over 14 years.

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed costs may constitute a liability of the applicable funds. Such amounts, if any, cannot be determined at this time and, accordingly, no liability is reflected in the financial statements.

The County is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the County's attorney the resolution of these matters will not have a material adverse effect on the financial condition of the County.

B. Employee retirement system and plan

Plan Description - The County is a participating employer in the Oregon Public Employees Retirement System ("PERS"), an agent multiple-employer public employee retirement system established under Oregon Revised Statutes 238.600 that acts as a common investment and administrative agent for public employers in the State of Oregon. PERS is a defined benefit pension plan that provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to members and their beneficiaries. Benefits are established by state statute.

In the 2003 legislative session, the Oregon Legislative Assembly created a successor plan for PERS. The Oregon Public Service Retirement Plan ("OPSRP") is effective for all new employees hired on or after August 29, 2003, and applies to any inactive PERS members who return to employment following a six month or greater break in service. The new plan consists of a defined benefit program (the "Pension Program") and a defined contribution

YAMHILL COUNTY
Notes to Financial Statements
June 30, 2005

Note IV - Other information (continued)

B. Employee retirement system and plan, continued

portion (the Individual Account Program or "IAP"). The Pension Program portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated by a formula for members who attain normal retirement age. The formula takes into account final average salary and years of service and a factor that varies based on type of service (general versus police or fire).

Beginning January 1, 2004, all PERS member contributions go into the IAP portion of OPSRP. PERS members retain their existing PERS accounts, but any future member contributions are deposited into the member's IAP, not the member's PERS account. Those employees who had established a PERS membership prior to creation of OPSRP will be members of both the PERS and OPSRP system as long as they remain in covered employment.

Both PERS and OPSRP are administered by the Oregon Public Employees Retirement Board ("OPERB"). The comprehensive annual financial report of the funds administered by the OPERB may be obtained by writing to Oregon Public Employees Retirement System, P.O. Box 23700, Tigard, OR 97281-3700, by calling (503) 598-7377, or by accessing the PERS web site at www.pers.state.or.us.

Funding Policy - Employer contributions are required by state statute and made at actuarially determined rates as adopted by the OPERB. Covered employees are required by state statute to contribute 6.0% of their annual salary to the system, but the employer is allowed to pay any or all of the employees' contribution in addition to the required employers' contribution. The County has elected to contribute the 6.0% "pick-up" for the year ended June 30, 2005.

In addition to the 6.0% "pickup", the County contributed 14.26% of covered payroll to PERS for the fiscal year ended June 30, 2005. This contribution rate was determined as part of the December 31, 2003 actuarial evaluation and was recalculated to reflect the impact of recently passed legislation (House Bills 2001, 2003, and 2004).

Annual Pension Cost - All participating employers are required by law to submit the contributions as adopted by OPERB. For the fiscal year ended June 30, 2005, the County's annual pension expenditures/expense exclusive of the 6% "pick-up" was \$ 3,199,746.

The County's pension liability and the annual required contribution rate were determined using the entry age cost method. The unfunded actuarial liability ("UAL") created by this method, including gains and losses, is amortized as a level percentage of salary over a period commencing on the valuation date (2001, 2003, 2005, and 2007) and ending on December 31, 2027 using closed amortization. Beginning in 2007, each valuations UAL will be amortized over 20 years, again using closed amortization. The actuarial assumptions include an investment return of 8.0% per year, projected salary increase of 4.25%, health cost inflation graded from 8.5% in 2004 to 5% in 2011, and a consumer price inflation component of 3.25%.

The OPERB utilizes a technique called asset smoothing to determine the actuarial value of assets. The actuarial value of assets is reported at fair market value, less a reserve equal to a pro-rata portion of the investment gains (losses) over the four-year period ending on the valuation date. Investment gains (losses), effective from January 1, 2000, are recognized at the rate of 25% per year. The actuarial value of assets is limited to a 10% corridor above and below the fair market value.

The Oregon Legislative Assembly created a second level or "Tier" of OPERS benefits that modified service and disability retirement allowances payable to persons who established PERS membership on or after January 1, 1996 ("Tier Two" members). Future interest credits are assumed at 8.5% for Tier One and there is no guaranty of future interest credits for Tier Two members.

Due to concerns about the rapidly increasing UAL for the state-wide pension system, the Oregon Legislative Assembly approved significant modifications to the state pension system during their 2003 session. House Bill 2001 addresses crediting of earnings to Tier One regular accounts. House Bill 2003 addresses the assumed earnings rate, employee contributions and payment of future cost of living adjustments as a means of addressing

YAMHILL COUNTY

Notes to Financial Statements

June 30, 2005

Note IV - Other information (continued)**B. Employee retirement system and plan, continued**

PERS deficits. House Bill 2004 modifies the actuarial equivalency factor tables. House Bill 2005 makes changes to the PERS board. House Bill 2020 establishes a successor retirement plan called OPSRP. There were also several other bills enacted affecting PERS that do not have a direct impact on the County or a majority of its employees. A summary of the bills affecting PERS can be found on the PERS web page at: http://www.pers.state.or.us/Legislation/2003_Legislation/oregon_legislative_summary.htm.

The ultimate resolution of the legislative changes is currently being challenged in court. The County is one of the employers being sued in *Evans et. al. vs. City of Grants Pass et. al.* An Employers Defense Alliance has been formed to defend the County with participation from the Oregon School Boards Association, the League of Oregon Cities, the Association of Oregon Counties, the Special Districts Association of Oregon and Oregon Health and Science University.

In addition, a settlement has been reached in the case titled "*City of Eugene, EWEB, et al. v. State of Oregon, PERB*". In this settlement, the OPERB has agreed to dismiss its appeal of the trial court decision and credit earnings in accordance with the reform legislation. The full implementation of the reform legislation is still contingent on the outcome of "*Evans et. al. vs. City of Grants Pass et. al.*"

Valuation Date	AVA	AAL	UAAL	Funded Ratio	Covered Payroll	UAAL / Payroll
12/31/1995	\$ 7,114,770	\$ 5,983,477	\$(1,131,293)	119 %	2,438,137	(46)%
12/31/1997	10,546,788	7,879,303	(2,667,485)	134 %	3,316,579	(80)%
12/31/1999	19,367,517	14,225,527	(5,141,990)	136 %	14,324,130	(36)%
12/31/2001	22,367,955	19,185,831	(3,182,124)	117 %	15,864,020	(20)%
12/31/2003	25,246,454	26,093,816	847,362	97 %	15,193,244	6 %

C. Risk management

The County is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries; and natural disasters.

The County is a member of the City-County Insurance Services (CCIS), a public entity risk pool which operates a common risk management and insurance program. The County pays CCIS premiums for comprehensive general liability and retrospective premiums for its workers' compensation coverage. All eligible funds of the County participate in such coverage and the cost is allocated to each fund by charging a "premium" which includes a provision for catastrophic losses.

The County continues to carry commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years

D. Restatement of beginning net assets

The County had net assets in amount of \$30,105,166 for governmental activities on July 1, 2004. The beginning net assets were increased by \$179,056,734 due to retroactive reporting of infrastructure from 1980 to 2002. The County elected to prospectively capitalize infrastructure in 2003.

YAMHILL COUNTY, OREGON
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2005

	Total Non-major Special Revenue Funds	Total Non-major Capital Project Funds	Total
ASSETS			
Cash and investments	\$ 1,726,320	\$ 889,454	\$ 2,615,774
Receivables:			
Taxes	45,221	-	45,221
Accounts	191,557	5,564	197,121
Loans and contracts	27,069		27,069
Prepays	9,829		9,829
Due from other funds	6,415	95,403	101,818
Total assets	<u>\$ 2,006,411</u>	<u>\$ 990,421</u>	<u>\$ 2,996,832</u>
LIABILITIES			
Accounts payable	\$ 269,947	\$ 11,069	\$ 281,016
Due to other funds	209,289	-	209,289
Payroll and related liabilities	8,903	-	8,903
Deposits	30,025	-	30,025
Compensated absences	14,942	-	14,942
Deferred revenue	96,124	-	96,124
Total liabilities	<u>629,230</u>	<u>11,069</u>	<u>640,299</u>
FUND BALANCES			
Reserved for highways and streets	-	227,508	227,508
Reserved for public safety	147,362	-	147,362
Reserved for economic development	282,325	-	282,325
Reserved for capital improvement	-	751,844	751,844
Reserved for other special revenue	947,494	-	947,494
Total fund balances	<u>1,377,181</u>	<u>979,352</u>	<u>2,356,533</u>
Total liabilities and fund balances	<u>\$ 2,006,411</u>	<u>\$ 990,421</u>	<u>\$ 2,996,832</u>

YAMHILL COUNTY, OREGON
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds
For the Year Ended June 30, 2005

	Total Non-major Special Revenue Funds	Total Non-major Capital Project Funds	Total
REVENUES:			
Property taxes	\$ 776,170	\$ -	\$ 776,170
Licenses and permits	172,728	-	172,728
Intergovernmental	1,455,434	41,654	1,497,088
Charges for services	715,644	291,165	1,006,809
Fines, fees and forfeitures	125,221	-	125,221
Interest income	43,098	24,053	67,151
Miscellaneous	93,177	348,470	441,647
Total revenues	<u>3,381,472</u>	<u>705,342</u>	<u>4,086,814</u>
EXPENDITURES:			
General government	2,058,313	174,359	2,232,672
Public safety, jail and sheriff	517,415	10,369	527,784
Parks, culture and recreation	390,433	-	390,433
Education	394,931	-	394,931
Capital outlay	-	1,043,461	1,043,461
Total expenditures	<u>3,361,092</u>	<u>1,228,189</u>	<u>4,589,281</u>
Excess revenues over (under) expenditures	<u>20,380</u>	<u>(522,847)</u>	<u>(502,467)</u>
OTHER FINANCING SOURCES (USES):			
Interfund transfers in	17,000	-	17,000
Interfund transfers out	(96,692)	-	(96,692)
Total other financing sources (uses)	<u>(79,692)</u>	<u>-</u>	<u>(79,692)</u>
Excess revenues and other financing sources over (under) expenditures and other financing uses	<u>(59,312)</u>	<u>(522,847)</u>	<u>(582,159)</u>
Fund balance - beginning	<u>1,436,493</u>	<u>1,502,199</u>	<u>2,938,692</u>
Fund balance - ending	<u>\$ 1,377,181</u>	<u>\$ 979,352</u>	<u>\$ 2,356,533</u>

SUPPLEMENTAL INFORMATION

NONMAJOR SPECIAL REVENUE FUNDS

County Clerk Records Fund - This fund is established under ORS 205.320. Funds are to be expended for acquiring storage and retrieval systems, maintaining and storing clerk's records.

Dog Fund - This fund operates with money from licensing and fines. The Dog fund is responsible for dog licensing and enforcement of the Yamhill County Dog Control Ordinances.

Law Library Fund - This fund provides a law library for the use of the court system and local attorneys. This facility is funded through a portion of filing fees collected by the state courts.

County School Fund - A portion of general revenues are turned over to the Education Service District for use in its educational programs. The fund also includes 25% of County federal forest receipts used for the same purpose. Some of these funds are distributed to local school districts.

Commission on Children and Families - This fund accounts for developing a comprehensive plan, coordinating services, and providing advocacy for children and family services.

County Fair Fund - This fund accounts for two major areas of responsibilities, the fairgrounds and the equestrian center. The fairgrounds not only accommodate the annual fair but also events such as trade fairs, carnivals, circuses, and other non-equestrian events. The equestrian center is primarily concerned with attracting equestrian-related shows, exhibits and competitions.

911 Emergency System Fund - Yamhill County receives a pro-rata share of the three percent telephone excise tax. These monies are used to support dispatch operations.

Economic Development (EDA) Fund - This is a revolving fund, originally funded by the federal government, to provide low interest loans to businesses creating new jobs in Yamhill County.

Corner Restoration Fund - Funds from deed filing fees are deposited in this fund and supplement the surveyor's activities.

System Development Fund - This is a system development charge levied on all new construction in the rural areas of the County. Revenues are used for improvements to County parks and the Fair.

Title III Fund - This fund accounts for 15% of the federal forest fees and O & C Funds allocated to Yamhill County. Federal legislation requires these funds to be used for forest-related projects such as forest education, patrol, protection, and enhancement of forest land.

Communication Levy Fund - This fund accounts for the County's portion of the emergency communications system.

Court Security Fund - This fund provides information and safety services for the courts and their employees.

Yamhill Emergency Communications District Fund - The District is a separate unit of government formed to account for the costs associated with a new 450 megahertz emergency communications system to serve the central and southern portions of Yamhill County.

Extension Service District Fund - The District is a separate unit of government formed to provide support services for the extension agents serving Yamhill County. It has a separate tax levy. Its governing body is the Board of County Commissioners.



Yamhill County

OREGON

Excellence in Service

YAMHILL COUNTY, OREGON
 Combining Balance Sheet
 Nonmajor Special Revenue Funds
 June 30, 2005

	<u>County Clerks Record Fund</u>	<u>Dog Fund</u>	<u>Law Library Fund</u>	<u>Commission on Children and Family Fund</u>	<u>County Fair Fund</u>	<u>911 System Fund</u>
ASSETS						
Cash and investments	\$ 124,145	\$ 84,944	\$ 28,110	\$ 124,659	\$ 110,301	\$ 6,991
Receivables:						
Tax	-	-	-	-	-	-
Accounts	239	11,535	6,328	10,882	328	138,631
Loans and contracts	-	-	-	-	-	-
Prepays	-	-	-	-	9,829	-
Due from other funds:					1,415	-
Total assets	<u>\$ 124,384</u>	<u>\$ 96,479</u>	<u>\$ 34,438</u>	<u>\$ 135,541</u>	<u>\$ 121,873</u>	<u>\$ 145,622</u>
LIABILITIES						
Accounts payable	\$ -	\$ 7,728	\$ 6,277	\$ 94,437	\$ 10,227	\$ 88,620
Due to other funds	-	1,031	12,000	4,426	86,803	-
Payroll and related liabilities	156	2,887	107	2,406	507	-
Deposits	-	4,800	-	-	-	-
Compensated absences	-	7,420	-	2,096	16	-
Deferred revenue	-	-	-	-	31,391	-
Total liabilities	<u>156</u>	<u>23,866</u>	<u>18,384</u>	<u>103,365</u>	<u>128,944</u>	<u>88,620</u>
FUND BALANCES						
Reserved for public safety	-	72,613	-	-	-	57,002
Reserved for economic development	-	-	-	-	-	-
Reserved for capital improvement	-	-	-	-	-	-
Reserved for other special revenue	124,228	-	16,054	32,176	(7,071)	-
Total liabilities and fund balances	<u>\$ 124,384</u>	<u>\$ 96,479</u>	<u>\$ 34,438</u>	<u>\$ 135,541</u>	<u>\$ 121,873</u>	<u>\$ 145,622</u>

YAMHILL COUNTY, OREGON
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2005

Economic Development Fund	Corner Restoration Fund	System Development Fund	Title III Fund	Communication Levy Fund	Court Security Fund	Yamhill Emergency Communications District Fund	Extension Service District	Total
\$ 283,637	\$ 514,720	\$ 76,526	\$ 101,224	\$ -	\$ 7,826	\$ 195,017	\$ 68,220	\$ 1,726,320
-	-	-	-	-	-	29,386	15,835	45,221
472	860	122	214	45	8,509	8,949	4,443	191,557
27,069	-	-	-	-	-	-	-	27,069
-	-	-	-	-	-	-	-	9,829
-	-	-	-	-	5,000	-	-	6,415
<u>\$ 311,178</u>	<u>\$ 515,580</u>	<u>\$ 76,648</u>	<u>\$ 101,438</u>	<u>\$ 45</u>	<u>\$ 21,335</u>	<u>\$ 233,352</u>	<u>\$ 88,498</u>	<u>\$ 2,006,411</u>
\$ 689	\$ 3,068	\$ 12,416	\$ 15,227	30,798	\$ 118	-	\$ 342	\$ 269,947
-	-	-	2,883	102,146	-	-	-	209,289
394	1,747	-	-	-	699	-	-	8,903
-	25,225	-	-	-	-	-	-	30,025
-	1,938	-	-	-	2,771	-	-	14,942
701	-	-	-	-	-	24,454	13,210	96,124
27,069	-	-	-	-	-	24,454	13,552	629,230
<u>28,853</u>	<u>31,978</u>	<u>12,416</u>	<u>18,110</u>	<u>132,944</u>	<u>3,588</u>	<u>24,454</u>	<u>13,552</u>	<u>629,230</u>
-	-	-	-	-	17,747	-	-	147,362
282,325	-	-	-	-	-	-	-	282,325
-	-	-	-	-	-	-	-	-
-	483,602	64,232	83,328	(132,899)	-	208,898	74,946	947,494
<u>\$ 311,178</u>	<u>\$ 515,580</u>	<u>\$ 76,648</u>	<u>\$ 101,438</u>	<u>\$ 45</u>	<u>\$ 21,335</u>	<u>\$ 233,352</u>	<u>\$ 88,498</u>	<u>\$ 2,006,411</u>

YAMHILL COUNTY, OREGON
Combining Statement of Revenue, Expenditures, and Changes in Fund Balance
Nonmajor Special Funds
For the Year Ended June 30, 2005

	County Clerks Record Fund	Dog Fund	Law Library Fund	County School Fund	Commission on Children and Family Fund	County Fair Fund
REVENUES:						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	172,728	-	-	-	-
Intergovernmental	-	-	-	161,583	579,996	35,141
Charges for services	25,442	23,145	10	-	1,553	211,793
Fines, fees and forfeitures	-	1,597	71,034	-	-	-
Interest income	2,334	1,655	472	376	4,344	1,369
Miscellaneous	-	31,617	66	1,026	63	59,489
Total revenues	<u>27,776</u>	<u>230,742</u>	<u>71,582</u>	<u>162,985</u>	<u>585,956</u>	<u>307,792</u>
EXPENDITURES						
General government	2,996	-	67,907	-	597,992	-
Public safety, jail and sheriff	-	214,091	-	-	-	-
Parks, culture and recreation	-	-	-	-	-	324,659
Education	-	-	-	162,985	-	-
Total expenditures	<u>2,996</u>	<u>214,091</u>	<u>67,907</u>	<u>162,985</u>	<u>597,992</u>	<u>324,659</u>
Excess revenues over (under) expenditures	<u>24,780</u>	<u>16,651</u>	<u>3,675</u>	<u>-</u>	<u>(12,036)</u>	<u>(16,867)</u>
OTHER FINANCING SOURCES (USES):						
Interfund transfers in	-	-	-	-	-	-
Interfund transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess revenues and other financing sources over (under) expenditures and other financing uses	24,780	16,651	3,675	-	(12,036)	(16,867)
Fund balance - beginning of year	<u>99,448</u>	<u>55,962</u>	<u>12,379</u>	<u>-</u>	<u>44,212</u>	<u>9,796</u>
Fund balance - end of year	<u>\$ 124,228</u>	<u>\$ 72,613</u>	<u>\$ 16,054</u>	<u>\$ -</u>	<u>\$ 32,176</u>	<u>\$ (7,071)</u>

YAMHILL COUNTY, OREGON
Combining Statement of Revenue, Expenditures, and Changes in Fund Balance
Nonmajor Special Funds
For the Year Ended June 30, 2005

911 System Fund	Economic Development Fund	Corner Restoration Fund	Systems Development Fund	Title III Fund	Communication Levy Fund	Court Security Fund	Yamhill Emergency Communications District Fund	Extension Service District	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 558,946	\$ 217,224	\$ 776,170
-	-	-	-	-	-	-	-	-	172,728
252,646	190,662	-	-	235,406	-	-	-	-	1,455,434
-	9,379	230,145	59,268	55,890	99,019	-	-	-	715,644
-	-	-	-	-	-	52,590	-	-	125,221
408	8,408	9,572	1,655	3,357	1,514	60	5,211	2,363	43,098
-	-	-	-	-	-	916	-	-	93,177
<u>253,054</u>	<u>208,449</u>	<u>239,717</u>	<u>60,923</u>	<u>294,653</u>	<u>100,533</u>	<u>53,566</u>	<u>564,157</u>	<u>219,587</u>	<u>3,381,472</u>
-	156,194	123,585	-	257,924	289,534	-	562,181	-	2,058,313
242,646	-	-	-	-	-	60,678	-	-	517,415
-	-	-	65,774	-	-	-	-	-	390,433
-	-	-	-	-	-	-	-	231,946	394,931
<u>242,646</u>	<u>156,194</u>	<u>123,585</u>	<u>65,774</u>	<u>257,924</u>	<u>289,534</u>	<u>60,678</u>	<u>562,181</u>	<u>231,946</u>	<u>3,361,092</u>
10,408	52,255	116,132	(4,851)	36,729	(189,001)	(7,112)	1,976	(12,359)	20,380
-	-	-	-	-	-	17,000	-	-	17,000
-	(96,692)	-	-	-	-	-	-	-	(96,692)
-	(96,692)	-	-	-	-	17,000	-	-	(79,692)
10,408	(44,437)	116,132	(4,851)	36,729	(189,001)	9,888	1,976	(12,359)	(59,312)
46,594	326,762	367,470	69,083	46,599	56,102	7,859	206,922	87,305	1,436,493
<u>\$ 57,002</u>	<u>\$ 282,325</u>	<u>\$ 483,602</u>	<u>\$ 64,232</u>	<u>\$ 83,328</u>	<u>\$ (132,899)</u>	<u>\$ 17,747</u>	<u>\$ 208,898</u>	<u>\$ 74,946</u>	<u>1,377,181</u>

YAMHILL COUNTY, OREGON
COUNTY CLERKS RECORD FUND
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES:				
Charges for services	\$ 18,500	\$ 18,500	\$ 25,442	\$ 6,942
Investment earnings	500	500	2,334	1,834
Total revenues	<u>19,000</u>	<u>19,000</u>	<u>27,776</u>	<u>8,776</u>
EXPENDITURES:				
Personal services	15,105	15,105	2,958	12,147
Materials and services	43,063	43,063	38	43,025
Capital outlay	12,000	12,000	-	12,000
Total expenditures	<u>70,168</u>	<u>70,168</u>	<u>2,996</u>	<u>67,172</u>
Excess (deficiency) of revenues over (under) expenditures	(51,168)	(51,168)	24,780	75,948
Fund Balance:				
Beginning of year	<u>69,950</u>	<u>69,950</u>	<u>99,448</u>	<u>29,498</u>
End of year	<u>\$ 18,782</u>	<u>\$ 18,782</u>	<u>\$ 124,228</u>	<u>\$ 105,446</u>

YAMHILL COUNTY, OREGON

DOG FUND

Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual (Budgetary Basis)
 For the Year Ended June 30, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES:				
Licenses and permits	\$ 183,100	\$ 183,100	\$ 172,728	\$ (10,372)
Charges for services	22,196	22,196	23,145	949
Fines and penalties	6,000	6,000	1,597	(4,403)
Investment earnings	400	400	1,655	1,255
Other revenue	5,310	5,310	31,617	26,307
Total revenues	<u>217,006</u>	<u>217,006</u>	<u>230,742</u>	<u>13,736</u>
EXPENDITURES:				
Personal services	179,936	179,936	159,443	20,493
Materials and services	70,287	70,287	54,648	15,639
Contingency	2,044	2,044	-	2,044
Total expenditures	<u>252,267</u>	<u>252,267</u>	<u>214,091</u>	<u>38,176</u>
Excess (deficiency) of revenues over (under) expenditures	(35,261)	(35,261)	16,651	51,912
Fund Balance:				
Beginning of year	<u>35,261</u>	<u>35,261</u>	<u>55,962</u>	<u>20,701</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 72,613</u>	<u>\$ 72,613</u>

YAMHILL COUNTY, OREGON
LAW LIBRARY FUND
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2005

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
Charges for services	\$ 20	\$ 20	\$ 10	\$ (10)
Fines and penalties	69,760	69,760	71,034	1,274
Investment earnings	115	115	472	357
Other revenue	90	90	66	(24)
Total revenues	69,985	69,985	71,582	1,597
EXPENDITURES:				
Personal services	9,562	9,562	8,109	1,453
Materials and services	65,591	65,591	59,798	5,793
Total expenditures	75,153	75,153	67,907	7,246
Excess (deficiency) of revenues over (under) expenditures	(5,168)	(5,168)	3,675	8,843
Fund Balance:				
Beginning of year	5,168	5,168	12,379	7,211
End of year	\$ -	\$ -	\$ 16,054	\$ 16,054

YAMHILL COUNTY, OREGON
COUNTY SCHOOL FUND
 Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual (Budgetary Basis)
 For the Year Ended June 30, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES:				
Intergovernmental	\$ 167,500	\$ 167,500	\$ 161,583	\$ (5,917)
Investment earnings	500	500	376	(124)
Other revenue	1,000	1,000	1,026	26
Total revenues	<u>169,000</u>	<u>169,000</u>	<u>162,985</u>	<u>(6,015)</u>
EXPENDITURES:				
Materials and services	<u>169,000</u>	<u>169,000</u>	<u>162,985</u>	<u>6,015</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
Fund Balance:				
Beginning of year	-	-	-	-
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

YAMHILL COUNTY, OREGON
COMMISSION ON CHILDREN AND FAMILIES FUND
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES:				
Intergovernmental	\$ 632,591	\$ 632,591	\$ 579,996	\$ (52,595)
Charges for services	687	687	1,553	866
Investment earnings	3,000	3,000	4,344	1,344
Other revenue	-	-	63	63
Total revenues	<u>636,278</u>	<u>636,278</u>	<u>585,956</u>	<u>(50,322)</u>
EXPENDITURES:				
Personal services	149,533	149,533	148,603	930
Materials and services	<u>384,792</u>	<u>384,792</u>	<u>449,389</u>	<u>(64,597)</u>
Total expenditures	<u>534,325</u>	<u>534,325</u>	<u>597,992</u>	<u>(63,667)</u>
Excess (deficiency) of revenues over (under) expenditures	101,953	101,953	(12,036)	(113,989)
OTHER FINANCING SOURCES (USES):				
Transfers out	<u>114,726</u>	<u>114,726</u>	-	<u>(114,726)</u>
Net change in fund balances	(12,773)	(12,773)	(12,036)	737
Fund Balance:				
Beginning of year	<u>25,000</u>	<u>25,000</u>	<u>44,212</u>	<u>19,212</u>
End of year	<u>\$ 12,227</u>	<u>\$ 12,227</u>	<u>\$ 32,176</u>	<u>\$ 19,949</u>

YAMHILL COUNTY, OREGON
COUNTY FAIR FUND

Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual (Budgetary Basis)
 For the Year Ended June 30, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES:				
Intergovernmental	\$ 92,141	\$ 92,141	\$ 35,141	\$ (57,000)
Charges for services	135,800	135,800	211,793	75,993
Investment earnings	500	500	1,369	869
Support	3,500	3,500	3,045	(455)
Other revenue	<u>82,750</u>	<u>96,650</u>	<u>56,444</u>	<u>(40,206)</u>
Total revenues	<u>314,691</u>	<u>328,591</u>	<u>307,792</u>	<u>(20,799)</u>
EXPENDITURES:				
Personal services	30,941	32,941	31,943	998
Materials and services	272,750	281,750	278,816	2,934
Capital outlay	-	13,900	13,900	-
Contingency	<u>11,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>314,691</u>	<u>328,591</u>	<u>324,659</u>	<u>3,932</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	(16,867)	(16,867)
Fund Balance:				
Beginning of year	<u>-</u>	<u>-</u>	<u>9,796</u>	<u>9,796</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (7,071)</u>	<u>\$ (7,071)</u>

YAMHILL COUNTY, OREGON
911 SYSTEM FUND
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES:				
Intergovernmental	\$ 240,000	\$ 240,000	\$ 252,646	\$ 12,646
Investment earnings	<u>250</u>	<u>250</u>	<u>408</u>	<u>158</u>
Total revenues	<u>240,250</u>	<u>240,250</u>	<u>253,054</u>	<u>12,804</u>
EXPENDITURES:				
Materials and services	<u>250,000</u>	<u>250,000</u>	<u>242,646</u>	<u>7,354</u>
Total expenditures	<u>250,000</u>	<u>250,000</u>	<u>242,646</u>	<u>7,354</u>
Excess (deficiency) of revenues over (under) expenditures	(9,750)	(9,750)	10,408	20,158
Fund Balance:				
Beginning of year	<u>62,000</u>	<u>62,000</u>	<u>46,594</u>	<u>(15,406)</u>
End of year	<u>\$ 52,250</u>	<u>\$ 52,250</u>	<u>\$ 57,002</u>	<u>\$ 4,752</u>

YAMHILL COUNTY, OREGON
ECONOMIC DEVELOPMENT FUND
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES:				
Intergovernmental	\$ 188,000	\$ 188,000	\$ 190,662	\$ 2,662
Charges for services	9,005	9,005	9,379	374
Investment earnings	4,170	4,170	8,408	4,238
Total revenues	<u>201,175</u>	<u>201,175</u>	<u>208,449</u>	<u>7,274</u>
EXPENDITURES:				
Personal services	24,510	25,260	25,193	67
Materials and services	505,072	504,322	131,001	373,321
Total expenditures	<u>529,582</u>	<u>529,582</u>	<u>156,194</u>	<u>373,388</u>
Excess (deficiency) of revenues over (under) expenditures	(328,407)	(328,407)	52,255	380,662
OTHER FINANCING SOURCES (USES):				
Transfers out	-	-	(96,692)	(96,692)
Net change in fund balances	(328,407)	(328,407)	(44,437)	(283,970)
Fund Balance:				
Beginning of year	<u>328,407</u>	<u>328,407</u>	<u>326,762</u>	<u>(1,645)</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 282,325</u>	<u>\$ 282,325</u>

YAMHILL COUNTY, OREGON
CORNER RESTORATION FUND
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES:				
Charges for services	\$ 150,417	\$ 150,417	\$ 230,145	\$ 79,728
Investment earnings	2,000	2,000	9,572	7,572
Other revenue	1	1	-	(1)
Total revenues	<u>152,418</u>	<u>152,418</u>	<u>239,717</u>	<u>87,299</u>
EXPENDITURES:				
Personal services	99,118	99,118	95,763	3,355
Materials and services	26,060	26,060	10,822	15,238
Capital outlay	<u>17,000</u>	<u>17,000</u>	<u>17,000</u>	-
Total expenditures	<u>142,178</u>	<u>142,178</u>	<u>123,585</u>	<u>18,593</u>
Excess of revenues over expenditures	10,240	10,240	116,132	105,892
Fund Balance:				
Beginning of year	<u>265,142</u>	<u>265,142</u>	<u>367,470</u>	<u>102,328</u>
End of year	<u>\$ 275,382</u>	<u>\$ 275,382</u>	<u>\$ 483,602</u>	<u>\$ 208,220</u>

YAMHILL COUNTY, OREGON
SYSTEMS DEVELOPMENT FUND
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES:				
Charges for services	\$ 36,000	\$ 36,000	\$ 59,268	\$ 23,268
Investment earnings	1,000	1,000	1,655	655
Total revenues	<u>37,000</u>	<u>37,000</u>	<u>60,923</u>	<u>23,923</u>
EXPENDITURES:				
Materials and services	12,600	1,700	5,132	(3,432)
Capital outlay	<u>121,900</u>	<u>132,800</u>	<u>60,642</u>	<u>72,158</u>
Total expenditures	<u>134,500</u>	<u>134,500</u>	<u>65,774</u>	<u>68,726</u>
Excess (deficiency) of revenues over (under) expenditures	(97,500)	(97,500)	(4,851)	92,649
Fund Balance:				
Beginning of year	<u>97,500</u>	<u>97,500</u>	<u>69,083</u>	<u>(28,417)</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 64,232</u>	<u>\$ 64,232</u>

YAMHILL COUNTY, OREGON

TITLE III FUND

Statement of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual (Budgetary Basis)
 For the Year Ended June 30, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES:				
Intergovernmental	\$ 241,000	\$ 241,000	\$ 235,406	\$ (5,594)
Charges for services	-	-	55,890	55,890
Investment earnings	<u>2,500</u>	<u>2,500</u>	<u>3,357</u>	<u>857</u>
Total revenues	<u>243,500</u>	<u>243,500</u>	<u>294,653</u>	<u>51,153</u>
EXPENDITURES:				
Materials and services	256,500	256,500	245,089	11,411
Capital outlay	<u>23,000</u>	<u>23,000</u>	<u>12,835</u>	<u>10,165</u>
Total expenditures	<u>279,500</u>	<u>279,500</u>	<u>257,924</u>	<u>21,576</u>
Excess (deficiency) of revenues over (under) expenditures	(36,000)	(36,000)	36,729	72,729
Fund Balance:				
Beginning of year	<u>36,000</u>	<u>36,000</u>	<u>46,599</u>	<u>10,599</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 83,328</u>	<u>\$ 83,328</u>

YAMHILL COUNTY, OREGON
COMMUNICATIONS LEVY FUND
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES:				
Inter-fund revenue	\$ -	\$ -	\$ 99,019	\$ 99,019
Investment earnings	<u>1,500</u>	<u>1,500</u>	<u>1,514</u>	<u>14</u>
Total revenues	<u>1,500</u>	<u>1,500</u>	<u>100,533</u>	<u>99,033</u>
EXPENDITURES:				
Materials and services	<u>333,990</u>	<u>333,990</u>	<u>289,534</u>	<u>44,456</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(332,490)</u>	<u>(332,490)</u>	<u>(189,001)</u>	<u>143,489</u>
OTHER FINANCING SOURCES (USES):				
Bonds issued	<u>167,490</u>	<u>167,490</u>	<u>-</u>	<u>(167,490)</u>
Net change in fund balances	<u>(165,000)</u>	<u>(165,000)</u>	<u>(189,001)</u>	<u>(24,001)</u>
Fund Balance:				
Beginning of year	<u>165,000</u>	<u>165,000</u>	<u>56,102</u>	<u>(108,898)</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (132,899)</u>	<u>\$ (132,899)</u>

YAMHILL COUNTY, OREGON
COURT SECURITY FUND
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES:				
Fines and penalties	\$ 50,350	\$ 50,350	\$ 52,590	\$ 2,240
Investment earnings	-	-	60	60
Other revenue	-	-	916	916
Total revenues	<u>50,350</u>	<u>50,350</u>	<u>53,566</u>	<u>3,216</u>
EXPENDITURES:				
Personal services	52,615	55,615	51,828	3,787
Materials and services	<u>10,000</u>	<u>12,000</u>	<u>8,850</u>	<u>3,150</u>
Total expenditures	<u>62,615</u>	<u>67,615</u>	<u>60,678</u>	<u>6,937</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(12,265)</u>	<u>(17,265)</u>	<u>(7,112)</u>	<u>10,153</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	<u>12,265</u>	<u>17,265</u>	<u>17,000</u>	<u>(265)</u>
Net change in fund balances	-	-	9,888	9,888
Fund Balance:				
Beginning of year	-	-	7,859	7,859
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,747</u>	<u>\$ 17,747</u>

YAMHILL COUNTY, OREGON
YAMHILL EMERGENCY COMMUNICATIONS DISTRICT FUND
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES:				
Property taxes	\$ 508,400	\$ 508,400	\$ 558,946	\$ 50,546
Investment earnings	500	500	5,211	4,711
Total revenues	<u>508,900</u>	<u>508,900</u>	<u>564,157</u>	<u>55,257</u>
EXPENDITURES:				
Materials and services	387,118	387,118	388,076	(958)
Capital outlay	29,466	29,466	29,466	-
Debt service	145,538	145,538	144,639	899
Total expenditures	<u>562,122</u>	<u>562,122</u>	<u>562,181</u>	<u>(59)</u>
Excess (deficiency) of revenues over (under) expenditures	(53,222)	(53,222)	1,976	55,198
Fund Balance:				
Beginning of year	210,000	210,000	206,922	(3,078)
End of year	<u>\$ 156,778</u>	<u>\$ 156,778</u>	<u>\$ 208,898</u>	<u>\$ 52,120</u>

YAMHILL COUNTY, OREGON
EXTENSION SERVICE DISTRICT FUND
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES:				
Property taxes	\$ 216,450	\$ 216,450	\$ 217,224	\$ 774
Investment earnings	1,200	1,200	2,363	1,163
Total revenues	<u>217,650</u>	<u>217,650</u>	<u>219,587</u>	<u>1,937</u>
EXPENDITURES:				
Materials and services	232,050	232,050	231,946	104
Contingency	15,000	15,000	-	15,000
Total expenditures	<u>247,050</u>	<u>247,050</u>	<u>231,946</u>	<u>15,104</u>
Excess (deficiency) of revenues over (under) expenditures	(29,400)	(29,400)	(12,359)	17,041
Fund Balance:				
Beginning of year	<u>84,580</u>	<u>84,580</u>	<u>87,305</u>	<u>2,725</u>
End of year	<u>\$ 55,180</u>	<u>\$ 55,180</u>	<u>\$ 74,946</u>	<u>\$ 19,766</u>

NONMAJOR CAPITAL PROJECTS FUNDS

Bicycle and Footpath Fund - This fund is used to construct and maintain bike paths throughout the County. Primary funding for this program comes from the 1% of the state gas tax money dedicated to bike and pedestrian paths.

Road Capital Project Fund - This fund contains money for road improvement projects to be constructed in the coming years. This program is funded by bond sale proceeds plus interest earnings on those monies.

Motor Vehicles Replacement Fund - This fund accounts for purchases of replacement vehicles for the County motor pool. Revenues are derived from a mileage service charge levied on County departments using motor pool vehicles.

YAMHILL COUNTY, OREGON
Combining Balance Sheet
Nonmajor Capital Project Funds
June 30, 2005

	Bicycle & Footpath Fund	Road Capital Project Fund	Motor Vehicles Replacement Fund	Total
ASSETS				
Cash and investments	\$ 223,474	\$ 129	\$ 665,851	\$ 889,454
Receivables:				
Accounts	3,905	-	1,659	5,564
Interfund	-	-	95,403	95,403
Total assets	<u>\$ 227,379</u>	<u>\$ 129</u>	<u>\$ 762,913</u>	<u>\$ 990,421</u>
LIABILITIES				
Account payables	-	-	11,069	11,069
Total liabilities	<u>-</u>	<u>-</u>	<u>11,069</u>	<u>11,069</u>
FUND BALANCES				
Reserved for Highways and streets	227,379	129	-	227,508
Reserved for capital improvement	-	-	751,844	751,844
Total liabilities and fund balances	<u>\$ 227,379</u>	<u>\$ 129</u>	<u>\$ 762,913</u>	<u>\$ 990,421</u>

YAMHILL COUNTY, OREGON
Combining Statement of Revenue, Expenditures, and Changes in Fund Balance
Nonmajor Capital Project Funds
For the Year Ended June 30, 2005

	Bicycle & Footpath Fund	Road Capital Project Fund	Motor Vehicles Replacement Fund	Total
REVENUES:				
Intergovernmental	41,654	-	-	41,654
Charges for services	-	-	291,165	291,165
Interest income	4,251	-	19,802	24,053
Miscellaneous	-	-	348,470	348,470
Total revenues	<u>45,905</u>	<u>-</u>	<u>659,437</u>	<u>705,342</u>
EXPENDITURES				
General government	-	-	174,359	174,359
Parks, culture and recreation	10,369	-	-	10,369
Capital outlay	-	-	1,043,461	1,043,461
Total expenditures	<u>10,369</u>	<u>-</u>	<u>1,217,820</u>	<u>1,228,189</u>
Excess revenues over (under) expenditures	35,536	-	(558,383)	(522,847)
Fund balance - beginning	<u>191,843</u>	<u>129</u>	<u>1,310,227</u>	<u>1,502,199</u>
Fund balance - ending	<u>\$ 227,379</u>	<u>\$ 129</u>	<u>\$ 751,844</u>	<u>\$ 979,352</u>

YAMHILL COUNTY, OREGON
BICYCLE FOOTPATH FUND
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES:				
Intergovernmental	\$ 37,743	\$ 37,743	\$ 41,654	\$ 3,911
Investment earnings	2,000	2,000	4,251	2,251
Total revenues	<u>39,743</u>	<u>39,743</u>	<u>45,905</u>	<u>6,162</u>
EXPENDITURES:				
Materials and services	<u>225,561</u>	<u>225,561</u>	<u>10,369</u>	<u>215,192</u>
Excess (deficiency) of revenues over (under) expenditures	(185,818)	(185,818)	35,536	221,354
Fund Balance:				
Beginning of year	<u>185,818</u>	<u>185,818</u>	<u>191,843</u>	<u>6,025</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 227,379</u>	<u>\$ 227,379</u>

YAMHILL COUNTY, OREGON
MOTOR VEHICLE REPLACEMENT FUND
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2005

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES:				
Charges for services	\$ 188,497	\$ 188,497	\$ 291,165	\$ 102,668
Investment earnings	12,500	12,500	19,802	7,302
Other revenue	<u>367,385</u>	<u>367,385</u>	<u>348,470</u>	<u>(18,915)</u>
Total revenues	<u>568,382</u>	<u>568,382</u>	<u>659,437</u>	<u>91,055</u>
EXPENDITURES:				
Materials and services	57,410	57,410	79,407	(21,997)
Capital outlay	1,082,607	1,082,607	1,043,461	39,146
Debt service	<u>120,000</u>	<u>120,000</u>	<u>94,952</u>	<u>25,048</u>
Total expenditures	<u>1,260,017</u>	<u>1,260,017</u>	<u>1,217,820</u>	<u>42,197</u>
Excess (deficiency) of revenues over (under) expenditures	(691,635)	(691,635)	(558,383)	133,252
Fund Balance:				
Beginning of year	<u>828,999</u>	<u>828,999</u>	<u>1,310,227</u>	<u>481,228</u>
End of year	<u>\$ 137,364</u>	<u>\$ 137,364</u>	<u>\$ 751,844</u>	<u>\$ 614,480</u>



Yamhill County

OREGON

Excellence in Service

ENTERPRISE FUNDS

Cove Orchard Fund – This fund was established in 1984 to construct and operate a sewage facility in the Cove Orchard community. The primary revenue source for this fund is derived from user fees.

YAMHILL COUNTY, OREGON
 Cove Orchard Sewer Service District Fund
 Statement of Net Assets
 June 30, 2005

ASSETS

Current assets:

Cash and investments	\$ 86,581
Accounts receivable	<u>150</u>
Total current assets	86,731

Capital assets, net

	<u>331,764</u>
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Total assets

	<u>418,495</u>
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LIABILITIES

Current liabilities:

Account payable	884
Deposits payable	<u>3,200</u>
Total current liabilities	<u>4,084</u>

NET ASSETS

Investment in capital assets, net of related debt

	331,764
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Unrestricted

	<u>82,647</u>
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Total net assets

	<u>\$ 414,411</u>
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YAMHILL COUNTY, OREGON
 Cove Orchard Sewer Service District Fund
 Statement of Revenues, Expenses, and Changes in Fund Balance / Net Assets - Budget and Actual
 For the Fiscal Year Ended June 30, 2005

	Adopted Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Adjustment To GAAP Basis Actual	GAAP Basis
OPERATING REVENUES:						
Charges for services	45,000	45,000	44,168	(832)	-	44,168
Other revenue	-	-	62	62	-	62
Total revenues	<u>45,000</u>	<u>45,000</u>	<u>44,230</u>	<u>(770)</u>	-	<u>44,230</u>
OPERATING EXPENSES:						
Materials and services	43,850	43,850	46,964	(3,114)	-	46,964
Capital outlay	6,000	6,000	-	6,000	-	-
Contingency	57,000	57,000	-	57,000	-	-
Depreciation	-	-	-	-	51,997	51,997
Total operating expenses	<u>106,850</u>	<u>106,850</u>	<u>46,964</u>	<u>59,886</u>	<u>51,997</u>	<u>98,961</u>
Operating income (Loss)	<u>(61,850)</u>	<u>(61,850)</u>	<u>(2,734)</u>	<u>59,116</u>	<u>(51,997)</u>	<u>(54,731)</u>
NON-OPERATING REVENUES:						
Intergovernmental	-	-	5,803	5,803	-	5,803
Interest income	-	-	1,784	1,784	-	1,784
Total non-operating revenues	<u>-</u>	<u>-</u>	<u>7,587</u>	<u>7,587</u>	-	<u>7,587</u>
Change in fund balance / net assets	(61,850)	(61,850)	4,853	66,703	(51,997)	(47,144)
Fund balance / net assets - beginning of year	<u>61,850</u>	<u>61,850</u>	<u>78,269</u>	<u>16,419</u>	<u>383,286</u>	<u>461,555</u>
Fund balance / net assets - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 83,122</u>	<u>\$ 83,122</u>	<u>\$ 331,289</u>	<u>\$ 414,411</u>

YAMHILL COUNTY, OREGON
 Cove Orchard Sewer Service District Fund
 Statement of Cash Flows
 For the Year Ended June 30, 2005

Cash flows from operating activities:	
Receipts from customers and users	\$ 51,183
Payments to suppliers	<u>(50,986)</u>
Net cash provided by operating activities	<u>197</u>
Cash flows from noncapital financing activities:	
Intergovernmental	<u>5,803</u>
Cash flows from investing activities:	
Interest on investments	<u>1,784</u>
Net increase (decrease) in cash and cash equivalents	7,784
Cash and cash equivalents - beginning of year	<u>78,797</u>
Cash and cash equivalents - ending of year	<u><u>\$ 86,581</u></u>
Reconciliation of operating income (loss) to net cash	
provided (used) by operating activities	
Operating income (loss)	\$ (54,731)
Depreciation	51,997
Change in accounts receivable	6,953
Change in accounts payables	<u>(4,022)</u>
Cash provided (used) by operating activities	<u><u>\$ 197</u></u>

INTERNAL SERVICE FUNDS

Self-Insurance Fund - A reserve fund which accounts for costs of the County to meet the deductible of the County's insurance policies. The funds come from internal service charges.

Telecommunications Fund - This fund includes monies raised by Yamhill Telecommunication. Operations provide phone service for the County, City of McMinnville, and Extension Service District fund. The Telecommunications fund coordinates all expenses and revenue for telecommunications service carriers and vendors.

YAMHILL COUNTY, OREGON
Internal Service Funds
Combining Statement of Net Assets
June 30, 2005

	Telecommunications Fund	Self-Insurance Fund	Total
ASSETS			
Current assets:			
Cash and investments	\$ 91,576	\$ 625,969	\$ 717,545
Accounts receivable	15,314	1,004	16,318
Due from other funds	-	532,588	532,588
Total current assets	<u>106,890</u>	<u>1,159,561</u>	<u>1,266,451</u>
Capital assets, net	<u>26,027</u>	<u>-</u>	<u>26,027</u>
Total assets	<u>132,917</u>	<u>1,159,561</u>	<u>1,292,478</u>
LIABILITIES			
Current liabilities:			
Accounts payable	-	18,527	18,527
Payroll and related liabilities	4,600	-	4,600
Total current liabilities	<u>4,600</u>	<u>18,527</u>	<u>23,127</u>
Long-term Liabilities:			
Capital lease obligation	<u>24,277</u>	<u>-</u>	<u>24,277</u>
Total liabilities	<u>28,877</u>	<u>18,527</u>	<u>47,404</u>
NET ASSETS			
Investment in capital assets, net of related debt	1,750	-	1,750
Unrestricted	102,290	1,141,034	1,243,324
Total net assets	<u>\$ 104,040</u>	<u>\$ 1,141,034</u>	<u>\$ 1,245,074</u>

YAMHILL COUNTY, OREGON
Internal Service Funds
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
For the Year Ended June 30, 2005

	Telecommunications Fund	Self-Insurance Fund	Total
Operating revenues:			
Charges for services	\$ 411,189	\$ 675,457	\$ 1,086,646
Operating expenses:			
Personal services	107,354	-	107,354
Materials and services	182,078	929,367	1,111,445
Debt service - lease payment	2,084	-	2,084
Depreciation	44,674	-	44,674
Total operating expenses	<u>336,190</u>	<u>929,367</u>	<u>1,265,557</u>
Total operating income (loss)	<u>74,999</u>	<u>(253,910)</u>	<u>(178,911)</u>
Nonoperating revenues (expenses)			
Interest income	1,486	15,664	17,150
Interfund transfers in	-	70,000	70,000
Interfund transfers out	(9,484)	-	(9,484)
Total nonoperating revenues (expenses)	<u>(7,998)</u>	<u>85,664</u>	<u>77,666</u>
Change in net assets	67,001	(168,246)	(101,245)
Net assets - beginning	<u>37,039</u>	<u>1,309,280</u>	<u>1,346,319</u>
Net assets - ending	<u>\$ 104,040</u>	<u>\$ 1,141,034</u>	<u>\$ 1,245,074</u>

YAMHILL, COUNTY, OREGON
Internal Service Funds
Combining Statement of Cash Flows
For the Year Ended June 30, 2005

	Telecommunications Fund	Self-Insurance Fund	Total
Cash flows from operating activities:			
Receipts from customers and users	\$ 403,565	\$ 152,459	\$ 556,024
Payments to employees	(106,636)	-	(106,636)
Payments to suppliers	(197,548)	(911,780)	(1,109,328)
Net cash provided (used) by operating activities	<u>99,381</u>	<u>(759,321)</u>	<u>(659,940)</u>
Cash flows from noncapital financing activities:			
Transfers in	-	70,000	70,000
Transfers out	(9,484)	-	(9,484)
Net cash provided (used) by noncapital financing activities	<u>(9,484)</u>	<u>70,000</u>	<u>60,516</u>
Cash flows from capital and related financing activities:			
Purchase fixed assets	(21,338)	-	(21,338)
Principal payments on capital leases	(27,782)	-	(27,782)
Net cash (used) by capital financing activities	<u>(49,120)</u>	<u>-</u>	<u>(49,120)</u>
Cash flows from investing activities:			
Interest on investments	<u>1,486</u>	<u>15,664</u>	<u>17,150</u>
Net increase (decrease) in cash and cash equivalents	42,263	(673,657)	(631,394)
Cash and cash equivalents - beginning of year	<u>49,313</u>	<u>1,299,626</u>	<u>1,348,939</u>
Cash and cash equivalents - end of year	<u>\$ 91,576</u>	<u>\$ 625,969</u>	<u>\$ 717,545</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities			
Operating income (loss)	\$ 74,999	\$ (253,910)	\$ (178,911)
Depreciation	44,674	-	44,674
Change in accounts receivable	(7,624)	(522,998)	(530,622)
Change in accounts payable	(13,386)	17,587	4,201
Change in accrued payroll	718	-	718
Cash provided (used) by operating activities	<u>\$ 99,381</u>	<u>\$ (759,321)</u>	<u>\$ (659,940)</u>

YAMHILL COUNTY, OREGON
Telecommunications Fund
Statement of Revenues, Expenses, and Changes in Fund Balance / Net Assets - Budget and Actual
For the Fiscal Year Ended June 30, 2005

	Adopted Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Adjustment To GAAP Basis Actual	GAAP Basis Actual
REVENUES:						
User fees	\$ 222,479	\$ 222,479	\$ 411,189	\$ 188,710	\$ -	\$ 411,189
Miscellaneous	156,154	156,154	-	(156,154)	-	-
Total operating revenues	<u>378,633</u>	<u>378,633</u>	<u>411,189</u>	<u>32,556</u>	<u>-</u>	<u>411,189</u>
OPERATING EXPENSES:						
Personal services	128,440	128,440	107,354	21,086	-	107,354
Materials and services	220,803	220,803	192,747	28,056	(10,669)	182,078
Capital outlays	-	-	10,669	(10,669)	(10,669)	-
Debt services	32,090	32,090	29,866	2,224	(27,782)	2,084
Depreciation	-	-	-	-	44,674	44,674
Total operating expenses	<u>381,333</u>	<u>381,333</u>	<u>340,636</u>	<u>40,697</u>	<u>(4,446)</u>	<u>336,190</u>
Operating income (Loss)	<u>(2,700)</u>	<u>(2,700)</u>	<u>70,553</u>	<u>73,253</u>	<u>4,446</u>	<u>74,999</u>
NONOPERATING REVENUES (EXPENSES):						
Interest income	100	100	1,486	1,386	-	1,486
Interfund transfers out	(9,484)	(9,484)	(9,484)	-	-	(9,484)
Total nonoperating revenues (expenses)	<u>(9,384)</u>	<u>(9,384)</u>	<u>(7,998)</u>	<u>1,386</u>	<u>-</u>	<u>(7,998)</u>
Change in fund balance / net assets	<u>(12,084)</u>	<u>(12,084)</u>	<u>62,555</u>	<u>74,639</u>	<u>4,446</u>	<u>67,001</u>
Fund balance / net assets - beginning of year	<u>12,084</u>	<u>12,084</u>	<u>41,064</u>	<u>28,980</u>	<u>(4,025)</u>	<u>37,039</u>
Fund balance / net assets - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 103,619</u>	<u>\$ 103,619</u>	<u>\$ 421</u>	<u>\$ 104,040</u>

YAMHILL COUNTY, OREGON
Self-Insurance Fund
Statement of Revenues, Expenses, and Changes in Fund Balance / Net Assets - Budget and Actual
For the Fiscal Year Ended June 30, 2005

	Adopted Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Adjustment To GAAP Basis Actual	GAAP Basis
OPERATING REVENUES:						
Insurance premiums	\$ 603,001	\$ 603,001	\$ 675,457	\$ 72,456	\$ -	\$ 675,457
OPERATING EXPENSES:						
Materials and services	1,023,350	1,023,350	916,178	107,172	-	916,178
Capital outlay	25,000	25,000	13,189	11,811	-	13,189
Contingency	52,418	52,418	-	52,418	-	-
Total operating expenses	<u>1,100,768</u>	<u>1,100,768</u>	<u>929,367</u>	<u>171,401</u>	<u>-</u>	<u>929,367</u>
Operating Income (Loss)	<u>(497,767)</u>	<u>(497,767)</u>	<u>(253,910)</u>	<u>243,857</u>	<u>-</u>	<u>(253,910)</u>
NONOPERATING REVENUES:						
Interest income	15,000	15,000	15,664	664	-	15,664
Transfer in	-	-	70,000	70,000	-	70,000
Total nonoperating revenues	<u>15,000</u>	<u>15,000</u>	<u>85,664</u>	<u>70,664</u>	<u>-</u>	<u>85,664</u>
Change in fund balance / net assets	<u>(482,767)</u>	<u>(482,767)</u>	<u>(168,246)</u>	<u>314,521</u>	<u>-</u>	<u>(168,246)</u>
Fund balance / net assets beginning of year	<u>1,318,000</u>	<u>1,318,000</u>	<u>1,309,280</u>	<u>(8,720)</u>	<u>-</u>	<u>1,309,280</u>
Fund balance / net assets end of year	<u>\$ 835,233</u>	<u>\$ 835,233</u>	<u>\$ 1,141,034</u>	<u>\$ 305,801</u>	<u>-</u>	<u>\$ 1,141,034</u>

AGENCY FUNDS

Unsegregated Tax and Interest Fund - This fund is for the deposit of property taxes collected by the County Tax Collector prior to distribution to all districts. The monies are deposited in interest bearing accounts, the earnings from which are distributed. In November, distributions are made to the districts on a weekly basis with distributions occurring on a monthly basis for the remainder of the year.

Holding Trust Fund - This fund is for the deposit of money confiscated during narcotics-related arrests. Funds are held in trust pending trial outcome. The fund also contains bail amounts for prisoners from other counties; these funds are owed to those counties.

Assessment and Mapping Fund - This fund holds money collected for the Oregon Department of Revenue. It funds the Oregon Land Information System Fund (OLIS), the County Assessment and Taxation Fund and the County Assessment grants.

YAMHILL COUNTY, OREGON
 Agency Funds
 Combining Balance Sheet
 June 30, 2005

	Balance June 30, 2004	Additions	Deductions	Balance June 30, 2005
Unsegregated Tax and Interest Fund				
Assets				
Cash and cash equivalents	\$ 1,517,472	\$ 70,956,634	\$ 70,901,726	\$ 1,572,380
State school receivable	-	562,532	-	562,532
Property taxes receivable	4,118,086	72,094,739	72,183,362	4,029,463
Total assets	<u>\$ 5,635,558</u>	<u>\$143,613,905</u>	<u>\$143,085,088</u>	<u>\$ 6,164,375</u>
Liabilities				
Due to other governments	<u>\$ 5,635,558</u>	<u>\$143,613,905</u>	<u>\$143,085,088</u>	<u>\$ 6,164,375</u>
Holding Trust Fund				
Assets				
Cash and cash equivalents	<u>\$ 1,072,373</u>	<u>\$ -</u>	<u>\$ 629,817</u>	<u>\$ 442,556</u>
Liabilities				
Amounts held in trust	<u>\$ 1,072,373</u>	<u>\$ -</u>	<u>\$ 629,817</u>	<u>\$ 442,556</u>
Assessment & Mapping				
Assets				
Cash and cash equivalents	<u>\$ 70,302</u>	<u>\$ 564,944</u>	<u>\$ 500,861</u>	<u>\$ 134,385</u>
Liabilities				
Due to other governments	<u>\$ 70,302</u>	<u>\$ 564,944</u>	<u>\$ 500,861</u>	<u>\$ 134,385</u>
Total - All Agency Funds				
Assets				
Cash and cash equivalents	\$ 2,660,147	\$ 71,521,578	\$ 72,032,404	\$ 2,149,321
State school receivable	-	562,532	-	562,532
Property taxes receivable	4,118,086	72,094,739	72,183,362	4,029,463
	<u>\$ 6,778,233</u>	<u>\$144,178,849</u>	<u>\$144,215,766</u>	<u>\$ 6,741,316</u>
Liabilities				
Due to other governments	\$ 5,705,860	\$144,178,849	\$143,585,949	\$ 6,298,760
Amounts held in trust	<u>1,072,373</u>	<u>-</u>	<u>629,817</u>	<u>442,556</u>
	<u>\$ 6,778,233</u>	<u>\$144,178,849</u>	<u>\$144,215,766</u>	<u>\$ 6,741,316</u>

STATISTICAL SECTION



Yamhill County

OREGON

Excellence in Service

YAMHILL COUNTY, OREGON
Schedule of Property Tax Transactions
For the Year Ended June 30, 2005

Fiscal Year	Uncollected Balance June 30, 2004	Add Current Levy 2004-2005	Less Collections	Interest	Less Discounts and Adjustments	Uncollected Balance June 30, 2005
2004-2005	\$ -	\$ 71,819,287	\$ (67,260,010)	22,139	\$ (1,777,719)	\$ 2,781,558
2003-2004	2,732,914		(1,675,366)	13,600	(25,794)	1,031,754
2002-2003	1,116,884		(543,951)	11,346	(17,053)	555,880
2001-2002	607,204		(350,699)	11,000	(794)	255,711
2000-2001	280,433		(196,765)	7,421	(616)	83,052
1999-2000	61,591		(17,711)	715	-	43,880
1998-1999	43,677		(7,820)	350	-	35,857
Prior Years	178,209		(21,992)	13,630	(20)	156,197
	<u>\$ 5,020,912</u>	<u>\$ 71,819,287</u>	<u>\$ (70,074,314)</u>	<u>\$ 80,201</u>	<u>\$ (1,821,996)</u>	<u>\$ 4,943,889</u>

Taxes receivable classified by fund

General fund	\$ 864,810
Capital improvement	4,395
Extension service district	15,835
Yamhill Emergency Communications District	29,386
Unsegregated tax and interest fund	4,029,463
	<u>\$ 4,943,889</u>

YAMHILL COUNTY, OREGON
 SCHEDULE OF BOND PRINCIPAL TRANSACTIONS
 Fiscal year ended June 30, 2005

General bonds	Interest Rate	Original Issue Date	Amount	Principal						
				Outstanding July 1, 2004	2004-05 Transactions Issued	2004-05 Transactions Matured	2004-05 Transactions Paid	Outstanding at June 30, 2005		
				Matured	Unmatured					
Full Faith & Credit Bonds	4.1686463	August 27, 2003	\$1,750,000	\$1,750,000	\$ -	\$205,000	\$205,000	\$ -	\$ -	\$1,545,000
Interest										
				Outstanding at July 1, 2004		2004-05 Transactions		Outstanding at June 30, 2005		
				Matured	Unmatured	Issued	Matured	Paid	Matured	Unmatured
Full Faith & Credit Bonds	\$ -	\$ 600,587		\$ -	\$ -	\$ 56,775	\$ 56,775	\$ 56,775	\$ -	\$ 543,812

YAMHILL COUNTY, OREGON
Schedule of Changes in General Fixed Assets
By Function & Activity 2004 - 2005

<u>Function & Activity</u>	<u>Fixed Assets June 30, 2004</u>	<u>Additions</u>	<u>Deletions</u>	<u>Fixed Assets June 30, 2005</u>
General Government				
Commissioners	\$ 23,908	\$ -	\$ -	\$ 23,908
Finance & Admin	1,527,922	482,915	6,900	2,003,937
Clerk	49,131	576,549	-	625,680
District Attorney	28,283	-	-	28,283
Other	6,288,101	786,781	461,962	6,612,920
Total General Government	<u>7,917,345</u>	<u>1,846,245</u>	<u>468,862</u>	<u>9,294,728</u>
Social Welfare				
Health	607,174	677,166	-	1,284,340
Juvenile Services	1,528,994	967,333	-	2,496,327
Total Social Welfare	<u>2,136,168</u>	<u>1,644,499</u>	<u>-</u>	<u>3,780,667</u>
Public Safety				
Sheriff	709,847	315,090	147,111	877,826
Jail	3,358,307	67,542	-	3,425,849
Community Corrections	547,825	297,048	-	844,873
Total Public Safety	<u>4,615,979</u>	<u>679,680</u>	<u>147,111</u>	<u>5,148,548</u>
Highway and Street				
Infrastructure	1,523,335	383,556,770	-	385,080,105
Roads	4,285,625	853,689	427,499	4,711,815
	<u>5,808,960</u>	<u>384,410,459</u>	<u>427,499</u>	<u>389,791,920</u>
Culture & Recreation	<u>1,318,751</u>	<u>48,444</u>	<u>-</u>	<u>1,367,195</u>
TOTAL FIXED ASSETS	<u>\$ 21,797,203</u>	<u>\$ 388,629,327</u>	<u>\$ 1,043,472</u>	<u>\$ 409,383,058</u>

YAMHILL COUNTY, OREGON
Comparative Schedule of General Fixed Assets
By Activity June 30, 2004 and 2005

Capital Assets:	<u>2004</u>	<u>2005</u>
Land	\$ 1,622,317	\$ 2,190,648
Buildings	11,089,209	13,326,313
Data Process Equipment	1,038,624	1,017,698
General Assets	1,407,474	1,789,570
Machinery and Equipment	<u>5,116,244</u>	<u>5,978,724</u>
Totals	<u>\$ 20,273,868</u>	<u>\$ 24,302,953</u>

YAMHILL COUNTY, OREGON
General Governmental Revenues by Source
All Government Fund Types
Last Ten Fiscal Years

Fiscal year ended June 30,	Property Taxes	Licenses and Permits	Intergovern- mental	Charges		Fines and Forfeitures	Interest	Miscellaneous	Total
				for Services					
1996	10,057,000	855,719	12,479,039	6,065,615	572,334	521,151	899,850	31,450,708	
1997	9,708,731	855,778	13,426,083	6,230,219	502,971	470,109	1,187,612	32,381,503	
1998	9,287,036	909,134	15,370,739	8,164,758	575,640	434,138	1,033,916	35,775,361	
1999	9,671,606	924,942	15,499,751	10,935,937	925,577	828,573	964,216	39,750,602	
2000	9,799,732	899,246	15,493,824	11,742,875	772,761	669,732	436,959	39,815,129	
2001	10,334,776	894,649	17,905,808	11,017,277	587,387	797,877	693,827	42,231,601	
2002	10,719,314	976,695	18,522,704	11,752,917	547,813	373,595	638,118	43,531,156	
2003	11,527,551	1,146,238	18,534,339	11,712,509	459,845	254,320	719,251	44,354,053	
2004	12,177,028	1,151,859	17,391,601	11,694,696	429,515	209,915	642,616	43,697,230	
2005	13,206,772	1,217,269	35,629,037	12,606,571	546,461	672,004	899,675	64,777,789	

Information derived from current and prior years' Governmental Funds - Statement of Revenues, Expenditures and Changes in Fund Balance

YAMHILL COUNTY, OREGON
 General Governmental Expenditures By Function
 All Governmental Fund Types
 Last Ten Fiscal Years

Fiscal year ended June 30,	General Government	Public Safety, Jail and Sheriff	Highways and Streets	Health and Sanitation	Parks, Culture and Recreation	Education	Capital Outlay	Debt Service	Total
1996	7,537,479	6,434,381	4,443,477	7,028,831	238,964	388,553	2,773,826	1,748,333	30,593,844
1997	9,252,734	7,499,550	4,158,846	7,351,455	265,057	437,813	3,825,844	1,748,835	34,540,134
1998	8,845,913	8,878,925	5,048,189	8,267,743	302,376	434,446	2,593,301	422,020	34,792,913
1999	7,209,362	12,642,855	5,052,568	8,940,722	220,731	467,752	2,386,598	421,860	37,342,448
2000	7,101,188	14,477,684	4,878,169	9,584,161	398,464	277,909	3,690,978	-	40,408,553
2001	8,176,397	15,115,126	4,691,031	11,018,550	951,019	235,509	1,925,537	-	42,113,169
2002	8,019,491	15,410,205	4,866,315	11,912,671	665,681	287,694	2,032,076	-	43,194,133
2003	9,296,638	14,500,020	4,561,141	12,123,697	929,558	436,576	593,063	-	42,440,693
2004	11,413,052	12,176,544	5,068,127	11,462,073	500,305	366,370	1,356,883	-	42,343,354
2005	14,393,781	14,233,978	7,855,401	13,311,575	584,275	394,931	2,021,609	-	52,795,550

Information derived from current and prior years' Governmental Funds - Statement of Revenues, Expenditures and Changes in Fund Balance

YAMHILL COUNTY, OREGON

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Fiscal Years

Fiscal Year ended June 30,	Real Property	Personal Property	Manufactured Structures	Utilities	Total
1996	2,599,931,391	94,148,142	84,619,602	97,352,094	2,876,051,229
1997	3,417,790,375	126,983,470	114,018,798	108,497,816	3,767,290,459
1998					
Assessed Value	N/A	N/A	N/A	N/A	3,368,677,113
Real Market Value	3,901,045,507	131,770,541	124,443,447	147,282,575	4,304,542,070
1999(1)					
Assessed Value	3,184,026,740	127,704,351	101,665,548	129,041,015	3,542,437,654
Real Market Value	4,116,015,158	129,229,050	133,608,239	143,832,519	4,522,684,966
2000(1)					
Assessed Value	3,397,559,949	140,124,864	103,206,081	138,113,489	3,779,004,383
Real Market Value	4,393,425,178	138,879,235	132,207,948	149,541,079	4,814,053,440
2001(1)					
Assessed Value	3,627,099,665	142,759,959	105,814,011	151,012,674	4,026,686,309
Real Market Value	4,768,676,028	143,106,704	129,224,174	166,463,683	5,207,470,589
2002(1)					
Assessed Value	3,777,994,247	144,118,894	106,789,908	168,495,450	4,197,398,499
Real Market Value	4,899,824,863	144,346,896	122,760,002	169,037,574	5,335,969,335
2003(1)					
Assessed Value	4,046,825,015	141,576,969	100,626,358	160,850,039	4,449,878,381
Real Market Value	5,214,470,703	141,587,083	107,676,815	161,382,366	5,625,116,967
2004(1)					
Assessed Value	4,135,397,460	150,804,129	84,663,107	164,159,164	4,535,023,860
Real Market Value	5,417,621,964	150,866,342	90,583,140	164,586,683	5,823,658,129
2005(1)					
Assessed Value	4,459,045,210	158,601,425	82,670,258	169,556,675	4,869,873,568
Real Market Value	6,171,276,430	158,746,463	87,560,930	170,328,842	6,587,912,665

Source: Yamhill County Assessor

(1) Due to a petition initiative, assessed values were established at a base level in 1997.

YAMHILL COUNTY, OREGON

PROPERTY TAX RATES DIRECT AND OVERLAPPING GOVERNMENTS

Last Ten Fiscal Years

Fiscal Year Ended June 30,	Total	Yamhill County	Cities	Fire Districts	School Districts	Service Districts	College Districts
1996	21.63	3.00	4.39	0.86	12.19	0.08	1.11
1997	18.94	2.57	3.25	0.90	11.07	0.09	1.06
1998	14.63	2.65	3.82	0.90	6.53	0.09	0.64
1999	16.51	2.66	4.87	0.80	7.41	0.08	0.69
2000	16.31	2.54	5.14	0.87	7.31	0.03	0.43
2001	16.18	2.57	4.89	0.87	7.11	0.08	0.66
2002	16.36	2.60	5.22	0.87	7.04	0.18	0.45
2003	16.19	2.59	5.22	0.85	6.92	0.17	0.44
2004	16.19	2.59	5.22	0.85	6.92	0.17	0.44
2005	16.24	2.60	5.06	0.90	6.98	0.18	0.52

Source: Yamhill County Department of Assessment and Taxation.

Tax rates are per \$1,000 of assessed valuation before adjustment for property tax limitation.

School District rates after 1996 are adjusted for property tax limitation.

YAMHILL COUNTY, OREGON
PROPERTY TAX COLLECTIONS AND LEVIES

Last Ten Fiscal Years

Fiscal year ended June 30,	Total Tax Levy (A)	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Total Outstanding Taxes Receivable (B)
1996	9,682,315	9,406,255	97%	400,493	9,806,748	770,138
1997	9,768,621	9,230,051	94%	449,346	9,679,397	779,005
1998	8,993,395	8,513,145	95%	424,994	8,938,139	787,975
1999	9,309,548	9,076,278	97%	438,706	9,514,984	808,984
2000	9,706,491	9,151,597	94%	439,745	9,591,342	955,367
2001	10,468,913	9,814,703	94%	412,565	10,227,268	946,676
2002	11,133,611	10,268,766	92%	484,896	10,753,662	1,035,682
2003	11,548,204	10,990,026	95%	497,387	11,487,413	905,119
2004	11,724,121	11,022,781	94%	313,779	11,336,560	868,646
2005	13,459,773	11,811,796	88%	483,624	12,295,420	1,164,353

(A) Total tax levy to be collected after adjustments and discounts

(B) Taxes Receivable is net of discount.

Source: Yamhill County Assessor's Office

Note: This schedule includes only the transactions of the County and not other taxing districts for which the County acts as an agent.

YAMHILL COUNTY, OREGON

Principal Taxpayers Within the County

June 30, 2005

<u>Private Enterprise</u>	<u>Type of Business</u>	<u>Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation</u>
Southeast Paper Mfg Co	Paper Manufacturer	181,080,567	3.72%
Cascade Steel	Steel Manufacturer	39,090,217	0.80%
Austin, George K., Jr & Joan D.	Real Estate	36,261,910	0.74%
Willamette Valley Medical Center	Medical	34,252,044	0.70%
Willamina Lumber	Lumber Mill	17,829,983	0.37%
HRC McMinnville LLC	Retirement Community	16,861,827	0.35%
Boise Cascade	Paper Products	13,191,056	0.27%
<u>Public Utilities</u>			
Portland General Electric	Electric	68,842,000	1.41%
Verizon Northwest Inc	Telephone	46,534,800	0.96%
NW Natural Gas	Gas	28,088,600	0.58%
All Other Taxpayers		4,387,840,564	90.10%
Total		4,869,873,568	100.00%

YAMHILL COUNTY, OREGON

Computation of Legal Debt Margin

June 30, 2005

ORS 287.054 provides a limit on County general obligation debt of 2% of the real market value within the County boundaries.

Real Market Value (A)	<u>\$ 6,587,912,665</u>
Legal debt limit - 2 percent of real market value	\$ 131,758,253
General obligation bonds	0
Full Faith & Credit Bonds	<u>1,545,000</u>
Legal debt margin	<u>\$ 130,213,253</u>

Source: (A) Yamhill County Assessor

YAMHILL COUNTY, OREGON

RATIO OF NET GENERAL BONDED DEBT TO ASSESSED VALUE AND NET BONDED DEBT PER CAPITA

Last Ten Fiscal Years

Fiscal year ended June 30,	Assessed Value	Net General Bonded Debt	Ratio	Bonded Debt per Capita
1996	3,311,385,073	2,400,000	0.07%	30.97
1997	3,767,290,459	765,000	0.02%	9.66
1998	3,368,677,113	395,000	0.01%	4.82
1999	3,542,437,654	-	0.00%	-
2000	3,779,004,383	-	0.00%	-
2001	4,026,686,309	-	0.00%	-
2002	4,197,398,499	-	0.00%	-
2003	4,449,878,381	-	0.00%	-
2004	4,535,023,860	1,750,000	0.04%	19.62
2005	4,869,873,568	1,545,000	0.03%	17.32

YAMHILL COUNTY, OREGON

RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL OBLIGATION BONDED DEBT TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES

Last Ten Fiscal Years

Fiscal year ended <u>June 30,</u>	General Obligation and FFC			Total General Governmental Expenditures(1)	Debt Service as a % of General Expenditures
	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>		
1996	1,535,000	213,333	1,748,333	30,593,844	5.71%
1997	1,635,000	113,835	1,748,835	35,540,134	4.92%
1998	370,000	52,020	422,020	34,792,913	1.21%
1999	395,000	26,860	421,860	37,392,448	1.13%
2000	0	0	0	40,408,553	0.00%
2001	0	0	0	42,113,169	0.00%
2002	0	0	0	43,135,133	0.00%
2003	0	0	0	42,440,693	0.00%
2004	0	29,413	29,413	42,343,354	0.07%
2005	205,000	56,775	261,775	52,805,767	0.50%

(1) Includes General, Special Revenue, Debt Service and Capital Projects Funds.

YAMHILL COUNTY, OREGON

Direct and Overlapping Bonded Debt
General Obligation Bonds
June 30, 2005

<u>Jurisdiction</u>	<u>Gross Outstanding</u>	<u>Applicable Percent</u>	<u>Applicable Amount</u>
Direct:			
Yamhill County	\$ 1,545,000	100.00%	\$ 1,545,000
Overlapping:			
Cities:			
Amity	90,089	100.00%	90,089
Carlton	25,000	100.00%	25,000
Dundee	260,000	100.00%	260,000
McMinnville	10,690,000	100.00%	10,690,000
Newberg	3,920,000	100.00%	3,920,000
Sheridan	75,000	100.00%	75,000
Willamina	148,796	59.94%	89,188
Yamhill	-	100.00%	-
Fire Districts:			
West Valley FD	1,595,000	52.56%	838,332
School Districts:			
#4 Amity	6,965,000	84.05%	5,854,083
#8 Dayton	6,020,000	100.00%	6,020,000
#29J Newberg	69,320,000	94.24%	65,327,168
#40 McMinnville	22,620,000	100.00%	22,620,000
#1 Yamhill-Carlton	7,075,000	100.00%	7,075,000
#48J Sheridan	9,340,000	91.51%	8,547,034
#511J Gaston	190,000	18.74%	35,606
#1J Hillsboro	132,035,000	0.01%	13,204
#1J Farmington	-	0.00%	-
#88J Sherwood	41,805,000	0.06%	25,083
Community Colleges			
Chemeketa Comm College	26,480,000	14.68%	3,887,264
Portland Comm College	81,438,170	2.17%	1,767,208
Total	\$ 421,637,055		\$ 138,704,259

YAMHILL COUNTY, OREGON

DEMOGRAPHIC STATISTICS

Last Ten Fiscal Years

Fiscal Year Ended June30,	Population	Per Capita Income	Unemployment Rate (Portland Metro Area)
1996	77,500	20,091	4.5%
1997	79,200	21,920	4.3%
1998	81,900	22,586	4.3%
1999	83,100	23,280	4.5%
2000	85,500	23,960	4.1%
2001	86,400	23,431	5.0%
2002	87,500	25,088	7.5%
2003	88,150	*	8.8%
2004	89,200	*	6.8%
2005	*	*	6.3%

* Information unavailable

Source: State Department of Human Services, Employment Division

YAMHILL COUNTY, OREGON
CONSTRUCTION PERMITS AND BANK DEPOSITS
 Last Ten Fiscal Years

Fiscal Year Ended June 30,	Value (2)	Residential Construction(3)		Non-Residential Construction(3)		Bank Deposits
		Number of Permits(1)	Value	Number of Permits (1)	Value	
1996	3,311,385,073	272	22,534,695	208	5,905,167	409,383,000
1997	3,767,290,459	256	21,488,907	211	3,409,071	394,232,000
1998	4,304,542,070	461	28,626,872	201	4,580,325	423,051,000
1999	4,522,684,966	302	23,140,376	223	5,698,477	375,380,000
2000	4,814,053,440	158	19,752,963	30	12,202,049	426,010,000
2001	5,207,471,387	198	23,081,479	36	2,361,820	426,855,000
2002	5,335,969,335	306	25,717,723	31	4,192,155	453,973,000
2003	5,625,116,967	310	30,284,847	144	10,155,280	498,010,000
2004	5,823,658,129	307	38,133,637	136	4,805,918	512,371,000
2005	6,587,912,665	407	41,047,977	108	12,292,556	456,377,000

(1) Information maintained on calendar year basis through 1994.

(2) Real Market Value from County Assessor.

(3) For unincorporated areas of Yamhill County.

Source: Yamhill County Planning Department, State Department of Commerce.
 New construction only.

YAMHILL COUNTY CONTRACTS ISSUED - FY 2004-2005

B.O. Date	B.O. #	Fund/Depart.	Description	Contract Vendor	Contract Amt.
08/12/04	04-559	Public Works	Engineer replacement of Moores Valley Rd Bridge	OBEC Consulting Engineers	\$269,720
8/12/04	04-560	Public Works	Engineer replacement of West Side Rd Bridge	OBEC Consulting Engineers	\$189,500
8/12/04	04-561	Public Works	Engineer replacement of Lafayette Hwy Bridge	OBEC Consulting Engineers	\$264,500
8/26/04	04-599	Public Works	Engineer repairs on Willamina Creek Road	GeoDesign, Inc.	\$4800
9/2/04	04-606	Public Works	Consultation services, Old RR Grade Road	PBS Engineering and Environmental	\$15,300
9/2/04	04-620	Public Works	Consultation services, Grand Island roads	GeoDesign, Inc.	\$7750
9/23/04	04-684	Admin. Svcs.	Janitorial services, cancel 626 7 th Street, start 616 N. Davis, increase contract by \$22.90/month.	ABM Janitorial	
9/30/04	04-698	Public Works	Design engineering/construction inspection, Lambert Slough Bridge	OBEC Consulting Engineers	\$6000
9/30/04	04-699	Admin. Svcs.	Supply doors/windows, Moore Bldg, low bid	Grand Openings, Inc.	\$43,215
10/21/04	04-745	Public Works	Fernwood Road improvements	Jeffery D. Smith	\$638,440
10/21/04	04-746	Admin Svcs.	Alarm inspection services	SimplexGrinnell	\$1082/year
10/21/04	04-758	Public Works	Road improvements, Kemper Crest I development	Jeffery D. Smith	\$51,806
11/4/04	04-776	Admin. Svcs.	Plumbing work, Moore Bldg, low bid	Metro Plumbing	\$37,500
11/4/04	04-777	Admin. Svcs.	Renewal, maintenance of courthouse chiller	Carrier Corporation	\$11,040/year
11/9/04	04-787	Admin. Svcs.	Electrical work, Moore Bldg, exempt from bidding	DND Electrical Contractors, Inc	\$65/hour + cost
11/9/04	04-794	Admin. Svcs.	Audit services, FY 04-05	Isler & Co., LLC	\$26,900

YAMHILL COUNTY CONTRACTS ISSUED - FY 2004-2005

11/23/04	04-817	Admin Svcs.	Asbestos surveying/sampling, Moore Bldg	Environmental Consulting Associates, LLC	\$800
11/23/04	04-818	Public Works	Routine inspection/report prep, 35 county bridges	Bugess & Niple, Ltd.	\$16,275
12/9/04	04-839	Admin Svcs.	Janitorial services, courthouse, 2-year contract	Hawkeye Janitorial Services	\$62,050/year
12/9/04	04-840	Admin Svcs.	Janitorial services, other county bldgs, 2-years	ABM Janitorial Services	\$12,899/year
12/9/04	04-845	Public Works	Amend#1, Meadowlake Road Bridge contract (B.O. 04-198), increase amt from \$313,000	OBEC Consulting Engineers	\$345,000
12/9/04	04-846	Telecom	Long-distance services, 1-year contract	Verizon Wireless	
1/13/05	05-32	Public Works	Geotechnical bridge repair services, Chehalem Creek/Stagg Hollow Creek	Foundation Engineering, Inc.	\$7,630
1/20/05	05-39	Public Works	Performance bond/agreement, Kemper Crest 2 road improvements	Jeffery D. Smith	\$159,497
1/27/05	05-47	Public Works	Earthbind stabilization work, Worden Hill Rd	EnviRoad, LLC	\$33,258
2/3/05	05-57	Public Works	Landslide repairs, Old Railroad Grade Rd	Soil Nail Launcher, Inc.	\$107,400
2/16/05	05-98	Public Works	Performance bond/agreement, underground utilities	MasTec, Inc.	\$10,000
2/23/05	05-106	Public Works	Performance bond/agreement, Josie=s Meadows road improvements	Coyote Homes, Inc.	\$61,487
3/23/05	05-184	Admin Svcs	Amendment, develop Stern Bldg permit documents	RSS Architecture	\$2720
3/30/05	05-212	Public Works	Amend#2, Meadowlake Road Bridge contract, increase amt from \$345,000	OBEC Consulting Engineers	\$374,387
3/30/05	05-215	Public Works	Emergency repairs to Ballston Bridge, DeJong Rd	ConTech Services, Inc.	\$40,000
4/13/05	05-247	Public Works	Wheatland Ferry dredging - technical services	David Evans & Assoc.	\$12,850
4/20/05	05-259	Public Works	Chipseal aggregate for 05-06, low bid	C.C. Meisel	\$20,278

YAMHILL COUNTY CONTRACTS ISSUED - FY 2004-2005

4/20/05	05-264	Admin Svcs	Purchase & service of fire alarm detection systems	SimplexGrinnell LP	\$3911
4/27/05	05-287	Public Works	Meadowlake Road Bridge construction	Concrete Enterprises, Inc.	\$3,332,264
4/27/05	05-289	Admin Svcs	Amend, evaluate load-bearing capacity of floor in former vault area of courthouse	RSS Architecture	\$1000
4/27/05	05-290	Admin Svcs	Amend, evaluate proposed layout of Assessor's Office in current Clerk's Office space	RSS Architecture	\$1632
4/27/05	05-301	Admin Svcs	Carpeting in Moore Building, low quote	Fjelland Floors	\$28,800
5/11/05	05-321	Public Works	Performance bond/agreement, Gerhard Addition road improvements	Wildcat Investment Properties LLC	\$42,110
5/11/05	05-324	Community Corr/Jail	Construct canopy by Work Release/Restitution Ctr	Sheets Construction	\$22,048
5/18/05	05-350	Public Works	2005 asphalt overlay projects	J.C. Compton	\$1,037,558
5/25/05	05-362	Public Works	Amend, add tasks for Baker Creek Road Bridge	OBEC Consulting Engineers	\$128,772
5/25/05	05-363	Admin Svcs	Add janitorial services for 420 NE 7 th Street	ABM Janitorial Services	\$255.07/month
6/1/05	05-389	Admin Svcs	Purchase of Stern Block properties	FG Properties Partnership LLC	\$1,275,000
6/8/05	05-402	Admin Svcs	Add janitorial services for Romain Building	ABM Janitorial Services	\$701.25/month
6/8/05	05-403	Public Works	Laughlin Road overlay project, low bid	North Santiam Paving Co.	\$252,388
6/29/05	05-498	Public Works	Baker Creek Road Bridge construction, low bid	Mowat Construction Co.	\$1,033,742

YAMHILL COUNTY, OREGON
MISCELLANEOUS STATISTICAL DATA

June 30, 2005

Date established	July 5, 1843
Form of Government	General law, three elected, full-time commissioners
Number of Employees	483
Area-Square miles	718
Elevation at McMinnville (County seat)	157 feet
Average temperature	
January	39.1
July	65.4
Schools	
Elementary	19
Middle	7
High	8
Community Colleges	2
Colleges	2
Elections	
Number of registered voters	47,265
Number of votes cast in last general election (11/02/04)	42,540
Percent of registered voters voting in last general election (2002)	90.00%
Sheriff	
Number of full-time employees	78
Number of part-time employees	25
Vehicular patrol units	27
Vehicular search and rescue units	4
Jail	
Facilities	1
Capacity	250
Public Works	
Miles of county road	
Paved	385
Gravel	283
County parks	15
Fairgrounds	1

Sources: Oregon Blue Book, County Accounting Department, Yamhill Education Service District, County Clerk's Office, County Sheriff's Department, County Public Works Department, County Parks Department.

COMPLIANCE SECTION



Yamhill County

OREGON

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COMMENTS AND DISCLOSURES OF INDEPENDENT AUDITORS' REQUIRED BY STATE STATUTE

To the County Commissioners
Yamhill County, Oregon

We have audited the financial statements and schedules of Yamhill County, Oregon as of and for the year ended June 30, 2005, and have issued our report thereon dated October 14, 2005. We did not audit the financial statements of the 4H and Extension Service Fund, a blended component unit. We conducted our audit in accordance with Generally Accepted Auditing Standards and the provisions of the Minimum Standards for Audits of Oregon Municipal Corporations, prescribed by the Secretary of State, and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws, regulations, contracts and grants applicable to Yamhill County, Oregon is the responsibility of the County's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the County's compliance with certain provisions of laws, regulations, contracts and grants. However, our objective was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion. Certain areas covered, as required by Oregon Administrative Rules 162-10-230 through 162-10-320, included but were not limited to the following:

Accounting and Internal Control Structure - Our report on the accounting and internal control structure is presented separately under this cover.

Programs Funded from Outside Sources - Reports related to such programs are presented separately under this cover.

Financial Reporting Requirements - Whether financial reports and related data filed with other governmental agencies in conjunction with programs funded wholly or partially by such agencies were in agreement with or supported by the accounting records.

Compliance with Legal or Other Requirements -

Collateral - Pertaining to the amount and adequacy of collateral pledged by depositories to secure the deposit of public funds (see requirements for public fund deposits as specified in Oregon Revised Statutes (ORS) 295).

Indebtedness - Relating to debt and the limitation on the debt amount, liquidation of debt within the prescribed period of time, and compliance with provisions of indentures or agreements, including restrictions on the use of monies available to retire indebtedness.

Budget - Relating to the preparation, adoption and execution of the annual budget for the current fiscal year and the preparation and adoption of the budget for the next succeeding fiscal year (see ORS 294.305 to 294.565). The County exceeded budget appropriations as noted at footnote II A.

Taxes on Motor Vehicle Use and Fuel and the use of a Road Fund - Pertaining to (as contained in Article IX, Section 3a of the Oregon constitution) the use of revenue from taxes on motor vehicle use and fuel and the use of a road fund (as contained in ORS 294 and 373).

Insurance - Relating to insurance and fidelity bond coverage.

Investments - Pertaining to the investment of public funds (see ORS Chapter 294.035 to 294.046).

Public Contracts and Purchasing - Pertaining to (as contained in ORS Chapter 279) the awarding of public contracts and the construction of public improvements.

The results of our tests indicate that with respect to the items tested, Yamhill County, Oregon complied, in all material respects, with the provisions referred to above except for the following:

1. Overexpended appropriations as noted in footnote II. A. of the County's financial statements.

This report is intended for the information of the County Commissioners, County, federal awarding agencies and the Secretary of State, Division of Audits, of the State of Oregon. However, this report is a matter of public record and its distribution is not limited.

ISLER & CO., LLC

by: Paul R. Nielson
Paul Nielson, CPA, a principal of the firm

Eugene, Oregon
October 14, 2005



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PORTLAND

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

County Commissioners
Yamhill County, Oregon

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Yamhill County, Oregon (County) as of and for the year ended June 30, 2005, which collectively comprise the County's basic financial statements and have issued our report thereon dated October 14, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Yamhill County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

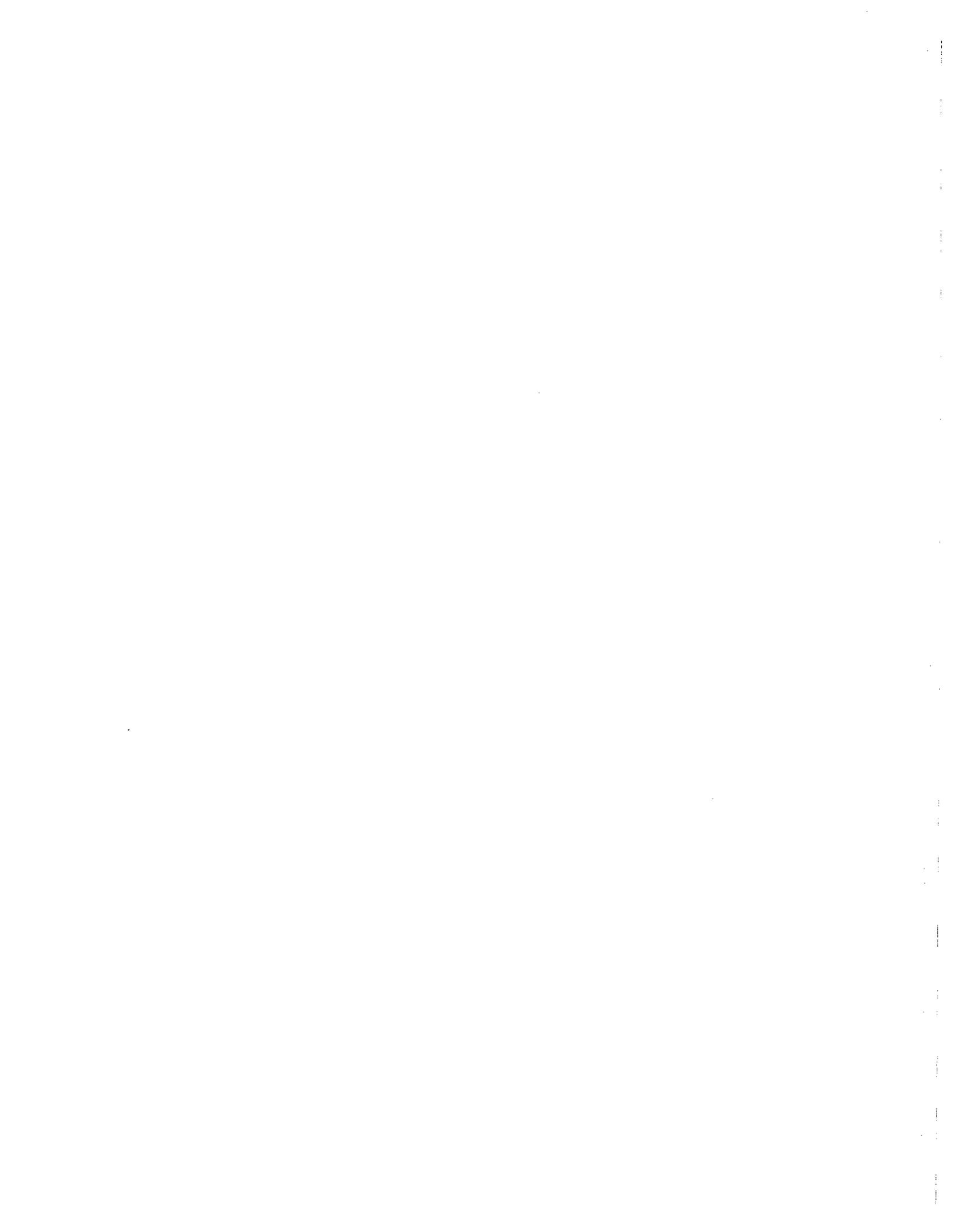
Compliance and Other Matters

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

This report is intended solely for the information and use of the audit committee, management, others within the organization, County Commissioners, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

ISLER & CO., LLC

by: Paul R. Nielson
Paul Nielson, CPA, a principal of the firm
Eugene, Oregon
October 14, 2005





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**REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

County Commissioners
Yamhill County, Oregon

Compliance

We have audited the compliance of Yamhill County, Oregon, ("Yamhill County") with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2005. Yamhill County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Yamhill County's management. Our responsibility is to express an opinion on Yamhill County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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 Yamhill County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Yamhill County's compliance with those requirements.

In our opinion, Yamhill County complied, in all material respects, with the requirements referred to above that are applicable to its major federal programs for the year ended June 30, 2005.

Internal Control Over Compliance

The management of Yamhill County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Yamhill County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the audit committee, management, others within the organization, County Commissioners, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

ISLER & CO., LLC

by: 
Paul Nielson, CPA, a principal of the firm

Eugene, Oregon
October 14, 2005

YAMHILL COUNTY, OREGON
Schedule of Findings and Questioned Costs
Year Ended June 30, 2005

I. SUMMARY OF AUDITOR'S RESULTS

1. The auditors' report expresses an unqualified opinion on the financial statements of Yamhill County.
2. No reportable conditions in internal control were disclosed by the audit of the financial statements.
3. No instances of noncompliance material to the financial statements of Yamhill County were disclosed during the audit.
4. No reportable conditions in internal control were disclosed by the audit of the financial statements.
5. No reportable conditions in internal controls over major programs were disclosed by the audit.
6. The auditors' report on compliance for the major federal award program expresses an unqualified opinion.
7. The audit did not disclose any findings that are required to be reported.
8. The programs tested as a major program:
 - i. Distribution of Receipts to State and Local Governments CFDA 15.227
 - ii. Residential Substance Abuse Treatment for State Prisoners CFDA 16.593
 - iii. State Homeland Security Program CFDA 97.073
9. The threshold for distinguishing between Type A and B programs was \$300,000.
10. The County was determined to be a low-risk auditee.

II. FINANCIAL STATEMENT FINDINGS

No findings related to the financial statement.

III. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

No matters were reported.

IV. SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters were reported.

YAMHILL COUNTY, OREGON
 Schedule of Expenditures of Federal Awards
 For the Year Ended June 30, 2005

	<u>CFDA</u>	<u>Pass Through Number</u>	<u>Federal Expenditures</u>
Department of Agriculture			
Direct:			
School Breakfast Program	10.553		\$ 17,478
Pass Through Oregon Department of Administrative Services			
Schools and Roads - Grants to States	10.665		<u>745,668</u>
			<u>763,146</u>
Department of Interior			
Direct:			
Distribution of Receipts to State and Local Governments (O&C Lands)	15.227		<u>814,492</u>
			<u>814,492</u>
Department of Justice			
Direct:			
State Criminal Alien Assistance Program	16.606		256,221
Bulletproof Vest Partnership Program	16.607		9,768
Public Safety Partnerships and Community Policing Grants	16.710		65,556
Pass Through Oregon Department of Justice:			
Juvenile Accountability Incentive Block Grants	16.523		18,539
Crime Victim Assistance	16.575	01-1525	10,680
Violence Against Women Formula Grants	16.588		20,609
Local Law Enforcement Block Grant Program	16.592		1,284
Residential Substance Abuse Treatment for State Prisoners	16.593		617,939
Part E - State Challenge Activities	16.549		<u>1,225</u>
			<u>1,001,821</u>
Department of Transportation			
Pass Through Oregon State Marine Board			
Boating Safety Financial Assistance	20.005		102,613
Pass Through Oregon State Department of Transportation			
Formula Grants for Other Than Urbanized Areas	20.509	18428	<u>176,608</u>
			<u>279,221</u>

YAMHILL COUNTY, OREGON
 Schedule of Expenditures of Federal Awards
 For the Year Ended June 30, 2005

	<u>CFDA</u>	<u>Pass Through Number</u>	<u>Federal Expenditures</u>
Department of Health and Human Services			
Pass Through Oregon State Department of Human Resources			
Promoting Safe and Stable Families	93.556		26,189
Child Care and Development Block Grant	93.575		57,035
Voting Access for individuals with Disabilities	93.617		2,720
Social Services Block Grant	93.667		81,843
			<u>167,787</u>
Social Security Administration			
Direct:			
Social Security—Benefits Planning, Assistance, and Outreach Program	96.008		3,400
			<u>3,400</u>
Department of Homeland Security			
Pass Through State of Oregon			
State Domestic Preparedness Equipment Support Program	97.004		9,432
Emergency Management Performance Grants	97.042		77,613
Citizen Corps	97.053		5,000
State Homeland Security Program	97.073		627,397
			<u>719,442</u>
In Lieu of Taxes			<u>5,845</u>
Total			<u><u>\$ 3,755,154</u></u>

Note 1 - Basis of Presentation

The above schedule of expenditures of Federal Awards is presented on the accrual basis of accounting and represents the federal financial assistance activity of Yamhill County. The information in this schedule was prepared in accordance with the requirements of OMB Circular A-133, and therefore some amounts presented in this schedule may differ from the amounts used in the preparation and presentation of the basic financial statements.

