

MALHEUR COUNTY, OREGON
BASIC ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2011

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MALHEUR COUNTY, OREGON
PRINCIPAL OFFICERS
JUNE 30, 2011

	<u>GOVERNING BOARD</u>	<u>TERM EXPIRES</u>
Dan P. Joyce	County Judge Ontario, Oregon	January 2014
Louis Wettstein	County Commissioner Ontario, Oregon	January 2013
Don Hodge	County Commissioner Ontario, Oregon	January 2015
Registered Agent	Dan P. Joyce	
Registered Office	251 B Street West Vale, Oregon 97918	

OTHER ELECTED OFFICIALS

County Sheriff	Andy Bentz	January 2013
County Clerk	Deborah R. DeLong	January 2011
County Treasurer	Jennifer Forsyth	January 2011
County Assessor	Dave Ingram	January 2013
Justice of the Peace	Terry Thompson	January 2011

OTHER APPOINTED OFFICIALS

Janice Belnap	Administrative Officer
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INTRODUCTORY SECTION

Report of Independent Auditors

Board of Commissioners
Malheur County
Vale, Oregon

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Malheur County, Vale, Oregon, (the County) as of and for the year ended June 30, 2011, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Malheur County, Vale, Oregon, as of June 30 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2011, 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, agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or 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 information on pages 4 through 8 are 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 to this information which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Malheur County, Oregon's, basic financial statements. The introductory section, combining and individual fund statements and schedules, other schedules are presented for purpose of additional analysis and are not a required part of the basic financial statements. The combining and individual fund statements and schedules, and other schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section information have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Bledsoe Accounting CPA, LLC

December 31, 2011

Management's Discussion and Analysis

As County Judge of Malheur County, I offer readers of these financial statements this narrative overview and analysis of the financial activities of Malheur County for the fiscal year ended June 30, 2011. I encourage readers to consider the information presented here in conjunction with the independent auditor's report.

Financial Highlights:

- The assets of Malheur County exceeded its liabilities at the close of the most recent fiscal year by \$28,437,105 (net assets). Of this amount, \$6,377,300 (unrestricted net assets) may be used to meet the County's ongoing obligations to citizens and creditors.
- As of the close of the current fiscal year, Malheur County's governmental funds reported combined ending fund balances of \$6,383,089 an increase of \$90,532 in comparison with the prior year. Approximately 99% of the total amount, \$6,319,258 is available for spending at the County's discretion (unreserved fund balance).
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$3,455,867, or 28% of total general fund expenditures.
- The County's total debt decreased by \$346,436, (4%) during the current fiscal year. The key factor in this decrease is bond debt payment.

Overview of the Financial Statements:

This discussion and analysis is intended to serve both as an introduction to Malheur County's basic financial statements as well as an overview of the 10/11 fiscal year. The County's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

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 provide information about the activities of Malheur County as a whole and present a longer-term view of the County's finances.

The government-wide financial statements include all assets and liabilities using the accrual basis of accounting. In these financial statements, all of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. However, both during the budget process and on a day-to-day basis, the County uses the cash basis of accounting per ORS 294.445.

The Statement of Activities presents information showing how the County's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are

reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

These statements report Malheur County's net assets and changes to them. Net assets (the difference between assets and liabilities) are one way to measure an organization's financial health. Changes in net assets over time provide one indicator of whether financial health is improving or deteriorating.

Fund financial statements:

Fund financial statements also may give you some insight into the County's overall financial health. Fund financial statements report the County's operations in more detail than the government-wide financial statements. Malheur County uses different types of funds; major funds include general fund and road fund.

Governmental Funds:

These funds are reported using the modified accrual basis of accounting. The governmental fund statements provide a detailed short-term view of operations. The relationship (differences) between governmental activities (reported in the statement of net assets and the statement of activities) and governmental funds is described in reconciliations after the fund financial statements.

Proprietary funds:

The County maintains one proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses an enterprise fund to account for its County Fair.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The enterprise fund financial statements provide aggregate information for the sewer and lighting districts and the behavioral health fund. The internal service funds are also combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the proprietary and internal service funds is provided in the form of combining statements elsewhere in this report.

Fiduciary Funds:

Fiduciary funds are used to account for resources held for the benefit of parties outside the County. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support County programs. The accounting used for fiduciary funds is similar to that used for proprietary funds.

Notes to the financial statements:

The notes provide additional information that is essential for a full understanding of the information provided in the government-wide and fund financial statements. They are an integral part of the financial statements and should be read in conjunction with them.

Our auditor has provided assurance in the Independent Auditor's Report, located immediately preceding

this Management’s Discussion and Analysis, that the Basic Financial Statements are fairly presented. A user of this report should read the Independent Auditor’s Report carefully to ascertain the level of assurance being provided for each of the other parts of the Financial Section.

Financial analysis of Malheur County as a whole, government-wide:

Net assets:

The County’s combined net assets increased between program years 2011 and 2010 by \$397,787. This was largely due to being fiscally conservative in our expenditures.

	Malheur County					
	Governmental		Net Assets		Total	
	Activities		Business-Type			
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Current and other asset	\$ 14,453,643	\$14,209,022	\$ 27,580	\$ 58,323	\$ 14,481,223	\$ 14,267,345
Capital assets	22,850,454	22,697,288	270,982	278,149	23,121,436	22,975,437
Total assets	<u>37,304,097</u>	<u>36,906,310</u>	<u>298,562</u>	<u>336,472</u>	<u>37,602,659</u>	<u>37,242,782</u>
Current liabilities outstanding	4,621,236	4,143,052	-	525	4,621,236	4,143,577
Non-current liabilities	4,544,318	5,368,413	-	-	4,544,318	5,368,413
Total liabilities	<u>9,165,554</u>	<u>9,511,465</u>	<u>-</u>	<u>525</u>	<u>9,165,554</u>	<u>9,511,990</u>
Net assets:						
Invested in capital assets, net of related debt	21,755,454	21,102,288	270,982	278,149	22,026,436	21,380,437
Restricted	33,369	10,325	-	-	33,369	10,325
Unassigned	6,349,720	6,282,232	27,580	57,798	6,377,300	6,440,030
Total net assets	<u>\$ 28,138,543</u>	<u>\$27,394,845</u>	<u>\$ 298,562</u>	<u>\$ 335,947</u>	<u>\$ 28,437,105</u>	<u>\$ 27,730,792</u>

**Malheur County's
Changes in Net Assets**

	Governmental Activities		Business-Type Activities	
	6/30/2011	6/30/2010	6/30/2011	6/30/2010
Program Revenues				
Charges for services and other program revenues	\$ 6,437,001	\$ 4,139,693	\$ 272,378	\$ 311,820
Grants and contracts	4,221,738	3,812,148	-	-
Capital grants	332,427	12,312	-	-
General revenue by source				
Property taxes and PILT	7,315,709	6,973,167	-	-
State government shared revenue	409,659	2,684,155	-	-
Interest	31,834	35,221	216	366
Other	2,133	24,996	-	-
Total revenues	<u>18,750,501</u>	<u>17,681,692</u>	<u>272,594</u>	<u>312,186</u>
Program expenses				
General government	3,281,054	3,030,382	-	-
Health and social services	2,474,860	2,774,439	-	-
Public safety and Justice	8,585,302	8,200,955	-	-
Community services	857,955	67,471	309,979	334,317
Library	28,821	26,850	-	-
Road and bridges	2,735,723	2,722,653	-	-
Interest on long term debt	43,088	57,050	-	-
Total expenses	<u>18,006,803</u>	<u>16,879,800</u>	<u>309,979</u>	<u>334,317</u>
Change in net assets	<u>743,698</u>	<u>801,892</u>	<u>(37,385)</u>	<u>(22,497)</u>
Beginning net assets	<u>27,394,845</u>	<u>26,592,953</u>	<u>335,947</u>	<u>358,078</u>
Net assets end of year	<u>\$ 28,138,543</u>	<u>\$ 27,394,845</u>	<u>\$ 298,562</u>	<u>\$ 335,947</u>

Changes in net assets as a result of the County's governmental activities are an increase of \$801,892.

Budgetary Notes:

The Malheur County Court revised the budget on four occasions by resolution. All of these resolutions are available for inspection at the Malheur County Courthouse, office of the County Clerk.

Capital Asset Administration:

Total capital assets, net of accumulated depreciation, were \$22,850,454 at June 30, 2011. The County increased their assets through the purchase of new equipment, but this increase was reduced by depreciation and equipment retirements. This resulted in a increase of capital assets of \$153,166.

Economic Factors:

The 2010/2011 fiscal year ended with uncertainty from budget decisions being made in Congress that has implications on the federal and state economies with a direct impact on our local economy.

In Malheur County we are pursuing the opportunities for jobs in the natural resource arena, i.e. geothermal, wind, natural gas, light industry, etc. Fortunately, the agricultural economy is the backbone of Malheur County, and important for the stability of the community and our citizens here in Malheur County.

Requests for Information:

This financial report is designed to provide interested parties with a general overview of the County's finances and to demonstrate the County's accountability for the funds it receives. If you have questions about this report or need additional financial information, please contact Malheur County Administrative Officer Janice Belnap at the Malheur County Courthouse 251 B Street W. Vale, OR 97918, or by phone at 541-473-5183.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

MALHEUR COUNTY, OREGON
STATEMENT OF NET ASSETS
JUNE 30, 2011

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
Assets			
Cash and investments	\$ 6,559,940	\$ 27,580	\$ 6,587,520
Receivables (net of allowance for uncollectibles):			
Taxes	518,916	-	518,916
Accounts	78,025	-	78,025
Special assessments	7,296,762	-	7,296,762
Capital assets:			
Land	925,511	3,200	928,711
Other capital assets (net of accumulated depreciation)	21,924,943	267,782	22,192,725
Total assets	<u>37,304,097</u>	<u>298,562</u>	<u>37,602,659</u>
LIABILITIES			
Accounts payable	760	-	760
Deferred revenue	3,668,657	-	3,668,657
Due within one year:			
Compensated absences	412,819	-	412,819
Bonds payable	539,000	-	539,000
Noncurrent liabilities:			
Due in more than one year:			
Due to others	3,988,318	-	3,988,318
Bonds payable	556,000	-	556,000
Total liabilities	<u>9,165,554</u>	<u>-</u>	<u>9,165,554</u>
NET ASSETS			
Invested in capital assets, net of related debt	21,755,454	270,982	22,026,436
Restricted Fund Balance	33,369	-	33,369
Unassigned Fund Balance	6,349,720	27,580	6,377,300
Total net assets	<u>\$ 28,138,543</u>	<u>\$ 298,562</u>	<u>\$ 28,437,105</u>

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

MALHEUR COUNTY, OREGON
 STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2011

Functions/Programs	Expenses	PROGRAM REVENUES		
		Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 3,281,054	\$ 919,315	\$ 699,399	\$ 234,420
Health & Social services	2,474,860	440,509	810,489	-
Public safety and justice	8,585,302	2,438,800	1,861,364	-
Community services	857,955	14,996	642,486	-
Library	28,821	24,414	-	-
Roads and bridges	2,735,723	2,598,967	208,000	98,007
Interest on long-term debt	43,088	-	-	-
Total governmental activities	<u>18,006,803</u>	<u>6,437,001</u>	<u>4,221,738</u>	<u>332,427</u>
Business-type activities:				
Malheur County Fair	<u>309,980</u>	<u>272,377</u>	-	-
Total business-type activities	<u>309,980</u>	<u>272,377</u>	-	-
Total primary government	<u>\$ 17,214,115</u>	<u>\$ 4,451,513</u>	<u>\$ 3,812,148</u>	<u>\$ 12,312</u>

General Revenues:
 Taxes:
 Property taxes, levied for general purposes
 Property taxes, levied for debt service
 Property taxes, levied for ambulance services
 Payments in lieu of taxes
 State Government shared revenues
 Interest and investment earnings
 Miscellaneous
 Total general revenues, and special items
 Change in net assets
 Net assets - beginning
 Net assets - ending

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

MALHEUR COUNTY, OREGON
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2011

NET (EXPENSES) REVENUES AND CHANGES IN NET ASSETS		
Governmental Activities	Business-type Activities	Total
\$ (1,427,920)	\$ -	\$ (1,427,920)
(1,223,862)	-	(1,223,862)
(4,285,138)	-	(4,285,138)
(200,473)	-	(200,473)
(4,407)	-	(4,407)
169,251	-	169,251
(43,088)	-	(43,088)
<u>(7,015,637)</u>	<u>-</u>	<u>(7,015,637)</u>
-	(37,603)	(37,603)
-	(37,603)	(37,603)
<u>\$ (7,015,637)</u>	<u>\$ (37,603)</u>	<u>\$ (7,053,240)</u>
\$ 4,193,554	-	4,193,554
575,217	-	575,217
205,885	-	205,885
2,341,053	-	2,341,053
409,659	-	409,659
31,834	216	32,050
<u>2,133</u>	<u>-</u>	<u>2,133</u>
<u>7,759,335</u>	<u>216</u>	<u>7,759,551</u>
743,698	(37,387)	706,311
<u>27,394,845</u>	<u>335,949</u>	<u>27,730,794</u>
<u>\$ 28,138,543</u>	<u>\$ 298,562</u>	<u>\$ 28,437,105</u>

FUND LEVEL FINANCIAL STATEMENTS

MALHEUR COUNTY, OREGON
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2011

	General <u>Fund</u>	Road <u>Fund</u>	Other Governmental <u>Funds</u>	Total Governmental <u>Funds</u>
ASSETS				
Cash and investments	\$ 3,553,932	\$ 878,912	\$ 2,127,096	\$ 6,559,940
Receivables: (Net of allowance for uncollectibles)				
Taxes	437,281	-	81,635	518,916
Accounts	78,025	-	-	78,025
Special assessments	<u>7,252,841</u>	<u>5,434</u>	<u>38,487</u>	<u>7,296,762</u>
Total assets	<u>\$ 11,322,079</u>	<u>\$ 884,346</u>	<u>\$ 2,247,218</u>	<u>\$ 14,453,643</u>
LIABILITIES				
Accounts payable	760	-	-	760
Due to others	3,988,318	-	-	3,988,318
Deferred revenue	3,572,460	-	96,197	3,668,657
Other liabilities	<u>304,674</u>	<u>62,462</u>	<u>45,683</u>	<u>412,819</u>
Total liabilities	<u>7,866,212</u>	<u>62,462</u>	<u>141,880</u>	<u>8,070,554</u>
FUND BALANCES				
Restricted for debt service	-	-	33,369	33,369
Unassigned, reported in:				
Major Funds	3,455,867	821,884	-	4,277,751
Special Revenue Funds	<u>-</u>	<u>-</u>	<u>2,071,969</u>	<u>2,071,969</u>
Total fund balances	<u>3,455,867</u>	<u>821,884</u>	<u>2,105,338</u>	<u>6,383,089</u>
Total liabilities and fund balances	<u>\$ 11,322,079</u>	<u>\$ 884,346</u>	<u>\$ 2,247,218</u>	<u>\$ 14,453,643</u>

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

MALHEUR COUNTY, OREGON
 RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET ASSETS
 GOVERNMENTAL FUNDS
 AS OF JUNE 30, 2011

Fund Balances - Governmental Funds	\$	6,383,089
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Amounts reported for governmental activities in the statement of net assets are different because:

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

Governmental capital assets	32,837,048	
Less accumulated depreciation	<u>(9,986,594)</u>	22,850,454

Long-term liabilities, including bonds payable are not due and payable in the current period and therefore are not reported in the governmental funds.

Bonds payable		<u>(1,095,000)</u>
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Net Assets of Governmental Activities		<u>\$ 28,138,543</u>
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The notes to the financial statements are an integral part of this statement.

MALHEUR COUNTY, OREGON
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUND
FOR THE YEAR ENDED JUNE 30, 2011

	General Fund	Road Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	\$ 4,150,740	\$ -	\$ 769,176	\$ 4,919,916
Intergovernmental	5,210,480	2,548,054	2,474,027	10,232,561
Charges for services	2,334,467	35,907	508,196	2,878,570
Operating grants	-	-	586,373	586,373
Other	6,808	-	-	6,808
Interest	14,608	3,846	13,413	31,867
Total revenues	<u>11,717,103</u>	<u>2,587,807</u>	<u>4,351,185</u>	<u>18,656,095</u>
EXPENDITURES				
Current:				
General government	3,008,908	-	80,158	3,089,066
Health and Social services	1,879,123	-	1,203,734	3,082,857
Public safety and justice	6,361,498	-	1,628,277	7,989,775
Community services	294,856	-	-	294,856
Library services	8,500	-	15,186	23,686
Roads and bridges	263,436	2,260,701	5,224	2,529,361
Capital outlay	460,567	348,852	156,890	966,309
Debt Service:				
Principal	-	-	500,000	500,000
Interest	-	-	43,088	43,088
Total expenditures	<u>12,276,888</u>	<u>2,609,553</u>	<u>3,632,557</u>	<u>18,518,998</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(559,785)</u>	<u>(21,746)</u>	<u>718,628</u>	<u>137,097</u>
OTHER FINANCING SOURCES (USES)				
Sale of Capital Assets	6,608	10,000	-	16,608
Transfers in	930,694	100,000	24,924	1,055,618
Transfers out	(215,000)	(103,424)	(737,194)	1,055,618
Total other financing sources (uses)	<u>722,302</u>	<u>6,576</u>	<u>(712,270)</u>	<u>16,608</u>
Net change in fund balances	162,517	(15,170)	6,358	153,705
Fund balances - beginning	<u>3,356,525</u>	<u>837,054</u>	<u>2,098,980</u>	<u>6,292,559</u>
Prior Period Adjustment	(63,175)	-	-	(63,175)
Fund balances - ending	<u>\$ 3,455,867</u>	<u>\$ 821,884</u>	<u>\$ 2,105,338</u>	<u>\$ 6,383,089</u>

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

MALHEUR COUNTY, OREGON
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
 GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2011

Net change in fund balances - Governmental Funds \$ 153,705

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

Governmental funds report capital outlay as expenditures. However in the statement of activities, the cost of those assets is depreciated over their estimated useful lives

Expenditures for capital assets	966,309	
Less current year depreciation	<u>(674,650)</u>	\$ 291,659

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds. (172,818)

Some expenses reported in the statement of activities do not require the use of current resources. (28,848)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.

Principal payments	<u>500,000</u>	
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Change in Net Assets of Governmental Activities		<u>\$ 743,698</u>
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The notes to the financial statements are an integral part of this statement.

MALHEUR COUNTY, OREGON
 STATEMENT OF NET ASSETS
 PROPRIETARY FUND
 JUNE 30, 2011

	<u>Business-type Activities - Enterprise Fund</u>
	<u>Malheur County</u> <u>Fair Board</u>
ASSETS	
Current assets:	
Cash and investments	\$ 27,580
Total current assets	27,580
Noncurrent assets:	
Fixed assets (net of accumulated depreciation)	270,982
Total assets	298,562
LIABILITIES	
Current liabilities:	
Accounts Payable	-
Total liabilities	-
NET ASSETS	
Invested in capital assets, net of related debt	270,982
Unassigned	27,580
Total net assets	\$ 298,562

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

MALHEUR COUNTY, OREGON
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Business-type Activities - Enterprise Fund</u>
	Malheur County
	<u>Fair Board</u>
OPERATING REVENUES	
Charges for sales and services	\$ 211,347
Intergovernmental revenue	<u>61,031</u>
Total operating revenues	<u>272,378</u>
OPERATING EXPENSES	
Personnel services	102,061
Materials & supplies	195,973
Depreciation	<u>11,945</u>
Total operating expenses	<u>309,979</u>
Operating income	<u>(37,601)</u>
NONOPERATING REVENUES (EXPENSES)	
Interest revenue	<u>216</u>
Total nonoperating revenues (expenses)	<u>216</u>
Change in net assets	(37,385)
Total net assets - beginning	<u>335,947</u>
Total net assets - ending	<u>\$ 298,562</u>

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

MALHEUR COUNTY, OREGON
 STATEMENT OF CASH FLOWS - PROPRIETARY FUND
 FOR THE YEAR ENDED JUNE 30, 2011

	<u>Business-type Activities - Enterprise Fund</u>
	Malheur County
	<u>Fair Board</u>
CASH FLOW FROM OPERATING ACTIVITIES	
Receipts from intergovernmental payments	\$ 61,031
Receipts from customers	211,347
Payments to suppliers	(196,498)
Payments to employees	<u>(102,061)</u>
Net cash provided by (used in) operating activities	<u>(26,181)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Donations	<u>-</u>
Net cash provided by noncapital and related financing activities	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchases of capital assets	<u>(4,778)</u>
Net cash provided in capital and related financing activities	<u>(4,778)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	<u>216</u>
Net cash provided by investing activities	<u>216</u>
Net increase in cash and cash equivalents	(30,743)
Balances at beginning of the year	<u>58,323</u>
Balances at end of the year	<u>\$ 27,580</u>
Reconciliation of operating income to net cash provided (used) by operating activities:	
Operating income (loss)	<u>(37,601)</u>
Adjustments to reconcile operating income to net cash provided by operating activities:	
Cash flows reported in other categories:	
Depreciation	11,945
Changes in assets and liabilities:	
Changes in accounts payable	<u>(525)</u>
Total adjustments	<u>11,420</u>
Net cash provided by (used in) operating activities	<u>\$ 26,181</u>

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

MALHEUR COUNTY, OREGON
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2011

	<u>Agency Funds</u>
ASSETS	
Cash and investments	\$ <u>457,568</u>
Total assets	<u>457,568</u>
LIABILITIES	
Due to other governmental units	<u>457,568</u>
Total liabilities	<u>457,568</u>
NET ASSETS	<u>\$ -</u>

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

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

A. Reporting entity

Malheur County (County) is governed under Oregon Revised Statutes - Title 20. The powers of the County is vested in a County Court. The Court is composed of a judge and two commissioners elected at a general biennial election. At each election a commissioner is elected for four years. The Judge is elected for a six year term. The accompanying financial statements present the County entities for which the County is considered to be financially accountable.

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the County (the primary government). For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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

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

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

within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Property taxes, excise taxes, business income taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the County.

The County reports the following major governmental funds:

The *General Fund* is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The *Road Fund* accounts for the majority of revenues and expenditures related to road construction and maintenance programs.

Additionally, the County reports the following fund types:

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

Debt service funds account for the resources accumulated and payments made for principal and interest on long-term debt of governmental funds.

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

Proprietary funds account for the operations of predominantly self-supporting activities. Enterprise funds account for services rendered to the public on a user charge basis.

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

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

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

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

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

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

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

D. Assets, liabilities, and net assets or equity

1. Deposits and investments

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

State statutes authorize the County to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, municipal bonds, banker's acceptances, repurchase agreements, and the State Treasurer's Local Government Investment Pool (LGIP). Investments for the County, as well as for its component units, are reported at fair value. The LGIP operates in accordance with appropriate state laws and regulations.

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

2. *Receivables and payables*

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

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

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

3. *Inventories and prepaid items*

Inventories of materials and supplies in the governmental funds are valued at average cost and are offset by a reservation of fund balance. All inventories are recorded as expenditures when consumed rather than when purchased.

Payments in excess of \$1,000 to vendors which reflect costs applicable to future accounting periods are recorded as prepaid items in both government-wide and fund financial statements.

4. *Fund balances and net assets*

In the financial statements, assets in excess of liabilities are presented in one of two ways depending on the measurement focus used in the reporting fund.

On the *Balance Sheet - Governmental Funds*, assets in excess of liabilities are reported as fund balances and are segregated into separate classifications indicating the extent to which the County is bound to honor constraints on the specific purposes for which those funds can be spent. The Finance and Budget Policies state the County will spend restricted resources first, followed by committed then assigned, with unassigned resources spent last.

4. Fund balances and net assets, continued

Fund balance is reported as *Nonspendable* when the resources cannot be spent because they are either in a nonspendable form or legally or contractually required to be maintained intact. Resources in nonspendable form include inventories and prepaid items.

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.

Fund balance is reported as *Committed* when the Board of County commissioners (BOCC) passes an ordinance or resolution that places specific constraints on how the resources may be used. The BOCC can modify or rescind the ordinance or resolution at any time through passage of an additional ordinance or resolution.

Resources that are constrained by the County's intent to use them for a specific purpose, but are neither restricted or non committed, are reported as *Assigned* fund balance. The County has not established a policy regarding the assignment of funds, so this category of fund balance represents the residual amounts not otherwise reported as unspendable, restricted or committed in governmental funds outside of the General Fund.

Unassigned fund balance is the residual classification for the General Fund. This classification represents fund balance that is not otherwise reported as unspendable, restricted or committed within the General Fund. This classification is also used to report any negative fund balance amounts in other governmental funds.

On the government-wide *Statement of Net Assets*, the proprietary funds' *Statement of Net Assets*, and the fiduciary funds' *Statement of Fiduciary Net Assets*, net assets are segregated into restricted and unrestricted balances. Restrictions are limitations on how the net assets may be used. Restrictions may be placed on net assets by an external party that provided the resources, by enabling legislation or by the nature of the asset.

Net assets invested in capital assets, net of related debt represents total capital assets less accumulated depreciation less debt directly related to capital assets. This amount is reported on the Statement of net Assets and in the financial statements for Proprietary Fund types.

Certain revenues derived from specific taxes or other earmarked revenue sources are considered restricted assets. Such revenues include dedicated property taxes, state gas tax, intergovernmental grants, and charges for services which are legally restricted to finance particular functions or activities. In addition, proceeds from general obligation bonds, revenue bonds, and full faith and credit bonds are restricted to support the specific purpose for which the debt was issued. Such net assets are reported as restricted on the *Statement of Net Assets* and are recorded in separate funds supporting the specific function or operation.

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

5. Capital assets

Capital assets, which includes property, equipment, infrastructure assets (e.g., roads, bridges, sidewalks, sewers, street lighting, and similar items), and their improvements, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than \$5,000 and an initial useful lives extending beyond a single reporting period. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. No interest expense was incurred by the County during the current fiscal year.

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

- Infrastructure 10-100 years
- Motor vehicles 3 years
- Equipment, including software 3 to 10 years
- Buildings and improvements 50 years

6. Unearned/Deferred revenues

Unearned revenues will be recognized as revenue in the fiscal year they are earned in accordance with the accrual basis of accounting. Deferred revenues reported in the governmental fund financial statements represent unearned revenues or revenues which are measurable but not available. In accordance with the modified accrual basis of accounting, these items are reported as deferred revenues.

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

7. *Compensated absences*

It is the County's policy to permit employees to accumulate earned but unused vacation, compensatory and sick leave benefits. There is no liability for unpaid accumulated sick leave since the County does not have a policy to pay any amounts when employees separate from service with the County. All vacation pay and compensatory time is accrued when incurred in the government-wide and proprietary funds. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements at June 30th.

8. *Long-term obligations*

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

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

9. *Fund equity*

In the fund financial statements, governmental funds report reservation of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

10. *Statement of Cash flows*

In the statement of cash flows for proprietary funds, cash and cash equivalents include all assets in the cash and investment pool. This pool is similar to a demand deposit account for enterprise and internal service funds in that they may deposit and withdraw cash at any time without prior notice or penalty. This treatment is in conformity with GASB Statement No. 9, which states that deposits in cash management pools that have the general characteristics of demand deposit accounts are appropriately classified as cash.

11. Use of estimates

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

Note 2. Stewardship, compliance, and accountability

A. Budgetary information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds except the trust funds. All annual appropriations lapse at fiscal year end.

During the month of February each year, all agencies of the County submit requests for appropriations to the County so that a budget may be prepared. By May 15, the proposed budget is presented to the County Board of Commissioners for approval. The Board holds public hearings and a final budget must be prepared and adopted no later than June 30.

The appropriated budget is prepared by fund and department. The County's department managers may make transfers of appropriations within a department and fund. Transfers of appropriations between departments or funds require the approval of the Board. The legal level of budgetary control, (i.e., the level at which expenditures may not legally exceed appropriations) is the fund and department level. Unexpected additional resources may be appropriated through the use of a supplemental budget and Board of County Commissioner's action. The supplemental budgets require budget hearings before the public, publications in newspapers and approval by the Board of County Commissioners. The Board approved several supplemental budgetary appropriations throughout the year, none of which were material.

B. Excess of expenditures over appropriations

Oregon state law requires disclosure of fund expenditures in excess of budgeted appropriations.

Primary Government

For the fiscal year ended June 30, 2011, expenditures exceeding of budgeted appropriations in the OJTA Road Project Fund. The deficit will be funded by future grant funds.

Note 3. Detailed notes on all funds

A. Deposits and investments

Malheur County pools virtually all funds for investment purposes. All appropriate funds are allocated interest based on the average daily cash balance of the fund and the average monthly yield of the County's investment portfolio. Each fund type's portion of this pool is displayed on the Combined Balance Sheet as "Cash and investments."

At year-end, the carrying amount of the County's deposits was \$6,587,520 and the bank balance was \$6,586,695. The bank balance was covered by federal depository insurance or by collateral held by one or more of the State's authorized collateral pool managers in the name of the County as the County's agent. The balance of \$825 represents petty cash accounts that were uninsured and uncollateralized. State law requires that collateral be deposited with a value of 25% of the balances above federal deposit insurance, but in some instances, the State Banking Commission can require banks to provide more than 25% of the balances of municipal corporations' deposits as collateral. The County cannot, however, determine which, if any, institutions have been required to meet a collateral requirement larger than 25%. The County independently monitors its depository institutions for indications that could potentially cause loss of County funds.

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

The County's investment policy requires that the market value plus accrued interest of the securities collateralizing repurchase agreements exceeds the face amount of the repurchase agreement by margins prescribed in writing by the Oregon Short-Term Fund Board, providing the County with a margin against a decline in the market value of the securities. Daily marking-to-market also protects the County against declines in market value. The market value plus accrued interest of the securities purchased under repurchase agreements did not fall below the required level during the year.

Note 3. Detailed notes on all funds, continued

A. Deposits and investments, continued

The County's investments are governed by a written investment policy that is reviewed annually by the Board of County Commissioners. The policy specifies the County's investment objectives, benchmarks, required diversification by security type and by maturity, and the reporting requirements.

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

The credit quality rating of the Local Government Investment Pool as of June 30, 2011 has not been rated.

B. Receivables

Receivables as of year-end for the County's individual major funds and nonmajor, and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Road Fund</u>	<u>Nonmajor and Other Funds</u>	<u>Total</u>
Receivables:				
Taxes	\$ 437,281	\$ -	\$ 81,635	\$ 518,916
Accounts	78,025	-	-	78,025
Special assessments	<u>7,252,841</u>	<u>5,434</u>	<u>38,487</u>	<u>7,296,762</u>
Gross receivables	7,768,147	5,434	120,122	7,893,703
Less: allowance for uncollectibles	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net total receivables	<u><u>\$ 7,768,147</u></u>	<u><u>\$ 5,434</u></u>	<u><u>\$ 120,122</u></u>	<u><u>\$7,893,703</u></u>

B. Receivables, continued

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Government funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue reported in the governmental funds were as follows:

	<u>Unavailable</u>
Delinquent property taxes receivable (general fund)	\$ 307,938
Delinquent property taxes receivable (other governmental funds)	96,197
Special Assessments:	
Municipal Court Fines & Fees	2,243,429
Jail Assessment Charges	<u>1,021,093</u>
Total deferred revenue for governmental funds	<u>\$ 3,668,657</u>

MALHEUR COUNTY, OREGON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

C. Capital Assets:

Beginning balances of capital asset activities are shown along with the effects of implementing GASB Statement No. 34. This facilitates understanding and results in a restated beginning balances. Capital asset activity for primary government for the year ended June 30, 2011, was as follows:

	<u>Beginning Balance</u>	<u>Beginning Balance Adjustments</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:					
<u>Capital Assets, not being depreciated:</u>					
Land	\$ 894,571	\$ -	\$ 45,940	\$ 15,000	\$ 925,511
<u>Capital Assets, being depreciated:</u>					
Buildings	8,938,547	-	-	28,028	8,910,519
Improvements	511,735	-	247,754	-	759,489
Infrastructure	16,753,605	-	-	-	16,753,605
Machinery & Equipment	<u>5,024,871</u>	<u>6,000</u>	<u>672,615</u>	<u>215,562</u>	<u>5,487,924</u>
Total capital assets, being depreciated	<u>31,228,758</u>	<u>6,000</u>	<u>920,369</u>	<u>\$ 243,590</u>	<u>31,911,537</u>
<u>Less accumulated depreciation for:</u>					
Buildings	2,027,381	-	131,779	12,620	2,146,540
Improvements	161,238	-	32,807	-	194,045
Infrastructure	4,703,999	-	199,465	-	4,903,464
Machinery & Equipment	<u>2,533,427</u>	<u>(16,289)</u>	<u>310,599</u>	<u>85,192</u>	<u>2,742,545</u>
Total accumulated depreciation	<u>9,426,045</u>	<u>(16,289)</u>	<u>674,650</u>	<u>97,812</u>	<u>9,986,594</u>
Total capital assets, being depreciated, net	<u>21,802,713</u>	<u>22,289</u>	<u>245,719</u>	<u>145,778</u>	<u>21,924,943</u>
Governmental activities capital assets, net	<u>\$22,697,284</u>	<u>\$ 22,289</u>	<u>\$ 291,659</u>	<u>\$ 160,778</u>	<u>\$ 22,850,454</u>
Business-type activities:					
<u>Capital Assets, not being depreciated:</u>					
Land	<u>3,200</u>	-	-	-	<u>3,200</u>
Total capital assets, not being depreciated	<u>3,200</u>	-	-	-	<u>3,200</u>
<u>Capital Assets, being depreciated:</u>					
Buildings	163,077	-	-	-	163,077
Improvements	419,809	-	4,778	-	424,587
Machinery & Equipment	<u>80,679</u>	-	-	-	<u>80,679</u>
Total capital assets being depreciated	<u>663,565</u>	-	<u>4,778</u>	-	<u>668,343</u>

MALHEUR COUNTY, OREGON
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2011

C. Capital Assets:, continued

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities:				
<u>Less accumulated depreciation for:</u>				
Buildings	122,228	3,720	-	125,948
Improvements	195,296	8,225	-	203,521
Machinery & Equipment	<u>71,090</u>	<u>-</u>	<u>-</u>	<u>71,090</u>
Total accumulated depreciation	<u>388,614</u>	<u>11,945</u>	<u>-</u>	<u>400,559</u>
Total capital assets, being depreciated, net	<u>274,951</u>	<u>(7,167)</u>	<u>-</u>	<u>267,784</u>
Business-type activities capital assets, net	<u>\$ 278,151</u>	<u>\$ (7,167)</u>	<u>\$ -</u>	<u>\$ 270,984</u>

Depreciation expense was charged to functions/programs of the Primary Government as follows:

Governmental activities:

General Government	\$ 86,864
Health & Social Services	12,420
Public Safety and Justice	273,592
Community Services	3,020
Roads and Bridges	<u>298,754</u>
Total depreciation expense - governmental activities	<u>\$ 674,650</u>

Business-type activities:

Malheur County Fair Grounds	<u>\$ 11,945</u>
Total depreciation expense - business type activities	<u>\$ 11,945</u>

D. Interfund Receivables, Payables and Transfers

Interfund Transfers:

Following are the County's interfund transfers for the year ended June 30, 2011. The fund transfers to the major and nonmajor governmental funds were made to provide additional resources for current operations.

Transfers In:

	<u>General Fund</u>	<u>Road Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
<u>Transfers Out:</u>				
General fund	\$ 215,000	\$ 103,424	\$ -	\$ 318,424
Road Fund	-	-	-	-
Nonmajor governmental funds	<u>715,694</u>	<u>100,000</u>	<u>24,924</u>	<u>737,194</u>
Total transfers in	<u>\$ 930,694</u>	<u>\$ 100,000</u>	<u>\$ 24,924</u>	<u>\$1,055,618</u>

MALHEUR COUNTY, OREGON
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2011

E. Long-term debt

General Obligation Bonds

The County issued a general obligation bond to provide funds for construction and public safety facilities and related equipment. The original amount of general obligation bond was \$4,995,000.

General obligation bonds are direct obligations and pledge the full faith and credit of the County and are backed by the County's authority to levy property taxes. These bonds are generally issued as 20-year serial bonds with equal amounts of principal and interest maturing each year. General obligation bonds currently outstanding are as follows:

Purpose	Interest Rates	Amount
Governmental activities - Jail Facilities	6.00%	\$ 3,750,000

On October 1, 2004, the County issued \$3,465,000 in General Obligation Refunding Obligations, Series 2004 with an average interest rate of 1.50% to 3.25%. This issue was used to refund \$3,190,000 of outstanding General Obligation Bonds, Series 1994 with an average interest rate of 2.00% to 3.25%. On December 1, 2011, the County paid off the outstanding balance on the 1994 Series Certificates. The transaction resulted in a net economic gain of \$339,677. The advance refunding of the 1994 Series Certificates will decrease debt service payments over the next nine years by \$320,000.

Annual debt service requirements to maturity for General Obligation Bonds are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>
2012	\$ 539,000	\$ 26,894
2013	556,000	9,100
	<u>\$ 1,095,000</u>	<u>\$ 35,994</u>

Changes in long-term liabilities

Long-term liability activity for the year ended June 30, 2011 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<u>Government Activities</u>					
General Obligation Bonds	\$ 1,595,000	\$	\$ 500,000	\$1,095,000	\$ 539,000
Compensated Absences	452,559	118,512	158,252	412,819	412,819
Governmental activity long-term liabilities:	<u>\$ 2,047,559</u>	<u>\$ 118,512</u>	<u>\$ 658,252</u>	<u>\$1,507,819</u>	<u>\$ 951,819</u>
<u>Business-Type Activities</u>					
NONE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Note 4. Other information

A. Risk management

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the County carries commercial insurance.

Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are re-evaluated periodically to consider the effect of inflation, recent claim settlement trends (including frequency and amount of payouts), and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. Estimated recoveries, for example from salvage or subrogation, are another component of the claims liability estimate. An excess coverage insurance policy covers individual workers' compensation claims in excess of \$500. Settlements have not exceeded coverages for each of the past three fiscal years. Changes in the balances of claims liabilities during the past two years are as follows:

	Fiscal year ended 6/30/11	Fiscal year ended 6/30/10
Unpaid claims, beginning of fiscal year	\$ -	\$ -
Incurred claims (including IBNRs)	-	-
Claim payments	-	-
Unpaid claims, end of fiscal year	<u>\$ -</u>	<u>\$ -</u>

B. Contingent liabilities

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal and state governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the government expects such amounts, if any, to be immaterial. The County is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the County's legal counsel the resolution of these matters will not have a material adverse effect on the financial condition of the County.

C. Employee retirement systems and pension plans

Oregon Public Employees Retirement System (PERS)

Plan description. All civilian County employees, all sworn police personnel are participants under the plan currently available through Oregon Public Employees Retirement System (PERS), a cost-sharing multiple-employer public employee retirement system administered under ORS 238 and 238A.

The 1995 Legislature created a second tier of benefits for those who became members after 1995. The second tier does not have the Tier One assumed earnings rate guarantee.

There are currently two programs with eligibility determined by the date of employment. Those employed prior to August 29, 2003 are PERS Program members. Those employed on or after August 29, 2003 are Oregon Public Service Retirement Plan (OPSRP) Program members. OPSRP is a hybrid retirement plan with two components: 1) the Pension Program (defined benefit; established and maintained as a tax-qualified governmental defined benefit plan), and 2) the Individual Account Program (IAP) (defined contribution; established and maintained as a tax-qualified governmental defined contribution plan).

Beginning January 1, 2004, all employees who are active members of PERS became members of the OPSRP IAP Program. PERS plan member contributions (the employee contribution, whether made by the employee or "picked-up" by the employer) go into the IAP portion of OPSRP. PERS plan members retain their existing PERS accounts, but any future member contributions will be deposited in the member's IAP, not into the member's PERS account.

Oregon PERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to: Oregon Public Employees Retirement System, PO Box 23700, Tigard, Oregon 97281-3700, telephone (503) 598-7377 or by URL: http://Oregon.gov/PERS/section/financial_reports/financials.shtml.

PERS' benefits vest after five years of continuous service or at normal retirement age. General Service employees may retire after reaching age 55. Employees with 30 years of service (25 years for fire and police personnel at age 50) receive unreduced benefits. Tier One general service employee benefits are reduced if retirement occurs prior to age 58 with less than 30 years of service. Fire and police personnel benefits are reduced if retirement occurs prior to age 55 with less than 25 years of service. Tier Two members are eligible for full benefits at age 60.

Retirement benefits are based on final average salary and length of service and are calculated under either a money match, full formula or a formula plus annuity computation if a greater benefit results. Fire and police personnel may purchase increased benefits payable between the date of retirement and age 65. PERS also provides death and disability benefits. These benefit provisions and other requirements are established by state statutes.

C. Employee retirement systems and pension plans, continued

Annual pension cost. For 2011, the County's annual pension cost of \$1,046,258 for PERS was equal to the County's required and actual contributions. The required contribution was determined as part of the December 31, 2010 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 8.0 percent investment rate of return (net of administrative expenses), (b) projected salary increases due to inflation of 2.75 percent per year, and c) projected wage growth, excluding seniority / merit raises, of 3.25 percent per year. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The County's unfunded actuarial accrued liability is being amortized using the closed group fixed term method. The remaining amortization period at December 31, 2009, was 20 years.

Three-Year Trend Information for PERS

<u>Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Balance</u>
6/30/08	\$1,212,799	100%	-
6/30/09	1,273,827	100%	-
6/30/10	953,199	100%	-
6/30/11	1,046,258	100%	-

**Public Employees Retirement System
 Schedule of Funding Progress**

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL) - Entry Age (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered [(b-a)/c]</u>
12/31/06	29,641,339	29,753,207	(3,042,112)	110%	6,703,143	-45%
12/31/07	34,820,023	30,999,671	(3,820,352)	112%	6,995,602	-55%
12/31/08	26,929,480	32,360,060	5,430,550	88%	7,410,989	73%
12/31/09	30,796,030	34,090,448	3,294,418	90%	7,381,830	45%
12/31/10	32,615,328	35,461,722	2,846,394	92%	7,631,723	37%

MALHEUR COUNTY, OREGON
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2011

NOTE 5. LANDFILL CLOSURE AND POST-CLOSURE CARE COSTS:

Lytle Landfill Permit #348

The County has not had an operating deficit greater than five percent of revenue in more than one of the two fiscal years immediately past.

General Fund Only:	Current Year June 30, 2011	Year A June 30, 2010	Year B June 30, 2009
X. Operating Deficit			
Beginning Cash Balance	3,522,246	3,418,033	260,268
Y. Total Revenue	12,654,406	11,912,134	12,075,488
X/Y	-		
B. Total Expenditures	12,491,888	11,763,383	11,279,329
A. Ending Cash Balance	3,553,932	3,522,246	3,418,033
A/B	28%	29%	30%

The County is adequately liquid in that its liquid assets are equal to or greater than five percent of expenditures:

Cash plus marketable securities	<u>3,522,246</u>	<u>3,522,246</u>	<u>3,418,033</u>
Total expenditures	12,491,888 =28%	11,763,383 =29%	11,279,329=30%

Environmental obligations do not consume a disproportionate share of the County's revenues. All the County's environmental obligations, including guarantees of third party obligation do not exceed 43 percent of revenues.

Environmental obligations	<u>87,214</u>	<u>87,214</u>	<u>77,423</u>
Revenue	12,654,406 =.7%	12,654,406 =.7%	12,075,488=.6%

The County has adopted Governmental Accounting Standards Board Statement No. 18, Accounting for Municipal Solid Waste Landfill Closure and Post-closure Care Costs. This statement requires municipalities to record the estimated closure and post-closure care costs of landfills over the useful life of the landfill.

State and federal laws and regulations require the County to place a final cover on its landfill sites when the landfills stop accepting waste and to perform certain maintenance and monitoring functions at these sites for thirty years after closure. Although closure and post closure care costs will be paid only near or after the date the landfills stop accepting waste, the County is required to report these closure and post-closure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The following schedule shows details of landfill closure and post-closure liability:

	Landfill Closure and Post-closure Care Liability	% of Capacity Used	Estimated Remaining Life (years)
Lytle Landfill			
General Fund	\$ 87,214	59.7%	29

The above dollar amounts are based on what it would cost to perform all closure and post-closure in 2011. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

REQUIRED SUPPLEMENTARY INFORMATION

MALHEUR COUNTY, OREGON
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES				
Taxes				
Property:				
Current	\$ 3,756,326	\$ 3,756,326	\$ 3,854,058	\$ 97,732
Prior	120,000	120,000	194,187	74,187
County land sales	5,000	5,000	14,087	9,087
Other taxes	3,000	3,000	3,686	686
Payments in lieu of taxes	2,450,000	2,450,000	2,341,053	(108,947)
Intergovernmental	3,045,662	3,066,093	2,854,248	(211,845)
Charges for services	2,222,005	2,159,105	2,345,733	186,628
Interest	27,500	27,500	14,608	(12,892)
Other	-	-	-	-
Total revenues	<u>11,629,493</u>	<u>11,587,024</u>	<u>11,621,660</u>	<u>34,636</u>
EXPENDITURES				
Personal services	9,492,667	9,501,857	9,138,812	363,045
Materials and supplies	3,403,619	3,427,417	2,709,373	718,044
Capital outlay	1,309,515	1,322,008	460,575	861,433
Contingencies	1,269,492	1,269,492	-	1,269,492
All other expenditures	-	-	-	-
Total expenditures	<u>15,475,293</u>	<u>15,520,774</u>	<u>12,308,760</u>	<u>3,212,014</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,845,800)</u>	<u>(3,933,750)</u>	<u>(687,100)</u>	<u>3,246,650</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	200	200	6,609	6,409
Transfers in	955,100	915,000	897,000	(18,000)
Transfers out	(221,500)	(215,000)	(215,000)	-
Total other financing sources (uses)	<u>733,800</u>	<u>700,200</u>	<u>688,609</u>	<u>(11,591)</u>
Net change in fund balances	<u>(3,112,000)</u>	<u>(3,233,550)</u>	<u>1,509</u>	<u>3,235,059</u>
Fund balances - beginning	<u>3,112,000</u>	<u>3,233,550</u>	<u>3,192,932</u>	<u>(40,618)</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,194,441</u>	<u>\$ 3,194,441</u>

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

MALHEUR COUNTY, OREGON

ROAD FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance With Final Budget Favorable <u>(Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 2,608,982	\$ 2,608,982	\$ 2,548,053	\$ (60,929)
Charges for services	36,400	36,400	38,833	2,433
Interest	8,100	8,100	3,847	(4,253)
Miscellaneous	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Total revenues	<u>2,663,482</u>	<u>2,663,482</u>	<u>2,600,733</u>	<u>(62,749)</u>
EXPENDITURES				
Personal services	721,370	721,370	692,526	28,844
Materials and supplies	678,500	678,500	420,350	258,150
Capital outlay	521,783	521,783	348,852	172,931
Contingency	171,685	171,685	-	171,685
Passed to other Highway Districts	1,021,449	1,021,449	909,034	112,415
All other	<u>274,929</u>	<u>274,929</u>	<u>238,153</u>	<u>36,776</u>
Total expenditures	<u>3,389,716</u>	<u>3,389,716</u>	<u>2,608,915</u>	<u>780,801</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(726,234)</u>	<u>(726,234)</u>	<u>(8,182)</u>	<u>718,052</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	100,000	100,000	100,000	-
Transfers out	<u>(108,872)</u>	<u>(108,872)</u>	<u>(103,424)</u>	<u>5,448</u>
Total other financing sources (uses)	<u>(8,872)</u>	<u>(8,872)</u>	<u>(3,424)</u>	<u>5,448</u>
Net change in fund balances	(735,106)	(735,106)	(11,606)	723,500
Fund balances - beginning	<u>735,106</u>	<u>735,106</u>	<u>706,910</u>	<u>(28,196)</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 695,304</u>	<u>\$ 695,304</u>

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

MALHEUR COUNTY, OREGON
 NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Reconciliation between the budgetary basis of accounting and GAAP:

Fund balances as of June 30, 2011, on a budgetary basis are reconciled to fund balances on a GAAP basis as follows:

	<u>General Fund</u>	<u>Road Fund</u>
Fund balances at 6/30/10 – budgetary basis	\$3,194,441	\$ 395,304
Revenues for GASB basis not recognized in the budgetary basis	(199,141)	(222,272)
Expenditures recognized in budgetary basis but not for GASB basis	<u>460,567</u>	<u>348,852</u>
Fund balances at 6/30/10–GASB basis	<u>\$3,455,867</u>	<u>\$ 821,884</u>

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

- Major Bridge Fund
- Surveyor Corner Preservation Fund
- Community Corrections Fund
- Law Library Fund
- Boat License Fund
- Correction Assessment Fund
- DA Enforcement
- Taylor Grazing Fund
- Task Force Fund
- Ambulance Fund
- Community Children & Family Fund
- OCD Grant Fund
- Special Transportation Fund
- Clerk Records Fund
- Juvenile Crime Prevention Fund
- 911 Fund
- Traffic Safety Fund
- CRT Facilities Security Fund
- State Drug Court Fund
- State Mediation Program Fund
- Mental Health Fund
- Healthy Start Fund
- GIS Maintenance Fund
- Roger E Barker Trust
- Search & Rescue Fund
- Work Release Construction Fund
- CVSO Expansion Fund
- EPA Grant
- OJTA Road Project Fund

Debt Service Fund

- General Obligation Bond Fund

MALHEUR COUNTY, OREGON
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2011

	Total Nonmajor Special <u>Revenue Funds</u>	Total Nonmajor Debt <u>Service Fund</u>	Total Nonmajor Governmental <u>Funds</u>
ASSETS			
Cash and investments	\$ 2,111,338	\$ 15,758	\$ 2,127,096
Receivables:			
Taxes	22,117	59,518	81,635
Accounts	-	-	-
Special Assessments	<u>38,487</u>	<u>-</u>	<u>38,487</u>
Total assets and other debts	<u>\$ 2,171,942</u>	<u>\$ 75,276</u>	<u>\$ 2,247,218</u>
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ -
Other liabilities	45,683	-	45,683
Deferred revenue	<u>54,290</u>	<u>41,907</u>	<u>96,197</u>
Total liabilities	<u>99,973</u>	<u>41,907</u>	<u>141,880</u>
FUND BALANCES			
Restricted for debt services	-	33,369	33,369
Unassigned	<u>2,071,969</u>	<u>-</u>	<u>2,071,969</u>
Total fund balances	<u>2,071,969</u>	<u>33,369</u>	<u>2,105,338</u>
Total liabilities and fund balances	<u>\$ 2,171,942</u>	<u>\$ 75,276</u>	<u>\$ 2,247,218</u>

MALHEUR COUNTY, OREGON
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES
FOR THE YEAR ENDED JUNE 30, 2011

	Total Nonmajor Special Revenue Funds	Total Nonmajor Debt Service Fund	Total Nonmajor Governmental Funds
REVENUES			
Taxes	\$ 203,077	\$ 566,099	\$ 769,176
Intergovernmental	2,474,027	-	2,474,027
Charges for services	508,196	-	508,196
Other	<u>599,753</u>	<u>33</u>	<u>599,786</u>
Total revenues	<u>3,785,053</u>	<u>566,132</u>	<u>4,351,185</u>
EXPENDITURES			
Current:			
General government	80,158	-	80,158
Social services	1,203,734	-	1,203,734
Public safety and justice	1,628,277	-	1,628,277
Community services	-	-	-
Library services	15,186	-	15,186
Roads and bridges	5,224	-	5,224
Capital outlay	156,890	-	156,890
Debt service:			
Principal	-	500,000	500,000
Interest	<u>-</u>	<u>43,088</u>	<u>43,088</u>
Total expenditures	<u>3,089,469</u>	<u>543,088</u>	<u>3,632,557</u>
Excess (deficiency) of revenues over (under) expenditures	<u>695,584</u>	<u>23,044</u>	<u>718,628</u>
OTHER FINANCING SOURCES (USES)			
Sale of equipment	-	-	-
Transfers in	24,924	-	24,924
Transfers out	<u>(737,194)</u>	<u>-</u>	<u>(737,194)</u>
Total other financing sources (uses)	<u>(712,270)</u>	<u>-</u>	<u>(712,270)</u>
Net change in fund balances	(16,686)	23,044	6,358
Fund balances - beginning	<u>2,088,655</u>	<u>10,325</u>	<u>2,098,980</u>
Fund balances - ending	<u>\$ 2,071,969</u>	<u>\$ 33,369</u>	<u>\$ 2,105,338</u>

MALHEUR COUNTY, OREGON
 COMBINING BALANCE SHEET
 SPECIAL REVENUE FUNDS
 JUNE 30, 2011

	<u>Major Bridge</u>	<u>Surveyor Corner Preservation</u>	<u>Community Corrections</u>	<u>Law Library</u>	<u>Boat License</u>	<u>Correction Assessment</u>
ASSETS						
Cash and investments	\$130,046	\$ 75,469	\$ 392,316	\$ 76,607	\$ 23,216	\$34,053
Receivables:		-	-	-	-	-
Taxes	-	-	-	-	-	-
Accounts	-	-	-	-	-	-
Special Assessments	-	-	38,487	-	-	-
Total assets	<u>\$130,046</u>	<u>\$ 75,469</u>	<u>\$ 430,803</u>	<u>\$ 76,607</u>	<u>\$ 23,216</u>	<u>\$34,053</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	-	-	-	-	-	-
Other liabilities	-	-	33,767	-	5,923	1,800
Deferred revenue	-	-	38,487	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>72,254</u>	<u>-</u>	<u>5,923</u>	<u>1,800</u>
Fund balances:						
Unassigned	<u>130,046</u>	<u>75,469</u>	<u>358,549</u>	<u>76,607</u>	<u>17,293</u>	<u>32,253</u>
Total fund balances	<u>130,046</u>	<u>75,469</u>	<u>358,549</u>	<u>76,607</u>	<u>17,293</u>	<u>32,253</u>
Total liabilities and fund balances	<u>\$130,046</u>	<u>\$ 75,469</u>	<u>\$ 430,803</u>	<u>\$ 76,607</u>	<u>\$ 23,216</u>	<u>\$34,053</u>

MALHEUR COUNTY, OREGON
 COMBINING BALANCE SHEET (CONTINUED)
 SPECIAL REVENUE FUNDS
 JUNE 30, 2011

<u>DA</u> <u>Enforcement</u>	<u>Taylor</u> <u>Grazing</u>	<u>Task</u> <u>Force</u>	<u>Ambulance</u>	<u>Community</u> <u>Child &</u> <u>Family</u>	<u>OCD</u> <u>Grant</u>	<u>Special</u> <u>Transportation</u>	<u>Juvenile</u> <u>Crime</u> <u>Prevention</u>	<u>OJTA Road</u> <u>Project</u> <u>Fund</u>
\$ -	\$555,697	\$ 39,738	\$210,272	\$ 28,955	\$ -	\$ 23,306	\$ 7,553	\$ (369)
-	-	-	22,117	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$555,697</u>	<u>\$ 39,738</u>	<u>\$232,389</u>	<u>\$ 28,955</u>	<u>\$ -</u>	<u>\$ 23,306</u>	<u>\$ 7,553</u>	<u>\$ (369)</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	3,730	-	-	-	-
-	-	-	15,803	-	-	-	-	-
-	-	-	15,803	3,730	-	-	-	-
-	555,697	39,738	216,586	25,225	-	23,306	7,553	(369)
-	555,697	39,738	216,586	25,225	-	23,306	7,553	(369)
<u>\$ -</u>	<u>\$555,697</u>	<u>\$ 39,738</u>	<u>\$232,389</u>	<u>\$ 28,955</u>	<u>\$ -</u>	<u>\$ 23,306</u>	<u>\$ 7,553</u>	<u>\$ (369)</u>

MALHEUR COUNTY, OREGON
 COMBINING BALANCE SHEET (CONTINUED)
 SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2011

	<u>911</u>	<u>Traffic Safety</u>	<u>CRT Facilities Security</u>	<u>St Drug Court</u>	<u>Mediation Program</u>
ASSETS					
Cash and investments	\$ 38	\$ 4,936	\$ 59,340	\$ 23,495	\$ 67,047
Receivables:					
Taxes	-	-	-	-	-
Accounts	-	-	-	-	-
Special assessments	-	-	-	-	-
Total assets	<u>38</u>	<u>4,936</u>	<u>59,340</u>	<u>23,495</u>	<u>67,047</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	-	-	-	-	-
Other liabilities	-	-	463	-	-
Deferred revenue	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>463</u>	<u>-</u>	<u>-</u>
Fund balances:					
Unassigned	<u>38</u>	<u>4,936</u>	<u>58,877</u>	<u>23,495</u>	<u>67,047</u>
Total fund balances	<u>38</u>	<u>4,936</u>	<u>58,877</u>	<u>23,495</u>	<u>67,047</u>
Total liabilities and fund balances	<u>\$ 38</u>	<u>\$ 4,936</u>	<u>\$ 59,340</u>	<u>\$ 23,495</u>	<u>\$ 67,047</u>

MALHEUR COUNTY, OREGON
 COMBINING BALANCE SHEET (CONTINUED)
 SPECIAL REVENUE FUNDS
 JUNE 30, 2011

<u>Mental Health</u>	<u>Healthy Start</u>	<u>Roger E Barker Trust</u>	<u>Search & Rescue</u>	<u>Work Release Construction Fund</u>	<u>CVSO Expansion Fund</u>	<u>EPA Grant</u>	<u>GIS Maintenance Fund</u>	<u>Clark Records Fund</u>	<u>Total</u>
\$ 62,494	\$ -	\$ -	\$ 3,268	\$ 260,823	\$ -	\$ -	\$ 27,454	\$ 5,584	\$2,111,338
-	-	-	-	-	-	-	-	-	22,117
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	38,487
<u>\$ 62,494</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,268</u>	<u>\$ 260,823</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,454</u>	<u>\$ 5,584</u>	<u>\$2,171,942</u>
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	45,683
-	-	-	-	-	-	-	-	-	54,290
-	-	-	-	-	-	-	-	-	99,973
<u>62,494</u>	<u>-</u>	<u>-</u>	<u>3,268</u>	<u>260,823</u>	<u>-</u>	<u>-</u>	<u>27,454</u>	<u>5,584</u>	<u>2,071,969</u>
<u>62,494</u>	<u>-</u>	<u>-</u>	<u>3,268</u>	<u>260,823</u>	<u>-</u>	<u>-</u>	<u>27,454</u>	<u>5,584</u>	<u>2,071,969</u>
<u>\$ 62,494</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,268</u>	<u>\$ 260,823</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,454</u>	<u>\$ 5,584</u>	<u>\$2,171,942</u>

MALHEUR COUNTY, OREGON
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 (CONTINUED)
 SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2011

	Major Bridge	Surveyor Corner Preservation	Community Corrections	Law Library	Boat License	Correction Assessment
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	1,338,497	-	-	-
Charges for services	-	12,668	154,268	22,667	4,955	89,385
Operating Grants	-	-	-	-	138,594	-
Interest	712	493	3,466	387	(77)	65
Total revenues	<u>\$ 712</u>	<u>\$ 13,161</u>	<u>\$ 1,496,231</u>	<u>\$ 23,054</u>	<u>\$ 143,472</u>	<u>\$ 89,450</u>
EXPENDITURES						
Current:						
General government	-	33,134	-	-	-	-
Social services	-	-	-	-	-	-
Public safety and justice	-	-	1,037,610	-	142,339	57,884
Community services	-	-	-	-	-	-
Library services	-	-	-	15,186	-	-
Roads and bridges	5,224	-	-	-	-	-
Capital outlay	-	-	43,514	-	-	-
Total expenditures	<u>5,224</u>	<u>33,134</u>	<u>1,081,124</u>	<u>15,186</u>	<u>142,339</u>	<u>57,884</u>
Excess of revenues over (under) expenditures	<u>(4,512)</u>	<u>(19,973)</u>	<u>415,107</u>	<u>7,868</u>	<u>1,133</u>	<u>31,566</u>
OTHER FINANCING SOURCES (USES)						
Sale of equipment	-	-	-	-	-	-
Transfers in	3,424	-	-	-	-	-
Transfers out	-	-	(450,000)	-	-	-
Total other financing sources (uses)	<u>3,424</u>	<u>-</u>	<u>(450,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(1,008)	(19,973)	(34,893)	7,868	1,133	31,566
Fund balances - beginning	131,134	95,442	393,442	68,738	16,161	687
Fund balances - ending	<u>\$ 130,046</u>	<u>\$ 75,469</u>	<u>\$ 358,549</u>	<u>\$ 76,606</u>	<u>\$ 17,294</u>	<u>\$ 32,253</u>

MALHEUR COUNTY, OREGON
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 (CONTINUED)
 SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2011

<u>DA</u> <u>Enforcement</u>	<u>Taylor</u> <u>Grazing</u>	<u>Task</u> <u>Force</u>	<u>Ambulance</u>	<u>Community</u> <u>Child &</u> <u>Family</u>	<u>OCD</u> <u>Grant</u>	<u>Special</u> <u>Transportation</u>	<u>Juvenile</u> <u>Crime</u> <u>Prevention</u>	<u>OJTA Road</u> <u>Project</u> <u>Fund</u>
\$ -	\$ -	\$ -	\$ 203,077	\$ -	\$ -	\$ -	\$ -	\$ -
-	61,134	-	-	546,571	-	52,004	23,475	98,007
33,645	63	14,331	-	23,856	-	-	42,100	-
-	-	24,743	-	56,200	-	353,165	-	-
49	2,975	211	1,136	593	1	53	(11)	-
<u>\$ 33,694</u>	<u>\$ 64,172</u>	<u>\$ 39,285</u>	<u>\$ 204,213</u>	<u>\$ 627,220</u>	<u>\$ 1</u>	<u>\$ 405,222</u>	<u>\$ 65,564</u>	<u>\$ 98,007</u>
-	34,488	-	-	-	355	-	-	-
-	-	-	-	638,867	-	432,269	-	-
-	-	42,103	152,542	-	-	-	65,575	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	15,000	-	98,376
-	34,488	42,103	152,542	638,867	355	447,269	65,575	98,376
33,694	29,684	(2,818)	51,671	(11,647)	(354)	(42,047)	(11)	(369)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>(33,694)</u>	<u>(25,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(33,694)</u>	<u>(25,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	4,684	(2,818)	51,671	(11,647)	(354)	(42,047)	(11)	(369)
-	551,013	42,556	164,916	36,873	354	65,353	7,563	-
<u>\$ -</u>	<u>\$ 555,697</u>	<u>\$ 39,738</u>	<u>\$ 216,587</u>	<u>\$ 25,226</u>	<u>\$ -</u>	<u>\$ 23,306</u>	<u>\$ 7,552</u>	<u>\$ (369)</u>

MALHEUR COUNTY, OREGON
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 (CONTINUED)
 SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2011

	<u>911</u>	<u>Traffic Safety</u>	<u>CRT Facilities Security</u>	<u>St Drug Court</u>	<u>Mediation Program</u>
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	239,585	2,712	-	-	-
Charges for services	-	355	59,077	6,181	18,087
Operating grants	-	-	-	-	-
Interest	<u>604</u>	<u>25</u>	<u>399</u>	<u>127</u>	<u>359</u>
Total revenues	<u>240,189</u>	<u>3,092</u>	<u>59,476</u>	<u>6,308</u>	<u>18,446</u>
EXPENDITURES					
Current:					
General government	-	-	-	-	-
Social services	-	-	-	-	16,700
Public safety and justice	12,000	2,812	75,916	5,479	-
Community services	-	-	-	-	-
Library services	-	-	-	-	-
Roads and bridges	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	<u>12,000</u>	<u>2,812</u>	<u>75,916</u>	<u>5,479</u>	<u>16,700</u>
Excess of revenues over (under) expenditures	<u>228,189</u>	<u>280</u>	<u>(16,440)</u>	<u>829</u>	<u>1,746</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	<u>(228,500)</u>	-	-	-	-
Total other financing sources (uses)	<u>(228,500)</u>	-	-	-	-
Net change in fund balances	(311)	280	(16,440)	829	1,746
Fund balance - beginning	<u>349</u>	<u>4,656</u>	<u>75,316</u>	<u>22,665</u>	<u>65,301</u>
Fund balances - ending	<u>\$ 38</u>	<u>\$ 4,936</u>	<u>\$ 58,876</u>	<u>\$ 23,494</u>	<u>\$ 67,047</u>

MALHEUR COUNTY, OREGON
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 (CONTINUED)
 SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2011

<u>Mental Health</u>	<u>Healthy Start</u>	<u>Roger E Barker Trust</u>	<u>Search & Rescue</u>	<u>Work Release Construction Fund</u>	<u>CVSO Expansion Fund</u>	<u>EPA Grant</u>	<u>GIS Maintenance Fund</u>	<u>Clerk Records Fund</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 203,077
26,288	66,039	-	-	-	19,715	-	-	-	2,474,027
-	3,000	1,747	-	-	-	-	15,043	6,768	508,196
-	-	-	-	-	-	13,671	-	-	586,373
<u>356</u>	<u>(71)</u>	<u>12</u>	<u>21</u>	<u>1,408</u>	<u>(24)</u>	<u>(3)</u>	<u>83</u>	<u>31</u>	<u>13,380</u>
<u>\$26,644</u>	<u>\$ 68,968</u>	<u>\$ 1,759</u>	<u>\$ 21</u>	<u>\$ 1,408</u>	<u>\$ 19,691</u>	<u>\$ 13,668</u>	<u>\$ 15,126</u>	<u>\$ 6,799</u>	<u>\$3,785,053</u>
-	-	5,136	-	-	-	-	-	7,045	80,158
30,288	85,610	-	-	-	-	-	-	-	1,203,734
-	-	-	718	-	19,628	13,671	-	-	1,628,277
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	15,186
-	-	-	-	-	-	-	-	-	5,221
-	-	-	-	-	-	-	-	-	<u>156,890</u>
<u>30,288</u>	<u>85,610</u>	<u>5,136</u>	<u>718</u>	<u>-</u>	<u>19,628</u>	<u>13,671</u>	<u>-</u>	<u>7,045</u>	<u>3,089,469</u>
<u>(3,644)</u>	<u>(16,642)</u>	<u>(3,377)</u>	<u>(697)</u>	<u>1,408</u>	<u>63</u>	<u>(3)</u>	<u>15,126</u>	<u>(246)</u>	<u>695,584</u>
-	21,500	-	-	-	-	-	-	-	24,924
-	-	-	-	-	-	-	-	-	<u>(737,194)</u>
-	<u>21,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(712,270)</u>
<u>(3,644)</u>	<u>4,858</u>	<u>(3,377)</u>	<u>(697)</u>	<u>1,408</u>	<u>63</u>	<u>(3)</u>	<u>15,126</u>	<u>(246)</u>	<u>(16,686)</u>
<u>66,137</u>	<u>(4,858)</u>	<u>3,377</u>	<u>3,965</u>	<u>259,415</u>	<u>(63)</u>	<u>3</u>	<u>12,328</u>	<u>5,830</u>	<u>2,088,655</u>
<u>\$62,493</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,268</u>	<u>\$ 260,823</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,454</u>	<u>\$ 5,584</u>	<u>\$2,071,969</u>

SPECIAL REVENUE FUND BUDGET AND ACTUAL

MALHEUR COUNTY, OREGON
MAJOR BRIDGE FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance With Final Budget - Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental Revenue	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Interest Income	<u>500</u>	<u>500</u>	<u>712</u>	<u>212</u>
Total revenues	<u>500</u>	<u>500</u>	<u>712</u>	<u>212</u>
EXPENDITURES				
Personal services	8,872	8,872	5,224	3,648
Materials and supplies	<u>136,500</u>	<u>136,500</u>	<u>-</u>	<u>136,500</u>
Total expenditures	<u>145,372</u>	<u>145,372</u>	<u>5,224</u>	<u>140,148</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	<u>8,872</u>	<u>8,872</u>	<u>3,424</u>	<u>(5,448)</u>
Revenues over (under) expenditures	<u>(136,000)</u>	<u>(136,000)</u>	<u>(1,008)</u>	<u>134,912</u>
Fund balances - beginning	<u>136,000</u>	<u>136,000</u>	<u>131,134</u>	<u>(4,866)</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 130,046</u>	<u>\$ 130,046</u>

MALHEUR COUNTY, OREGON
 SURVEYOR CORNER PRESERVATION FUND
 SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance With
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	Final Budget -
				Positive
				<u>(Negative)</u>
REVENUES				
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -
Charges for services	14,400	14,400	12,668	(1,732)
Interest income	<u>600</u>	<u>600</u>	<u>493</u>	<u>(107)</u>
Total revenues	<u>15,000</u>	<u>15,000</u>	<u>13,161</u>	<u>(1,839)</u>
EXPENDITURES				
Personal services	31,180	31,180	21,770	9,410
Materials and supplies	<u>77,820</u>	<u>77,820</u>	<u>11,364</u>	<u>66,456</u>
Total expenditures	<u>109,000</u>	<u>109,000</u>	<u>33,134</u>	<u>75,866</u>
Revenues over (under) expenditures	<u>(94,000)</u>	<u>(94,000)</u>	<u>(19,973)</u>	<u>74,027</u>
Fund balances - beginning	<u>94,000</u>	<u>94,000</u>	<u>95,442</u>	<u>1,442</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 75,469</u>	<u>\$ 75,469</u>

MALHEUR COUNTY, OREGON
COMMUNITY CORRECTIONS FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance With Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental revenue	\$ 1,536,655	\$ 1,536,655	\$ 1,338,497	\$ (198,158)
Charges for services	168,100	168,100	153,869	(14,231)
Interest income	<u>5,000</u>	<u>5,000</u>	<u>3,466</u>	<u>(1,534)</u>
Total revenues	<u>1,709,755</u>	<u>1,709,755</u>	<u>1,495,832</u>	<u>213,923</u>
EXPENDITURES				
Personal services	1,010,525	1,010,525	803,334	207,191
Materials and supplies	439,232	439,232	242,248	196,984
Capital Outlay	70,000	70,000	43,514	26,486
Court Injencies	<u>114,998</u>	<u>114,998</u>	<u>-</u>	<u>114,998</u>
Total expenditures	<u>1,634,755</u>	<u>1,634,755</u>	<u>1,089,096</u>	<u>545,659</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	<u>(450,000)</u>	<u>(450,000)</u>	<u>(450,000)</u>	<u>-</u>
Revenues over (under) expenditures	<u>(375,000)</u>	<u>(375,000)</u>	<u>(43,264)</u>	<u>331,736</u>
Fund balances - beginning	<u>375,000</u>	<u>375,000</u>	<u>432,325</u>	<u>57,325</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 389,061</u>	<u>\$ 389,061</u>

MALHEUR COUNTY, OREGON
LAW LIBRARY
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance With Final Budget - Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -
Charges for services	15,100	15,100	22,667	7,567
Interest income	<u>1,000</u>	<u>1,000</u>	<u>387</u>	<u>(613)</u>
Total revenues	<u>16,100</u>	<u>16,100</u>	<u>23,054</u>	<u>6,954</u>
EXPENDITURES				
Personal services	4,500	4,500	1,600	2,900
Materials and Supplies	27,000	27,000	13,586	13,414
Capital outlay	<u>44,600</u>	<u>44,600</u>	<u>-</u>	<u>44,600</u>
Total expenditures	<u>76,100</u>	<u>76,100</u>	<u>15,186</u>	<u>60,914</u>
Revenues over (under) expenditures	<u>(60,000)</u>	<u>(60,000)</u>	<u>7,868</u>	<u>67,868</u>
Fund balances - beginning	<u>60,000</u>	<u>60,000</u>	<u>68,738</u>	<u>8,738</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 76,606</u>	<u>\$ 76,606</u>

MALHEUR COUNTY, OREGON
BOAT LICENSE FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget -</u>
				<u>Positive</u>
				<u>(Negative)</u>
REVENUES				
Intergovernmental revenue	\$ 128,492	\$ 128,492	\$ 138,594	\$ 10,102
Charges for services	-	4,808	4,955	147
Interest income	<u>10</u>	<u>10</u>	<u>(77)</u>	<u>(87)</u>
Total revenues	<u>128,502</u>	<u>133,310</u>	<u>143,472</u>	<u>10,162</u>
EXPENDITURES				
Personal services	112,073	113,073	112,497	576
Materials and supplies	<u>36,429</u>	<u>40,237</u>	<u>28,895</u>	<u>11,342</u>
Total expenditures	<u>148,502</u>	<u>153,310</u>	<u>141,392</u>	<u>11,918</u>
Revenues over (under) expenditures	<u>(20,000)</u>	<u>(20,000)</u>	<u>2,080</u>	<u>22,080</u>
Fund balances - beginning	<u>20,000</u>	<u>20,000</u>	<u>21,136</u>	<u>1,136</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,216</u>	<u>\$ 23,216</u>

MALHEUR COUNTY, OREGON
CORRECTIONS ASSESSMENT
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance With
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	Final Budget -
				Positive
				<u>(Negative)</u>
REVENUES				
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -
Charges for services	90,000	90,000	89,385	(615)
Interest income	<u>-</u>	<u>-</u>	<u>65</u>	<u>65</u>
Total revenues	<u>90,000</u>	<u>90,000</u>	<u>89,450</u>	<u>(550)</u>
EXPENDITURES				
Personal services	44,407	44,407	32,401	12,006
Materials and supplies	<u>45,593</u>	<u>45,593</u>	<u>23,683</u>	<u>21,910</u>
Total expenditures	<u>90,000</u>	<u>90,000</u>	<u>56,084</u>	<u>33,916</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>33,366</u>	<u>33,366</u>
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>688</u>	<u>688</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,054</u>	<u>\$ 34,054</u>

MALHEUR COUNTY, OREGON
D.A. ENFORCEMENT
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -
Charges for services	40,000	40,000	33,645	(6,355)
Interest income	<u>100</u>	<u>100</u>	<u>49</u>	<u>(51)</u>
Total revenues	<u>40,100</u>	<u>40,100</u>	<u>33,694</u>	<u>(6,406)</u>
EXPENDITURES				
Personal services	-	-	-	-
Materials and supplies	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCIAL RESOURCES (USES)				
Transfer out	<u>(40,100)</u>	<u>(40,100)</u>	<u>(33,694)</u>	<u>6,406</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

MALHEUR COUNTY, OREGON
TAYLOR GRAZING FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance With Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental revenue	\$ 60,000	\$ 60,000	\$ 61,134	\$ 1,134
Charges for services	100	100	63	(37)
Interest income	<u>3,000</u>	<u>3,000</u>	<u>2,975</u>	<u>(25)</u>
Total revenues	<u>63,100</u>	<u>63,100</u>	<u>64,172</u>	<u>1,072</u>
EXPENDITURES				
Personal services	4,000	4,000	4,000	-
Materials and supplies	<u>589,100</u>	<u>589,100</u>	<u>30,488</u>	<u>558,612</u>
Total expenditures	<u>593,100</u>	<u>593,100</u>	<u>34,488</u>	<u>558,612</u>
OTHER FINANCING RESOURCES (USES)				
Transfers out	<u>(25,000)</u>	<u>(25,000)</u>	<u>(25,000)</u>	<u>-</u>
Revenues over (under) expenditures	<u>(555,000)</u>	<u>(555,000)</u>	<u>4,684</u>	<u>559,684</u>
Fund balances - beginning	<u>555,000</u>	<u>555,000</u>	<u>551,014</u>	<u>(3,986)</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 555,698</u>	<u>\$ 555,698</u>

MALHEUR COUNTY, OREGON
 TASK FORCE FUND
 SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance With Final Budget - Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental revenue	\$ 27,840	\$ 27,840	\$ 24,743	\$ (3,097)
Charges for services	200	200	14,331	14,131
Interest income	<u>250</u>	<u>250</u>	<u>211</u>	<u>(39)</u>
Total revenues	<u>28,290</u>	<u>28,290</u>	<u>39,285</u>	<u>10,995</u>
EXPENDITURES				
Personal services	16,000	16,000	13,801	2,199
Materials and supplies	31,290	31,290	28,301	2,989
Capital outlay	<u>19,000</u>	<u>19,000</u>	<u>-</u>	<u>19,000</u>
Total expenditures	<u>66,290</u>	<u>66,290</u>	<u>42,102</u>	<u>24,188</u>
Revenues over (under) expenditures	<u>(38,000)</u>	<u>(38,000)</u>	<u>(2,817)</u>	<u>35,183</u>
Fund balances - beginning	<u>38,000</u>	<u>38,000</u>	<u>42,555</u>	<u>4,555</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 39,738</u>	<u>\$ 39,738</u>

MALHEUR COUNTY, OREGON
 AMBULANCE SERVICE DISTRICT
 SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance With Final Budget - Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property Taxes	\$ 200,100	\$ 200,100	\$ 199,286	\$ (814)
Intergovernmental revenue	-	-	-	-
Charges for services	100	100	-	(100)
Interest income	<u>1,000</u>	<u>1,000</u>	<u>1,136</u>	<u>136</u>
Total revenues	<u>201,200</u>	<u>201,200</u>	<u>200,422</u>	<u>(778)</u>
EXPENDITURES				
Personal services	63,032	63,032	59,978	3,054
Materials and supplies	53,700	53,700	45,493	8,207
Capital outlay	126,000	126,000	-	126,000
Contingency	14,915	14,915	-	14,915
All other	<u>93,553</u>	<u>93,553</u>	<u>47,171</u>	<u>46,382</u>
Total expenditures	<u>351,200</u>	<u>351,200</u>	<u>152,642</u>	<u>198,558</u>
Revenues over (under) expenditures	<u>(150,000)</u>	<u>(150,000)</u>	<u>47,780</u>	<u>197,780</u>
Fund balances - beginning	<u>150,000</u>	<u>150,000</u>	<u>162,391</u>	<u>12,391</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 210,171</u>	<u>\$ 210,171</u>

MALHEUR COUNTY, OREGON
COMMUNITY CHILDREN AND FAMILIES
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance With Final Budget - Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental revenue	\$ 746,183	\$ 746,183	\$ 602,771	\$ (143,412)
Charges for services	35,500	35,500	23,856	(11,644)
Interest income	<u>500</u>	<u>500</u>	<u>593</u>	<u>93</u>
Total revenues	<u>782,183</u>	<u>782,183</u>	<u>627,220</u>	<u>(154,963)</u>
EXPENDITURES				
Personal services	132,501	121,302	121,049	253
Materials and supplies	657,832	669,031	521,444	147,587
Contingencies	<u>23,500</u>	<u>23,500</u>	<u>-</u>	<u>23,500</u>
Total expenditures	<u>813,833</u>	<u>813,833</u>	<u>642,493</u>	<u>171,340</u>
Revenues over (under) expenditures	<u>(31,650)</u>	<u>(31,650)</u>	<u>(15,273)</u>	<u>16,377</u>
Fund balances - beginning	<u>31,650</u>	<u>31,650</u>	<u>44,229</u>	<u>12,579</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,956</u>	<u>\$ 28,956</u>

MALHEUR COUNTY, OREGON
O.C.D. GRANT FUND
SCHEDULE OF REVENUE AND EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance With Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Interest income	-	-	1	1
Total revenues	-	-	1	1
EXPENDITURES				
Personal services	-	-	-	-
Materials and supplies	350	350	355	(5)
Total expenditures	350	350	355	(5)
Revenues over (under) expenditures	(350)	(350)	(354)	(4)
Fund balances - beginning	350	350	354	4
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

MALHEUR COUNTY, OREGON
SPECIAL TRANSPORTATION FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance With Final Budget - Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental revenue	\$ 488,331	\$ 488,331	\$ 458,634	\$ (29,697)
Charges for services	100	100	-	(100)
Interest income	200	200	53	(147)
Sale of Equipment	<u>100</u>	<u>100</u>	<u>-</u>	<u>(100)</u>
Total revenues	<u>488,731</u>	<u>488,731</u>	<u>458,687</u>	<u>(30,044)</u>
EXPENDITURES				
Personal services	2,000	2,000	2,000	-
Materials and supplies	486,331	486,331	436,479	49,852
Capital outlay	15,000	15,000	15,000	-
Contingency	<u>5,400</u>	<u>5,400</u>	<u>-</u>	<u>5,400</u>
Total expenditures	<u>508,731</u>	<u>508,731</u>	<u>453,479</u>	<u>55,252</u>
Revenues over (under) expenditures	<u>(20,000)</u>	<u>(20,000)</u>	<u>5,208</u>	<u>25,208</u>
Fund balances - beginning	<u>20,000</u>	<u>20,000</u>	<u>18,098</u>	<u>(1,902)</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,306</u>	<u>\$ 23,306</u>

MALHEUR COUNTY, OREGON
 JUVENILE CRIME PREVENTION FUND
 SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance With Final Budget - Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental revenue	\$ 27,131	\$ 27,131	\$ 23,475	\$ (3,656)
Charges for services	41,955	41,955	42,100	145
Interest income	<u>-</u>	<u>-</u>	<u>(11)</u>	<u>(11)</u>
Total revenues	<u>69,086</u>	<u>69,086</u>	<u>65,564</u>	<u>(3,522)</u>
EXPENDITURES				
Personal services	10,948	11,015	11,015	-
Materials and supplies	58,138	58,071	54,560	3,511
Contingency	<u>3,000</u>	<u>3,000</u>	<u>-</u>	<u>3,000</u>
Total expenditures	<u>72,086</u>	<u>72,086</u>	<u>65,575</u>	<u>6,511</u>
Revenues over (under) expenditures	<u>(3,000)</u>	<u>(3,000)</u>	<u>(11)</u>	<u>2,989</u>
Fund balances - beginning	<u>3,000</u>	<u>3,000</u>	<u>7,563</u>	<u>4,563</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,552</u>	<u>\$ 7,552</u>

MALHEUR COUNTY, OREGON

911 FUND

SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance With Final Budget - Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental revenue	\$ 1,200	\$ 251,200	\$ 239,585	\$ (11,615)
Charges for services	-	-	-	-
Interest income	<u>800</u>	<u>800</u>	<u>604</u>	<u>(196)</u>
Total revenues	<u>2,000</u>	<u>252,000</u>	<u>240,189</u>	<u>(11,811)</u>
EXPENDITURES				
Personal services	-	-	-	-
Materials and supplies	<u>12,000</u>	<u>12,000</u>	<u>12,000</u>	<u>-</u>
Total expenditures	<u>12,000</u>	<u>12,000</u>	<u>12,000</u>	<u>-</u>
OTHER FINANCING RESOURCES (USES)				
Transfer out	<u>(240,000)</u>	<u>(240,000)</u>	<u>(228,500)</u>	<u>11,500</u>
Revenues over (under) expenditures	<u>(250,000)</u>	<u>-</u>	<u>(311)</u>	<u>(311)</u>
Fund balances - beginning	<u>250,000</u>	<u>-</u>	<u>349</u>	<u>349</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 38</u>	<u>\$ 38</u>

MALHEUR COUNTY, OREGON
 TRAFFIC SAFETY FUND
 SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance With
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	Final Budget -
				Positive
				(Negative)
REVENUES				
Intergovernmental revenue	\$ -	\$ -	\$ 2,712	\$ 2,712
Charges for services	100	100	355	255
Interest income	<u>100</u>	<u>100</u>	<u>25</u>	<u>(75)</u>
Total revenues	<u>200</u>	<u>200</u>	<u>3,092</u>	<u>2,892</u>
EXPENDITURES				
Personal services	100	100	100	-
Materials and supplies	<u>4,900</u>	<u>4,900</u>	<u>2,712</u>	<u>2,188</u>
Total expenditures	<u>5,000</u>	<u>5,000</u>	<u>2,812</u>	<u>2,188</u>
Revenues over (under) expenditures	<u>(4,800)</u>	<u>(4,800)</u>	<u>280</u>	<u>5,080</u>
Fund balances - beginning	<u>4,800</u>	<u>4,800</u>	<u>4,656</u>	<u>(144)</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,936</u>	<u>\$ 4,936</u>

MALHEUR COUNTY, OREGON
 CRT FACILITIES SECURITY
 SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance With Final Budget - Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -
Charges for services	60,000	60,000	59,077	(923)
Interest income	<u>730</u>	<u>730</u>	<u>399</u>	<u>(331)</u>
Total revenues	<u>60,730</u>	<u>60,730</u>	<u>59,476</u>	<u>(1,254)</u>
EXPENDITURES				
Personal services	78,000	78,000	70,774	7,226
Materials and supplies	22,730	22,730	5,349	17,381
Capital outlay	20,000	20,000	-	20,000
Contingency	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Total expenditures	<u>130,730</u>	<u>130,730</u>	<u>76,123</u>	<u>54,607</u>
Revenues over (under) expenditures	<u>(70,000)</u>	<u>(70,000)</u>	<u>(16,647)</u>	<u>53,353</u>
Fund balances - beginning	<u>70,000</u>	<u>70,000</u>	<u>75,987</u>	<u>5,987</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 59,340</u>	<u>\$ 59,340</u>

MALHEUR COUNTY, OREGON
 ST DRUG COURT FUND
 SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance With Final Budget - Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -
Charges for services	8,000	8,000	6,181	(189)
Interest income	<u>200</u>	<u>200</u>	<u>127</u>	<u>(73)</u>
Total revenues	<u>8,200</u>	<u>8,200</u>	<u>6,308</u>	<u>(1,892)</u>
EXPENDITURES				
Personal services	500	500	500	-
Materials and supplies	27,700	27,700	4,979	22,721
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>28,200</u>	<u>28,200</u>	<u>5,479</u>	<u>22,721</u>
Revenues over (under) expenditures	<u>(20,000)</u>	<u>(20,000)</u>	<u>829</u>	<u>20,829</u>
Fund balances - beginning	<u>20,000</u>	<u>20,000</u>	<u>22,665</u>	<u>2,665</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,494</u>	<u>\$ 23,494</u>

MALHEUR COUNTY, OREGON
ST MEDIATION FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance With Final Budget - Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -
Charges for services	17,000	17,000	18,087	1,087
Interest income	<u>530</u>	<u>530</u>	<u>359</u>	<u>(171)</u>
Total revenues	<u>17,530</u>	<u>17,530</u>	<u>18,446</u>	<u>916</u>
EXPENDITURES				
Personal services	13,500	13,500	8,700	4,800
Materials and supplies	59,030	59,030	8,000	51,030
Capital outlay	-	-	-	-
Contingency	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Total expenditures	<u>77,530</u>	<u>77,530</u>	<u>16,700</u>	<u>60,830</u>
Revenues over (under) expenditures	<u>(60,000)</u>	<u>(60,000)</u>	<u>1,746</u>	<u>61,746</u>
Fund balances - beginning	<u>60,000</u>	<u>60,000</u>	<u>65,301</u>	<u>5,301</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 67,047</u>	<u>\$ 67,047</u>

MALHEUR COUNTY, OREGON
 MENTAL HEALTH FUND
 SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance With Final Budget - Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental revenue	\$ 32,000	\$ 32,000	\$ 26,288	\$ (5,712)
Charges for services	-	-	-	-
Interest income	<u>500</u>	<u>500</u>	<u>356</u>	<u>(144)</u>
Total revenues	<u>32,500</u>	<u>32,500</u>	<u>26,644</u>	<u>(5,856)</u>
EXPENDITURES				
Personal services	4,000	4,000	4,000	-
Materials and supplies	<u>94,500</u>	<u>94,500</u>	<u>26,288</u>	<u>68,212</u>
Total expenditures	<u>98,500</u>	<u>98,500</u>	<u>30,288</u>	<u>68,212</u>
Revenues over (under) expenditures	<u>(66,000)</u>	<u>(66,000)</u>	<u>(3,644)</u>	<u>62,356</u>
Fund balances - beginning	<u>66,000</u>	<u>66,000</u>	<u>66,137</u>	<u>137</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 62,493</u>	<u>\$ 62,493</u>

MALHEUR COUNTY, OREGON
HEALTHY START
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance With Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental revenue	\$ 91,800	\$ 91,800	\$ 66,039	\$ (25,761)
Charges for services	-	-	3,000	3,000
Interest income	-	-	(71)	(71)
Total revenues	<u>91,800</u>	<u>91,800</u>	<u>68,968</u>	<u>(22,832)</u>
EXPENDITURES				
Personal services	113,300	113,300	90,470	22,828
Materials and supplies	-	-	-	-
Total expenditures	<u>113,300</u>	<u>113,300</u>	<u>90,472</u>	<u>22,828</u>
OTHER FINANCING RESOURCES (USES)				
Transfers In	21,500	21,500	21,500	-
Revenues over (under) expenditures	-	-	4	4
Fund balances - beginning	-	-	4	4
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

MALHEUR COUNTY, OREGON
 CVSO EXPANSION FUND
 SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance With Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental revenue	\$ 22,104	\$ 22,104	\$ 19,715	\$ (2,388)
Charges for services	-	-	-	-
Interest income	-	-	(24)	(24)
Total revenues	<u>22,104</u>	<u>22,104</u>	<u>19,691</u>	<u>(2,412)</u>
EXPENDITURES				
Personal services	20,134	20,134	17,722	2,412
Materials and supplies	<u>1,970</u>	<u>1,970</u>	<u>1,970</u>	<u>-</u>
Total expenditures	<u>22,104</u>	<u>22,104</u>	<u>19,692</u>	<u>2,412</u>
Revenues over (under) expenditures	-	-	-	-
Fund balances - beginning	-	-	-	-
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

MALHEUR COUNTY, OREGON
SEARCH AND RESCUE FUND
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance With Final Budget - Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental revenue	\$ 1,000	\$ 1,000	\$ -	\$ (1,000)
Charges for services	100	100	-	(100)
Interest income	<u>100</u>	<u>100</u>	<u>21</u>	<u>(79)</u>
Total revenues	<u>1,200</u>	<u>1,200</u>	<u>21</u>	<u>(1,179)</u>
EXPENDITURES				
Personal services	-	-	-	-
Materials and supplies	<u>5,125</u>	<u>5,125</u>	<u>718</u>	<u>4,407</u>
Total expenditures	<u>5,125</u>	<u>5,125</u>	<u>718</u>	<u>4,407</u>
Revenues over (under) expenditures	<u>(3,925)</u>	<u>(3,925)</u>	<u>(697)</u>	<u>3,228</u>
Fund balances - beginning	<u>3,925</u>	<u>3,925</u>	<u>3,965</u>	<u>40</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,268</u>	<u>\$ 3,268</u>

MALHEUR COUNTY, OREGON
 ROGER E BARKER TRUST
 SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance With Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -
Charges for services	500	1,748	1,748	-
Interest income	<u>10</u>	<u>12</u>	<u>12</u>	<u>-</u>
Total revenues	<u>510</u>	<u>1,760</u>	<u>1,760</u>	<u>-</u>
EXPENDITURES				
Personal services	-	-	-	-
Materials and supplies	<u>3,882</u>	<u>5,137</u>	<u>5,137</u>	<u>-</u>
Total expenditures	<u>3,882</u>	<u>5,137</u>	<u>5,137</u>	<u>-</u>
Revenues over (under) expenditures	<u>(3,372)</u>	<u>(3,377)</u>	<u>3,377</u>	<u>-</u>
Fund balances - beginning	<u>3,372</u>	<u>3,377</u>	<u>3,377</u>	<u>-</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

MALHEUR COUNTY, OREGON
 EPA GRANT
 SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance With
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	Final Budget -
				Positive
				<u>(Negative)</u>
REVENUES				
Intergovernmental revenue	\$ 28,000	\$ 28,000	\$ 13,671	\$ (14,329)
Charges for services	-	-	-	-
Interest income	-	-	(3)	(3)
Total revenues	<u>28,000</u>	<u>28,000</u>	<u>13,668</u>	<u>(14,332)</u>
EXPENDITURES				
Personal services	-	-	(5,974)	5,974
Materials and supplies	<u>28,000</u>	<u>28,000</u>	<u>19,644</u>	<u>8,356</u>
Total expenditures	<u>28,000</u>	<u>28,000</u>	<u>13,670</u>	<u>14,330</u>
Revenues over (under) expenditures	-	-	(2)	2
Fund balances - beginning	-	-	2	2
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

MALHEUR COUNTY, OREGON
 GIS MAINTENANCE PROGRAM
 SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance With
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	Final Budget -
				Positive
				<u>(Negative)</u>
REVENUES				
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -
Charges for services	8,000	8,000	15,043	7,043
Interest income	<u>200</u>	<u>200</u>	<u>83</u>	<u>(117)</u>
Total revenues	<u>8,200</u>	<u>8,200</u>	<u>15,126</u>	<u>6,926</u>
EXPENDITURES				
Personal services	-	-	-	-
Materials and supplies	<u>18,200</u>	<u>18,200</u>	<u>-</u>	<u>18,200</u>
Total expenditures	<u>18,200</u>	<u>18,200</u>	<u>-</u>	<u>18,200</u>
Revenues over (under) expenditures	<u>(10,000)</u>	<u>(10,000)</u>	<u>15,126</u>	<u>25,126</u>
Fund balances - beginning	<u>10,000</u>	<u>10,000</u>	<u>12,328</u>	<u>2,328</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,454</u>	<u>\$ 27,454</u>

MALHEUR COUNTY, OREGON
 CLERK RECORDS FUND
 SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance With
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	Final Budget -
				Positive
				<u>(Negative)</u>
REVENUES				
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -
Charges for services	6,000	6,000	6,768	768
Interest income	<u>10</u>	<u>10</u>	<u>31</u>	<u>21</u>
Total revenues	<u>6,010</u>	<u>6,010</u>	<u>6,799</u>	<u>789</u>
EXPENDITURES				
Personal services	-	-	-	-
Materials and supplies	<u>11,510</u>	<u>11,510</u>	<u>7,045</u>	<u>4,465</u>
Total expenditures	<u>11,510</u>	<u>11,510</u>	<u>7,045</u>	<u>4,465</u>
Revenues over (under) expenditures	<u>(5,500)</u>	<u>(5,500)</u>	<u>(246)</u>	<u>5,254</u>
Fund balances - beginning	<u>5,500</u>	<u>5,500</u>	<u>5,830</u>	<u>330</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,584</u>	<u>\$ 5,584</u>

MALHEUR COUNTY, OREGON
 OJTA ROAD PROJECT FUND
 SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance With Final Budget - Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental revenue	\$ 1,000,000	\$ 1,000,000	\$ 98,007	\$ (901,993)
Charges for services	-	-	-	-
Interest income	-	-	-	-
Total revenues	<u>1,000,000</u>	<u>1,000,000</u>	<u>98,007</u>	<u>(901,993)</u>
EXPENDITURES				
Personal services	-	-	-	-
Materials and supplies	-	-	-	-
Capital Outlay	<u>1,000,000</u>	<u>1,000,000</u>	<u>98,376</u>	<u>901,624</u>
Total expenditures	<u>1,000,000</u>	<u>1,000,000</u>	<u>98,376</u>	<u>901,624</u>
Revenues over (under) expenditures	-	-	(369)	(369)
Fund balances - beginning	-	-	-	-
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (369)</u>	<u>\$ (369)</u>

MALHEUR COUNTY, OREGON
 WORK RELEASE CONSTRUCTION FUND
 SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	Variance With Final Budget - Positive <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Interest income	<u>5,000</u>	<u>5,000</u>	<u>1,408</u>	<u>(3,592)</u>
Total revenues	<u>5,000</u>	<u>5,000</u>	<u>1,408</u>	<u>(3,592)</u>
EXPENDITURES				
Personal services	-	-	-	-
Materials and supplies	<u>265,000</u>	<u>265,000</u>	<u>-</u>	<u>265,000</u>
Total expenditures	<u>265,000</u>	<u>265,000</u>	<u>-</u>	<u>265,000</u>
Revenues over (under) expenditures	<u>(260,000)</u>	<u>(260,000)</u>	<u>1,408</u>	<u>261,408</u>
Fund balances - beginning	<u>260,000</u>	<u>260,000</u>	<u>259,415</u>	<u>(585)</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 260,823</u>	<u>\$ 260,823</u>

DEBT SERVICE FUND BUDGET AND ACTUAL

MALHEUR COUNTY, OREGON
DEBT SERVICE FUND (JAIL)
SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance With
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	Final Budget -
				Positive
				<u>(Negative)</u>
REVENUES				
Tax Revenue	\$ 549,990	\$ 549,990	\$ 555,947	\$ (5,957)
Interest income	<u>10</u>	<u>10</u>	<u>33</u>	<u>23</u>
Total revenues	<u>550,000</u>	<u>550,000</u>	<u>555,980</u>	<u>5,980</u>
EXPENDITURES				
Treasury disbursements	<u>550,000</u>	<u>550,000</u>	<u>543,088</u>	<u>6,912</u>
Total expenditures	<u>550,000</u>	<u>550,000</u>	<u>543,088</u>	<u>6,912</u>
OTHER FINANCIAL RESOURCES (USES)				
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>12,892</u>	<u>12,892</u>
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>2,865</u>	<u>2,865</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,757</u>	<u>\$ 15,757</u>

OTHER SCHEDULES

- Schedule of Property Tax Collections and Outstanding Balances
- Schedule of Receipts and Deposits – Elected Officials
- Statement of Fidelity Bonds in Force
- Statement of Insurance in Force

MALHEUR COUNTY, OREGON
 STATEMENT OF PROPERTY TAX TRANSACTIONS
 FOR THE YEAR ENDED JUNE 30, 2011

GENERAL COUNTY FUND

<u>Year</u>	<u>Taxes Receivable 6-30-2009</u>	<u>Levy</u>	<u>Add (Subtract) Net Adjustments</u>	<u>Add Interest On Delinquent Taxes</u>	<u>Collections Including Interest</u>	<u>Taxes Receivable 6-30-2011</u>
2010-2011	\$ -	\$ 4,193,554	\$ (106,674)	\$ 4,639	\$ (3,854,058)	\$ 237,461
2009-2010	191,327	-	(7,609)	11,834	(86,857)	108,695
2008-2009	103,139	-	(3,735)	13,376	(52,303)	60,478
2007-2008	51,198	-	(3,103)	10,519	(30,570)	28,044
2006-2007	18,549	-	(2,773)	9,260	(23,642)	1,394
2005-2006	1,143	-	(213)	113	(251)	792
2004-2005	507	-	(160)	169	(317)	198
2003-2004	116	-	(14)	53	(87)	68
2002-2003	72	-	(16)	61	(94)	22
Prior	160	-	(12)	45	(65)	128
	<u>\$ 366,211</u>	<u>\$ 4,193,554</u>	<u>\$ (124,309)</u>	<u>\$ 50,069</u>	<u>\$ (4,048,244)</u>	<u>\$ 437,280</u>

JAIL FUND

<u>Year</u>						
2010-2011	\$ -	\$ 575,217	\$ (14,632)	\$ 636	\$ (528,649)	\$ 32,572
2009-2010	25,809	-	(1,026)	1,596	(11,717)	14,663
2008-2009	13,960	-	299	1,006	(7,079)	8,186
2007-2008	6,894	-	(418)	1,416	(4,116)	3,776
2006-2007	2,404	-	(359)	1,200	(3,064)	181
2005-2006	144	-	(27)	14	(32)	100
2004-2005	74	-	(23)	25	(47)	29
2003-2004	17	-	(2)	8	(13)	10
2002-2003	11	-	(2)	9	(14)	3
Prior	5	-	(2)	6	(9)	-
	<u>\$ 49,318</u>	<u>\$ 575,217</u>	<u>\$ (16,192)</u>	<u>\$ 5,916</u>	<u>\$ (554,740)</u>	<u>\$ 59,520</u>

AMBULANCE FUND

<u>Year</u>						
2010-2011	\$ -	\$ 205,885	\$ (5,285)	\$ 228	\$ (189,170)	\$ 11,658
2009-2010	9,759	-	(539)	603	(4,279)	5,544
2008-2009	5,495	-	(378)	713	(2,608)	3,222
2007-2008	2,832	-	(317)	581	(1,546)	1,551
2006-2007	1,052	-	(288)	525	(1,209)	79
2005-2006	66	-	(14)	7	(13)	46
2004-2005	30	-	(12)	10	(16)	12
2003-2004	7	-	(4)	3	(2)	4
2002-2003	4	-	(8)	4	-	-
Prior	2	-	6	3	(11)	-
	<u>\$ 19,247</u>	<u>\$ 208,885</u>	<u>\$ (6,839)</u>	<u>\$ 2,677</u>	<u>\$ (198,854)</u>	<u>\$ 22,116</u>

MALHEUR COUNTY, OREGON
 SCHEDULE OF DEPOSITS - ELECTED OFFICIALS
 JUNE 30,2011

	Cash Beginning <u>Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	Cash Ending <u>Balance</u>
Sheriff's Office	\$ 8,921	\$ 302,418	\$ 299,581	\$ 11,758

Summary of receipts: civil process serving fees, record sales, patrolling contracts, room and board for prisoners and miscellaneous reimbursements.

County Clerk	\$ 31,819	\$ 301,792	\$ 307,193	\$ 26,418
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Summary of receipts: record recordings, filings, and elections.

MALHEUR COUNTY, OREGON
STATEMENT OF FIDELITY BONDS IN FORCE
JUNE 30, 2011

SURETY: Insurance Company of North America

<u>Official</u>	<u>Office</u>	<u>Bond Number</u>	<u>Amount of Bond</u>
Janice Belnap	Administrative Officer	606612	25,000
Andrew Bentz	County Sheriff	571659	10,000
Jennifer Forsyth	County Treasurer / Tax Collector	606610	10,000
Barbara J. Robinson	Tax Clerk	555332	10,000
Deborah R. DeLong	County Clerk	549237	10,000
Terry Thompson	Justice of the Peace	571657	10,000
Judith Bond	Account Tech	603025	10,000

MALHEUR COUNTY, OREGON
 STATEMENT OF INSURANCE IN FORCE
 JUNE 30, 2011

	<u>Expiration Date</u>	<u>Amount</u>
<u>FIRE AND EXTENDED COVERAGE</u>		
<u>ALL PROPERTY</u>		
C. 4 County Insurance - Building Equipment	7-1-2011	\$ 21,155,623 993,679
<u>GENERAL LIABILITY & AUTOMOTIVE LIABILITY</u>		
CCIS	7-1-2011	\$ 5,000,000
Liability Uninsured Motorist		100,000
<u>AUTOMOBILE COVERAGE</u>		
CCIS	7-1-2011	
Liability		\$ 1,000,000
Hartford Steam Boiler FBP 9628684 Property Damage	4-1-2012	\$ 3,750,000

Property insurance policies cover fire, lightning, extended coverage, vandalism and malicious mischief.

AUDIT COMMENTS AND DISCLOSURES
REQUIRED BY STATE AND FEDERAL REGULATIONS

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND
ON INTERNAL CONTROL OVER FINANCIAL REPORTING
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *OREGON MINIMUM STANDARDS*

The Board of County Commissioners
Malheur County, Oregon

We have audited the basic financial statements of the Malheur County, Oregon as of and for the year ended June 30, 2011 and have issued our report thereon dated December 31, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the provisions of the Minimum Standards for Audits of Oregon Municipal Corporations, prescribed by the Secretary of State. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement.

Compliance

As part of obtaining reasonable assurance about whether the County's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, grants, including provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules OAR 162-10-000 to 162-10-330, as set forth below, noncompliance with which could have a direct and material effect on the determination of financial statement amounts:

- The accounting records and related internal control structure.
- The amount and adequacy of collateral pledged by depositories to secure the deposit of public funds.
- The requirements relating to debt.
- The requirements relating to the preparation, adoption and execution of the annual budgets for fiscal years 2011 and 2012.
- The requirements relating to insurance and fidelity bond coverage.
- The appropriate laws, rules and regulations pertaining to programs funded wholly or partially by other governmental agencies.
- The requirements pertaining to the use of revenue from taxes on motor vehicle use fuel funds.
- The statutory requirements pertaining to the investment of public funds.
- The requirements pertaining to the awarding of public contracts and the construction of public improvements.

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 test disclosed no instances of noncompliance that are required to be reported under Minimum Standards for Audits of Oregon Municipal Corporations, prescribed by the Secretary of State.

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 determining 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.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affect the County's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principals such that there is more than a remote likelihood that a misstatement of the County's financial statements that is more than inconsequential will not be prevented or detected by the County's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the County's internal control.

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

This report is intended solely for the information of Malheur County, Oregon's management, and State of Oregon and is not intended to be and should not be used by anyone other than those specified parties.

Bledsoe Accounting, CPA, LLC

Ontario, Oregon
December 31, 2011