

GILLIAM COUNTY, OREGON  
**INDEPENDENT AUDITORS' REPORT  
AND  
FINANCIAL STATEMENTS**

For the Year Ended June 30, 2012





GILLIAM COUNTY, OREGON  
**COUNTY COURT AND OFFICIALS**  
June 30, 2012

<u>NAME</u>	<u>POSITION</u>	<u>ADDRESS</u>
Pat Shaw	County Judge	Condon, Oregon
Michael Weimar	County Commissioner	Arlington, Oregon
Dennis Gronquist	County Commissioner	Arlington, Oregon
Rena Kennedy	County Clerk	Condon, Oregon
Gary Bettencourt	County Sheriff	Condon, Oregon
Alcenia Wright	Treasurer/Tax Collector	Condon, Oregon
Dave Messenger	County Assessor	Condon, Oregon
Marion Weatherford	County Attorney	Condon, Oregon
Cris Patnode	Justice of the Peace	Condon, Oregon

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Honorable Judge and County Court  
Gilliam County, Oregon  
Condon, Oregon

## INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Gilliam County, Oregon (the county), as of and for the year ended June 30, 2012, which collectively comprise the county's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the county's management. Our responsibility is to express opinions on these financial statements based on our audit. The prior year partial comparative information has been derived from the county's 2011 financial statements and, in our report dated December 22, 2011, we expressed unqualified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information.

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

In our opinion the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the county as of June 30, 2012, and the respective changes in financial position 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 a report dated November 30, 2012, on our consideration of the county's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. 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 read in conjunction with this report in considering the results of our audit.

The management's discussion and analysis on pages 3 through 10 is not a required part of the basic financial statements but are 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 county management regarding methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The budgetary comparison information for the General Fund and major special revenue funds on pages 40 through 45 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. This budgetary information for these funds has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the county's basic financial statements. The accompanying combining and individual nonmajor fund, budgetary comparison information, and supplementary schedules as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has 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.

*Oster Professional Group, CPA's, PC*

By Robert H. Armstrong

John Day, Oregon  
November 30, 2012



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

As management of Gilliam County, Oregon (the county), we offer readers of the county's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2012. We encourage readers to consider the information presented here in conjunction with the financial statements.

#### FINANCIAL HIGHLIGHTS

- ◆ The assets of the county exceeded its liabilities on June 30, 2012 by \$29 million on the government-wide Statement of Net Assets. Of this amount \$9.4 million represents the county's investment in capital assets net of related debt, \$2.8 million is restricted, and the remaining \$16.8 million is unrestricted and available to meet the county's ongoing obligations to citizens and creditors.
- ◆ The county's net assets increased by \$1.9 million primarily due to increased property taxes and SIP funds from wind farm projects, and landfill host fees.
- ◆ As of the close of the fiscal year, the governmental funds reported combined ending fund balances of \$16.2 million.
- ◆ As of the close of the fiscal year, unassigned fund balance for the General Fund was \$1.0 million.
- ◆ It continues to be the policy of Gilliam County to promote economic diversification and growth. As part of that effort the county continues to support the Arlington Port project at Willow Creek. This project would provide a dock and off loading facility for barges and the Arlington Airport Industrial site.
- ◆ The Wheat Quality testing lab is now complete and operational. Some testing fees are starting to be received in this budget year, although the county continues to fully fund the lab's operations.
- ◆ The county has entered into a program through the Oregon Economic & Community Development Commission to provide a Strategic Investment Program designation for the wind farms being constructed within Gilliam County. This program allows the county court to negotiate agreements with the wind farm owners to provide a property tax exemption program which exempts real market value greater than \$25 million from property taxes. In return the companies agree to provide a community service fee of 25 percent of the tax savings, capped at \$500,000 to be paid each year to local public service providers. Additional funds will be paid directly to Gilliam County for specific projects to be determined by the county court. This SIP agreement program will provide funds for a variety of county wide needs over the next 15 years. These funds are now being received.

#### OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the county's basic financial statements. The county's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to basic financial statements. This report also contains 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 overview of the county's finances, in a manner similar to a private sector business. These statements include:

*The Statement of Net Assets.* The Statement of Net Assets presents information on all of the assets and liabilities of the county at year end. Net assets are what remain after the liabilities have been paid or otherwise satisfied. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the county is improving or deteriorating.

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

*The Statement of Activities.* The Statement of Activities presents information showing how the net assets of the county changed over the year by tracking revenues, expenses and other transactions that increase or reduce net assets. 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 only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

In the government-wide financial statements, the county's activities are shown in one category:

- ◆ Governmental activities. Most of the county's basic functions are shown here, such as general government, highways and streets, public safety and economic development. These activities are primarily financed through property taxes, intergovernmental revenues, user fees and host fees.

The government-wide financial statements can be found on pages 13 through 15 of this report.

### **Fund Financial Statements**

The fund financial statements provide more detailed information about the county's funds, focusing on its most significant or "major" funds – not the county as a whole. Funds are accounting devices the county uses to keep track of sources of funding and spending on particular programs and to demonstrate compliance with various regulatory requirements. Some funds are required by state law and by bond covenants. The county establishes other funds to control and manage money for particular purposes (like repaying its long-term debt) or to show that it is properly using certain revenues (such as tracking special grants). All of the funds of the county can be divided into two categories: governmental funds and fiduciary funds.

*Governmental funds.* The 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 financing 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 funds Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances are reconciled to the government-wide Statements of Net Assets and Statement of Activities.

The county maintains 25 individual governmental funds. Information is presented separately in the governmental funds Balance Sheet and the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund, General Road Fund, Economic Development Fund, Economic Enhancement Fund, Wind Energy SIP Fund, and County Business Development Fund, which are considered to be major funds. Included in the General Fund for GAAP reporting purposes are 3 budgetary funds that do not meet the requirements of a special revenue fund according to GASB 54. Data from the other 16 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided as supplemental information.

The basic governmental funds financial statements can be found on pages 16 through 22 of this report.

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

*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 statements because the resources of those funds are not available to support the county's own programs. The accounting used for fiduciary funds is the same as that used for proprietary funds.

The basic fiduciary funds financial statements can be found on page 23 of this report.

**Notes to Basic 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 basic financial statements can be found on pages 24 through 38 of this report.

**Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the major governmental fund budget to actual statements. Required Supplementary Information can be found on pages 40 through 45 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented as supplemental information on pages 56 through 67 of this report.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

Net assets may serve over time as a useful indicator of a government's financial position. In the case of the county, assets exceed liabilities by \$29 million at the close of the fiscal year ended June 30, 2012.

Capital assets, which consist of the county's land, land improvements, infrastructure (including roads and bridges), buildings, building improvements, construction in progress, vehicles, and equipment, represent about 43 percent of total assets. The county uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. The remaining assets consist of cash and investments (46 percent); grants, notes and property taxes receivable and prepaid expenses (2 percent) and inventory (9 percent).

The county's liabilities consist primarily of capital leases payable for road department equipment (16 percent) and loans payable for economic development projects (77 percent). Current liabilities, not including current portions of long-term debt, represent about 7 percent of the county's total liabilities. Current liabilities consist of accounts payable and accrued salaries and benefits.

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

**Net Assets at June 30, 2012**  
(in thousands)

	Governmental Activities	
	June 30, 2012	June 30, 2011
Cash and investments	\$ 16,211	\$ 14,468
Other current assets	3,771	2,912
Capital assets, net of accumulated depreciation	15,168	15,934
Total assets	35,150	33,314
Current liabilities	472	570
Long-term debt	5,677	5,685
Total liabilities	6,149	6,255
Net assets:		
Invested in capital assets, net of related debt	9,415	10,076
Restricted	2,759	3,193
Unrestricted	16,826	13,790
Total net assets	\$ 29,000	\$ 27,059

**Governmental activities**

During the current fiscal year, the county's net assets increased by \$1.9 million, representing an increase of 7 percent from the prior year. The key elements of the change in the county's net assets for the year ended June 30, 2012 are as follows:

- ◆ Revenues received for economic development exceeded expenses by \$889 thousand including \$208 thousand for the industrial park rail siding. This allowed the county to distribute surplus funds to other areas of the county for further development.
  
- ◆ Also in this budget year, the depreciation on capital projects and properties represented an increase of \$404 thousand due to the completion of the industrial park buildings.

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

**Changes in Net Assets**  
**For the year ended June 30, 2012**  
(in thousands)

	Governmental Activities	
	June 30, 2012	June 30, 2011
<b>Revenues</b>		
Program revenues		
Charges for services	\$ 7,747	\$ 3,944
Operating grants and contributions	1,400	1,619
Capital grants and contributions	282	386
General revenues		
Property taxes	3,796	3,228
Other state and local sources	124	117
Interest on investments	176	135
Other	408	836
Total revenues	<u>13,933</u>	<u>10,265</u>
<b>Expenses</b>		
General government	2,661	1,940
Public safety	1,678	1,451
Highways, streets and airport	2,158	2,082
Public health	475	485
Recreation	6	9
Economic development	3,562	2,525
Interest on long-term debt	235	254
Depreciation	1,217	1,217
Total expenses	<u>11,992</u>	<u>9,963</u>
Change in net assets	1,941	302
Beginning net assets	27,059	26,757
Ending net assets	<u>\$ 29,000</u>	<u>\$ 27,059</u>

**FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS**

As noted earlier, the county uses fund accounting to ensure and demonstrate compliance with various regulatory requirements.

**Governmental Funds**

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

At June 30, 2012, the county's governmental funds reported combined ending fund balances of \$16.2 million. Approximately \$1.0 million or 6 percent of this total amount constitutes unassigned balance, which is available

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

for spending at the county's discretion. The remainder of this fund balance is restricted or assigned. See Note 13 on pages 37 and 38 for more information on fund balance classification.

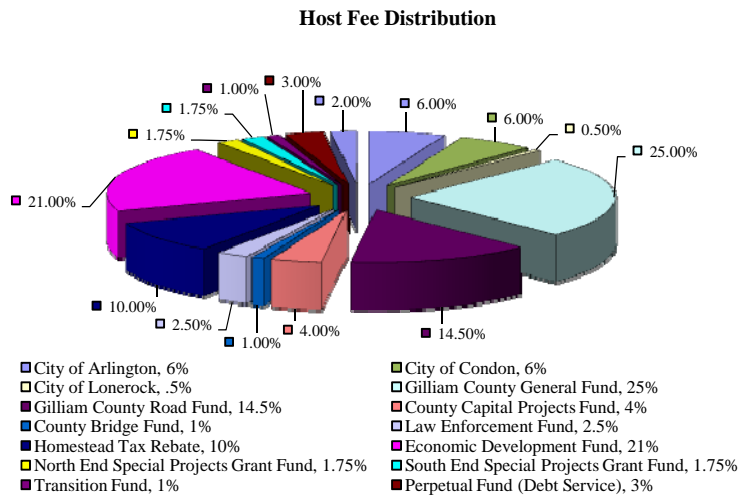
The General Fund is the primary operating fund of the county. At June 30, 2012, unassigned fund balance of the General Fund was \$984,083. As a measure of the General Fund's liquidity, it may be useful to compare fund balance to total fund expenditures. The total General Fund balance represents 23 percent of total General Fund expenditures for the year ended June 30, 2012 as compared to 40 percent for the year ended June 30, 2011.

The General Fund balance decreased by \$28 thousand during the current fiscal year. This was due to increasing the funding for the Wheat Lab and increasing the Capital Projects Fund excess revenue from the General Fund.

The General Road Fund balance decreased by \$118 thousand due to transfers out in excess of transfers in. Additionally, the General Road Fund increased expenditures for capital projects significantly during the year.

The Economic Development Fund balance decreased by \$306 thousand as a result of distributing the beginning fund balance from the prior year to various entities for the purpose of economic development.

The Economic Enhancement Fund balance increased by \$81 thousand. This fund receives host fees from the Columbia Ridge Landfill and Recycling Center. This fund is governed by county ordinance which distributes these funds annually to the following county funds and entities. The amounts change annually depending on host fees received. For the 2011-12 fiscal year \$2.5 million in host fees were dispersed. It is noted here that Host Fees are up approximately 5%.



The Wind Energy SIP Fund balance increased by \$1.8 million as a result of significant increases in SIP fees

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

from area wind farms. This balance will be distributed based on agreements the county has with various county entities.

The County Business Development Fund balance decreased by \$112 thousand due to new business development loans to area businesses.

#### GENERAL FUND BUDGETARY HIGHLIGHTS

Revenues and expenditures within the General Fund were in-line with the adjusted budget for the year. Actual expenditures were \$778 thousand less than budgetary estimates in the General Fund departments.

#### CAPITAL ASSET AND DEBT ADMINISTRATION

##### **Capital Assets**

The county's investment in capital assets includes land, infrastructure, buildings and improvements, vehicles and equipment, and construction in progress. As of June 30, 2012, the county had invested \$15.1 million in capital assets, net of accumulated depreciation.

During the year, the county's investment in capital assets decreased by approximately \$766 thousand due to depreciation expense in excess of new capital investments. Major capital activity included several new vehicles for the sheriff's department, financial software for the treasurer's office, a new phone system for the courthouse and a new motor grader for the road department.

Additional information on the county's capital assets can be found in note 4 on page 31 of this report.

##### **Long-Term Debt**

At the end of the current fiscal year, the county had total capital leases payable outstanding of \$979 thousand for road department equipment. Additionally, the county has loans payable of \$4.8 million related to industrial park and wheat blending facility construction.

Additional information on the county's long-term debt can be found in note 6 on pages 32 through 34 of this report.

#### ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The county is continuing to support Economic Development within the county and has dedicated \$2.2 million in Wind Energy SIP funds to improving infrastructure in both the City of Arlington and the City of Condon. The Court is also supporting development of a Retirement housing project in Arlington and a County Library project in Condon.

The county is also providing support and funding to both school districts in the county to provide infill for funding shortfalls from the State of Oregon. This is being done to insure the county's young people will receive a quality education and the skills necessary to succeed in life.

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

REQUESTS FOR INFORMATION

This financial report is designed to present the user (citizens, taxpayers, investors, and creditors) with a general overview of the county's finances and to demonstrate the county's accountability. Questions concerning any of the information provided in this report or requests for additional information can be obtained by calling the county's business office at (541)384-6321 or by sending a written request to: Gilliam County Treasurer, 221 S. Oregon Street, Condon, OR 97823.



## BASIC FINANCIAL STATEMENTS

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

	Governmental Activities	
	June 30, 2012	June 30, 2011
<b>ASSETS</b>		
Cash and investments	\$ 16,210,791	\$ 14,467,878
Receivables		
Property taxes	35,379	44,598
Other	668,051	330,533
Inventory	2,998,700	2,461,678
Prepaid expenses	68,994	75,739
Capital assets, net of accumulated depreciation		
Construction in progress	7,777	-
Land	65,103	65,103
Land improvements	7,488,994	7,718,289
Buildings	5,630,713	5,849,520
Equipment	1,975,078	2,301,004
Total capital assets	<u>15,167,665</u>	<u>15,933,916</u>
Total assets	<u>35,149,580</u>	<u>33,314,342</u>
<b>LIABILITIES</b>		
Accounts payable	275,230	276,154
Accrued compensated absences	121,220	120,612
Accrued interest payable	15,254	11,016
Long-term debt payable		
Due within one year	181,479	283,062
Due in more than one year	5,556,036	5,564,142
Total liabilities	<u>6,149,219</u>	<u>6,254,986</u>
<b>NET ASSETS</b>		
Investment in capital assets, net of related debt	9,414,896	10,075,696
Restricted	2,759,245	3,193,317
Unrestricted	16,826,220	13,790,343
Total net assets	<u>\$ 29,000,361</u>	<u>\$ 27,059,356</u>

The Notes to Basic Financial Statements are an integral part of these statements.

GILLIAM COUNTY, OREGON  
**STATEMENT OF ACTIVITIES**  
For the Year Ended  
June 30, 2012

Functions/Programs	Expenses	Program Revenues		Program Revenues
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
General government	\$ 2,660,577	\$ 813,859	\$ 171,102	\$ -
Highways and streets	2,158,494	360,483	371,686	-
Public safety	1,678,380	635,870	462,948	-
Health and education	475,074	1,218	321,622	-
Culture and recreation	5,865	3,512	13,279	-
Economic development	3,561,729	5,838,873	59,654	282,410
Interest on long-term debt	235,022	93,600	-	-
Depreciation	1,217,254	-	-	-
Total governmental activities	<u>\$ 11,992,395</u>	<u>\$ 7,747,415</u>	<u>\$ 1,400,291</u>	<u>\$ 282,410</u>

General revenues

  Property taxes, levied for general purposes

  Other intergovernmental revenue

  Unrestricted investment earnings

  Miscellaneous

Subtotal general revenues

  Gain on disposal of capital assets

Total general revenues and gain on disposal of capital assets

Changes in net assets

Net assets - beginning

Net assets - ending

The Notes to Basic Financial Statements are an integral part of these statements.

Net (Expense) Revenue  
and Changes in Net Assets

Governmental Activities

June 30, 2012	June 30, 2011
\$ (1,675,616)	\$ (1,447,084)
(1,426,325)	(1,044,249)
(579,562)	(512,547)
(152,234)	(296,955)
10,926	4,811
2,619,208	660,164
(141,422)	(160,247)
<u>(1,217,254)</u>	<u>(1,217,115)</u>
<u>(2,562,279)</u>	<u>(4,013,222)</u>
3,795,697	3,228,448
124,043	134,598
175,472	117,175
<u>358,072</u>	<u>760,730</u>
4,453,284	4,240,951
50,000	75,000
<u>4,503,284</u>	<u>4,315,951</u>
1,941,005	302,729
<u>27,059,356</u>	<u>26,756,627</u>
<u><u>\$ 29,000,361</u></u>	<u><u>\$ 27,059,356</u></u>

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

	101 General Fund	203 General Road Fund	211 Economic Development Fund
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>ASSETS</b>			
Cash and investments	\$ 5,396,527	\$ 1,123,875	\$ 186,789
Receivables			
Taxes	23,996	10,894	-
Other	15,260	-	-
Due from other funds	-	-	-
Total assets	<u>\$ 5,435,783</u>	<u>\$ 1,134,769</u>	<u>\$ 186,789</u>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>Liabilities</b>			
Accounts payable	\$ 81,133	\$ 28,274	\$ 87,326
Due to other funds	-	-	69,326
Deferred revenues	23,997	10,894	-
Compensated absences	54,315	42,764	-
Total liabilities	<u>159,445</u>	<u>81,932</u>	<u>156,652</u>
<b>Fund balance</b>			
Restricted	-	1,052,837	-
Committed	-	-	30,137
Assigned	4,292,255	-	-
Unassigned	984,083	-	-
Total fund balance	<u>5,276,338</u>	<u>1,052,837</u>	<u>30,137</u>
Total liabilities and fund balance	<u>\$ 5,435,783</u>	<u>\$ 1,134,769</u>	<u>\$ 186,789</u>

The Notes to Basic Financial Statements are an integral part of these statements.

232 Economic Enhancement Fund	235 Wind Energy SIP Fund	327 County Business Development Fund	Other Governmental Funds	Totals	
				June 30, 2012	June 30, 2011
\$ 4,249,968	\$ 2,145,304	\$ 330,019	\$ 2,778,309	\$ 16,210,791	\$ 14,467,878
-	-	-	489	35,379	44,598
207,997	-	272,199	172,597	668,053	330,534
69,326	-	-	-	69,326	-
<u>\$ 4,527,291</u>	<u>\$ 2,145,304</u>	<u>\$ 602,218</u>	<u>\$ 2,951,395</u>	<u>\$ 16,983,549</u>	<u>\$ 14,843,010</u>
\$ -	\$ 15,759	\$ -	\$ 62,859	\$ 275,351	\$ 276,154
-	-	-	-	69,326	-
-	-	265,384	367	300,642	141,528
-	-	-	24,142	121,221	120,613
<u>0</u>	<u>15,759</u>	<u>265,384</u>	<u>87,368</u>	<u>766,540</u>	<u>538,295</u>
-	-	336,834	1,369,574	2,759,245	3,193,317
4,527,291	2,129,545	-	1,018,111	7,705,084	-
-	-	-	460,840	4,753,095	9,951,968
-	-	-	15,502	999,585	1,159,430
<u>4,527,291</u>	<u>2,129,545</u>	<u>336,834</u>	<u>2,864,027</u>	<u>16,217,009</u>	<u>14,304,715</u>
<u>\$ 4,527,291</u>	<u>\$ 2,145,304</u>	<u>\$ 602,218</u>	<u>\$ 2,951,395</u>	<u>\$ 16,983,549</u>	<u>\$ 14,843,010</u>

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

**Total Fund Balances** \$ 16,217,009

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

Capital assets are not financial resources and therefore are not reported in the governmental funds:

Cost	\$ 24,284,230	
Accumulated depreciation	<u>(9,116,565)</u>	15,167,665

A portion of the county's property taxes are collected after year-end but are not available soon enough to pay for the current year's operations, and therefore are not reported as revenue in the governmental funds. 35,379

A portion of the county's business development loans are collected after year-end but are not available soon enough to pay for the current year's operations, and therefore are not reported as revenue in the governmental funds. 265,383

Road department rock inventory is expensed when used on the Statement of Activities. In the fund financial statements inventory is expensed when purchased. 2,998,700

Expenses for concrete construction are expensed when used on the Statement of Activities. In the fund financial statements it is expensed when paid. 68,994

Long-term liabilities not payable in the current year are not reported as governmental fund liabilities.

Long-term liabilities	(5,737,515)	
Accrued Interest	<u>(15,254)</u>	

**Total Net Assets** \$ 29,000,361

The Notes to Basic Financial Statements are an integral part of these statements.

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

	101 General Fund	203 General Road Fund	211 Economic Development Fund
Revenues			
Property taxes	\$ 2,642,641	\$ 1,128,041	\$ -
Investment earnings	189,697	2,840	708
Licenses and fees	553,204	186,379	-
Charges for services	-	220,080	-
Intergovernmental revenue	308,420	122,809	52,377
Miscellaneous revenue	751,256	209,954	-
Total revenues	<u>4,445,218</u>	<u>1,870,103</u>	<u>53,085</u>
Expenditures			
Current			
General government	2,055,236	-	-
Public safety	1,526,355	-	-
Highways and streets	-	1,867,226	-
Health and welfare	233,387	-	-
Culture and recreation	-	-	-
Economic development	254,190	-	1,088,547
Capital outlay	213,710	6,133	-
Debt service			
Principal	-	-	-
Interest	-	-	-
Total expenditures	<u>4,282,878</u>	<u>1,873,359</u>	<u>1,088,547</u>
Excess of revenues over (under) expenditures	<u>162,340</u>	<u>(3,256)</u>	<u>(1,035,462)</u>
Other financing sources (uses)			
Transfers in	833,900	100,000	896,154
Transfers out	<u>(1,024,627)</u>	<u>(214,672)</u>	<u>(167,041)</u>
Total other financing sources (uses)	<u>(190,727)</u>	<u>(114,672)</u>	<u>729,113</u>
Net change in fund balance	(28,387)	(117,928)	(306,349)
Available fund balance, July 1	5,304,725	1,170,765	336,486
Available fund balance, June 30 - by category			
Restricted	-	1,052,837	-
Committed	-	-	30,137
Assigned	4,292,255	-	-
Unassigned	984,083	-	-
Available fund balance, June 30 - total	<u>\$ 5,276,338</u>	<u>\$ 1,052,837</u>	<u>\$ 30,137</u>

The Notes to Basic Financial Statements are an integral part of these statements.

232 Economic Enhancement Fund	235 Wind Energy SIP Fund	327 County Business Development Fund	Other Governmental Funds	Totals	
				June 30, 2012	June 30, 2011
\$ -	\$ -	\$ -	\$ 34,234	\$ 3,804,916	\$ 3,217,806
28,325	4,813	1,216	9,428	237,027	117,175
2,293,205	-	-	-	3,032,788	2,953,875
273,112	2,264,286	-	637,823	3,395,301	1,624,657
-	-	282,410	725,835	1,491,851	1,873,756
-	750,000	22,524	102,850	1,836,584	583,552
<u>2,594,642</u>	<u>3,019,099</u>	<u>306,150</u>	<u>1,510,170</u>	<u>13,798,467</u>	<u>10,370,821</u>
-	-	-	26,726	2,081,962	1,666,076
-	-	-	312,779	1,839,134	1,533,947
-	-	-	821,931	2,689,157	2,631,018
-	-	-	250,481	483,868	529,551
-	-	-	83,857	83,857	59,317
667,561	1,090,932	467,826	21,140	3,590,196	2,375,437
-	-	-	358,998	578,841	1,446,735
-	-	-	304,136	304,136	682,964
-	-	-	235,022	235,022	253,847
<u>667,561</u>	<u>1,090,932</u>	<u>467,826</u>	<u>2,415,070</u>	<u>11,886,173</u>	<u>11,178,892</u>
<u>1,927,081</u>	<u>1,928,167</u>	<u>(161,676)</u>	<u>(904,900)</u>	<u>1,912,294</u>	<u>(808,071)</u>
-	-	50,018	1,712,040	3,592,112	4,152,448
<u>(1,846,104)</u>	<u>(90,514)</u>	<u>-</u>	<u>(249,154)</u>	<u>(3,592,112)</u>	<u>(4,152,448)</u>
<u>(1,846,104)</u>	<u>(90,514)</u>	<u>50,018</u>	<u>1,462,886</u>	<u>0</u>	<u>0</u>
80,977	1,837,653	(111,658)	557,986	1,912,294	(808,071)
4,446,314	291,892	448,492	2,306,041	14,304,715	15,112,786
-	-	336,834	1,369,574	2,759,245	3,193,317
4,527,291	2,129,545	-	1,018,111	7,705,084	-
-	-	-	460,840	4,753,095	9,951,968
-	-	-	15,502	999,585	1,159,430
<u>\$ 4,527,291</u>	<u>\$ 2,129,545</u>	<u>\$ 336,834</u>	<u>\$ 2,864,027</u>	<u>\$ 16,217,009</u>	<u>\$ 14,304,715</u>

GILLIAM COUNTY, OREGON  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE  
 STATEMENT OF ACTIVITIES**  
 For the Year Ended  
 June 30, 2012

**Net Change in Fund Balance** \$ 1,912,294

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

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

This is the amount by which capital purchases exceed depreciation:

Expenditures for capital assets	\$ 190,452	
Less current year depreciation	<u>(1,217,254)</u>	(1,026,802)

Long-term debt principal payments are reported as expenditures in governmental funds. In the Statement of Net Assets, however, principal payments decrease liabilities.

Long-term debt principal payments	320,241
-----------------------------------	---------

A portion of the county's business development loans are collected after year-end but are not available soon enough to pay for the current year's operations, and therefore are not reported as revenue in the governmental funds.

168,452

The county has prepaid for concrete on a contract. The amount of concrete used in the current year is not reported in the governmental funds.

(6,745)

Road department rock inventory is expensed when used on the Statement of Activities. In the fund financial statements inventory is expensed when crushed.

537,022

Property taxes that do not meet the measurable and available criteria are not recognized as revenue in the current year in the governmental funds. In the Statement of Activities property taxes are recognized as revenue when levied.

(9,219)

Trade-in proceeds on purchases of equipment on capital lease are not recognized in revenue in the current year in the governmental funds. In the Statement of Activities trade-in proceeds are recognized as revenues with the capitalization of capital assets purchased on capital leases.

50,000

Accrued interest is recognized as expense on the Statement of Activities. In the fund statements accrued interest is not reported.

(4,238)

**Change in Net Assets**

\$ 1,941,005

The Notes to Basic Financial Statements are an integral part of these statements.

GILLIAM COUNTY, OREGON  
**STATEMENT OF NET ASSETS**  
**FIDUCIARY FUNDS**  
June 30, 2012

	Agency Funds	
	June 30, 2012	June 30, 2011
<b>ASSETS</b>		
Cash and investments	\$ -	\$ 17,720
Property taxes receivable	75,636	96,896
Total assets	75,636	114,616
<b>LIABILITIES</b>		
Deficit cash balance	2,081	-
Due to other governments	73,555	114,616
Total liabilities	75,636	114,616
<b>NET ASSETS</b>		
	-	-
Total net assets	\$ 0	\$ 0

The Notes to Basic Financial Statements are an integral part of these statements.

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

Note 1. Significant Accounting Policies

Gilliam County was established under Oregon law and operates under the authority and power of the county court consisting of a county judge elected for terms of six years and two commissioners elected for terms of four years. Additionally, a county clerk, county assessor, county treasurer/tax collector, district attorney, and county sheriff are elected to terms of office of four years. The justice of the peace is elected to a term of office of six years. All other officers and employees of the county are appointed.

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

A. Reporting Entity

The county is a political subdivision of the state of Oregon. It is governed by an elected county court consisting of a county judge and two commissioners. These financial statements present all the fund types and account groups of the county.

**Blended Component Units**

The Gilliam County Fair Board serves the citizens of Gilliam County and is governed by board of directors appointed by the county court. The fair board's major source of revenue is from the operation of the fair. A portion of the fair board activity occurs within the local government investment pool maintained by the county and is reported as a special revenue fund of the county. A separate audit report that includes all activity for the fair board has been issued and can be reviewed at the county clerk's office.

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

B. Basis of Presentation

**Government-wide Financial Statements**

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

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

The Statement of Activities presents a comparison between direct expenses and program revenues for each of its functions/programs. Direct expenses are those that are specifically associated with a function and, therefore, are clearly identifiable to that function. Eliminations have been made to minimize the double counting of internal activities in the Statement of Activities. Program revenues include: (1) charges to users for fees, rentals, material, supplies or services provided, (2) operating grants and contributions and (3) capital grants and contributions. Revenues that are not classified as program revenues, including property taxes and state support, are presented as general revenues.

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

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

### **Fund Financial Statements**

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

The county reports the following major governmental funds:

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

*General Road Fund* – This fund accounts for the operation of the county road and crusher departments.

*Economic Development Fund* – This fund accounts for receipts from state lottery and landfill host fees passing through the Economic Enhancement Fund. During 2012-13 the county has committed a specified amount of property tax receipts. Expenditures are committed to economic development activities within the county.

*Economic Enhancement Fund* – This fund accounts for landfill host fees received and distributed per county ordinance.

*Wind Energy SIP Fund* – This fund accounts for receipt of various Strategic Investment Program (SIP) fees, community service fees, and local improvement agreement fees related to wind farms located within the county. Expenditures are committed to various SIP projects throughout the county. See Note 9 for a recap of SIP commitments.

*County Business Development Fund* – This fund accounts for receipts from community development block grants (CDGB) and payments from revolving business development loans. Expenditures are restricted to CDGB costs and revolving business development loans.

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

Additionally, the county reports the following fiduciary fund types:

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

C. Measurement Focus and Basis of Accounting

Government-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the county receives value without giving equal value in exchange, include property taxes, grants, entitlements and donations. On the accrual basis of accounting revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. Under terms of grant agreements, the county funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the county's policy to first apply cost-reimbursement grant resources to such programs and then general revenues.

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

D. Budgets and Budgetary Accounting

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



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

Unexpected additional resources may be added to the budget through the use of a supplemental budget and appropriations resolution. A supplemental budget requires hearings before the public, publications in newspapers, and approval by the county court. Original and supplemental budgets may be modified by the use of appropriations transfers between the levels of control. Such transfers require approval by the county court.

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

E. Property Taxes Receivable

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

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

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

F. Accumulated Unpaid Vacation and Sick Pay

Accumulated vacation and compensatory time are recorded as an expense and liability of the appropriate fund as benefits accrue to the employees. Sick pay does not vest at the end of a fiscal year.

G. Capital Assets

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

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

H. Inventories

Inventories consist of expendable supplies held for consumption stated on a first in, first out basis. In the governmental funds inventory items are charged to expenditures when purchased or

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

produced. Inventory on hand at the end of the fiscal year is recorded as an asset on the government-wide Statement of Net Assets. General Road Fund inventory consists of aggregate and culverts at either cost or cost of producing.

I. Cash and Investments

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

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

J. Use of Estimates

The preparation of basic financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the basic financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

K. Long-term Debt

In the government-wide financial statements long-term debt is reported as a liability in the Statement of Net Assets. Loan premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the loans using the straight-line method, which approximates the effective interest method. Loans payable are reported net of the applicable premium or discount.

In the fund financial statements loan premiums and discounts, as well as issuance costs, are recognized when incurred and not deferred. The face amount of the debt issued, premiums received on debt issuances, and discounts are reported as other financing sources and uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

L. Fund Balances

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

Nonspendable fund balance is the portion of net resources that cannot be spent because they are either (a) in a nonspendable form or (b) legally or contractually required to be maintained intact. Fund balance is reported as restricted when the constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

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

Fund balance is reported as committed when the county court passes a resolution that places specific constraints on how the resources may be used. The court action that imposed the limitation would need to occur no later than the close of the reporting period. The court can modify or rescind the legislative action at any time through passage of an additional resolution.

The net resources that are constrained by the county's intent to use them are reported as assigned fund balance. Intent is expressed when the court approves which resources should be set aside for specific purposes during the adoption of the annual budget. The court uses that information to determine whether those resources should be classified as assigned in the county's financial statements. Unassigned fund balance is the residual classification for the General Fund. This classification represents fund balance that has not been restricted, committed, or assigned within the General Fund.

The county applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

M. Prior Period Comparative Data

The basic financial statements include certain prior-year summarized comparative information in total but not at the level of detail required for a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the county's financial statements for the year ended June 30, 2011, from which the summarized information was derived.

Note 2. Pension Plan

*Plan Description*

The county contributes to the Oregon Public Employees Retirement Fund (OPERF), a cost-sharing multiple-employer defined benefit pension plan administered by the Oregon Public Employees Retirement System (PERS). PERS provides retirement and disability benefits, post-employment health care benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS is administered under Oregon Revised Statute (ORS) Chapter 238. ORS 238.620 establishes the Public Employees Retirement Board as the governing body of PERS.

During 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 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 (Pension Program) and a defined contribution portions (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 the type of service (general versus police or fire).

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

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 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 PERS, P.O. Box 23700, Tigard, OR 97281-3700, by calling 1-503-598-7377, or by accessing the PERS web site at [www.pers.state.or.us](http://www.pers.state.or.us).

*Funding Policy*

Plan members are required to contribute 6% of their annual covered salary. The county pays the participants' contribution. The county is required by ORS 238.225 to contribute at an actuarially determined rate. The rate effective July 1, 2011 is 8.60% of payroll covered under the plan for Tier 1/Tier 2 employees. The Tier 1/Tier 2 (T1/T2) rate is divided into two components: a normal cost rate and a UAL (or surplus) amortization rate. The normal cost rate continues to be applied only to T1/T2 payroll. However, the UAL amortization rate of 4.17% is applied to the employer's entire payroll, T1/T2 and OPSRP combined. The dollars collected are applied only to the employer's T1/T2 UAL or surplus and the employer contribution for the OPSRP plan is 6.13%.

The following rates are in effect until June 30, 2013:

- T1/T2 payroll – 12.77% (PERS normal cost: 8.60% plus PERS UAL: 4.17%)
- OPSRP payroll – 10.30% (OPSRP rate: 6.13% plus PERS UAL: 4.17%)
- OPSRP police & fire – 13.01% (OPSRP rate: 8.84% plus PERS UAL: 4.17%)

The contribution requirements for plan members are established by ORS Chapter 238 and may be amended by an act of the Oregon Legislature. Three-year trend information for PERS costs as required by GASB 27 is as follows:

Fiscal Year Ending	Annual Pension Cost (APC)	% of APC Contributed	Net Pension Obligation
June 30, 2010	\$ 261,849	100%	\$ -
June 30, 2011	267,542	100%	-
June 30, 2012	347,161	100%	-

Note 3. Receivables

Receivables are current and presented net of allowances for uncollectible accounts. Receivables are comprised of the following as of June 30, 2012:

	Governmental Activities	Agency Funds
Property taxes	\$ 35,379	\$ 75,636
Grants and other	402,667	-
Business development	265,384	-
Total	<u>\$ 703,430</u>	<u>\$ 75,636</u>

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

Note 4. Capital Assets

The following is a summary of changes in capital assets:

Capital assets	Balance			Balance June 30, 2012
	July 01, 2011	Additions	Deletions	
Land, not subject to depreciation	\$ 65,103	\$ -	\$ -	\$ 65,103
Construction in progress	-	7,777	-	7,777
Capital assets subject to depreciation				
Infrastructure	6,374,413	-	-	6,374,413
Land improvements	2,133,128	-	-	2,133,128
Buildings	8,578,986	-	-	8,578,986
Equipment and vehicles	6,868,264	443,226	(186,668)	7,124,822
Total depreciable capital assets	<u>23,954,791</u>	<u>443,226</u>	<u>(186,668)</u>	<u>24,211,349</u>
Accumulated depreciation				
Infrastructure	410,254	127,489	-	537,743
Land improvements	378,997	101,806	-	480,803
Buildings	2,729,467	218,807	-	2,948,274
Equipment and vehicles	4,567,260	769,152	(186,668)	5,149,744
Total accumulated depreciation	<u>8,085,978</u>	<u>1,217,254</u>	<u>(186,668)</u>	<u>9,116,564</u>
Net capital assets	<u>\$ 15,933,916</u>	<u>\$ (766,251)</u>	<u>\$ 0</u>	<u>\$ 15,167,665</u>

Depreciation was not allocated to any specific functions.

Note 5. Deposits and Investments

At June 30, 2012 the carrying amount of the county's deposits was \$1,231,538 and the bank balance was \$1,420,643. The insurance and collateral requirements for deposits are established by banking regulations and Oregon law. FDIC insurance of \$250,000 applies to the deposits in each depository. Where balances continually exceed \$250,000, ORS 295 requires the depositor to verify that deposit accounts are only maintained at financial institutions on the list of qualified depositories found on the state treasurer's web site. Qualifying depository banks must pledge securities with a particular value based on the bank's level of participation.

The balances in excess of the FDIC insurance are considered exposed to custodial credit risk. Custodial credit risk for deposits is the risk that, in the event of the bank failure, the county's deposits may not be returned to it. As of June 30, 2012, \$920,643 of the county's bank balance of \$1,420,643 was exposed to custodial credit risk as follows:

Uninsured and collateral held by pledging bank \$920,643

As of June 30, 2012 the county had the following investments:

Investment	Maturities	Fair Value
Local government investment pool	Varies	\$ 9,695,483
Merril Lynch US Treasury Notes	Varies	5,281,689
Total		<u>\$ 14,977,172</u>

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**NOTES TO BASIC FINANCIAL STATEMENTS**  
June 30, 2012

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. The county has no policy for managing interest rate or credit risk. Investments by the county held in the Local Government Investment Pool and Merrill Lynch US Treasury Notes are not rated.

The Oregon Short Term Fund is the LGIP for local governments and was established by the Oregon State Treasurer. It was created to meet the financial and administrative responsibilities of federal arbitrage regulations. The investments are regulated by the Oregon Short Term Fund Board and approved by the Oregon Investment Council.

As of June 30, 2012 cash and investments are reported as follows:

Governmental activities	\$	16,210,791
Agency funds		(2,081)
		<u>\$ 16,208,710</u>
Cash	\$	1,231,538
Investments		14,977,172
		<u>\$ 16,208,710</u>

Note 6. Long-Term Debt

The changes in the county's long-term debt during the fiscal year ended June 30, 2012, were as follows:

	Balance July 01, 2011	Additions	Reductions	Balance June 30, 2012	Due within one year
OEDD blending plant loan	\$ 4,757,776	\$ 1,164	\$ -	\$ 4,758,940	\$ -
OEDD industrial park infrastructure loan	163,000	-	163,000	-	
140M grader	48,365	-	48,365	-	
D6T tractor	146,468	-	46,450	100,018	48,784
966H loader	310,380	-	27,819	282,561	29,210
D8T tractor	421,215	-	35,771	385,444	37,112
140M grader	-	210,551	-	210,551	66,373
Compensated absences	131,024	-	10,412	120,612	-
<b>Totals</b>	<u>\$ 5,978,228</u>	<u>\$ 211,715</u>	<u>\$ 331,817</u>	<u>\$ 5,858,126</u>	<u>\$ 181,479</u>

Interest expense of \$273,695 on long-term debt has been included in the direct expense of individual functions on the government-wide Statement of Activities. Authorization for general long-term debt is specific to a particular purpose; thus an objective connection can be made to a specific program. All interest on long-term debt is reported as a direct expense of the programs for which borrowing is related.

Long-term debt at June 30, 2012 consisted of the following:

- Oregon Economic and Community Development Department wheat blending plant loan. The total amount of the loan received was \$4,739,547. The first regularly scheduled payment was

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

made December 1, 2005 and included interest at 4.76%. The final payment is scheduled for December 1, 2029. The loan is secured by up to 20.2% of the county's landfill facility host fee revenues. Future requirements for the retirement of this loan are as follows:

Fiscal Year	Principal	Interest	Total
2013	\$ (388)	\$ 226,488	\$ 226,100
2014	(406)	226,506	226,100
2015	60,574	226,526	287,100
2016	221,698	223,642	445,340
2017	232,251	213,089	445,340
2018-2022	1,337,987	888,713	2,226,700
2023-2027	1,688,222	538,478	2,226,700
2028-2030	1,219,002	116,974	1,335,976
Totals	<u>\$ 4,758,940</u>	<u>\$ 2,660,416</u>	<u>\$ 7,419,356</u>

- Oregon Economic and Community Development Department industrial park infrastructure loan. The total amount of the loan received was \$950,000. The first regularly scheduled payment was made December 1, 2005 and included interest at 4.76%. The final payment was made during 2011-12. The loan was secured by up to 20.2% of the county's landfill facility host fee revenues.
- Bank of Eastern Oregon D6T dozer note. Payable \$53,808 annually on November 15, interest included at 5%, secured by a Caterpillar D6T dozer. Future requirements for the retirement of this note are as follows:

Fiscal Year	Principal	Interest	Total
2013	\$ 48,784	\$ 5,024	\$ 53,808
2014	51,234	2,574	53,808
Totals	<u>\$ 100,018</u>	<u>\$ 7,598</u>	<u>\$ 107,616</u>

- Bank of Eastern Oregon 966H loader note. Payable annually on November 18, four payments of \$43,338 and one balloon payment of \$200,046 due November 18, 2016, interest included at 5%, secured by a Caterpillar 966H loader. Future requirements for the retirement of this note are as follows:

Fiscal Year	Principal	Interest	Total
2012	\$ 29,210	\$ 14,128	\$ 43,338
2013	30,670	12,668	43,338
2014	32,204	11,134	43,338
2015	190,477	9,569	200,046
Totals	<u>\$ 282,561</u>	<u>\$ 47,499</u>	<u>\$ 330,060</u>

- Caterpillar Financial Services Corporation D8T note. Payable annually on April 28, four payments of \$51,567 and one balloon payment of \$280,000 due April 18, 2016, interest

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

included at 3.75%, secured by a Caterpillar D8T tractor. Future requirements for the retirement of this note are as follows:

Fiscal Year	Principal	Interest	Total
2012	\$ 37,112	\$ 14,454	\$ 51,566
2013	38,504	13,062	51,566
2014	39,948	11,619	51,567
2015	269,880	10,120	280,000
Totals	<u>\$ 385,444</u>	<u>\$ 49,255</u>	<u>\$ 434,699</u>

- Bank of Eastern Oregon 140M grader note. Payable annually on August 15, three payments of \$75,321, interest included at 4.25%, secured by a Caterpillar 140M motor grader. Future requirements for the retirement of this note are as follows:

Fiscal Year	Principal	Interest	Total
2012	\$ 66,373	\$ 8,948	\$ 75,321
2013	69,193	6,128	75,321
2014	74,985	336	75,321
Totals	<u>\$ 210,551</u>	<u>\$ 15,412</u>	<u>\$ 225,963</u>

Note 7. Conduit Debt

From time to time, the county has issued Solid Waste Disposal Revenue Bonds to provide financial assistance to Waste Management, Inc. for the cost of acquiring, installing, constructing, relocating, equipping and improving real and personal property constituting the solid waste disposal facilities located in Gilliam County deemed to be in the public interest. The bonds are secured by Waste Management, Inc. Neither the county, the state, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of June 30, 2012, there were four series of Solid Waste Disposal Revenue Bonds outstanding. The aggregate principal payable could not be determined. The original issue amounts are as follows:

Bond Series	Original Amount	Issued	Maturity
Solid Waste Disposal Revenue Bonds, Series 2007	\$ 25,000,000	10/25/2007	10/1/2018
Solid Waste Disposal Revenue Bonds, Series 2003A	15,000,000	9/2/2003	7/1/2038
Solid Waste Disposal Revenue Bonds, Series 2002	25,000,000	6/5/2002	12/31/2027
Solid Waste Disposal Revenue Bonds, Series 2000A	15,900,000	8/1/2000	8/1/2014

Note 8. Risk Management

The county is exposed to various risks of loss related to torts; theft or damage to and destruction of assets; errors and omissions; and natural disasters for which the county carries commercial insurance. The county does not engage in risk financing activities where the risk is retained (self-insurance). Settled claims have not exceeded commercial coverage in any of the past three years.



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

Note 9. Commitments and Contingencies

Amounts received or receivable from grantor agencies are subject to audit and adjustment by these agencies, principally the federal government and the state of Oregon. Any disallowed claims, including amounts already collected, may constitute a liability to the county. The amount, if any, of costs which may be disallowed by the grantor cannot be determined at this time, although county management expects such amounts, if any, to be immaterial.

Additionally, the county has entered into agreements with Pebble Spring Wind, LLC, Willow Creek Energy, LLC, and Caithness Shepherd's Flat, LLC for the construction of wind farms within the county's borders. As a stipulation of these agreements, the three entities above have been given preferential rates in lieu of property tax levies. These agreements require the aforementioned wind farms to pay a pro-rated amount fee in lieu of property taxes under the Oregon Legislature's Strategic Investment Program. Funds raised from these agreements are earmarked for special investment programs targeted at creating infrastructure and employment opportunities in the county.

On June 8, 2011, the county entered into multiple agreements with entities lying within the county for approved Strategic Investment Program projects. Following is a list of commitment contracts earmarking future SIP revenues for projects within the county's boundaries:

Schedule of SIP Commitments:	Fiscal Year		
	2013	2014	2015
On June 8, 2011 the county entered into an agreement with the city of Condon for the use of SIP funds for the replacement of the city's water and sewer infrastructure.	\$ 1,000,000	\$ 2,000,000	\$ -
On June 8, 2011 the county entered into an agreement with the city of Arlington for the construction of water and sewer infrastructure and other utility infrastructure to serve the property in the city's urban growth area in the vicinity of the Arlington airport.	707,000	1,414,000	-
On June 8, 2011 the county entered into an agreement with the city of Lonerock for the construction of a water reservoir to be used for fire protection.	74,333	148,667	-
On June 8, 2011 the county entered into an agreement with Columbia Hills Manor, Inc. for the construction of a building to be known as Arlington Community Building which will serve as a senior center.	-	924,678	924,679
On June 8, 2011 the county entered into an agreement with South Gilliam County Rural Fire Protection District for the construction of an emergency services building to house the fire district equipment.	500,000	1,000,000	-
<b>Totals</b>	<b>\$ 2,281,333</b>	<b>\$ 5,487,345</b>	<b>\$ 924,679</b>

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

Note 10. Intergovernmental Agreements

**Frontier TeleNet**

Under authorization of state statute ORS 190.010, the county joined Sherman and Wheeler Counties and the North Central ESD to establish and operate Frontier TeleNet for the mutual advantage of the governments. The purpose of Frontier TeleNet is to create and operate a wireless network within the three counties to significantly improve emergency and educational communications coverage within the counties. The board of Frontier TeleNet is composed of the county judge from each of the three counties and the district superintendent. The operating and capital budgets are funded by contributions from each of the parties. Each parties share of the assets, liabilities, and fund equity is 25%. Summarized audited information for Frontier TeleNet for the fiscal year ended June 30, 2012 is as follows:

Revenues	\$ 3,586,185
Expenditures	3,172,105
Net change in fund balance	<u>\$ 414,080</u>
Total assets	<u>\$ 3,753,288</u>
Total liabilities	<u>82,585</u>
Net assets	<u>\$ 3,670,703</u>

**TRICOR**

Under authorization of state statute ORS 190.010, the county joined Sherman and Wheeler Counties to create Tri-County Community Corrections (TRICOR). The board of TRICOR is composed of one member of each county court and the sheriff from each county. The purpose of TRICOR is to share a parole and probation officer between the three counties.

**TRICOM**

Under authorization of state statute ORS 190.010, the county joined Sherman and Wheeler Counties to create Tri-County Communications (TRICOM). The board of TRICOM consists of one member of each county court, the sheriff from each county, and one additional director from each county. The purpose of the TRICOM is for the creation and operation of a tri-county emergency 911 dispatch center located in Condon. Wheeler County acts as the fiscal agent for TRICOM.

**FRONTIER DIGITAL NETWORK**

Under authorization of state statute ORS 190.010, the county joined Sherman and Wheeler Counties and the North Central ESD to establish and operate Frontier Digital Network for the mutual advantage of the governments. The purpose of Frontier Digital Network is to upgrade the wireless network to a digital network compliant with proposed federal changes. The board of Frontier Digital Network is composed of one representative from each of the cooperating counties. The operating and capital budgets are funded by contributions from each of the parties. Each parties share of the assets, liabilities, and fund equity is 33%.

**Related Organizations**

Gilliam County's officials are also responsible for appointing members of the boards of various organizations, but Gilliam County's accountability for these organizations does not extend beyond making appointments.

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

Note 11. Interfund Transfers

Transfers between funds provide support for various county programs in accordance with budgetary authorizations. The detail of interfund transfers for the fiscal year ended June 30, 2012 is as follows:

Transfer To	Transfer From	Amount
<i>Transfers between funds reported as part of General Fund</i>		
Wheat Lab Fund	General Fund	\$ 109,513
		109,513
Economic Development Fund	General Fund	328,009
Nonmajor funds	General Fund	587,105
Nonmajor funds	General Road Fund	214,672
Nonmajor funds	Economic Development Fund	167,041
General Fund	Economic Enhancement Fund	665,233
Nonmajor funds	Economic Enhancement Fund	562,708
Economic Development Fund	Economic Enhancement Fund	568,145
County Business Dev Fund	Economic Enhancement Fund	50,018
Nonmajor funds	Wind Energy SIP Fund	90,514
General Fund	Nonmajor funds	59,154
General Road Fund	Nonmajor funds	100,000
Nonmajor funds	Nonmajor funds	90,000
		3,482,599
		\$ 3,592,112

Note 12. Interfund Receivables and Payables

At June 30, 2012 the Economic Development Fund had an inter-fund payable balance of \$69,326 due to the Economic Enhancement Fund. This balance will be repaid in full during the 2012-13 fiscal year. The original loan was for the purpose of capital improvements at the Willow Creek Port Barge Facility project.

Note 13. Fund Balance Classification

Below is a schedule of the ending fund balance, based on GASB Statement No. 54 fund balance classifications:

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

	101 General Fund	203 Road Fund	211 Economic Development	232 Economic Enhancement	235 SIP Fund	327 Business Development	Non Major Funds	Total
Fund balances								
Restricted fund balance								
<u>Restricted</u>								
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 210,880	\$ 210,880
Highways and streets	-	1,052,837	-	-	-	-	487,629	1,540,466
Public safety	-	-	-	-	-	-	144,367	144,367
Health and welfare	-	-	-	-	-	-	161,096	161,096
Culture and recreation	-	-	-	-	-	-	209,430	209,430
Economic development	-	-	-	-	-	336,834	124,947	461,781
Debt service	-	-	-	-	-	-	31,225	31,225
	<u>0</u>	<u>1,052,837</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>336,834</u>	<u>1,369,574</u>	<u>2,759,245</u>
Unrestricted fund balance								
<u>Committed To:</u>								
General Government	-	-	-	-	-	-	507,023	507,023
Highways and Streets	-	-	-	-	-	-	511,088	511,088
Economic Development	-	-	30,137	4,527,291	2,129,545	-	-	6,686,973
	<u>0</u>	<u>0</u>	<u>30,137</u>	<u>4,527,291</u>	<u>2,129,545</u>	<u>0</u>	<u>1,018,111</u>	<u>7,705,084</u>
<u>Assigned</u>								
General government	4,115,428	-	-	-	-	-	-	4,115,428
Economic development	176,827	-	-	-	-	-	-	176,827
Captial projects	-	-	-	-	-	-	460,840	460,840
	<u>4,292,255</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>460,840</u>	<u>4,753,095</u>
<u>Unassigned</u>	984,083	0	0	0	0	0	15,502	999,585
Total fund balances	<u>\$ 5,276,338</u>	<u>\$ 1,052,837</u>	<u>\$ 30,137</u>	<u>\$ 4,527,291</u>	<u>\$ 2,129,545</u>	<u>\$ 336,834</u>	<u>\$ 2,864,027</u>	<u>\$ 16,217,009</u>

REQUIRED SUPPLEMENTARY INFORMATION

GILLIAM COUNTY, OREGON  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL**  
**GENERAL FUND - 101**  
For the Year Ended  
June 30, 2012

	Actual	Budget		(Over) Under Budget
		Adopted	Final	
<b>REVENUES</b>				
Property taxes	\$ 2,642,641	\$ 2,415,534	\$ 2,415,534	\$ (227,107)
Investment earnings	3,264	10,000	10,000	6,736
Licenses and fees	553,204	556,900	556,900	3,696
State sources	141,103	140,590	140,590	(513)
Federal sources	167,317	108,431	203,215	35,898
Miscellaneous revenue	723,736	209,719	711,094	(12,642)
<b>Total revenues</b>	<b>4,231,265</b>	<b>3,441,174</b>	<b>4,037,333</b>	<b>(193,932)</b>
<b>EXPENDITURES</b>				
Assessor department	241,345	281,939	281,939	40,594
Clerk department	173,373	186,902	186,902	13,529
County court	874,821	481,394	982,769	107,948
Courthouse and grounds	190,046	265,551	265,551	75,505
District attorney	115,866	144,558	144,558	28,692
Health department	144,709	147,584	147,584	2,875
Justice court	203,774	225,729	225,729	21,955
Juvenile justice department	142,805	183,947	183,947	41,142
Planning department	89,021	139,717	139,717	50,696
Sheriff department	889,381	862,647	964,929	75,548
Treasurer and tax collector	153,735	169,334	169,334	15,599
Economic development	80,338	97,302	97,302	16,964
Surveyor	8,555	51,500	51,500	42,945
Senior citizens programs	88,678	114,591	114,591	25,913
Corrections department	303,270	325,648	325,648	22,378
Special nondepartmental				
Materials and services	96,827	129,440	129,440	32,613
Capital outlay	58,655	140,853	140,853	82,198
Operating contingency	-	59,779	52,281	52,281
Reserves and special payments	253,827	282,241	282,241	28,414
<b>Total expenditures</b>	<b>4,109,026</b>	<b>4,290,656</b>	<b>4,886,815</b>	<b>777,789</b>
Excess of revenues over (under) expenditures	122,239	(849,482)	(849,482)	(971,721)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	724,387	715,342	715,342	(9,045)
Transfers out	(1,024,627)	(1,024,627)	(1,024,627)	-
<b>Total other financing sources (uses)</b>	<b>(300,240)</b>	<b>(309,285)</b>	<b>(309,285)</b>	<b>(9,045)</b>
<b>Net change in fund balance</b>	<b>(178,001)</b>	<b>(1,158,767)</b>	<b>(1,158,767)</b>	<b>(980,766)</b>
Available fund balance, July 1	1,162,084	1,158,767	1,158,767	(3,317)
Available fund balance, June 30	<u>\$ 984,083</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (984,083)</u>

The Notes to Basic Financial Statements are an integral part of these statements.

GILLIAM COUNTY, OREGON  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL**  
**GENERAL ROAD FUND - 203**  
For the Year Ended  
June 30, 2012

	Actual	Budget		(Over) Under Budget
		Adopted	Final	
<b>REVENUES</b>				
Property taxes	\$ 1,128,041	\$ 1,033,443	\$ 1,033,443	\$ (94,598)
Investment earnings	2,840	2,000	2,000	(840)
Licenses and fees	186,379	142,000	142,000	(44,379)
Charges for services	220,080	335,000	335,000	114,920
State sources	78,539	252,640	252,640	174,101
Federal sources	44,270	16,500	16,500	(27,770)
Miscellaneous revenue	209,954	116,295	181,333	(28,621)
<b>Total revenues</b>	<b>1,870,103</b>	<b>1,897,878</b>	<b>1,962,916</b>	<b>92,813</b>
<b>EXPENDITURES</b>				
Personal services	599,655	622,765	622,765	23,110
Materials and services	1,072,699	1,113,301	1,178,339	105,640
Capital outlay	6,133	57,500	57,500	51,367
Reserves and special payments	194,872	509,640	509,640	314,768
<b>Total expenditures</b>	<b>1,873,359</b>	<b>2,303,206</b>	<b>2,368,244</b>	<b>494,885</b>
Excess of revenues over (under) expenditures	(3,256)	(405,328)	(405,328)	(402,072)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	100,000	100,000	100,000	-
Transfers out	(214,672)	(214,672)	(214,672)	-
<b>Total other financing sources (uses)</b>	<b>(114,672)</b>	<b>(114,672)</b>	<b>(114,672)</b>	<b>0</b>
<b>Net change in fund balance</b>	<b>(117,928)</b>	<b>(520,000)</b>	<b>(520,000)</b>	<b>(402,072)</b>
Available fund balance, July 1	1,170,765	520,000	520,000	(650,765)
<b>Available fund balance, June 30</b>	<b>\$ 1,052,837</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ (1,052,837)</b>

The Notes to Basic Financial Statements are an integral part of these statements.

GILLIAM COUNTY, OREGON  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL**  
**ECONOMIC DEVELOPMENT FUND - 211**  
For the Year Ended  
June 30, 2012

	Actual	Budget		(Over) Under Budget
		Adopted	Final	
<b>REVENUES</b>				
Investment earnings	\$ 708	\$ 1,000	\$ 1,000	\$ 292
State sources	52,377	40,000	40,000	(12,377)
Miscellaneous revenue	-	25,000	25,000	25,000
Total revenues	<u>53,085</u>	<u>66,000</u>	<u>66,000</u>	<u>12,915</u>
<b>EXPENDITURES</b>				
Reserves and special payments	<u>1,088,547</u>	<u>1,112,163</u>	<u>1,145,163</u>	<u>56,616</u>
Total expenditures	<u>1,088,547</u>	<u>1,112,163</u>	<u>1,145,163</u>	<u>56,616</u>
Excess of revenues over (under) expenditures	<u>(1,035,462)</u>	<u>(1,046,163)</u>	<u>(1,079,163)</u>	<u>(43,701)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	896,154	873,204	873,204	(22,950)
Transfers out	<u>(167,041)</u>	<u>(167,041)</u>	<u>(167,041)</u>	<u>-</u>
Total other financing sources (uses)	<u>729,113</u>	<u>706,163</u>	<u>706,163</u>	<u>(22,950)</u>
Net change in fund balance	(306,349)	(340,000)	(373,000)	(66,651)
Available fund balance, July 1	<u>336,486</u>	<u>340,000</u>	<u>373,000</u>	<u>36,514</u>
Available fund balance, June 30	<u>\$ 30,137</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (30,137)</u>

The Notes to Basic Financial Statements are an integral part of these statements.



GILLIAM COUNTY, OREGON  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL  
 ECONOMIC ENHANCEMENT FUND - 232**  
 For the Year Ended  
 June 30, 2012

	Actual	Budget		(Over) Under Budget
		Adopted	Final	
<b>REVENUES</b>				
Investment earnings	\$ 28,325	\$ 35,000	\$ 35,000	\$ 6,675
Licenses and fees	2,293,205	2,500,000	2,500,000	206,795
Charges for services	273,112	250,000	250,000	(23,112)
<b>Total revenues</b>	<b>2,594,642</b>	<b>2,785,000</b>	<b>2,785,000</b>	<b>190,358</b>
<b>EXPENDITURES</b>				
Materials and services	566,109	994,963	994,963	428,854
Reserves and special payments	101,452	97,532	97,532	(3,920)
<b>Total expenditures</b>	<b>667,561</b>	<b>1,092,495</b>	<b>1,092,495</b>	<b>424,934</b>
Excess of revenues over (under) expenditures	1,927,081	1,692,505	1,692,505	(234,576)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(1,846,104)	(2,126,106)	(2,126,106)	(280,002)
<b>Total other financing sources (uses)</b>	<b>(1,846,104)</b>	<b>(2,126,106)</b>	<b>(2,126,106)</b>	<b>(280,002)</b>
Net change in fund balance	80,977	(433,601)	(433,601)	(514,578)
Available fund balance, July 1	4,446,314	4,692,669	4,692,669	246,355
Available fund balance, June 30	<u>\$ 4,527,291</u>	<u>\$ 4,259,068</u>	<u>\$ 4,259,068</u>	<u>\$ (268,223)</u>

The Notes to Basic Financial Statements are an integral part of these statements.

GILLIAM COUNTY, OREGON  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL**  
**WIND ENERGY SIP FUND - 235**  
 For the Year Ended  
 June 30, 2012

	Actual	Budget		(Over) Under Budget
		Adopted	Final	
<b>REVENUES</b>				
Investment earnings	\$ 4,813	\$ 1,000	\$ 1,000	\$ (3,813)
Charges for services	2,264,286	2,281,655	2,281,655	17,369
Miscellaneous revenue	750,000	745,000	745,000	(5,000)
Total revenues	<u>3,019,099</u>	<u>3,027,655</u>	<u>3,027,655</u>	<u>8,556</u>
<b>EXPENDITURES</b>				
Materials and services	196,787	324,721	324,721	127,934
Reserves and special payments	894,145	925,442	940,312	46,167
Total expenditures	<u>1,090,932</u>	<u>1,250,163</u>	<u>1,265,033</u>	<u>174,101</u>
Excess of revenues over (under) expenditures	<u>1,928,167</u>	<u>1,777,492</u>	<u>1,762,622</u>	<u>(165,545)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(90,514)	(90,514)	(90,514)	-
Total other financing sources (uses)	<u>(90,514)</u>	<u>(90,514)</u>	<u>(90,514)</u>	<u>0</u>
Net change in fund balance	1,837,653	1,686,978	1,672,108	(165,545)
Available fund balance, July 1	291,892	203,179	218,049	(73,843)
Available fund balance, June 30	<u>\$ 2,129,545</u>	<u>\$ 1,890,157</u>	<u>\$ 1,890,157</u>	<u>\$ (239,388)</u>

The Notes to Basic Financial Statements are an integral part of these statements.

GILLIAM COUNTY, OREGON  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL**  
**COUNTY BUSINESS DEVELOPMENT FUND - 327**  
 For the Year Ended  
 June 30, 2012

	Actual	Budget		(Over) Under Budget
		Adopted	Final	
<b>REVENUES</b>				
Investment earnings	\$ 1,216	\$ 2,500	\$ 2,500	\$ 1,284
Federal sources	282,410	300,000	300,000	17,590
Miscellaneous revenue	22,524	17,000	17,000	(5,524)
<b>Total revenues</b>	<b>306,150</b>	<b>319,500</b>	<b>319,500</b>	<b>13,350</b>
<b>EXPENDITURES</b>				
Reserves and special payments	467,826	815,118	815,118	347,292
<b>Total expenditures</b>	<b>467,826</b>	<b>815,118</b>	<b>815,118</b>	<b>347,292</b>
Excess of revenues over (under) expenditures	(161,676)	(495,618)	(495,618)	(333,942)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	50,018	50,018	50,018	-
<b>Total other financing sources (uses)</b>	<b>50,018</b>	<b>50,018</b>	<b>50,018</b>	<b>0</b>
Net change in fund balance	(111,658)	(445,600)	(445,600)	(333,942)
Available fund balance, July 1	448,492	445,600	445,600	(2,892)
Available fund balance, June 30	<u>\$ 336,834</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (336,834)</u>

The Notes to Basic Financial Statements are an integral part of these statements.

GILLIAM COUNTY, OREGON  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY REPORTING**  
For the Year Ended  
June 30, 2012

In accordance with Oregon Revised Statutes, the county court annually adopts a budget following required public notice and hearing for all funds except agency funds. The budget may be amended during the year through statutorily prescribed procedures. The county's budget is prepared on the modified accrual basis of accounting. Appropriations lapse at year end.

Formal and legal budgetary control for the certified budget is based upon major classes of expenditures known as functions within each fund. The General Fund budget is adopted by department. The functions budgeted within all other funds include: personal services, materials and services, capital outlay, debt service, contingencies, transfers, and reserves and special payments. The county adopted various budget amendments during the year as allowed by local budget law.

During the year ended June 30, 2012 disbursements in the major funds were within certified budget amounts in all functions, with exception of Reserves and Special Payments within the Economic Enhancement Fund.

The Notes to Basic Financial Statements are an integral part of these statements.

SUPPLEMENTARY SCHEDULES

GILLIAM COUNTY, OREGON  
**COMBINING BALANCE SHEET**  
**GENERAL FUND (GAAP REPORTING)**  
June 30, 2012

	101 General Fund	210 Wheat Lab Fund	215 Willow Creek Port Special Projects Fund
	<u>          </u>	<u>          </u>	<u>          </u>
<b>ASSETS</b>			
Cash and investments	\$1,096,973	\$ 34,326	\$ 149,800
Accounts receivable	15,260	-	-
Property tax receivable	23,996	-	-
Total assets	<u>\$1,136,229</u>	<u>\$ 34,326</u>	<u>\$ 149,800</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts payable	\$ 78,284	\$ 2,849	\$ -
Deferred revenues	23,997	-	-
Compensated absences	49,865	4,450	-
Total liabilities	<u>152,146</u>	<u>7,299</u>	<u>0</u>
<b>Fund balances</b>			
Assigned	-	27,027	149,800
Unassigned	984,083	-	-
Total fund balance	<u>984,083</u>	<u>27,027</u>	<u>149,800</u>
Total liabilities and fund balance	<u>\$1,136,229</u>	<u>\$ 34,326</u>	<u>\$ 149,800</u>

The Notes to Basic Financial Statements are an integral part of these statements.

326 Homestead Rebate Endowment Fund	<u>Totals</u> <u>June 30,</u> <u>2012</u>
\$4,115,428	\$5,396,527
-	15,260
-	23,996
<u>\$4,115,428</u>	<u>\$5,435,783</u>

\$ -	\$ 81,133
-	23,997
-	54,315
<u>0</u>	<u>159,445</u>

4,115,428	4,292,255
-	984,083
<u>4,115,428</u>	<u>5,276,338</u>
<u>\$4,115,428</u>	<u>\$5,435,783</u>

GILLIAM COUNTY, OREGON  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**GENERAL FUND (GAAP REPORTING)**  
For the Year Ended  
June 30, 2012

	101 General Fund	210 Wheat Lab Fund	215 Willow Creek Port Special Projects Fund
Revenues			
Property taxes	\$ 2,642,641	\$ -	\$ -
Investment earnings	3,264	178	-
Licenses and fees	553,204	-	-
State sources	141,103	-	-
Federal sources	167,317	-	-
Miscellaneous revenue	723,736	27,520	-
Total revenues	<u>4,231,265</u>	<u>27,698</u>	<u>0</u>
Expenditures			
Current			
General government	2,055,236	-	-
Public safety	1,526,355	-	-
Health and welfare	233,387	-	-
Economic development	80,338	173,852	-
Capital outlay	213,710	-	-
Total expenditures	<u>4,109,026</u>	<u>173,852</u>	<u>0</u>
Excess of revenues over (under) expenditures	<u>122,239</u>	<u>(146,154)</u>	<u>0</u>
Other financing sources (uses)			
Transfers in	724,387	109,513	-
Transfers out	(1,024,627)	-	-
Total other financing sources (uses)	<u>(300,240)</u>	<u>109,513</u>	<u>0</u>
Net change in fund balance	<u>(178,001)</u>	<u>(36,641)</u>	<u>0</u>
Available fund balance, July 1	<u>1,162,084</u>	<u>63,668</u>	<u>149,800</u>
Available fund balance, June 30	<u>\$ 984,083</u>	<u>\$ 27,027</u>	<u>\$ 149,800</u>

The Notes to Basic Financial Statements are an integral part of these statements.



326 Homestead Rebate Endowment Fund	<u>Totals</u> June 30, 2012
\$ -	\$ 2,642,641
186,255	189,697
-	553,204
-	141,103
-	167,317
-	751,256
186,255	4,445,218
-	2,055,236
-	1,526,355
-	233,387
-	254,190
-	213,710
0	4,282,878
186,255	162,340
-	833,900
-	(1,024,627)
0	(190,727)
186,255	(28,387)
3,929,173	5,304,725
\$ 4,115,428	\$ 5,276,338

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GILLIAM COUNTY, OREGON  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL  
 WHEAT LAB FUND - 210**  
 For the Year Ended  
 June 30, 2012

	Actual	Budget		(Over) Under Budget
		Adopted	Final	
<b>REVENUES</b>				
Investment earnings	\$ 178	\$ 600	\$ 600	\$ 422
Miscellaneous revenue	27,520	30,000	30,000	2,480
Total revenues	<u>27,698</u>	<u>30,600</u>	<u>30,600</u>	<u>2,902</u>
<b>EXPENDITURES</b>				
Personal services	141,461	159,151	159,151	17,690
Materials and services	32,391	41,212	41,212	8,821
Capital outlay	-	1,250	1,250	1,250
Reserves and special payments	-	3,500	3,500	3,500
Total expenditures	<u>173,852</u>	<u>205,113</u>	<u>205,113</u>	<u>31,261</u>
Excess of revenues over (under) expenditures	<u>(146,154)</u>	<u>(174,513)</u>	<u>(174,513)</u>	<u>(28,359)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	109,513	109,513	109,513	-
Total other financing sources (uses)	<u>109,513</u>	<u>109,513</u>	<u>109,513</u>	<u>0</u>
Net change in fund balance	(36,641)	(65,000)	(65,000)	(28,359)
Available fund balance, July 1	63,668	65,000	65,000	1,332
Available fund balance, June 30	<u>\$ 27,027</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (27,027)</u>

The Notes to Basic Financial Statements are an integral part of these statements.

GILLIAM COUNTY, OREGON  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL**  
**WILLOW CREEK PORT SPECIAL PROJECTS FUND - 215**  
 For the Year Ended  
 June 30, 2012

	Actual	Budget		(Over) Under Budget
		Adopted	Final	
REVENUES				
Investment earnings	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
EXPENDITURES				
Reserves and special payments	-	149,800	149,800	149,800
Total expenditures	<u>0</u>	<u>149,800</u>	<u>149,800</u>	<u>149,800</u>
Excess of revenues over (under) expenditures	<u>0</u>	<u>(149,800)</u>	<u>(149,800)</u>	<u>(149,800)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Total other financing sources (uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net change in fund balance	-	(149,800)	(149,800)	(149,800)
Available fund balance, July 1	<u>149,800</u>	<u>149,800</u>	<u>149,800</u>	<u>-</u>
Available fund balance, June 30	<u><u>\$ 149,800</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ (149,800)</u></u>

The Notes to Basic Financial Statements are an integral part of these statements.

GILLIAM COUNTY, OREGON  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL**  
**HOMESTEAD REBATE ENDOWMENT FUND - 326**  
 For the Year Ended  
 June 30, 2012

	Actual	Budget		(Over) Under Budget
		Adopted	Final	
<b>REVENUES</b>				
Investment earnings	\$ 186,255	\$ 100,000	\$ 100,000	\$ (86,255)
Total revenues	<u>186,255</u>	<u>100,000</u>	<u>100,000</u>	<u>(86,255)</u>
<b>EXPENDITURES</b>				
Reserves and special payments	-	-	-	-
Total expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess of revenues over (under) expenditures and net change in fund balance	186,255	100,000	100,000	(86,255)
Available fund balance, July 1	<u>3,929,173</u>	<u>3,924,707</u>	<u>3,924,707</u>	<u>(4,466)</u>
Available fund balance, June 30	<u><u>\$ 4,115,428</u></u>	<u><u>\$ 4,024,707</u></u>	<u><u>\$ 4,024,707</u></u>	<u><u>\$ (90,721)</u></u>

The Notes to Basic Financial Statements are an integral part of these statements.

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

	204 Public Works Fund	205 Weed Control Fund	207 Recreation Project Fund
	<u>          </u>	<u>          </u>	<u>          </u>
<b>ASSETS</b>			
Cash and investments	\$ 131,084	\$ -	\$ 12,747
Accounts receivable	-	59,369	-
Property tax receivable	-	489	-
Total assets	<u>\$ 131,084</u>	<u>\$ 59,858</u>	<u>\$ 12,747</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts payable	\$ 3,661	\$ 7,300	\$ 790
Deferred revenues	-	489	-
Deficit cash balance	-	29,166	-
Compensated absences	11,802	7,401	-
Total liabilities	<u>15,463</u>	<u>44,356</u>	<u>790</u>
<b>Fund balances</b>			
Restricted	-	-	11,957
Committed	115,621	-	-
Assigned	-	-	-
Unassigned	-	15,502	-
Total fund balance	<u>115,621</u>	<u>15,502</u>	<u>11,957</u>
Total liabilities and fund balance	<u>\$ 131,084</u>	<u>\$ 59,858</u>	<u>\$ 12,747</u>

209 Industrial Park Development Fund	213 Special Transportation Fund	220 Commission on Children and Families Fund
\$ 130,633	\$ 210,980	\$ -
3,710	-	92,046
-	-	-
<u>\$ 134,343</u>	<u>\$ 210,980</u>	<u>\$ 92,046</u>

\$ 9,396	\$ 3,357	\$ 22,349
-	-	-
-	-	2,487
-	-	4,939
<u>9,396</u>	<u>3,357</u>	<u>29,775</u>

124,947	207,623	62,271
-	-	-
-	-	-
-	-	-
<u>124,947</u>	<u>207,623</u>	<u>62,271</u>
<u>\$ 134,343</u>	<u>\$ 210,980</u>	<u>\$ 92,046</u>

223 Road Equipment Replacement Fund	230 Capital Projects Fund	231 911 Emergency Tax Fund
\$ 219,772	\$ 468,119	\$ 144,913
-	-	-
-	-	-
<u>\$ 219,772</u>	<u>\$ 468,119</u>	<u>\$ 144,913</u>

\$ -	\$ 7,279	\$ 546
-	-	-
-	-	-
-	-	-
<u>0</u>	<u>7,279</u>	<u>546</u>

219,772	-	144,367
-	-	-
-	460,840	-
-	-	-
<u>219,772</u>	<u>460,840</u>	<u>144,367</u>
<u>\$ 219,772</u>	<u>\$ 468,119</u>	<u>\$ 144,913</u>



233 Chem Waste Mgmt Host Fees Fund	234 County Fair Fund	236 Gilliam County Library Fund
\$ 377,995	\$ 197,473	\$ 99,229
17,472	-	-
-	-	-
<u>\$ 395,467</u>	<u>\$ 197,473</u>	<u>\$ 99,229</u>

\$ -	\$ -	\$ 404
-	-	-
-	-	-
-	-	-
<u>0</u>	<u>0</u>	<u>404</u>

-	197,473	98,825
395,467	-	-
-	-	-
-	-	-
<u>395,467</u>	<u>197,473</u>	<u>98,825</u>
<u>\$ 395,467</u>	<u>\$ 197,473</u>	<u>\$ 99,229</u>

301 Special Road Projects Fund	302  Debt Service Fund	310  Assessment and Taxation Fund
\$ 275,634	\$ 31,225	\$ 3,135
-	-	-
-	-	-
<u>\$ 275,634</u>	<u>\$ 31,225</u>	<u>\$ 3,135</u>
\$ 7,777	\$ -	\$ -
-	-	(122)
-	-	-
-	-	-
<u>7,777</u>	<u>0</u>	<u>(122)</u>
267,857	31,225	3,257
-	-	-
-	-	-
-	-	-
<u>267,857</u>	<u>31,225</u>	<u>3,257</u>
<u>\$ 275,634</u>	<u>\$ 31,225</u>	<u>\$ 3,135</u>

325 County Business Development Fund	<u>Totals</u> <u>June 30,</u> <u>2012</u>
\$ 507,023	\$ 2,809,962
-	172,597
-	489
<u>\$ 507,023</u>	<u>\$ 2,983,048</u>

\$ -	\$ 62,859
-	367
-	31,653
-	24,142
<u>0</u>	<u>119,021</u>

-	1,369,574
507,023	1,018,111
-	460,840
-	15,502
<u>507,023</u>	<u>2,864,027</u>
<u>\$ 507,023</u>	<u>\$ 2,983,048</u>

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

	204	205	207
	Public Works Fund	Weed Control Fund	Recreation Project Fund
Revenues			
Property taxes	\$ -	\$ 34,234	\$ -
Investment earnings	580	164	28
Charges for services	-	92,163	3,512
State sources	-	-	13,279
Federal sources	-	89,656	-
Miscellaneous revenue	-	1,954	-
Total revenues	<u>580</u>	<u>218,171</u>	<u>16,819</u>
Expenditures			
Current			
General government	-	-	-
Public safety	-	-	-
Highways and streets	435,372	337,520	-
Health and welfare	-	-	-
Culture and recreation	-	-	5,865
Economic development	-	-	-
Capital outlay	17,750	-	-
Debt service			
Principal	-	-	-
Interest	-	-	-
Total expenditures	<u>453,122</u>	<u>337,520</u>	<u>5,865</u>
Excess of revenues over (under) expenditures	<u>(452,542)</u>	<u>(119,349)</u>	<u>10,954</u>
Other financing sources (uses)			
Transfers in	362,634	130,000	-
Transfers out	-	(46,500)	(5,700)
Total other financing sources (uses)	<u>362,634</u>	<u>83,500</u>	<u>(5,700)</u>
Net change in fund balance	(89,908)	(35,849)	5,254
Available fund balance, July 1	205,529	51,351	6,703
Available fund balance, June 30	<u>\$ 115,621</u>	<u>\$ 15,502</u>	<u>\$ 11,957</u>

209 Industrial Park Development Fund	213 Special Transportation Fund	220 Commission on Children and Families Fund
\$ -	\$ -	\$ -
238	469	131
141,959	29,169	-
-	55,000	262,928
-	-	-
-	9,351	1,218
<u>142,197</u>	<u>93,989</u>	<u>264,277</u>
-	-	-
-	-	-
-	-	-
-	45,811	204,670
-	-	-
21,140	-	-
15,331	-	-
-	-	-
-	-	-
<u>36,471</u>	<u>45,811</u>	<u>204,670</u>
<u>105,726</u>	<u>48,178</u>	<u>59,607</u>
-	-	-
-	(30,909)	(11,045)
<u>0</u>	<u>(30,909)</u>	<u>(11,045)</u>
105,726	17,269	48,562
19,221	190,354	13,709
<u>\$ 124,947</u>	<u>\$ 207,623</u>	<u>\$ 62,271</u>

223 Road Equipment Replacement Fund	230 Capital Projects Fund	231 911 Emergency Tax Fund
\$ -	\$ -	\$ -
708	1,176	322
-	22,993	-
-	-	243,086
-	-	-
-	-	-
<u>708</u>	<u>24,169</u>	<u>243,408</u>
-	13,777	-
-	-	312,779
-	-	-
-	-	-
-	-	-
182,278	78,004	-
-	-	-
-	-	-
<u>182,278</u>	<u>91,781</u>	<u>312,779</u>
<u>(181,570)</u>	<u>(67,612)</u>	<u>(69,371)</u>
174,672	453,452	-
-	-	(10,000)
<u>174,672</u>	<u>453,452</u>	<u>(10,000)</u>
(6,898)	385,840	(79,371)
226,670	75,000	223,738
<u>\$ 219,772</u>	<u>\$ 460,840</u>	<u>\$ 144,367</u>

233 Chem Waste Mgmt Host Fees Fund	234 County Fair Fund	236 Gilliam County Library Fund
\$ -	\$ -	\$ -
998	828	231
190,983	-	-
-	-	-
-	-	51,726
-	44,000	46,327
<u>191,981</u>	<u>44,828</u>	<u>98,284</u>
-	-	-
-	-	-
38,378	-	-
-	-	-
-	38,423	39,569
-	-	-
-	-	10,125
-	-	-
-	-	-
<u>38,378</u>	<u>38,423</u>	<u>49,694</u>
<u>153,603</u>	<u>6,405</u>	<u>48,590</u>
-	-	30,293
(145,000)	-	-
<u>(145,000)</u>	<u>0</u>	<u>30,293</u>
8,603	6,405	78,883
386,864	191,068	19,942
<u>\$ 395,467</u>	<u>\$ 197,473</u>	<u>\$ 98,825</u>

301 Special Road Projects Fund	302 Debt Service Fund	310 Assessment and Taxation Fund
\$ -	\$ -	\$ -
753	171	(84)
-	93,600	8,784
-	-	10,160
-	-	-
-	-	-
<u>753</u>	<u>93,771</u>	<u>18,860</u>
-	-	12,949
-	-	-
10,661	-	-
-	-	-
-	-	-
-	-	-
55,510	-	-
-	304,136	-
-	235,022	-
<u>66,171</u>	<u>539,158</u>	<u>12,949</u>
<u>(65,418)</u>	<u>(445,387)</u>	<u>5,911</u>
25,009	445,466	-
-	-	-
<u>25,009</u>	<u>445,466</u>	<u>0</u>
(40,409)	79	5,911
308,266	31,146	(2,654)
<u>\$ 267,857</u>	<u>\$ 31,225</u>	<u>\$ 3,257</u>



325 County Business Development Fund	<u>Totals</u> <u>June 30,</u> <u>2012</u>
\$ -	\$ 34,234
2,715	9,428
54,660	637,823
-	584,453
-	141,382
-	102,850
<u>57,375</u>	<u>1,510,170</u>
-	26,726
-	312,779
-	821,931
-	250,481
-	83,857
-	21,140
-	358,998
-	304,136
-	235,022
<u>0</u>	<u>2,415,070</u>
<u>57,375</u>	<u>(904,900)</u>
90,514	1,712,040
-	(249,154)
<u>90,514</u>	<u>1,462,886</u>
147,889	557,986
359,134	2,306,041
<u>\$ 507,023</u>	<u>\$ 2,864,027</u>

GILLIAM COUNTY, OREGON  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL**  
**PUBLIC WORKS FUND - 204**  
 For the Year Ended  
 June 30, 2012

	Actual	Budget		(Over) Under Budget
		Adopted	Final	
<b>REVENUES</b>				
Investment earnings	\$ 580	\$ 500	\$ 500	\$ (80)
Total revenues	580	500	500	(80)
<b>EXPENDITURES</b>				
Personal services	209,373	238,825	238,825	29,452
Materials and services	177,487	198,100	198,100	20,613
Capital outlay	17,750	75,000	75,000	57,250
Reserves and special payments	48,512	101,209	101,209	52,697
Total expenditures	453,122	613,134	613,134	160,012
Excess of revenues over (under) expenditures	(452,542)	(612,634)	(612,634)	(160,092)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	362,634	362,634	362,634	-
Total other financing sources (uses)	362,634	362,634	362,634	0
Net change in fund balance	(89,908)	(250,000)	(250,000)	(160,092)
Available fund balance, July 1	205,529	250,000	250,000	44,471
Available fund balance, June 30	\$ 115,621	\$ 0	\$ 0	\$ (115,621)

GILLIAM COUNTY, OREGON  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL**  
**WEED CONTROL FUND - 205**  
For the Year Ended  
June 30, 2012

	Actual	Budget		(Over) Under Budget
		Adopted	Final	
<b>REVENUES</b>				
Property taxes	\$ 34,234	\$ 34,500	\$ 34,500	\$ 266
Investment earnings	164	300	300	136
Charges for services	92,163	76,000	76,000	(16,163)
Federal sources	89,656	94,000	94,000	4,344
Miscellaneous revenue	1,954	6,000	6,000	4,046
<b>Total revenues</b>	<b>218,171</b>	<b>210,800</b>	<b>210,800</b>	<b>(7,371)</b>
<b>EXPENDITURES</b>				
Personal services	133,010	149,242	149,242	16,232
Materials and services	93,602	87,990	87,990	(5,612)
Capital outlay	-	10,000	10,000	10,000
Reserves and special payments	110,908	108,000	108,000	(2,908)
<b>Total expenditures</b>	<b>337,520</b>	<b>355,232</b>	<b>355,232</b>	<b>17,712</b>
Excess of revenues over (under) expenditures	(119,349)	(144,432)	(144,432)	(25,083)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	130,000	130,000	130,000	-
Transfers out	(46,500)	(46,500)	(46,500)	-
<b>Total other financing sources (uses)</b>	<b>83,500</b>	<b>83,500</b>	<b>83,500</b>	<b>0</b>
Net change in fund balance	(35,849)	(60,932)	(60,932)	(25,083)
Available fund balance, July 1	51,351	60,932	60,932	9,581
Available fund balance, June 30	\$ 15,502	\$ 0	\$ 0	\$ (15,502)

GILLIAM COUNTY, OREGON  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL**  
**RECREATION PROJECT FUND - 207**  
For the Year Ended  
June 30, 2012

	Actual	Budget		(Over) Under Budget
		Adopted	Final	
<b>REVENUES</b>				
Investment earnings	\$ 28	\$ 100	\$ 100	\$ 72
Charges for services	3,512	2,400	2,400	(1,112)
State sources	13,279	10,000	10,000	(3,279)
Total revenues	<u>16,819</u>	<u>12,500</u>	<u>12,500</u>	<u>(4,319)</u>
<b>EXPENDITURES</b>				
Materials and services	5,865	7,050	7,050	1,185
Capital outlay	-	6,750	6,750	6,750
Total expenditures	<u>5,865</u>	<u>13,800</u>	<u>13,800</u>	<u>7,935</u>
Excess of revenues over (under) expenditures	<u>10,954</u>	<u>(1,300)</u>	<u>(1,300)</u>	<u>(12,254)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	<u>(5,700)</u>	<u>(5,700)</u>	<u>(5,700)</u>	<u>-</u>
Total other financing sources (uses)	<u>(5,700)</u>	<u>(5,700)</u>	<u>(5,700)</u>	<u>0</u>
Net change in fund balance	5,254	(7,000)	(7,000)	(12,254)
Available fund balance, July 1	<u>6,703</u>	<u>7,000</u>	<u>7,000</u>	<u>297</u>
Available fund balance, June 30	<u>\$ 11,957</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (11,957)</u>

GILLIAM COUNTY, OREGON  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL**  
**INDUSTRIAL PARK DEVELOPMENT FUND - 209**  
 For the Year Ended  
 June 30, 2012

	Actual	Budget		(Over) Under Budget
		Adopted	Final	
<b>REVENUES</b>				
Investment earnings	\$ 238	\$ 200	\$ 200	\$ (38)
Charges for services	141,959	184,400	184,400	42,441
State sources	-	-	-	-
<b>Total revenues</b>	<u>142,197</u>	<u>184,600</u>	<u>184,600</u>	<u>42,403</u>
<b>EXPENDITURES</b>				
<b>General department</b>				
Materials and services	7,950	8,000	8,000	50
Capital outlay	-	5,000	5,000	5,000
Reserves and special payments	15,331	158,100	158,100	142,769
<b>Total general department</b>	<u>23,281</u>	<u>171,100</u>	<u>171,100</u>	<u>147,819</u>
<b>Crusher department</b>				
Materials and services	13,190	23,500	23,500	10,310
<b>Total crusher department</b>	<u>13,190</u>	<u>23,500</u>	<u>23,500</u>	<u>10,310</u>
<b>Total expenditures</b>	<u>36,471</u>	<u>194,600</u>	<u>194,600</u>	<u>158,129</u>
Excess of revenues over (under) expenditures and net change in fund balance	105,726	(10,000)	(10,000)	(115,726)
Available fund balance, July 1	19,221	10,000	10,000	(9,221)
Available fund balance, June 30	<u>\$ 124,947</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (124,947)</u>

GILLIAM COUNTY, OREGON  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL**  
**SPECIAL TRANSPORTATION FUND - 213**  
For the Year Ended  
June 30, 2012

	Actual	Budget		(Over) Under Budget
		Adopted	Final	
<b>REVENUES</b>				
Investment earnings	\$ 469	\$ 500	\$ 500	\$ 31
Charges for services	29,169	19,000	19,000	(10,169)
State sources	55,000	73,000	73,000	18,000
Federal sources	-	17,500	35,997	35,997
Miscellaneous revenue	9,351	5,000	5,000	(4,351)
<b>Total revenues</b>	<b>93,989</b>	<b>115,000</b>	<b>133,497</b>	<b>39,508</b>
<b>EXPENDITURES</b>				
Materials and services	45,811	79,300	79,300	33,489
Capital outlay	-	49,183	49,183	49,183
Reserves and special payments	-	28,575	28,575	28,575
<b>Total expenditures</b>	<b>45,811</b>	<b>157,058</b>	<b>157,058</b>	<b>111,247</b>
Excess of revenues over (under) expenditures	48,178	(42,058)	(23,561)	(71,739)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(30,909)	(32,909)	(51,406)	(20,497)
<b>Total other financing sources (uses)</b>	<b>(30,909)</b>	<b>(32,909)</b>	<b>(51,406)</b>	<b>(20,497)</b>
Net change in fund balance	17,269	(74,967)	(74,967)	(92,236)
Available fund balance, July 1	190,354	125,500	125,500	(64,854)
Available fund balance, June 30	<u>\$ 207,623</u>	<u>\$ 50,533</u>	<u>\$ 50,533</u>	<u>\$ (157,090)</u>

GILLIAM COUNTY, OREGON  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL**  
**COMMISSION ON CHILDREN AND FAMILIES FUND - 220**  
 For the Year Ended  
 June 30, 2012

	Actual	Budget		(Over) Under Budget
		Adopted	Final	
<b>REVENUES</b>				
Investment earnings	\$ 131	\$ 100	\$ 100	\$ (31)
State sources	262,928	264,535	272,163	9,235
Miscellaneous revenue	1,218	2,500	2,500	1,282
<b>Total revenues</b>	<b>264,277</b>	<b>267,135</b>	<b>274,763</b>	<b>10,486</b>
<b>EXPENDITURES</b>				
Personal services	99,130	113,526	113,526	14,396
Materials and services	9,614	16,500	16,500	6,886
Reserves and special payments	95,926	179,003	187,857	91,931
<b>Total expenditures</b>	<b>204,670</b>	<b>309,029</b>	<b>317,883</b>	<b>113,213</b>
Excess of revenues over (under) expenditures	59,607	(41,894)	(43,120)	(102,727)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(11,045)	(12,271)	(11,045)	-
<b>Total other financing sources (uses)</b>	<b>(11,045)</b>	<b>(12,271)</b>	<b>(11,045)</b>	<b>0</b>
Net change in fund balance	48,562	(54,165)	(54,165)	(102,727)
Available fund balance, July 1	13,709	54,165	54,165	40,456
Available fund balance, June 30	<u>\$ 62,271</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (62,271)</u>

GILLIAM COUNTY, OREGON  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL**  
**ROAD EQUIPMENT REPLACEMENT FUND - 223**  
For the Year Ended  
June 30, 2012

	Actual	Budget		(Over) Under Budget
		Adopted	Final	
<b>REVENUES</b>				
Investment earnings	\$ 708	\$ 500	\$ 500	\$ (208)
Miscellaneous revenue	-	65,000	65,000	65,000
Total revenues	<u>708</u>	<u>65,500</u>	<u>65,500</u>	<u>64,792</u>
<b>EXPENDITURES</b>				
Capital outlay	<u>182,278</u>	<u>493,719</u>	<u>493,719</u>	<u>311,441</u>
Total expenditures	<u>182,278</u>	<u>493,719</u>	<u>493,719</u>	<u>311,441</u>
Excess of revenues over (under) expenditures	<u>(181,570)</u>	<u>(428,219)</u>	<u>(428,219)</u>	<u>(246,649)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	<u>174,672</u>	<u>174,672</u>	<u>174,672</u>	<u>-</u>
Total other financing sources (uses)	<u>174,672</u>	<u>174,672</u>	<u>174,672</u>	<u>0</u>
Net change in fund balance	(6,898)	(253,547)	(253,547)	(246,649)
Available fund balance, July 1	<u>226,670</u>	<u>385,385</u>	<u>385,385</u>	<u>158,715</u>
Available fund balance, June 30	<u>\$ 219,772</u>	<u>\$ 131,838</u>	<u>\$ 131,838</u>	<u>\$ (87,934)</u>



GILLIAM COUNTY, OREGON  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL**  
**CAPITAL PROJECTS FUND - 230**  
 For the Year Ended  
 June 30, 2012

	Actual	Budget		(Over) Under Budget
		Adopted	Final	
<b>REVENUES</b>				
Investment earnings	\$ 1,176	\$ 500	\$ 500	\$ (676)
Charges for services	22,993	20,000	20,000	(2,993)
Total revenues	<u>24,169</u>	<u>20,500</u>	<u>20,500</u>	<u>(3,669)</u>
<b>EXPENDITURES</b>				
Materials and services	13,777	94,392	94,392	80,615
Capital outlay	78,004	426,560	426,560	348,556
Total expenditures	<u>91,781</u>	<u>520,952</u>	<u>520,952</u>	<u>429,171</u>
Excess of revenues over (under) expenditures	<u>(67,612)</u>	<u>(500,452)</u>	<u>(500,452)</u>	<u>(432,840)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	453,452	453,452	453,452	-
Total other financing sources (uses)	<u>453,452</u>	<u>453,452</u>	<u>453,452</u>	<u>0</u>
Net change in fund balance	385,840	(47,000)	(47,000)	(432,840)
Available fund balance, July 1	<u>75,000</u>	<u>47,000</u>	<u>47,000</u>	<u>(28,000)</u>
Available fund balance, June 30	<u>\$ 460,840</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (460,840)</u>

GILLIAM COUNTY, OREGON  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL**  
**911 EMERGENCY TAX FUND - 231**  
For the Year Ended  
June 30, 2012

	Actual	Budget		(Over) Under Budget
		Adopted	Final	
<b>REVENUES</b>				
Investment earnings	\$ 322	\$ 500	\$ 500	\$ 178
State sources	243,086	227,100	227,100	(15,986)
Total revenues	<u>243,408</u>	<u>227,600</u>	<u>227,600</u>	<u>(15,808)</u>
<b>EXPENDITURES</b>				
Reserves and special payments	312,779	427,600	427,600	114,821
Total expenditures	<u>312,779</u>	<u>427,600</u>	<u>427,600</u>	<u>114,821</u>
Excess of revenues over (under) expenditures	<u>(69,371)</u>	<u>(200,000)</u>	<u>(200,000)</u>	<u>(130,629)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(10,000)	(10,000)	(10,000)	-
Total other financing sources (uses)	<u>(10,000)</u>	<u>(10,000)</u>	<u>(10,000)</u>	<u>0</u>
Net change in fund balance	(79,371)	(210,000)	(210,000)	(130,629)
Available fund balance, July 1	223,738	210,000	210,000	(13,738)
Available fund balance, June 30	<u>\$ 144,367</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (144,367)</u>

GILLIAM COUNTY, OREGON  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL**  
**CHEMICAL WASTE MANAGEMENT HOST FEES FUND - 233**  
 For the Year Ended  
 June 30, 2012

	Actual	Budget		(Over) Under Budget
		Adopted	Final	
<b>REVENUES</b>				
Investment earnings	\$ 998	\$ 1,000	\$ 1,000	\$ 2
Charges for services	190,983	130,000	140,000	(50,983)
Total revenues	191,981	131,000	141,000	(50,981)
<b>EXPENDITURES</b>				
Materials and services	38,378	27,500	37,500	(878)
Total expenditures	38,378	27,500	37,500	(878)
Excess of revenues over (under) expenditures	153,603	103,500	103,500	(50,103)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(145,000)	(145,000)	(145,000)	-
Total other financing sources (uses)	(145,000)	(145,000)	(145,000)	0
Net change in fund balance	8,603	(41,500)	(41,500)	(50,103)
Available fund balance, July 1	386,864	384,726	384,726	(2,138)
Available fund balance, June 30	<u>\$ 395,467</u>	<u>\$ 343,226</u>	<u>\$ 343,226</u>	<u>\$ (52,241)</u>

GILLIAM COUNTY, OREGON  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL  
 COUNTY FAIR FUND - 234**  
 For the Year Ended  
 June 30, 2012

	Actual	Budget		(Over) Under Budget
		Adopted	Final	
<b>REVENUES</b>				
Investment earnings	\$ 828	\$ 1,000	\$ 1,000	\$ 172
State sources	-	30,000	30,000	30,000
Miscellaneous revenue	44,000	10,000	10,000	(34,000)
Total revenues	<u>44,828</u>	<u>41,000</u>	<u>41,000</u>	<u>(3,828)</u>
<b>EXPENDITURES</b>				
Reserves and special payments	<u>38,423</u>	<u>42,000</u>	<u>42,000</u>	<u>3,577</u>
Total expenditures	<u>38,423</u>	<u>42,000</u>	<u>42,000</u>	<u>3,577</u>
Excess of revenues over (under) expenditures and net change in fund balance	6,405	(1,000)	(1,000)	(7,405)
Available fund balance, July 1	<u>191,068</u>	<u>204,206</u>	<u>204,206</u>	<u>13,138</u>
Available fund balance, June 30	<u><u>\$ 197,473</u></u>	<u><u>\$ 203,206</u></u>	<u><u>\$ 203,206</u></u>	<u><u>\$ 5,733</u></u>

GILLIAM COUNTY, OREGON  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL**  
**GILLIAM COUNTY LIBRARY FUND - 236**  
 For the Year Ended  
 June 30, 2012

	Actual	Budget		(Over) Under Budget
		Adopted	Final	
<b>REVENUES</b>				
Investment earnings	\$ 231	\$ 200	\$ 200	\$ (31)
Federal sources	51,726	1,700	8,700	(43,026)
Miscellaneous revenue	46,327	10,000	10,000	(36,327)
<b>Total revenues</b>	<b>98,284</b>	<b>11,900</b>	<b>18,900</b>	<b>(79,384)</b>
<b>EXPENDITURES</b>				
Personal services	23,691	23,650	23,650	(41)
Materials and services	7,903	12,600	12,600	4,697
Capital outlay	10,125	22,240	22,240	12,115
Reserves and special payments	7,975	1,700	8,700	725
<b>Total expenditures</b>	<b>49,694</b>	<b>60,190</b>	<b>67,190</b>	<b>17,496</b>
Excess of revenues over (under) expenditures	48,590	(48,290)	(48,290)	(96,880)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	30,293	30,290	30,290	(3)
<b>Total other financing sources (uses)</b>	<b>30,293</b>	<b>30,290</b>	<b>30,290</b>	<b>(3)</b>
Net change in fund balance	78,883	(18,000)	(18,000)	(96,883)
Available fund balance, July 1	19,942	18,000	18,000	(1,942)
Available fund balance, June 30	<u>\$ 98,825</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (98,825)</u>

GILLIAM COUNTY, OREGON  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL**  
**SPECIAL ROAD PROJECTS FUND - 301**  
For the Year Ended  
June 30, 2012

	Actual	Budget		(Over) Under Budget
		Adopted	Final	
<b>REVENUES</b>				
Investment earnings	\$ 753	\$ 500	\$ 500	\$ (253)
Charges for services	-	5,000	5,000	5,000
Total revenues	<u>753</u>	<u>5,500</u>	<u>5,500</u>	<u>4,747</u>
<b>EXPENDITURES</b>				
Materials and services	10,661	50,000	50,000	39,339
Capital outlay	55,510	255,509	255,509	199,999
Reserves and special payments	-	25,000	25,000	25,000
Total expenditures	<u>66,171</u>	<u>330,509</u>	<u>330,509</u>	<u>264,338</u>
Excess of revenues over (under) expenditures	<u>(65,418)</u>	<u>(325,009)</u>	<u>(325,009)</u>	<u>(259,591)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	<u>25,009</u>	<u>25,009</u>	<u>25,009</u>	<u>-</u>
Total other financing sources (uses)	<u>25,009</u>	<u>25,009</u>	<u>25,009</u>	<u>0</u>
Net change in fund balance	(40,409)	(300,000)	(300,000)	(259,591)
Available fund balance, July 1	<u>308,266</u>	<u>300,000</u>	<u>300,000</u>	<u>(8,266)</u>
Available fund balance, June 30	<u><u>\$ 267,857</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ (267,857)</u></u>

GILLIAM COUNTY, OREGON  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL  
 DEBT SERVICE FUND - 302**  
 For the Year Ended  
 June 30, 2012

	Actual	Budget		(Over) Under Budget
		Adopted	Final	
<b>REVENUES</b>				
Investment earnings	\$ 171	\$ 500	\$ 500	\$ 329
Charges for services	93,600	70,200	70,200	(23,400)
Total revenues	<u>93,771</u>	<u>70,700</u>	<u>70,700</u>	<u>(23,071)</u>
<b>EXPENDITURES</b>				
Reserves and special payments	539,158	679,348	679,348	140,190
Total expenditures	<u>539,158</u>	<u>679,348</u>	<u>679,348</u>	<u>140,190</u>
Excess of revenues over (under) expenditures	<u>(445,387)</u>	<u>(608,648)</u>	<u>(608,648)</u>	<u>(163,261)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	445,466	600,921	600,921	155,455
Total other financing sources (uses)	<u>445,466</u>	<u>600,921</u>	<u>600,921</u>	<u>155,455</u>
Net change in fund balance	79	(7,727)	(7,727)	(7,806)
Available fund balance, July 1	31,146	7,727	7,727	(23,419)
Available fund balance, June 30	<u>\$ 31,225</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (31,225)</u>

GILLIAM COUNTY, OREGON  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL**  
**ASSESSMENT AND TAXATION FUND - 310**  
For the Year Ended  
June 30, 2012

	Actual	Budget		(Over) Under Budget
		Adopted	Final	
<b>REVENUES</b>				
Investment earnings	\$ (84)	\$ 50	\$ 50	\$ 134
Charges for services	8,784	2,600	2,600	(6,184)
State sources	10,160	15,700	15,700	5,540
Total revenues	<u>18,860</u>	<u>18,350</u>	<u>18,350</u>	<u>(510)</u>
<b>EXPENDITURES</b>				
Materials and services	<u>12,949</u>	<u>21,550</u>	<u>21,550</u>	<u>8,601</u>
Total expenditures	<u>12,949</u>	<u>21,550</u>	<u>21,550</u>	<u>8,601</u>
Excess of revenues over (under) expenditures and net change in fund balance	5,911	(3,200)	(3,200)	(9,111)
Available fund balance, July 1	<u>(2,654)</u>	<u>3,200</u>	<u>3,200</u>	<u>5,854</u>
Available fund balance, June 30	<u><u>\$ 3,257</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ (3,257)</u></u>



GILLIAM COUNTY, OREGON  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL**  
**PENNINGTON RESERVE FUND - 325**  
 For the Year Ended  
 June 30, 2012

	Actual	Budget		(Over) Under Budget
		Adopted	Final	
REVENUES				
Investment earnings	\$ 2,715	\$ 2,500	\$ 2,500	\$ (215)
Charges for services	54,660	54,660	54,660	-
Total revenues	57,375	57,160	57,160	(215)
EXPENDITURES				
Reserves and special payments	-	-	-	-
Total expenditures	0	0	0	0
Excess of revenues over (under) expenditures	57,375	57,160	57,160	(215)
OTHER FINANCING SOURCES (USES)				
Transfers in	90,514	90,514	90,514	-
Total other financing sources (uses)	90,514	90,514	90,514	0
Net change in fund balance	147,889	147,674	147,674	(215)
Available fund balance, July 1	359,134	308,361	308,361	(50,773)
Available fund balance, June 30	<u>\$ 507,023</u>	<u>\$ 456,035</u>	<u>\$ 456,035</u>	<u>\$ (50,988)</u>

GILLIAM COUNTY, OREGON  
**COMBINING SCHEDULE OF CHANGES IN ASSETS AND NET ASSETS**  
**ALL AGENCY FUNDS**  
June 30, 2012

	Balance June 30, 2011	Additions	Deductions	Balance June 30, 2012
<b>612 COUNTY/Common School Fund</b>				
<b>ASSETS</b>				
Cash	\$ 26,042	\$ 23,740	\$ 49,782	\$ -
Total assets	<u>26,042</u>	<u>23,740</u>	<u>49,782</u>	<u>0</u>
<b>LIABILITIES</b>				
Due to other governments	<u>\$ 26,042</u>	<u>\$ 23,740</u>	<u>\$ 49,782</u>	<u>\$ 0</u>
<b>640 IONE School District</b>				
<b>ASSETS</b>				
Cash	\$ -	\$ 24,973	\$ 24,973	\$ -
Taxes receivable	472	24,835	24,973	334
Total assets	<u>472</u>	<u>49,808</u>	<u>49,946</u>	<u>334</u>
<b>LIABILITIES</b>				
Due to other governments	<u>\$ 472</u>	<u>\$ 49,808</u>	<u>\$ 49,946</u>	<u>\$ 334</u>
<b>641 NORCOR Bond Regional Jail</b>				
<b>ASSETS</b>				
Cash	\$ -	\$ 270,146	\$ 270,146	\$ -
Taxes receivable	3,314	269,434	270,146	2,602
Total assets	<u>3,314</u>	<u>539,580</u>	<u>540,292</u>	<u>2,602</u>
<b>LIABILITIES</b>				
Due to other governments	<u>\$ 3,314</u>	<u>\$ 539,580</u>	<u>\$ 540,292</u>	<u>\$ 2,602</u>
<b>643 MORROW County School District</b>				
<b>ASSETS</b>				
Cash	\$ -	\$ 9,648	\$ 9,648	\$ -
Taxes receivable	169	9,609	9,648	130
Total assets	<u>169</u>	<u>19,257</u>	<u>19,296</u>	<u>130</u>
<b>LIABILITIES</b>				
Due to other governments	<u>\$ 169</u>	<u>\$ 19,257</u>	<u>\$ 19,296</u>	<u>\$ 130</u>
<b>644 NORTH Health District</b>				
<b>ASSETS</b>				
Cash	\$ -	\$ 770,527	\$ 770,527	\$ -
Taxes receivable	7,955	769,104	770,527	6,532
Total assets	<u>7,955</u>	<u>1,539,631</u>	<u>1,541,054</u>	<u>6,532</u>
<b>LIABILITIES</b>				
Due to other governments	<u>\$ 7,955</u>	<u>\$ 1,539,631</u>	<u>\$ 1,541,054</u>	<u>\$ 6,532</u>

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GILLIAM COUNTY, OREGON  
**COMBINING SCHEDULE OF CHANGES IN ASSETS AND NET ASSETS**  
**ALL AGENCY FUNDS**  
June 30, 2012

	Balance June 30, 2011	Additions	Deductions	Balance June 30, 2012
<b>645 EASTERN OREGON SEVERANCE TAX</b>				
<b>ASSETS</b>				
Cash	\$ -	\$ 451	\$ 451	\$ -
Taxes receivable	592	29	451	170
<b>Total assets</b>	<b>592</b>	<b>480</b>	<b>902</b>	<b>170</b>
<b>LIABILITIES</b>				
Due to other governments	\$ 592	\$ 480	\$ 902	\$ 170
<b>646 CONDON ROAD</b>				
<b>ASSETS</b>				
Cash	\$ -	\$ 177	\$ 177	\$ -
Taxes receivable	315	20	177	158
<b>Total assets</b>	<b>315</b>	<b>197</b>	<b>354</b>	<b>158</b>
<b>LIABILITIES</b>				
Due to other governments	\$ 315	\$ 197	\$ 354	\$ 158
<b>647 ARLINGTON ROAD</b>				
<b>ASSETS</b>				
Cash	\$ (3)	\$ 159	\$ 159	\$ (3)
Taxes receivable	287	17	159	145
<b>Total assets</b>	<b>284</b>	<b>176</b>	<b>318</b>	<b>142</b>
<b>LIABILITIES</b>				
Due to other governments	\$ 284	\$ 176	\$ 318	\$ 142
<b>648 LONEROCK ROAD</b>				
<b>ASSETS</b>				
Cash	\$ 1	\$ 5	\$ 6	\$ -
Taxes receivable	9	2	6	5
<b>Total assets</b>	<b>10</b>	<b>7</b>	<b>12</b>	<b>5</b>
<b>LIABILITIES</b>				
Due to other governments	\$ 10	\$ 7	\$ 12	\$ 5
<b>649 SOUTH HEALTH DISTRICT</b>				
<b>ASSETS</b>				
Cash	\$ -	\$ 119,566	\$ 119,566	\$ -
Taxes receivable	2,280	118,908	119,566	1,622
<b>Total assets</b>	<b>2,280</b>	<b>238,474</b>	<b>239,132</b>	<b>1,622</b>
<b>LIABILITIES</b>				
Due to other governments	\$ 2,280	\$ 238,474	\$ 239,132	\$ 1,622

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GILLIAM COUNTY, OREGON  
**COMBINING SCHEDULE OF CHANGES IN ASSETS AND NET ASSETS**  
**ALL AGENCY FUNDS**  
June 30, 2012

	Balance June 30, 2011	Additions	Deductions	Balance June 30, 2012
<b>650 NORTH CENTRAL ESD</b>				
<b>ASSETS</b>				
Cash	\$ -	\$ 1,975,134	\$ 1,975,134	\$ -
Taxes receivable	23,136	1,970,346	1,975,134	18,348
Total assets	<u>23,136</u>	<u>3,945,480</u>	<u>3,950,268</u>	<u>18,348</u>
<b>LIABILITIES</b>				
Due to other governments	<u>\$ 23,136</u>	<u>\$ 3,945,480</u>	<u>\$ 3,950,268</u>	<u>\$ 18,348</u>
<b>651 SCHOOL DISTRICT NO. 3</b>				
<b>ASSETS</b>				
Cash	\$ 3,424	\$ 2,595,382	\$ 2,598,806	\$ -
Taxes receivable	26,271	2,594,180	2,598,806	21,645
Total assets	<u>29,695</u>	<u>5,189,562</u>	<u>5,197,612</u>	<u>21,645</u>
<b>LIABILITIES</b>				
Due to other governments	<u>\$ 29,695</u>	<u>\$ 5,189,562</u>	<u>\$ 5,197,612</u>	<u>\$ 21,645</u>
<b>653 SCHOOL DISTRICT NO. 25</b>				
<b>ASSETS</b>				
Cash	\$ -	\$ 632,476	\$ 632,476	\$ -
Taxes receivable	10,079	629,903	632,476	7,506
Total assets	<u>10,079</u>	<u>1,262,379</u>	<u>1,264,952</u>	<u>7,506</u>
<b>LIABILITIES</b>				
Due to other governments	<u>\$ 10,079</u>	<u>\$ 1,262,379</u>	<u>\$ 1,264,952</u>	<u>\$ 7,506</u>
<b>654 CITY OF CONDON</b>				
<b>ASSETS</b>				
Cash	\$ 1	\$ 182,073	\$ 182,074	\$ -
Taxes receivable	3,380	181,113	182,073	2,420
Total assets	<u>3,381</u>	<u>363,186</u>	<u>364,147</u>	<u>2,420</u>
<b>LIABILITIES</b>				
Due to other governments	<u>\$ 3,381</u>	<u>\$ 363,186</u>	<u>\$ 364,147</u>	<u>\$ 2,420</u>
<b>655 CITY OF ARLINGTON</b>				
<b>ASSETS</b>				
Cash	\$ -	\$ 161,353	\$ 161,353	\$ -
Taxes receivable	3,020	160,502	161,353	2,169
Total assets	<u>3,020</u>	<u>321,855</u>	<u>322,706</u>	<u>2,169</u>
<b>LIABILITIES</b>				
Due to other governments	<u>\$ 3,020</u>	<u>\$ 321,855</u>	<u>\$ 322,706</u>	<u>\$ 2,169</u>

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GILLIAM COUNTY, OREGON  
**COMBINING SCHEDULE OF CHANGES IN ASSETS AND NET ASSETS**  
**ALL AGENCY FUNDS**  
June 30, 2012

	Balance June 30, 2011	Additions	Deductions	Balance June 30, 2012
<b>656 NORTH GILLIAM RURAL FIRE DISTRICT</b>				
<b>ASSETS</b>				
Cash	\$ (364)	\$ 426,827	\$ 426,463	\$ -
Taxes receivable	4,311	426,092	426,827	3,576
Total assets	<u>3,947</u>	<u>852,919</u>	<u>853,290</u>	<u>3,576</u>
<b>LIABILITIES</b>				
Due to other governments	<u>\$ 3,947</u>	<u>\$ 852,919</u>	<u>\$ 853,290</u>	<u>\$ 3,576</u>
<b>657 SOUTH GILLIAM RURAL FIRE DISTRICT</b>				
<b>ASSETS</b>				
Cash	\$ -	\$ 43,033	\$ 43,033	\$ -
Taxes receivable	823	42,795	43,033	585
Total assets	<u>823</u>	<u>85,828</u>	<u>86,066</u>	<u>585</u>
<b>LIABILITIES</b>				
Due to other governments	<u>\$ 823</u>	<u>\$ 85,828</u>	<u>\$ 86,066</u>	<u>\$ 585</u>
<b>658 NORTH CEMETERY DISTRICT</b>				
<b>ASSETS</b>				
Cash	\$ (119)	\$ 130,833	\$ 130,714	\$ -
Taxes receivable	1,344	130,594	130,833	1,105
Total assets	<u>1,225</u>	<u>261,427</u>	<u>261,547</u>	<u>1,105</u>
<b>LIABILITIES</b>				
Due to other governments	<u>\$ 1,225</u>	<u>\$ 261,427</u>	<u>\$ 261,547</u>	<u>\$ 1,105</u>
<b>659 SOUTH CEMETERY DISTRICT</b>				
<b>ASSETS</b>				
Cash	\$ -	\$ 53,331	\$ 53,331	\$ -
Taxes receivable	1,017	53,038	53,331	724
Total assets	<u>1,017</u>	<u>106,369</u>	<u>106,662</u>	<u>724</u>
<b>LIABILITIES</b>				
Due to other governments	<u>\$ 1,017</u>	<u>\$ 106,369</u>	<u>\$ 106,662</u>	<u>\$ 724</u>
<b>660 PORT OF ARLINGTON</b>				
<b>ASSETS</b>				
Cash	\$ (202)	\$ 139,725	\$ 139,523	\$ -
Taxes receivable	1,637	139,385	139,725	1,297
Total assets	<u>1,435</u>	<u>279,110</u>	<u>279,248</u>	<u>1,297</u>
<b>LIABILITIES</b>				
Due to other governments	<u>\$ 1,435</u>	<u>\$ 279,110</u>	<u>\$ 279,248</u>	<u>\$ 1,297</u>

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GILLIAM COUNTY, OREGON  
**COMBINING SCHEDULE OF CHANGES IN ASSETS AND NET ASSETS**  
**ALL AGENCY FUNDS**  
June 30, 2012

	Balance June 30, 2011	Additions	Deductions	Balance June 30, 2012
<b>661 FIRE PATROL</b>				
<b>ASSETS</b>				
Cash	\$ -	\$ 11,099	\$ 11,099	\$ -
Taxes receivable	232	11,031	11,099	164
Total assets	<u>232</u>	<u>22,130</u>	<u>22,198</u>	<u>164</u>
<b>LIABILITIES</b>				
Due to other governments	<u>\$ 232</u>	<u>\$ 22,130</u>	<u>\$ 22,198</u>	<u>\$ 164</u>
<b>662 COUNTY ROAD DISTRICT NO. 1</b>				
<b>ASSETS</b>				
Cash	\$ -	\$ 190,916	\$ 190,916	\$ -
Taxes receivable	3,773	189,807	190,915	2,665
Total assets	<u>3,773</u>	<u>380,723</u>	<u>381,831</u>	<u>2,665</u>
<b>LIABILITIES</b>				
Due to other governments	<u>\$ 3,773</u>	<u>\$ 380,723</u>	<u>\$ 381,831</u>	<u>\$ 2,665</u>
<b>663 PERSONAL PROPERTY MH PARK</b>				
<b>ASSETS</b>				
Cash	\$ 1	\$ 498	\$ 499	\$ -
Taxes receivable	9	497	499	7
Total assets	<u>10</u>	<u>995</u>	<u>998</u>	<u>7</u>
<b>LIABILITIES</b>				
Due to other governments	<u>\$ 10</u>	<u>\$ 995</u>	<u>\$ 998</u>	<u>\$ 7</u>
<b>664 CITY OF ARLINGTON BOND</b>				
<b>ASSETS</b>				
Cash	\$ 1	\$ 48,805	\$ 48,806	\$ -
Taxes receivable	970	48,518	48,805	683
Total assets	<u>971</u>	<u>97,323</u>	<u>97,611</u>	<u>683</u>
<b>LIABILITIES</b>				
Due to other governments	<u>\$ 971</u>	<u>\$ 97,323</u>	<u>\$ 97,611</u>	<u>\$ 683</u>
<b>665 CITY OF CONDON BOND</b>				
<b>ASSETS</b>				
Cash	\$ -	\$ 25,279	\$ 25,279	\$ -
Taxes receivable	517	25,126	25,279	364
Total assets	<u>517</u>	<u>50,405</u>	<u>50,558</u>	<u>364</u>
<b>LIABILITIES</b>				
Due to other governments	<u>\$ 517</u>	<u>\$ 50,405</u>	<u>\$ 50,558</u>	<u>\$ 364</u>

(Continued on next page)

GILLIAM COUNTY, OREGON  
**COMBINING SCHEDULE OF CHANGES IN ASSETS AND NET ASSETS**  
**ALL AGENCY FUNDS**  
June 30, 2012

	Balance June 30, 2011	Additions	Deductions	Balance June 30, 2012
<b>666 LOCAL OPTION, DISTRICT 25J</b>				
<b>ASSETS</b>				
Cash	\$ (1)	\$ 299	\$ 298	\$ -
Taxes receivable	834	51	299	586
<b>Total assets</b>	<b>833</b>	<b>350</b>	<b>597</b>	<b>586</b>
<b>LIABILITIES</b>				
Due to other governments	\$ 833	\$ 350	\$ 597	\$ 586
<b>667 IONE SCHOOL DISTRICT LOCAL OPTION</b>				
<b>ASSETS</b>				
Cash	\$ -	\$ 8,586	\$ 8,586	\$ -
Taxes receivable	150	8,530	8,586	94
<b>Total assets</b>	<b>150</b>	<b>17,116</b>	<b>17,172</b>	<b>94</b>
<b>LIABILITIES</b>				
Due to other governments	\$ 150	\$ 17,116	\$ 17,172	\$ 94
<b>691 ADVANCE COLLECTIONS</b>				
<b>ASSETS</b>				
Cash	\$ 2,105	\$ -	\$ -	\$ 2,105
<b>Total assets</b>	<b>2,105</b>	<b>0</b>	<b>0</b>	<b>2,105</b>
<b>LIABILITIES</b>				
Due to other governments	\$ 2,105	\$ 0	\$ 0	\$ 2,105
<b>697 UNSEGREGATED TAX INTEREST</b>				
<b>ASSETS</b>				
Cash	\$ 726	\$ (890)	\$ -	\$ (164)
<b>Total assets</b>	<b>726</b>	<b>(890)</b>	<b>0</b>	<b>(164)</b>
<b>LIABILITIES</b>				
Due to other governments	\$ 726	\$ (890)	\$ 0	\$ (164)
<b>699 UNSEGREGATED TAXES</b>				
<b>ASSETS</b>				
Cash	\$ (31,041)	\$ 21,150	\$ 18,299	\$ (28,190)
<b>Total assets</b>	<b>(31,041)</b>	<b>21,150</b>	<b>18,299</b>	<b>(28,190)</b>
<b>LIABILITIES</b>				
Due to other governments	\$ (31,041)	\$ 21,150	\$ 18,299	\$ (28,190)

(Continued on next page)

GILLIAM COUNTY, OREGON  
**COMBINING SCHEDULE OF CHANGES IN ASSETS AND NET ASSETS**  
**ALL AGENCY FUNDS**  
June 30, 2012

	<u>Balance June 30, 2011</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2012</u>
<b>690 TREASURERS FUND</b>				
<b>ASSETS</b>				
Cash	\$ 279	\$ -	\$ 279	\$ -
Total assets	<u>279</u>	<u>0</u>	<u>279</u>	<u>0</u>
<b>LIABILITIES</b>				
Due to other governments	<u>\$ 279</u>	<u>\$ 0</u>	<u>\$ 279</u>	<u>\$ 0</u>
<b>OTHER OFFICE FUNDS</b>				
<b>ASSETS</b>				
Cash	\$ 16,870	\$ 711,182	\$ 703,881	\$ 24,171
Total assets	<u>16,870</u>	<u>711,182</u>	<u>703,881</u>	<u>24,171</u>
<b>LIABILITIES</b>				
Due to other governments	<u>\$ 16,870</u>	<u>\$ 711,182</u>	<u>\$ 703,881</u>	<u>\$ 24,171</u>
<b>ALL AGENCY FUNDS</b>				
<b>ASSETS</b>				
Cash	\$ 17,720	\$ 8,576,483	\$ 8,596,284	\$ (2,081)
Taxes receivable	96,896	7,803,466	7,824,726	75,636
Total assets	<u>114,616</u>	<u>16,379,949</u>	<u>16,421,010</u>	<u>73,555</u>
<b>LIABILITIES</b>				
Due to other governments	<u>\$ 114,616</u>	<u>\$ 16,379,949</u>	<u>\$ 16,421,010</u>	<u>\$ 73,555</u>
Total liabilities	<u>\$ 114,616</u>	<u>\$ 16,379,949</u>	<u>\$ 16,421,010</u>	<u>\$ 73,555</u>



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

Tax Year Special Levy	Uncollected Taxes Beginning	Current Assessment	(Abatement) and Adjustments	Rebates Allowed	Interest Collected	Taxes Collected	Total Amount Collected	Uncollected Taxes Ending
2011-12	\$ -	\$ 11,880,041	\$ (72)	\$ (345,514)	\$ 1,906	\$ 11,485,174	\$ 11,487,080	\$ 49,281
2010-11	75,702	-	(418)	-	3,310	53,523	56,833	21,761
2009-10	29,897	-	(408)	-	2,644	12,156	14,800	17,333
2008-09	27,679	-	(399)	-	1,851	5,949	7,800	21,331
2007-08	6,406	-	(377)	-	2,330	6,029	8,359	-
2006-07	273	-	(25)	-	116	248	364	-
2005-06	231	-	-	-	151	231	382	-
Prior	1,306	-	3	-	-	-	-	1,309
<b>TOTAL</b>	<b>\$ 141,494</b>	<b>\$ 11,880,041</b>	<b>\$ (1,696)</b>	<b>\$ (345,514)</b>	<b>\$ 12,308</b>	<b>\$ 11,563,310</b>	<b>\$ 11,575,618</b>	<b>\$ 111,015</b>

By Fund:

General	\$ 23,996
Road	10,894
Weed	489
Trust	75,636
<b>Total</b>	<b>\$ 111,015</b>

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

	Beginning Balance	Revenue	Expenditures	Other Disbursements	Ending Balance
Clerk	\$ 15,496	\$ 48,958	\$ 38,959	\$ 7,549	\$ 17,946
Justice of the Peace	1,374	662,224	655,790	1,583	6,225
	\$ 16,870	\$ 711,182	\$ 694,749	\$ 9,132	\$ 24,171

GILLIAM COUNTY, OREGON  
**SUPPLEMENTARY SCHEDULE OF GENERAL FUND EXPENDITURES**  
For the Year Ended  
June 30, 2012

	Actual	Budget		(Over) Under Budget
		Adopted	Final	
<b>ASSESSOR DEPARTMENT</b>				
Personal services	\$ 226,634	\$ 239,439	\$ 239,439	\$ 12,805
Material and services	9,685	23,650	23,650	13,965
Other requirements	5,026	18,850	18,850	13,824
Total assessor department	241,345	281,939	281,939	40,594
<b>CLERK DEPARTMENT</b>				
Personal services	149,173	148,377	148,377	(796)
Material and services	11,038	16,025	16,025	4,987
Other requirements	13,162	22,500	22,500	9,338
Total clerk department	173,373	186,902	186,902	13,529
<b>COUNTY COURT</b>				
Personal services	286,495	292,319	292,319	5,824
Material and services	34,498	72,275	72,275	37,777
Capital outlay	26,314	47,000	47,000	20,686
Other requirements	527,514	69,800	571,175	43,661
Total county court	874,821	481,394	982,769	107,948
<b>COURTHOUSE AND GROUNDS</b>				
Personal services	116,852	131,901	131,901	15,049
Material and services	73,149	132,400	132,400	59,251
Other requirements	45	1,250	1,250	1,205
Total courthouse and grounds	190,046	265,551	265,551	75,505
<b>DISTRICT ATTORNEY</b>				
Personal services	86,674	93,958	93,958	7,284
Material and services	12,860	23,600	23,600	10,740
Other requirements	16,332	27,000	27,000	10,668
Total district attorney	115,866	144,558	144,558	28,692
<b>HEALTH DEPARTMENT</b>				
Material and services	144,709	147,584	147,584	2,875
Total health department	144,709	147,584	147,584	2,875
<b>JUSTICE COURT</b>				
Personal services	171,756	177,879	177,879	6,123
Material and services	22,462	37,350	37,350	14,888
Capital outlay	-	500	500	500
Other requirements	9,556	10,000	10,000	444
Total justice court	203,774	225,729	225,729	21,955

(Continued on next page)

GILLIAM COUNTY, OREGON  
**SUPPLEMENTARY SCHEDULE OF GENERAL FUND EXPENDITURES**  
For the Year Ended  
June 30, 2012

	Actual	Budget		(Over) Under Budget
		Adopted	Final	
<b>JUVENILE JUSTICE DEPARTMENT</b>				
Personal services	\$ 86,777	\$ 94,118	\$ 94,118	\$ 7,341
Material and services	33,434	52,829	52,829	19,395
Capital outlay	-	-	-	-
Other requirements	22,594	37,000	37,000	14,406
Total juvenile justice department	142,805	183,947	183,947	41,142
<b>PLANNING DEPARTMENT</b>				
Personal services	70,083	74,257	74,257	4,174
Material and services	9,579	30,960	30,960	21,381
Other requirements	9,359	34,500	34,500	25,141
Total planning department	89,021	139,717	139,717	50,696
<b>SHERIFF DEPARTMENT</b>				
Personal services	553,537	610,297	602,297	48,760
Material and services	109,283	109,350	123,350	14,067
Capital outlay	118,546	119,000	119,000	454
Other requirements	108,015	24,000	120,282	12,267
Total sheriff department	889,381	862,647	964,929	75,548
<b>TREASURER AND TAX COLLECTOR</b>				
Personal services	148,513	154,484	154,484	5,971
Material and services	5,222	14,850	14,850	9,628
Total treasurer and tax collector	153,735	169,334	169,334	15,599
<b>ECONOMIC DEVELOPMENT</b>				
Personal services	65,319	64,502	64,502	(817)
Material and services	2,446	5,800	5,800	3,354
Other requirements	12,573	27,000	27,000	14,427
Total economic development	80,338	97,302	97,302	16,964
<b>SURVEYOR</b>				
Material and services	3,555	6,800	6,800	3,245
Other requirements	5,000	44,700	44,700	39,700
Total surveyor department	8,555	51,500	51,500	42,945
<b>SENIOR CITIZENS PROGRAMS</b>				
Personal services	80,079	84,307	84,307	4,228
Material and services	3,349	9,200	9,200	5,851
Other requirements	5,250	21,084	21,084	15,834
Total senior citizens programs	88,678	114,591	114,591	25,913

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GILLIAM COUNTY, OREGON  
**SUPPLEMENTARY SCHEDULE OF GENERAL FUND EXPENDITURES**  
For the Year Ended  
June 30, 2012

	Actual	Budget		(Over) Under Budget
		Adopted	Final	
<b>CORRECTIONS DEPARTMENT</b>				
Personal services	\$ 82,644	\$ 80,928	\$ 80,928	\$ (1,716)
Material and services	210,431	209,720	209,720	(711)
Capital outlay	10,195	35,000	35,000	24,805
Total corrections department	303,270	325,648	325,648	22,378
<b>SPECIAL NONDEPARTMENTAL</b>				
Material and services	96,827	129,440	129,440	32,613
Capital outlay	58,655	140,853	140,853	82,198
Other requirements	253,827	342,020	334,522	80,695
Total special nondepartmental	409,309	612,313	604,815	195,506
Total general fund expenditures	\$ 4,109,026	\$ 4,290,656	\$ 4,886,815	\$ 777,789

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SCHEDULE OF FINDINGS AND RESPONSES

GILLIAM COUNTY, OREGON  
SCHEDULE OF FINDINGS AND RESPONSES  
June 30, 2012

**MATERIAL WEAKNESS IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

**2012-01**

**Financial Statement Preparation**

*Criteria:* The financial statements are the responsibility of the county's management, including the prevention or detection of material misstatements in the presentation and disclosure of the financial statements. Non-attest services performed by the auditor in the preparation of the financial statements cannot be considered compensating controls.

*Condition:* The county engages their auditors to provide non-attest services for the preparation of its financial statements. Although common for municipalities the size of the county, this condition represents a control deficiency over the financial reporting process that is required to be reported under professional standards as long as management makes all financial reporting decisions, and accepts responsibility for the content of the financial statements. However, those activities performed by the auditor are not a substitute for, or extension of, internal controls over the preparation of the financial statements in accordance with generally accepted accounting principles (GAAP).

*Cause:* The county's accounting personnel do not possess the advanced training that would provide the expertise necessary to prepare the financial statements and related notes in accordance with GAAP, and therefore may not be able to prevent or detect a material misstatement in the preparation and disclosure of the financial statements. Misstatements in financial statements may include not only misstated financial amounts, but also the omission of disclosures required by GAAP.

*Effect:* Material misstatement in the preparation and disclosure of the financial statements in accordance with GAAP may not be prevented or detected. Misstatements in financial statements include not only misstated dollar amounts, but also the omission of disclosures required under GAAP.

*Recommendations:* We understand that it may not be practical to acquire or allocate the internal resources to perform all of the controls necessary over financial reporting. However, management (including the County Court) should mitigate this deficiency by keeping informed about the county's internal controls, performing supervisory reviews, studying the financial statements and related footnote disclosures, and understanding its responsibility for the financial statements as a whole.

This deficiency is related specifically to the preparation of GAAP basis financial statements and does not adversely affect the county's ability to initiate, authorize, record, process, or report financial data reliably in accordance with their budget basis of accounting.

*Responsible Official's Response:* We understand the importance of risk management and the need to address risks in an informed, cost-beneficial way. As a result of our cost-benefit analysis we have determined the value of incurring the additional expense of hiring a staff person or another firm to prepare our financial statements does not justify the cost.



COMMENTS AND DISCLOSURES REQUIRED BY STATE OF OREGON

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

Oregon Administration Rules 162-10-200 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, prescribed by the secretary of state in cooperation with the Oregon State Board of Accountancy require certain comments and disclosures relating to the audit of fiscal affairs and compliance with legal requirements. Comments relating to significant accounting policies, organization, fund structure, and investments are included in the notes to financial statements. Other required comments and disclosures relating to this audit are set forth below.

Accounting Records

The accounting records of the county appear to be adequate for the purpose of our year-end audit procedures.

Adequacy of Collateral Securing Depository Balance

ORS Chapter 295 provides that each depository throughout the period of its possession of public fund deposits shall maintain on deposit with its custodians, at its own expense, securities having a value not less than 110 percent of the greater of:

- a. All public funds held by the bank depository; or
- b. The average of the balances of public funds held by the bank depository, as shown on the last four immediately preceding treasurer reports.

As of June 30, 2012, and throughout the year then ended, the county did not maintain any uncollateralized deposits and therefore, appears to be in compliance with collateral requirements.

Indebtedness

The county, during the fiscal year 2012, appeared to be in compliance with statutory requirements relating to debt, including the limitation of debt, liquidation of debt in the prescribed period of time, and compliance with provisions of bond indentures or other requirements, including restrictions placed on funds available to retire indebtedness.

Budget and Oregon Local Budget Law Compliance

The budget documents related to the county for 2011-12 and 2012-13 were reviewed. With exception of the expenditures in excess of appropriations listed below, the county appears to have substantially complied with the legal requirements related to the preparation, adoption, and execution of the budget for the year ended June 30, 2012, and preparation and adoption of the budget for the upcoming fiscal year.

232 - Economic Enhancement Fund	Reserves and special payments	\$3,920
205 - Weed Control Fund	Materials and services	\$5,612
205 - Weed Control Fund	Reserves and special payments	\$2,908
233 - Chemical Waste Mgmt Hose Fees Fund	Materials and services	\$878
236- Gilliam County Library Fund	Personal services	\$41

Insurance and Fidelity Bond Coverage

The county's insurance policies appear to be in force. We are not competent by training to state whether the insurance coverage in force at June 30, 2012, is adequate. The county does review insurance coverage annually with its insurance agent.

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

Programs Funded From Outside Sources

During the year ended June 30, 2012, the county complied in all material respects, with laws, regulations, contracts and grants pertaining to programs funded from outside sources. Additional comments may be noted in our Report on Internal Control Over Financial Reporting and On Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.

Federal and State Grants

We reviewed and tested, to the extent deemed appropriate, transactions and reports of the federal and state programs in which the county participates. The scope of our audit engagement did not require us to make a complete audit examination of each project, and our audit opinion on the county's basic financial statements does not cover each individual grant. The county appears to be in compliance with all applicable grant requirements.

General Road Fund Operations

The cost accounting system utilized by the county road department to account for the cost of county road projects appears to comply with the cost accounting guidelines developed by the state of Oregon.

Highway Revenues Used for Public Highways, Roads, and Streets

Our review of county expenditures of highway funds indicates that the county is in compliance with legal requirements, (as contained in Article IV, Section 3a of the Oregon Constitution), pertaining to the use of revenue from taxes on motor vehicle fuel. We also find that the county has complied with the statutory requirement pertaining to the use of road funds as contained in ORS 294, 368, and 373.

Investments

The district appears to have complied with legal provisions regarding investment of public funds.

Public contracts and purchasing

Pursuant to ORS Chapters 279A, 279B, and 279C, the district has followed procedures of obtaining bids and cost estimates prior to the acquisition of property and equipment to insure that such improvements and equipment are acquired at the lowest reasonable cost. The district was in substantial compliance with the provisions of ORS Chapters 279A, 279B, and 279C during the year ended June 30, 2012.

## INDEPENDENT AUDITORS' REPORT REQUIRED BY STATE OF OREGON

Honorable Judge and County Court  
Gilliam County, Oregon  
Condon, Oregon

We have audited the accompanying financial statements of Gilliam County (the county) as of June 30, 2012 and for the year then ended and have issued our report thereon dated November 30, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, *Government Auditing Standards*, issued by the Comptroller General of the United States and the provisions of the Minimum Standards for Audits of Oregon Municipal Corporations, prescribed by the Secretary of State.

### **COMPLIANCE**

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

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

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

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

**OAR 162-10-0230 INTERNAL CONTROL**

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

Our Report on Internal Control Over Financial Reporting and On Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* dated November 30, 2012, is presented under separate cover.

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

*Oster Professional Group, CPA's, PC*

By *Robert H. Armstrong*

John Day, Oregon  
November 30, 2012

**OREGON AUDITS DIVISION  
SUMMARY OF REVENUES AND EXPENDITURES**

Name of Municipal Corporation Gilliam County  
 Address Condon, Oregon  
 Period Covered by Audit Report: From July 01, 2011 to June 30, 2012

Total Revenues and/or Receipts - (Government-wide + Fiduciary Funds)		\$ 21,736,866
Less:		
Revenues of component units included in report of primary government	-	
Taxes, assessments and other collections to be distributed to other governmental units	(7,803,466)	(7,803,466)
Net Revenues and/or Receipts		\$ 13,933,400
Total Expenditures and/or Disbursements - (Government-wide + Fiduciary Funds)		\$ 19,817,121
Less:		
Expenditures of component units included in report of primary government	-	
Turnovers to other municipal corporations		
Taxes and Assessments	(7,824,726)	
Other Distributions	-	(7,824,726)
Net Expenditures and/or Disbursements		\$ 11,992,395

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

Auditor/Firm Signature Robert H. Armstrong

**PLEASE ENCLOSE PAYMENT WITH SUMMARY**

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

***(Net Expenditures and/or Disbursements)***

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

For Use by Division of Audits

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

REPORT REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

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

Honorable Judge and County Court  
Gilliam County, Oregon  
Condon, Oregon

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

### Internal Control Over Financial Reporting

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

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

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and responses as item 2012-01 to be a material weakness.



Compliance and Other Matters

As part of obtaining reasonable assurance about whether the county's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. See Comments and Disclosures required by the State of Oregon for information related to noncompliance with local budget law.

The county's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. We did not audit the county's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the county court, management and others within the county, and federal and state regulatory agencies and is not intended to be and should not be used by anyone other than these specified parties.

**Oster Professional Group, CPA's, PC**

By Robert H. Armstrong

John Day, Oregon  
November 30, 2012