



**ANNUAL FINANCIAL REPORT**  
**For the Year Ended June 30, 2012**

**YAMHILL COUNTY**

**BOARD OF COMMISSIONERS AND OTHER OFFICIALS**

**For the Year Ended June 30, 2012**

<b><u>Commissioners</u></b>	<b><u>Term Expires December 31,</u></b>
Katherine George 15195 NE Ribbon Ridge Road Newberg, OR 97132	2014
Mary P. Stern 1863 NW Doral Street McMinnville, OR 97128	2014
Leslie Lewis 9805 Hendricks Road Carlton, OR 97111	2012

**Other Elected Officials**

Charles G. Vesper, Treasurer  
Scott Maytubby, Assessor  
Rebekah Stern-Doll, Clerk  
Jack Crabtree, Sheriff  
Brad Berry, District Attorney  
Dan Linscheld, Surveyor

**County Administrator**

Laura Tschabold

**YAMHILL COUNTY**  
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## INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of **YAMHILL COUNTY** as of and for the year ended June 30, 2012, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit.

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 the 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, business-type activities, each major fund, and the aggregate remaining fund information of **YAMHILL COUNTY**, as of June 30, 2012, the respective changes in financial position, and, where applicable, cash flows thereof, and the respective budgetary comparisons for the General, Road, Health and Human Services, Solid Waste and Transportation Funds 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, 2012, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

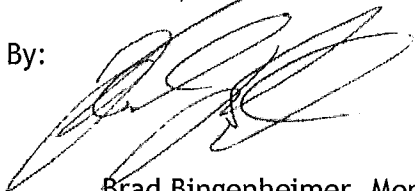
## INDEPENDENT AUDITOR'S REPORT (Continued)

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

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

**Boldt Carlisle + Smith**  
Certified Public Accountants  
Salem, Oregon  
December 31, 2012

By:



Brad Bingenheimer, Member

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

# YAMHILL COUNTY

## Management's Discussion and Analysis For the Year Ended June 30, 2012

As management of Yamhill County, we offer readers of Yamhill County's financial statements this narrative overview and analysis of the financial activities of Yamhill County for the fiscal year ended June 30, 2012.

### Financial Highlights

- The assets of Yamhill County exceeded its liabilities at the close of the most recent fiscal year by \$180,775,551 (*net assets*). Of this amount, \$10,310,010 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- As of the close of the fiscal year, Yamhill County's governmental funds reported combined ending fund balances of \$22,307,824, an increase of \$2,572,298 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance (previously referred to as the unreserved fund balance) of the general fund was \$8,530,810, or 39 % of total general fund expenditures. This is up from the 37% in the prior fiscal year.
- Yamhill County's total long-term obligations decreased by \$189,154 during the current fiscal year. The scheduled payments on bonded debt and capital leases and were made, but no new debt was incurred.

### Overview of the Financial Statements

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

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

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

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

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

The government-wide financial statements include not only Yamhill County itself (known as the *primary* government), but also Yamhill Extension Service District for which Yamhill County is financially accountable. Financial information for these *component* units is reported separately from the financial information presented for the primary government itself. Cove Orchard Sewer Service District, although also legally separate, functions for all practical purposes as a department of Yamhill County, and therefore has been included as an integral part of the primary government.

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



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

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

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

Yamhill County maintains 26 individual governmental funds. In previous years the activity from the Transportation Department was included in the General Government, this year is it shown separately. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General, Road, Health and Human Services, Solid Waste, Community Corrections, Capital Improvement, and Capital Projects Funds, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided elsewhere in this report.

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

The governmental fund financial statements can be found on pages 3 – 15 of this report.

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

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

The proprietary fund financial statements can be found on pages 16-18 of this report.

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

The basic fiduciary fund financial statements can be found on 19 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found pages 20-46 of this report. The County has also adopted an updated Governmental Fund classification structure as required under GASB 54. Details of this reporting standard can be found in Note 1, on page 27.

**Other information.** The combining statements referred to earlier in connection with non-major governmental funds and internal service funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 47-85 of this report.

**Government-wide Financial Analysis**

As noted earlier, net assets may serve over time as a useful indicator of a government’s financial position. In the case of Yamhill County, assets exceeded liabilities by \$185,640,105 at the close of the most recent fiscal year.

By far the largest portion of Yamhill County’s net assets (88.8%) reflects its investment in capital assets (e.g., land, buildings, infrastructure, machinery and equipment); less any related debt used to acquire those assets that is still outstanding. Yamhill County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Yamhill County’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**Yamhill County’s Net Assets**

	Governmental Activities		Business-Type Activities		Totals	
	2012	2011	2012	2011	2012	2011
<b>Assets</b>						
Current and other assets	\$ 32,438,895	\$ 28,618,301	\$ 98,090	\$ 75,519	\$ 32,536,985	\$ 28,693,820
Capital assets	<u>158,896,920</u>	<u>166,958,874</u>	<u>81,067</u>	<u>82,186</u>	<u>158,977,987</u>	<u>167,041,060</u>
Total assets	<u>191,335,815</u>	<u>195,577,175</u>	<u>179,157</u>	<u>157,705</u>	<u>191,514,972</u>	<u>195,734,880</u>
<b>Liabilities</b>						
Long-term liabilities outstanding	5,207,306	5,396,460	-	-	5,207,306	5,396,460
Other liabilities	<u>5,531,134</u>	<u>4,713,802</u>	<u>981</u>	<u>675</u>	<u>5,532,115</u>	<u>4,714,477</u>
Total liabilities	<u>10,738,440</u>	<u>10,110,262</u>	<u>981</u>	<u>675</u>	<u>10,739,421</u>	<u>10,110,937</u>
<b>Net assets</b>						
Invested in capital assets, net						
of related debt	156,849,881	164,767,868	81,067	82,186	156,930,948	164,850,054
Restricted	13,534,593	11,743,422	-	-	13,534,593	11,743,422
Unrestricted	<u>10,212,901</u>	<u>8,955,623</u>	<u>97,109</u>	<u>74,844</u>	<u>10,310,010</u>	<u>9,030,467</u>
Total net assets	<u>\$ 180,597,375</u>	<u>\$ 185,466,913</u>	<u>\$ 178,176</u>	<u>\$ 157,030</u>	<u>\$ 180,775,551</u>	<u>\$ 185,623,943</u>

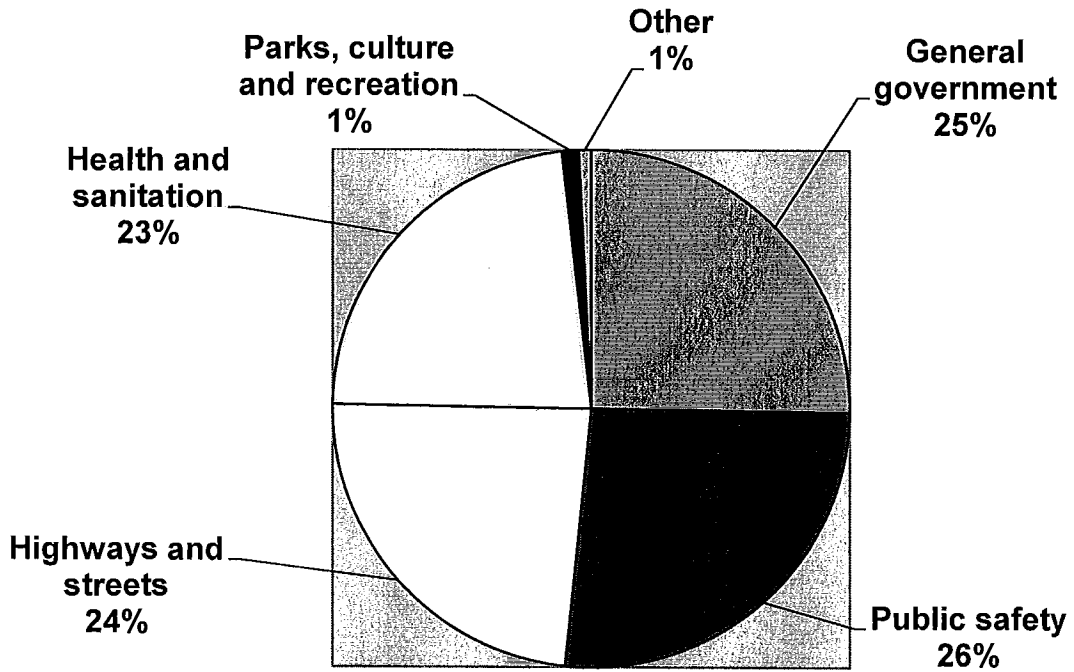
A portion of Yamhill County’s net assets \$13,534,593 represents resources that are subject to some restrictions on how they may be used. The remaining balance of *unrestricted net assets* (5.6%) may be used to meet the government’s ongoing obligations to citizen’s and creditors.

**Governmental activities.** Governmental activities decreased Yamhill County's net assets by \$4,869,538.

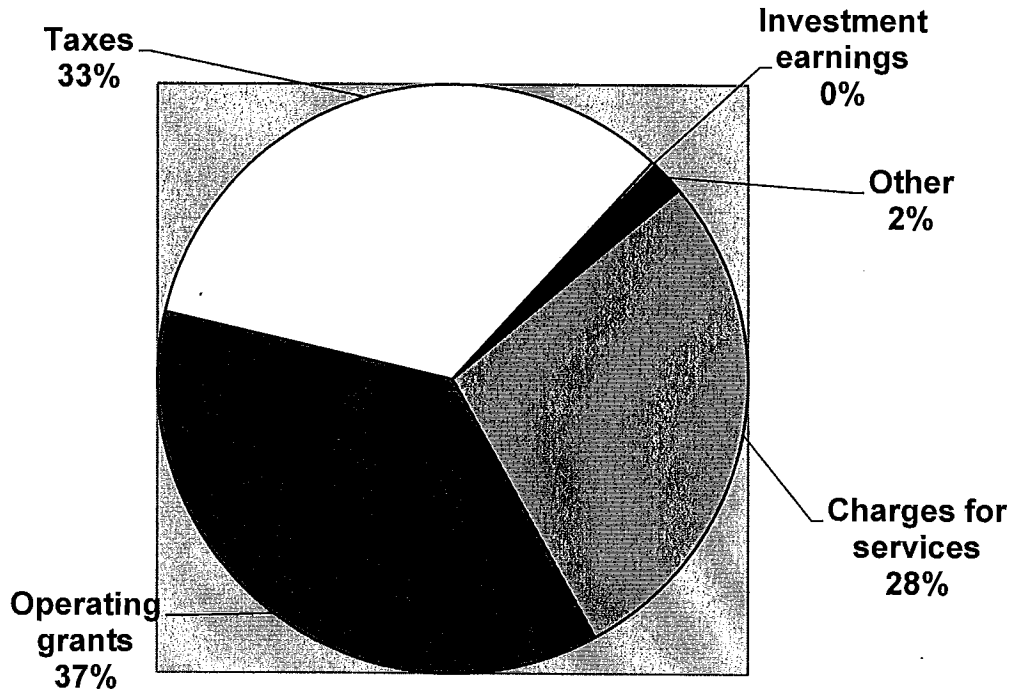
**Yamhill County's Changes in Net Assets**

	Governmental Activities		Business-Type Activities		Totals	
	2012	2011	2012	2011	2012	2011
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 16,303,580	\$ 15,058,294	\$ 47,923	\$ 44,814	\$ 16,351,503	\$ 15,103,108
Operating grants and contributions	19,208,534	19,640,454	-	-	19,208,534	19,640,454
Capital grants and contributions	1,452,361	112,624	-	-	1,452,361	112,624
General revenues:						
Property taxes	17,847,984	17,802,274			17,847,984	17,802,274
Investment earnings	108,672	110,366	333	372	109,005	110,738
Gain (loss) on sale of assets	267,349	(84,045)	-	-	267,349	(84,045)
Miscellaneous	927,917	975,200	255	-	928,172	975,200
<b>Total revenues</b>	<b>56,116,397</b>	<b>53,615,167</b>	<b>48,511</b>	<b>45,186</b>	<b>56,164,908</b>	<b>53,660,353</b>
<b>Expenses</b>						
Governmental activities:						
General government	16,290,893	15,162,409	-	-	16,290,893	15,162,409
Public safety	15,733,196	15,886,387	-	-	15,733,196	15,886,387
Highways and streets	12,972,328	14,220,028	-	-	12,972,328	14,220,028
Health and sanitation	14,959,780	13,800,389	-	-	14,959,780	13,800,389
Parks, cultural and recreation	616,570	631,636	-	-	616,570	631,636
Education	345,407	395,437	-	-	345,407	395,437
Interest on long-term obligations	67,802	72,939	-	-	67,802	72,939
Sewer	-	-	48,024	52,785	48,024	52,785
<b>Total expenses</b>	<b>60,985,976</b>	<b>60,169,225</b>	<b>48,024</b>	<b>52,785</b>	<b>61,034,000</b>	<b>60,222,010</b>
Increase (decrease) in net assets						
before transfers	(4,869,579)	(6,554,058)	487	(7,599)	(4,869,092)	(6,561,657)
Transfers	41	301	(41)	(301)	-	-
<b>Change in net assets</b>	<b>(4,869,538)</b>	<b>(6,553,757)</b>	<b>446</b>	<b>(7,900)</b>	<b>(4,869,092)</b>	<b>(6,561,657)</b>
Net assets at beginning of year	185,466,913	192,020,670	177,730	164,930	185,644,643	192,185,600
Prior period adjustment	-	-	-	20,700	-	20,700
<b>Net assets at end of year</b>	<b>\$ 180,597,375</b>	<b>\$ 185,466,913</b>	<b>\$ 178,176</b>	<b>\$ 177,730</b>	<b>\$ 180,775,551</b>	<b>\$ 185,644,643</b>

### Expenses by Function - Governmental Activities



### Governmental Activities Revenue



## Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, Yamhill County's governmental funds reported combined ending fund balances of \$22,307,824, an increase of \$2,572,298 in comparison with the prior year. \$8,477,712 of the total amount constitutes the unassigned fund balance, which is available for spending at the County's discretion. The remainder of fund balance is restricted to indicate that it is not available for new spending because it has already been committed.

The General Fund is the chief operating fund of Yamhill County. At the end of the current fiscal year, the fund balance of the general fund was \$8,563,829.

The Road Fund is dedicated to the maintenance and construction of roads within the County and has a fund balance of \$2,323,338, an increase of \$805,275. Of this, \$214,160 represents the value of parts inventory.

The Health and Human Services Fund provides health service to the residents of the County and has a fund balance of \$4,377,898 as of June 30, 2012, an increase of \$405,017 from the prior year.

The Solid Waste Fund ended the year with fund balance of \$3,707,388, an increase of \$238,305 over the previous year.

The Transportation Fund which accounts for the operations of the public transit system, and was previously included in the General Fund, ended the year with a fund balance of \$588,698.

The non-major special revenue funds consist of various programs which have dedicated revenues either as fees for services or other sources. The combined fund balances of these programs are \$2,566,174. Of this amount \$29,931 has been advanced to the Health and Human Services fund as matching funds for their building.

### General Fund Budgetary Highlights

There were no significant changes to the original and final budgets in the General Fund. Expenditures were \$24,171,673 or 10% less than budgeted. This can be contributed to budgeting for grants applied for, but not received and conservative budgeting by many of the County's department heads and managers. This also includes \$735,491 which was budgeted for contingencies which remained unspent at year end.

**Capital Assets and Debt Administration**

**Capital assets.** Yamhill County's investment in capital assets for its governmental and business-type activities as June 30, 2012 amounts to \$158,677,987 (net of accumulated depreciation). This investment in capital assets includes land, buildings and systems, improvements, machinery and equipment, park facilities, roads, bridges and culverts. The total decrease in Yamhill County's investment in capital assets for the current fiscal year was \$8,363,073. The primary reason is the depreciation of the County's infrastructure.

**Yamhill County's Capital Assets  
(Net of Depreciation)**

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Capital assets not being depreciated	\$ 49,381,290	\$ 49,381,290	\$ 78,356	\$ 78,356	\$ 49,459,646	\$ 49,459,646
Building	12,709,155	13,480,849	-	-	12,709,155	13,480,849
Machinery and equipment	5,280,973	5,690,270	2,711	3,830	5,283,684	5,694,100
Infrastructure	91,225,502	98,406,465	-	-	91,225,502	98,406,465
Total	<u>\$ 158,596,920</u>	<u>\$ 166,958,874</u>	<u>\$ 81,067</u>	<u>\$ 82,186</u>	<u>\$ 158,677,987</u>	<u>\$ 167,041,060</u>

Additional information on Yamhill County's fixed assets can be found in Note 4 on pages 33 and 34 of this report.

**Long-term debt.** At the end of the fiscal year, Yamhill County had total outstanding bonded debt of \$805,000. This full amount is comprised of a full faith and credit bond. Additional long-term obligations include loans (\$1,165,749); capital leases (\$76,290), landfill liability (\$3,478,923), and accumulated compensated absences (\$1,283,281).

**Yamhill County's Outstanding Debt  
General Obligation and Revenue Bonds**

	2012	2011
Full Faith and Credit Bonds	<u>\$ 805,000</u>	<u>\$ 855,000</u>

Additional information on Yamhill County's long-term debt can be found in Note 5 on pages 35 and 36 of this report.

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

The unemployment rate for Yamhill County for August 2012 was 8.3 percent, down from 9.1 percent in the same month in 2011. This was below the state's unemployment rate of 8.9 percent and slightly above the national average of 8.1. Businesses in the county include a steel rolling mill, a large baked-goods plant, a major dental equipment manufacturer and a cooperative creamery. There are several large national chain stores in the county, but overall the community takes pride in supporting local businesses.

Wineries continue to be a big tourist draw in addition to other tourist related businesses - restaurants, bed and breakfasts, tasting rooms and small specialty shops. The county is also home to an aircraft museum whose major attraction is Howard Hughes' Spruce Goose. The completion of a water park adjacent to the air museum has added another stop for tourists. A hotel is currently under construction at the same complex.

There are slight signs of improvement in the economy. The Clerk's office reports an increase in recordings of about 13 percent. The Yamhill County Planning Department reports continued positive growth with approximately 7% increase over last year's permit activity. However, the Road Departments' gas tax revenues are still trending behind estimated state projections.

### **Request for Information**

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

**BASIC FINANCIAL STATEMENTS**



**YAMHILL COUNTY**

**STATEMENT OF NET ASSETS**

**June 30, 2012**

	Governmental Activities	Business-type Activities	Totals
<b><u>ASSETS</u></b>			
Cash and investments	\$ 27,313,233	\$ 77,202	\$ 27,390,435
Receivables	4,867,355	20,888	4,888,243
Inventory	214,160	-	214,160
Prepaid items	44,147	-	44,147
Capital assets:			
Land, right-of-way, and gravel roads	49,381,290	78,356	49,459,646
Other capital assets, net	<u>109,515,630</u>	<u>2,711</u>	<u>109,518,341</u>
 TOTAL ASSETS	 <u>191,335,815</u>	 <u>179,157</u>	 <u>191,514,972</u>
<b><u>LIABILITIES</u></b>			
Accounts payable and accrued expenses	1,830,717	593	1,831,310
Payroll and related liabilities	1,041,558	388	1,041,946
Unearned revenue	21,000	-	21,000
Deposits payable	22,754	-	22,754
Bond premium, net	38,250	-	38,250
Net other post-employment benefits	974,918	-	974,918
Long-term obligations:			
Due within one year	1,601,937	-	1,601,937
Due in more than one year	<u>5,207,306</u>	<u>-</u>	<u>5,207,306</u>
 TOTAL LIABILITIES	 <u>10,738,440</u>	 <u>981</u>	 <u>10,739,421</u>
<b><u>NET ASSETS</u></b>			
Invested in capital assets, net of related debt	156,849,881	81,067	156,930,948
Restricted for:			
Highways and streets	2,323,338	-	2,323,338
Schools and education	109,267	-	109,267
Health services	8,124,583	-	8,124,583
County library	24,509	-	24,509
Grants	60,972	-	60,972
Public safety	1,306,855	-	1,306,855
Capital projects	331,804	-	331,804
Other purposes	1,253,265	-	1,253,265
Unrestricted	<u>10,212,901</u>	<u>97,109</u>	<u>10,310,010</u>
 TOTAL NET ASSETS	 <u>\$ 180,597,375</u>	 <u>\$ 178,176</u>	 <u>\$ 180,775,551</u>

*See notes to basic financial statements*

**YAMHILL COUNTY**

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

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets		Totals
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
<b>Governmental activities</b>						
General government	\$ 16,290,893	\$ 4,292,456	\$ 4,613,403	\$ 1,452,361	\$ (5,932,673)	\$ (5,932,673)
Public safety	15,733,196	1,154,886	2,844,820	-	(11,733,490)	(11,733,490)
Highways and streets	12,972,328	275,015	5,979,721	-	(6,717,592)	(6,717,592)
Health and sanitation	14,959,780	10,225,604	5,661,287	-	927,111	927,111
Parks, culture and recreation	616,570	355,619	50,002	-	(210,949)	(210,949)
Education	345,407	-	59,301	-	(286,106)	(286,106)
Interest on long-term obligations	67,802	-	-	-	(67,802)	(67,802)
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>60,985,976</b>	<b>16,303,580</b>	<b>19,208,534</b>	<b>1,452,361</b>	<b>(24,021,501)</b>	<b>(24,021,501)</b>
<b>Business-type activities</b>						
Sewer	48,024	47,923	-	-	\$ (101)	(101)
<b>Totals</b>	<b>\$ 61,034,000</b>	<b>\$ 16,351,503</b>	<b>\$ 19,208,534</b>	<b>\$ 1,452,361</b>	<b>(24,021,501)</b>	<b>(24,021,602)</b>
<b>General revenues</b>						
Taxes				17,847,984	-	17,847,984
Franchise and miscellaneous taxes				14,780	-	14,780
Investment earnings				108,672	333	109,005
Miscellaneous				913,137	255	913,392
Gain on sale of capital assets				267,349	-	267,349
Transfers				41	(41)	-
<b>TOTAL GENERAL REVENUES AND TRANSFERS</b>				<b>19,151,963</b>	<b>547</b>	<b>19,152,510</b>
<b>CHANGES IN NET ASSETS</b>						
NET ASSETS - BEGINNING				(4,869,538)	446	(4,869,092)
PRIOR PERIOD ADJUSTMENT				185,466,913	157,030	185,623,943
				-	20,700	20,700
<b>NET ASSETS - ENDING</b>				<b>\$ 180,597,375</b>	<b>\$ 178,176</b>	<b>\$ 180,775,551</b>

See notes to basic financial statements

**YAMHILL COUNTY**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**June 30, 2012**

	General	Road	Health and Human Services	Solid Waste	Transportation	Other Governmental Funds	Totals
<b>ASSETS</b>							
Cash and investments	\$ 8,633,703	\$ 1,966,653	\$ 4,623,858	\$ 3,663,771	\$ (129,171)	\$ 3,804,322	\$ 22,563,136
Receivables	2,247,732	470,851	812,231	80,926	1,108,518	127,679	4,847,937
Inventory	-	214,160	-	-	-	-	214,160
Prepaid items	33,019	-	4,793	-	-	6,335	44,147
<b>TOTAL ASSETS</b>	<b>\$ 10,914,454</b>	<b>\$ 2,651,664</b>	<b>\$ 5,440,882</b>	<b>\$ 3,744,697</b>	<b>\$ 979,347</b>	<b>\$ 3,938,336</b>	<b>\$ 27,669,380</b>
<b>LIABILITIES</b>							
Accounts payable	\$ 545,483	\$ 95,901	\$ 532,554	\$ 27,294	\$ 388,380	\$ 183,035	\$ 1,772,647
Payroll and related liabilities	437,113	74,107	394,105	10,015	2,269	110,785	1,028,394
Deposits	12,221	5,900	-	-	-	4,633	22,754
Advances from other funds	-	152,418	-	-	-	863,281	1,015,699
Deferred revenue	1,355,808	-	136,325	-	-	29,929	1,522,062
<b>TOTAL LIABILITIES</b>	<b>2,350,625</b>	<b>328,326</b>	<b>1,062,984</b>	<b>37,309</b>	<b>390,649</b>	<b>1,191,663</b>	<b>5,361,556</b>
<b>FUND BALANCES</b>							
Nonspendable	33,019	214,160	4,793	-	-	6,335	258,307
Restricted	-	2,109,178	4,373,105	3,707,388	588,698	2,555,036	13,333,405
Assigned	-	-	-	-	-	238,400	238,400
Unassigned	8,530,810	-	-	-	-	(53,098)	8,477,712
<b>TOTAL FUND BALANCES</b>	<b>8,563,829</b>	<b>2,323,338</b>	<b>4,377,898</b>	<b>3,707,388</b>	<b>588,698</b>	<b>2,746,673</b>	<b>22,307,824</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 10,914,454</b>	<b>\$ 2,651,664</b>	<b>\$ 5,440,882</b>	<b>\$ 3,744,697</b>	<b>\$ 979,347</b>	<b>\$ 3,938,336</b>	

*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 funds.	158,896,920
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.	1,501,062
The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets	\$ 5,701,825
Plus: Compensated absences of the internal service fund included below	<u>12,155</u>
The bond premium is reported in the statement of net assets but is not reported in the funds	(38,250)
The net post-employment benefits obligation is reported in the statement of net assets but is not reported in the funds	(974,918)
Some liabilities, including compensated absences, capital leases payable and bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	<u>(6,809,243)</u>

**NET ASSETS OF GOVERNMENTAL ACTIVITIES** **\$ 180,597,375**

*See notes to basic financial statements*

**YAMHILL COUNTY**

**STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2012**

	General	Road	Health and Human Services	Solid Waste	Transportation	Other Governmental Funds	Totals
<b>REVENUES</b>							
Property taxes	\$ 17,329,479	\$ -	\$ -	\$ -	\$ -	\$ 299,394	\$ 17,628,873
Miscellaneous taxes	14,780	-	-	-	-	-	14,780
Licenses, permits and fees	696,631	47,835	269,244	-	-	269,874	1,283,584
Intergovernmental	4,059,254	5,979,721	5,660,183	-	1,799,819	3,138,682	20,637,659
Charges for services	2,978,513	227,180	8,927,918	870,148	62,262	1,245,196	14,311,217
Fines and forfeitures	434,233	-	25,116	-	-	20,392	479,741
Interest	41,454	4,495	17,746	14,351	-	14,292	92,338
Other	516,744	147,399	84,079	7,700	39,136	189,587	984,645
<b>TOTAL REVENUES</b>	<u>26,071,088</u>	<u>6,406,630</u>	<u>14,984,286</u>	<u>892,199</u>	<u>1,901,217</u>	<u>5,177,417</u>	<u>55,432,837</u>
<b>EXPENDITURES</b>							
Current							
General government	9,464,729	-	-	-	1,472,636	1,699,331	12,636,696
Public safety	12,211,145	-	-	-	-	3,367,991	15,579,136
Parks, culture, and recreation	185,792	-	-	-	-	395,697	581,489
Highways and streets	-	3,998,838	-	-	-	-	3,998,838
Health and welfare	-	-	14,459,782	447,047	-	-	14,906,829
Education	-	-	-	-	-	67,089	67,089
Capital outlay	68,677	1,658,878	21,458	-	354,284	827,266	2,930,563
Debt service	-	-	-	-	-	188,926	188,926
<b>TOTAL EXPENDITURES</b>	<u>21,930,343</u>	<u>5,657,716</u>	<u>14,481,240</u>	<u>447,047</u>	<u>1,826,920</u>	<u>6,546,300</u>	<u>50,889,566</u>
Excess (deficiency) of revenues over expenditures	<u>4,140,745</u>	<u>748,914</u>	<u>503,046</u>	<u>445,152</u>	<u>74,297</u>	<u>(1,368,883)</u>	<u>4,543,271</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	1,402,847	645,884	1,630,788	-	524,973	2,769,052	6,973,544
Transfers out	(5,189,084)	(589,523)	(1,728,817)	(206,847)	(10,572)	(1,219,674)	(8,944,517)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(3,786,237)</u>	<u>56,361</u>	<u>(98,029)</u>	<u>(206,847)</u>	<u>514,401</u>	<u>1,549,378</u>	<u>(1,970,973)</u>
Net change in fund balances	354,508	805,275	405,017	238,305	588,698	180,495	2,572,298
Fund balances at beginning of year	8,209,321	1,518,063	3,972,881	3,469,083	-	2,566,178	19,735,526
Fund balances at end of year	<u>\$ 8,563,829</u>	<u>\$ 2,323,338</u>	<u>\$ 4,377,898</u>	<u>\$ 3,707,388</u>	<u>\$ 588,698</u>	<u>\$ 2,746,673</u>	<u>\$ 22,307,824</u>

**YAMHILL COUNTY**

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

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ 2,572,298

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

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. The difference between these two amounts is:

Capitalized expenditures	\$ 2,558,473	
Depreciation	<u>(10,618,879)</u>	(8,060,406)

The net effect of transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets.		(1,548)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds as follows:

Property taxes		84,571
Charges for services		135,490

The change in other post-employment benefits are reported as additional expenses in the Statement of Activities		(150,723)
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The issuance of long-term debt provides current financial resources to governmental funds, while repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets.

Amortization of bond premium		2,250
Principal payments		192,178

Some expenses reported in the government wide statements do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds

Compensated absences		(49,562)
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Net income of internal service funds after eliminating transfers and income reported above		<u>405,914</u>
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CHANGES IN NET ASSETS OF GOVERNMENTAL ACTIVITIES \$ (4,869,538)

**YAMHILL COUNTY**

**GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL  
For the Year Ended June 30, 2012**

	Budget		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Property taxes	\$ 16,926,000	\$ 16,926,000	\$ 17,329,479	\$ 403,479
Miscellaneous taxes	5,000	5,000	14,780	9,780
Licenses and permits	553,100	553,100	696,631	143,531
Intergovernmental	4,368,664	4,346,664	3,952,166	(394,498)
Charges for services	3,932,512	3,932,512	4,302,548	370,036
Fines and forfeitures	379,229	379,229	434,233	55,004
Interest earnings	40,000	40,000	36,640	(3,360)
Other	309,777	329,777	516,744	186,967
<b>TOTAL REVENUES</b>	<u>26,514,282</u>	<u>26,512,282</u>	<u>27,283,221</u>	<u>770,939</u>
<b>EXPENDITURES</b>				
Administrative Services				
Personal services	820,435	820,435	782,765	37,670
Materials and services	83,934	83,934	89,414	(5,480)
<b>Total Administrative Services</b>	<u>904,369</u>	<u>904,369</u>	<u>872,179</u>	<u>32,190</u>
Assessor				
Personal services	1,362,501	1,362,501	1,174,245	188,256
Materials and services	206,812	206,812	201,375	5,437
<b>Total Assessor</b>	<u>1,569,313</u>	<u>1,569,313</u>	<u>1,375,620</u>	<u>193,693</u>
Board of Commissioners				
Personal services	430,697	430,697	406,842	23,855
Materials and services	61,631	61,631	61,570	61
<b>Total Board of Commissioners</b>	<u>492,328</u>	<u>492,328</u>	<u>468,412</u>	<u>23,916</u>
Clerk				
Personal services	471,603	471,603	420,325	51,278
Materials and services	379,920	379,920	315,374	64,546
Capital outlay	18,000	18,000	-	18,000
<b>Total Clerk</b>	<u>869,523</u>	<u>869,523</u>	<u>735,699</u>	<u>133,824</u>
Information Systems				
Personal services	844,193	844,193	843,667	526
Materials and services	291,448	291,448	304,091	(12,643)
Capital outlay	77,100	77,100	44,169	32,931
<b>Total Information Systems</b>	<u>1,212,741</u>	<u>1,212,741</u>	<u>1,191,927</u>	<u>20,814</u>

*See notes to basic financial statements*

*Continued on pages 7 through 10*

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

	Budget		Actual	Variance
	Original	Final		
<b>EXPENDITURES (Continued)</b>				
District Attorney				
Personal services	\$ 1,667,245	\$ 1,667,245	\$ 1,675,839	\$ (8,594)
Materials and services	297,476	297,476	260,985	36,491
Capital outlay	15,000	15,000	-	15,000
Total District Attorney	1,979,721	1,979,721	1,936,824	42,897
Planning				
Personal services	946,675	946,675	829,429	117,246
Materials and services	318,051	318,051	278,834	39,217
Total Planning	1,264,726	1,264,726	1,108,263	156,463
Surveyor				
Personal services	66,689	66,689	68,028	(1,339)
Materials and services	16,486	16,486	12,137	4,349
Total Surveyor	83,175	83,175	80,165	3,010
Support Enforcement				
Personal services	381,245	381,245	375,691	5,554
Materials and services	40,534	40,534	27,076	13,458
Total Support Enforcement	421,779	421,779	402,767	19,012
Veterans				
Personal services	125,820	125,820	120,876	4,944
Materials and services	18,600	18,600	17,735	865
Total Veterans	144,420	144,420	138,611	5,809
County Counsel				
Personal services	337,094	337,094	331,968	5,126
Materials and services	59,026	59,026	19,676	39,350
Total County Counsel	396,120	396,120	351,644	44,476

*See notes to basic financial statements*  
*Continued on pages 8 through 10*

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

	Budget		Actual	Variance
	Original	Final		
<b>EXPENDITURES (Continued)</b>				
Transit				
Materials and services	\$ 200,000	\$ 260,912	\$ 260,912	\$ -
Non-departmental				
Materials and services	2,179,792	2,179,792	2,063,204	116,588
Capital outlay	5,000	5,000	-	5,000
Total Non-departmental	2,184,792	2,184,792	2,063,204	121,588
Emergency Management				
Personal services	122,123	122,123	112,540	9,583
Materials and services	235,277	235,277	51,789	183,488
Total Emergency Management	357,400	357,400	164,329	193,071
Jail				
Personal services	3,741,466	3,741,466	3,284,352	457,114
Materials and services	697,759	697,759	804,470	(106,711)
Total Jail	4,439,225	4,439,225	4,088,822	350,403
Marine				
Personal services	110,224	110,224	81,473	28,751
Materials and services	35,577	35,577	34,473	1,104
Total Marine	145,801	145,801	115,946	29,855
Sheriff				
Personal services	4,355,211	4,355,211	4,189,985	165,226
Materials and services	827,671	827,671	780,188	47,483
Capital outlay	-	-	19,992	(19,992)
Total Sheriff	5,182,882	5,182,882	4,990,165	192,717
911/Dispatch Services				
Materials and services	540,821	540,821	540,821	-

*See notes to basic financial statements*  
*Continued on pages 9 through 10*



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

	Budget		Actual	Variance
	Original	Final		
<b>EXPENDITURES (Continued)</b>				
Mediation Services				
Materials and services	\$ 85,770	\$ 85,770	\$ 77,812	\$ 7,958
Narcotics Investigation				
Personal services	21,295	21,295	16,830	4,465
Materials and services	62,337	62,337	28,478	33,859
Capital Outlay	10,000	10,000	-	10,000
Total Narcotics Investigation	93,632	93,632	45,308	48,324
Juvenile Department				
Personal services	1,302,496	1,302,496	1,251,849	50,647
Materials and services	139,091	139,091	134,939	4,152
Capital outlay	5,000	5,000	-	5,000
Total Juvenile Department	1,446,587	1,446,587	1,386,788	59,799
Juvenile Detention				
Personal services	1,315,439	1,315,439	1,154,226	161,213
Materials and services	145,668	145,668	158,214	(12,546)
Capital outlay	6,000	6,000	4,516	1,484
Total Juvenile Detention	1,467,107	1,467,107	1,316,956	150,151
Parks				
Personal services	130,683	140,683	135,700	4,983
Materials and services	187,975	187,975	81,201	106,774
Capital outlay	12,000	12,000	-	12,000
Total Parks	330,658	340,658	216,901	123,757
Courthouse Security				
Personal services	208,121	208,121	209,018	(897)
Materials and services	9,320	9,320	10,233	(913)
Total Courthouse Security	217,441	217,441	219,251	(1,810)
Air Support				
Materials and services	3,500	23,500	22,347	1,153
Contingency	979,819	735,491	-	735,491
<b>TOTAL EXPENDITURES</b>	<b>27,013,650</b>	<b>26,860,234</b>	<b>24,171,673</b>	<b>2,688,561</b>
Excess (deficiency) of revenues over expenditures	(499,368)	(347,952)	3,111,548	3,459,500

*See notes to basic financial statements*

*Continued on page 10*

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

	Budget		Actual	Variance
	Original	Final		
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ 78,800	\$ 78,800	\$ 931,638	\$ 852,838
Transfers out	(2,662,146)	(2,803,474)	(2,805,352)	(1,878)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(2,583,346)</u>	<u>(2,724,674)</u>	<u>(1,873,714)</u>	<u>850,960</u>
Net change in fund balance	(3,082,714)	(3,072,626)	1,237,834	4,310,460
Fund balance at beginning of year	<u>5,269,775</u>	<u>5,259,687</u>	<u>6,120,224</u>	<u>860,537</u>
Fund balance at end of year	<u>\$ 2,187,061</u>	<u>\$ 2,187,061</u>	<u>\$ 7,358,058</u>	<u>\$ 5,170,997</u>

*See notes to basic financial statements*

**YAMHILL COUNTY**

**ROAD FUND  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL  
For the Year Ended June 30, 2012**

	Budget		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Licenses and permits	\$ 38,000	\$ 38,000	\$ 47,835	\$ 9,835
Intergovernmental	6,535,879	6,535,879	5,979,721	(556,158)
Charges for services	833,769	923,769	873,064	(50,705)
Interest earnings	4,000	4,000	4,495	495
Other	24,892	24,892	147,399	122,507
<b>TOTAL REVENUES</b>	<u>7,436,540</u>	<u>7,526,540</u>	<u>7,052,514</u>	<u>(474,026)</u>
<b>EXPENDITURES</b>				
Motor Vehicle				
Personal services	615,164	615,164	574,735	40,429
Materials and services	1,037,513	1,037,513	889,416	148,097
Capital outlay	7,031	7,031	-	7,031
Total Motor Vehicle	<u>1,659,708</u>	<u>1,659,708</u>	<u>1,464,151</u>	<u>195,557</u>
Engineering				
Personal services	273,572	273,572	198,114	75,458
Materials and services	46,254	46,254	31,370	14,884
Total Engineering	<u>319,826</u>	<u>319,826</u>	<u>229,484</u>	<u>90,342</u>
Road				
Personal services	1,834,029	1,834,029	1,481,789	352,240
Materials and services	1,867,780	1,957,780	1,463,187	494,593
Capital outlay	2,240,396	2,240,396	1,658,878	581,518
Total Road	<u>5,942,205</u>	<u>6,032,205</u>	<u>4,603,854</u>	<u>1,428,351</u>
Contingency	<u>774,819</u>	<u>774,819</u>	<u>-</u>	<u>774,819</u>
<b>TOTAL EXPENDITURES</b>	<u>8,696,558</u>	<u>8,786,558</u>	<u>6,297,489</u>	<u>2,489,069</u>
Net change in fund balance	(1,260,018)	(1,260,018)	755,025	2,015,043
Fund balance at beginning of year	<u>1,431,333</u>	<u>1,431,333</u>	<u>1,720,731</u>	<u>289,398</u>
Fund balance at end of year	<u>\$ 171,315</u>	<u>\$ 171,315</u>	<u>2,475,756</u>	<u>\$ 2,304,441</u>
<b>Reconciliation to generally accepted accounting principles</b>				
Advances from other funds			(152,418)	
Fund balance at end of year			<u>\$ 2,323,338</u>	

*See notes to basic financial statements*

**YAMHILL COUNTY**

**HEALTH AND HUMAN SERVICES FUND  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL  
For the Year Ended June 30, 2012**

	Budget		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Licenses and permits	\$ 279,595	\$ 279,595	\$ 269,244	\$ (10,351)
Intergovernmental	5,995,820	5,995,820	5,660,183	(335,637)
Charges for services	8,842,071	8,842,071	8,992,162	150,091
Fines and penalties	42,660	42,660	25,116	(17,544)
Interest earnings	22,288	22,288	17,746	(4,542)
Other	53,359	53,359	84,079	30,720
<b>TOTAL REVENUES</b>	<u>15,235,793</u>	<u>15,235,793</u>	<u>15,048,530</u>	<u>(187,263)</u>
<b>EXPENDITURES</b>				
Community Health				
Personal services	2,166,293	2,166,293	2,271,780	(105,487)
Materials and services	819,707	819,707	1,115,600	(295,893)
Capital outlay	2,186	2,186	-	2,186
<b>Total Community Health</b>	<u>2,988,186</u>	<u>2,988,186</u>	<u>3,387,380</u>	<u>(399,194)</u>
Developmentally Disabled				
Personal services	989,703	989,703	865,409	124,294
Materials and services	708,030	708,030	803,945	(95,915)
Capital outlay	1,021	1,021	-	1,021
<b>Total Developmentally Disabled</b>	<u>1,698,754</u>	<u>1,698,754</u>	<u>1,669,354</u>	<u>29,400</u>
Mental Health				
Personal services	2,720,611	2,720,611	2,619,246	101,365
Materials and services	1,385,851	1,385,851	1,248,173	137,678
Capital outlay	2,921	2,921	-	2,921
<b>Total Mental Health</b>	<u>4,109,383</u>	<u>4,109,383</u>	<u>3,867,419</u>	<u>241,964</u>
Abacus				
Personal services	649,125	649,125	608,909	40,216
Materials and services	154,411	154,411	184,796	(30,385)
Capital outlay	708	708	21,458	(20,750)
<b>Total Abacus</b>	<u>804,244</u>	<u>804,244</u>	<u>815,163</u>	<u>(10,919)</u>

*See notes to basic financial statements*

*Continued on page 13*

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

	Budget		Actual	Variance
	Original	Final		
<b>EXPENDITURES (Continued)</b>				
Family and Youth				
Personal services	\$ 2,276,455	\$ 2,276,455	\$ 2,114,598	\$ 161,857
Materials and services	581,858	581,858	570,436	11,422
Capital outlay	2,470	2,470	-	2,470
Total Family and Youth	<u>2,860,783</u>	<u>2,860,783</u>	<u>2,685,034</u>	<u>175,749</u>
Chemical Dependency Services				
Personal services	1,628,438	1,628,438	1,634,120	(5,682)
Materials and services	370,619	370,619	365,760	4,859
Capital outlay	1,661	1,661	-	1,661
Total Chemical Dependency Services	<u>2,000,718</u>	<u>2,000,718</u>	<u>1,999,880</u>	<u>838</u>
HHS Central Services				
Personal services	52,918	52,918	53,750	(832)
Materials and services	1,496,006	1,496,006	264,199	1,231,807
Capital outlay	80,051	80,051	-	80,051
Total HHS Central Services	<u>1,628,975</u>	<u>1,628,975</u>	<u>317,949</u>	<u>1,311,026</u>
Enhanced Care Facility				
Personal services	1,310,419	1,310,419	1,286,153	24,266
Materials and services	170,038	170,038	181,725	(11,687)
Capital outlay	1,484	1,484	-	1,484
Total Enhanced Care Facility	<u>1,481,941</u>	<u>1,481,941</u>	<u>1,467,878</u>	<u>14,063</u>
<b>TOTAL EXPENDITURES</b>	<u>17,572,984</u>	<u>17,572,984</u>	<u>16,210,057</u>	<u>1,362,927</u>
Excess (deficiency) of revenues over expenditures	(2,337,191)	(2,337,191)	(1,161,527)	1,175,664
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	<u>1,713,557</u>	<u>1,713,557</u>	<u>1,566,544</u>	<u>(147,013)</u>
Net change in fund balance	(623,634)	(623,634)	405,017	1,028,651
Fund balance at beginning of year	<u>3,344,480</u>	<u>3,344,480</u>	<u>3,972,881</u>	<u>628,401</u>
Fund balance at end of year	<u>\$ 2,720,846</u>	<u>\$ 2,720,846</u>	<u>\$ 4,377,898</u>	<u>\$ 1,657,052</u>

*See notes to basic financial statements*

**YAMHILL COUNTY**

**SOLID WASTE FUND**

**STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the Year Ended June 30, 2012**

	Budget		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Charges for services	\$ 763,200	\$ 763,200	\$ 870,148	\$ 106,948
Interest earnings	5,000	5,000	14,351	9,351
Other	2,700	2,700	7,700	5,000
<b>TOTAL REVENUES</b>	<u>770,900</u>	<u>770,900</u>	<u>892,199</u>	<u>121,299</u>
<b>EXPENDITURES</b>				
Personal services	297,487	297,487	296,658	829
Materials and services	1,418,005	1,418,005	278,436	1,139,569
Contingency	2,461,608	2,461,608	-	2,461,608
<b>TOTAL EXPENDITURES</b>	<u>4,177,100</u>	<u>4,177,100</u>	<u>575,094</u>	<u>3,602,006</u>
Excess (deficiency) of revenues over expenditures	(3,406,200)	(3,406,200)	317,105	3,723,305
<b>OTHER FINANCING (USES)</b>				
Transfers out	(78,800)	(78,800)	(78,800)	-
Net change in fund balance	(3,485,000)	(3,485,000)	238,305	3,723,305
Fund balance at beginning of year	3,485,000	3,485,000	3,469,083	(15,917)
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,707,388</u>	<u>\$ 3,707,388</u>

*See notes to basic financial statements*

**YAMHILL COUNTY**

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

	Budget		Actual	Variance
	Final	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 1,789,509	\$ 1,789,509	\$ 1,799,819	\$ 10,310
Charges for services	89,102	89,102	62,262	(26,840)
Other	16,700	16,700	39,136	22,436
<b>TOTAL REVENUES</b>	<u>1,895,311</u>	<u>1,895,311</u>	<u>1,901,217</u>	<u>5,906</u>
<b>EXPENDITURES</b>				
Personal services	82,841	83,841	81,336	2,505
Materials and services	1,662,115	1,722,027	1,401,872	320,155
Capital outlay	388,000	388,000	354,284	33,716
Contingency	226,137	226,137	-	226,137
<b>TOTAL EXPENDITURES</b>	<u>2,359,093</u>	<u>2,420,005</u>	<u>1,837,492</u>	<u>582,513</u>
Excess (deficiency) of revenues over expenditures	(463,782)	(524,694)	63,725	588,419
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	463,782	524,694	524,973	279
Net change in fund balance	-	-	588,698	588,698
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 588,698</u>	<u>\$ 588,698</u>

*See notes to basic financial statements*

**YAMHILL COUNTY**

**STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS**

**June 30, 2012**

	<u>Proprietary</u>	<u>(Governmental</u>
	<u>Cove Orchard</u>	<u>Activities)</u>
	<u>Sewer Service</u>	<u>Internal</u>
	<u>District</u>	<u>Service</u>
<b><u>ASSETS</u></b>		
Current assets		
Cash and investments	\$ 77,202	\$ 4,750,097
Receivables	20,888	19,418
Due from other funds	-	1,015,699
	<hr/>	<hr/>
Total current assets	98,090	5,785,214
Capital assets		
Land	78,356	-
Other capital assets, net	2,711	-
	<hr/>	<hr/>
Total capital assets, net	81,067	-
	<hr/>	<hr/>
<b>TOTAL ASSETS</b>	<b>179,157</b>	<b>5,785,214</b>
	<hr/>	<hr/>
<b><u>LIABILITIES</u></b>		
Accounts payable and accrued expenses	593	58,070
Payroll and related liabilities	388	13,164
Compensated absences payable	-	12,155
	<hr/>	<hr/>
<b>TOTAL LIABILITIES</b>	<b>981</b>	<b>83,389</b>
	<hr/>	<hr/>
<b><u>NET ASSETS</u></b>		
Invested in capital assets, net of related debt	81,067	-
Unrestricted	97,109	5,701,825
	<hr/>	<hr/>
<b>TOTAL NET ASSETS</b>	<b>\$ 178,176</b>	<b>\$ 5,701,825</b>
	<hr/>	<hr/>

*See notes to basic financial statements*



**YAMHILL COUNTY**

**STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN FUND NET ASSETS  
PROPRIETARY FUNDS  
For the Year Ended June 30, 2012**

	<u>Proprietary</u>	<u>(Governmental Activities)</u>
	Cove Orchard Sewer Service District	Internal Service
<b>OPERATING REVENUES</b>		
Charges for services	\$ 47,923	\$ 250,220
Other	255	197,379
<b>TOTAL OPERATING REVENUES</b>	<u>48,178</u>	<u>447,599</u>
<b>OPERATING EXPENSES</b>		
Personal services	5,634	560,596
Materials and services	41,271	1,469,551
Depreciation	1,119	-
<b>TOTAL OPERATING EXPENSES</b>	<u>48,024</u>	<u>2,030,147</u>
Operating income (loss)	154	(1,582,548)
<b>NONOPERATING REVENUES</b>		
Investment earnings	333	17,448
Income (loss) before transfers	<u>487</u>	<u>(1,565,100)</u>
<b>TRANSFERS</b>		
Transfers in	59	2,381,889
Transfers out	(100)	(410,875)
<b>TOTAL TRANSFERS</b>	<u>(41)</u>	<u>1,971,014</u>
Change in net assets	446	405,914
Net assets - beginning	157,030	5,295,911
Prior period adjustment	20,700	-
Net assets - ending	<u>\$ 178,176</u>	<u>\$ 5,701,825</u>

*See notes to basic financial statements*

**YAMHILL COUNTY**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**For the Year Ended June 30, 2012**

	Proprietary Cove Orchard Sewer Service District	(Governmental Activities)  Internal Service
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	\$ 51,237	\$ -
Receipts from interfund services provided	-	250,220
Other receipts	-	188,322
Payments to suppliers of goods or services	(40,972)	(1,439,945)
Payments to employees for services	(5,627)	(548,937)
	<u>4,638</u>	<u>(1,550,340)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Advances to other funds	-	(932,826)
Transfers in	59	2,501,682
Transfers out	(100)	(410,875)
	<u>(41)</u>	<u>1,157,981</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest on investments	333	17,448
	<u>4,930</u>	<u>(374,911)</u>
Net increase (decrease) in cash and cash equivalents	4,930	(374,911)
Cash and cash equivalents - beginning of year	72,272	5,125,008
	<u>77,202</u>	<u>4,750,097</u>
Cash and cash equivalents - end of year	\$ 77,202	\$ 4,750,097
<b>Reconciliation of operating income (loss) to net cash (used in) operating activities</b>		
Operating income (loss)	\$ 154	\$ (1,582,548)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities		
Depreciation	1,119	-
(Increase) decrease in assets:		
Receivables	3,059	(9,057)
Increase in liabilities:		
Accounts payable and accrued expenses	299	29,606
Payroll and related liabilities	7	8,486
Compensated absences payable	-	3,173
	<u>4,638</u>	<u>(1,550,340)</u>
Net cash provided by (used in) operating activities	\$ 4,638	\$ (1,550,340)

*See notes to basic financial statements*

YAMHILL COUNTY

STATEMENT OF FIDUCIARY NET ASSETS

June 30, 2012

	<u>Agency Funds</u>
<b><u>ASSETS</u></b>	
Cash and investments	\$ 1,816,617
Property taxes receivable	<u>8,077,134</u>
 TOTAL ASSETS	 \$ <u>9,893,751</u>
 <b><u>LIABILITIES</u></b>	
Due to other taxing districts/agencies	\$ 9,798,854
Other liabilities	<u>94,897</u>
 TOTAL LIABILITIES	 \$ <u>9,893,751</u>

*See notes to basic financial statements*

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**NOTES TO BASIC FINANCIAL STATEMENTS**

## YAMHILL COUNTY

### NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2012

#### 1. Summary of significant accounting policies

##### **The reporting entity**

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

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

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

Cove Orchard Sewer Service District is reported as an enterprise fund

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

On April 3, 2003, the County formed the Yamhill County Hospital Authority (Authority). The Authority only issues conduit debt for health facilities and the County has no assets or liabilities recorded for the Authority. See Note 5.

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

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

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

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

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

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

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

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

The government-wide statements and proprietary funds have applied all Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the Committee on Accounting Procedure issued on or before November 30, 1989, unless those pronouncements conflict with or contradict Governmental Accounting Standards Board (GASB) pronouncements. The County has elected to not apply FASB pronouncements issued after November 30, 1989.

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

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

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

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

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

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

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Significant revenues, which are susceptible to accrual under the modified accrual basis of accounting, include property taxes and federal and state grants. Other revenue items are considered to be measurable and available when received by the County. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

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

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

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

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

The County reports the following major governmental funds:

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

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

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

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

*Transportation* - accounts for the operation of the public transit system within the County.

The County reports the following major proprietary funds:

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

Additionally, the County reports the following fund types:

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

*Debt Service* - accounts for the resources accumulated and payments made for principal and interest on long-term debt of governmental funds.

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

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

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



## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

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

#### **Budget policies and budgetary control**

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

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

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

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

#### **Risk management**

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

#### **Cash and cash equivalents**

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

#### **Property taxes**

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

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

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

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

#### Property taxes (continued)

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

#### Grants and entitlements

Receivables for federal and state grants and state shared revenue are recorded as revenue in all fund types as earned.

#### Other receivables

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

#### Capital assets

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

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

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

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

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

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

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

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

#### **Long-term obligations**

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

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

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

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

The County has recorded a liability for the estimated cost of landfill post-closure care. This estimated liability was the total permit and worst-case scenario costs as estimated by the May 2009 Parametrix analysis reduced by the actual costs incurred in the fiscal year 2009-10. The County has a \$10 million insurance policy which provides coverage for bodily injury, property damage, and remediation costs for pre-existing and new pollution incidents reported during the current policy period of March 29, 2006 to 2011. The County accounts for the costs of maintaining the closed landfills in the Solid Waste Fund.

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

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

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

#### Equity

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

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

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

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

***Unrestricted net assets*** – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

##### Governmental Fund Type Fund Balance Reporting

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

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

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

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

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

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

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

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

#### Compensated absences

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

#### Use of estimates

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

### 2. Deposits and investments

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

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

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

**2. Deposits and investments (continued)**

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

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

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

	Standard and Poor's Ratings	Maturities	Fair Value
State Treasurer's Investment Pool	N/A	N/A	\$ 25,010,674

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

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

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

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

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

**2. Deposits and investments (continued)**

*Custodial Credit Risk - Deposits.* This is the risk that in the event of a bank failure, the County's deposits may not be returned. The Federal Depository Insurance Corporation (FDIC) provides insurance for the County's deposits with financial institutions up to \$250,000 each for the aggregate of all non-interest bearing accounts and the aggregate of all interest bearing accounts at each institution. Deposits in excess of FDIC coverage with institutions participating in the Oregon Public Funds Collateralization Program are collateralized with securities held by the Federal Home Loan Bank of Seattle in the name of the institution. As of June 30, 2012, \$6,778,299 of the County's bank balances were exposed to custodial credit risk as they were collateralized with securities held by the pledging financial institution's agent but not in the County's name.

A. The County's deposits and investments at June 30, 2012 are as follows:

Total investments	\$ 25,010,674
Cash on hand	18,475
Cash with fiscal agent	83,026
Deposits with financial institutions	<u>4,092,877</u>
 Total deposits and investments	 <u>\$ 29,207,052</u>

B. Cash and investments by fund:

<u>Governmental activities/funds</u>	
General	\$ 8,694,615
Road	1,966,653
Health and Human Services	4,623,858
Solid Waste	3,663,771
Transportation	(190,083)
Other	<u>3,804,322</u>
 Total governmental funds	 22,563,136
 Internal Service funds	 <u>4,750,097</u>
 Total governmental activities	 27,313,233
<u>Business-type activities/Proprietary fund</u>	
Cove Orchard Sewer Service District	77,202
<u>Fiduciary fund</u>	
Agency	<u>1,816,617</u>
 Total cash and investments	 <u>\$ 29,207,052</u>

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

**3. Receivables**

A. The County's receivables at June 30, 2012 are as follows:

	General	Road	Health and Human Services	Solid Waste	Transportation	Other Governmental Funds	Total Governmental Funds
Property taxes	\$ 1,650,897	\$ -	\$ -			\$ 28,283	\$ 1,679,180
Accounts	<u>596,835</u>	<u>470,851</u>	<u>812,231</u>	<u>80,926</u>	<u>1,108,518</u>	<u>99,396</u>	<u>3,168,757</u>
	<u>\$ 2,247,732</u>	<u>\$ 470,851</u>	<u>\$ 812,231</u>	<u>\$ 80,926</u>	<u>\$ 1,108,518</u>	<u>\$ 127,679</u>	<u>\$ 4,847,937</u>

	Internal Service	Total Governmental Activities	Business Activities/ Proprietary fund Cove Orchard Sewer Service District	Fiduciary Agency	Totals
Property taxes	\$ -	\$ 1,679,180	\$ -	\$ 8,077,134	\$ 9,756,314
Accounts	<u>19,418</u>	<u>3,188,175</u>	<u>20,888</u>	<u>-</u>	<u>3,228,481</u>
	<u>\$ 19,418</u>	<u>\$ 4,867,355</u>	<u>\$ 20,888</u>	<u>\$ 8,077,134</u>	<u>\$ 12,984,795</u>

B. Property taxes

i. Collection procedures

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



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

**3. Receivables (continued)**

B. Property taxes (continued)

ii. Transactions

	Balances July 1, 2011	2011-12 Levy	Adjustments	Net Interest (Discounts)	Collections	Balances June 30, 2012
Current	\$ -	\$ 102,415,263	\$ (480,524)	\$(2,438,472)	\$ (94,935,048)	\$ 4,561,219
Prior	9,331,913	-	(607,679)	730,271	(4,259,410)	5,195,095
	<u>\$9,331,913</u>	<u>\$ 102,415,263</u>	<u>\$ (1,088,203)</u>	<u>\$(1,708,201)</u>	<u>\$ (99,194,458)</u>	<u>\$ 9,756,314</u>

iii. Ensuing year's levies

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

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

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

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

**4. Capital assets**

A. Capital asset activity for the governmental activities for the year ended June 30, 2012 was as follows:

	Balances July 1, 2011	Additions	Deletions	Balances June 30, 2012
Capital assets, not being depreciated:				
Land	\$ 2,649,034	\$ -	\$ -	\$ 2,649,034
Right of way	27,583,456	-	-	27,583,456
Gravel roads	19,148,800	-	-	19,148,800
Total capital assets, not being depreciated	<u>49,381,290</u>	<u>-</u>	<u>-</u>	<u>49,381,290</u>
Capital assets being depreciated:				
Buildings	19,162,144	-	-	19,162,144
Machinery and equipment	16,040,481	941,364	(1,027,313)	15,954,532
Infrastructure	358,734,413	1,617,109	-	360,351,522
Total capital assets being depreciated	<u>393,937,038</u>	<u>2,558,473</u>	<u>(1,027,313)</u>	<u>395,468,198</u>
Less accumulated depreciation for:				
Buildings	5,681,295	471,694	-	6,152,989
Machinery and equipment	10,350,211	1,349,113	(1,025,765)	10,673,559
Infrastructure	260,327,948	8,798,072	-	269,126,020
Total accumulated depreciation	<u>276,359,454</u>	<u>10,618,879</u>	<u>(1,025,765)</u>	<u>285,952,568</u>
Total capital assets being depreciated, net	<u>117,577,584</u>	<u>(8,060,406)</u>	<u>(1,548)</u>	<u>109,515,630</u>
Governmental activities capital assets, net	<u>\$ 166,958,874</u>	<u>\$(8,060,406)</u>	<u>\$ (1,548)</u>	<u>\$ 158,896,920</u>

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

Governmental activities:	
General government	\$ 1,551,402
Public safety	92,387
Highways and streets	8,918,033
Health and sanitation	32,935
Parks, culture and recreation	24,122
Total depreciation expense- governmental activities	<u>\$10,618,879</u>

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

**4. Capital assets (continued)**

B. Capital asset activity for the business-type activities for the year ended June 30, 2012 was as follows:

	Balances <u>June 30, 2011</u>	<u>Additions</u>	Balances <u>June 30, 2012</u>
Capital assets, not being depreciated			
Land	\$ 78,356	\$ -	\$ 78,356
Capital assets, being depreciated			
Buildings and equipment	963,173	-	963,173
Less accumulated depreciation for:			
Buildings and equipment	<u>(959,343)</u>	<u>(1,119)</u>	<u>(960,462)</u>
Total capital assets, being depreciated, net	<u>3,830</u>	<u>(1,119)</u>	<u>2,711</u>
Total capital assets	<u>\$ 82,186</u>	<u>\$ (1,119)</u>	<u>\$ 81,067</u>

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

Business-type activities:

    Sewer \$ 1,119

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

**5. Long-term obligations**

A. Transactions for the year ended June 30, 2012 are as follows:

	Outstanding July 1, 2011	Additions	Reductions	Outstanding June 30, 2012	Balances Due Within One Year
<u>Governmental activities</u>					
Full Faith and Credit Bond					
original amount \$1,750,000; interest rates of 2.0 percent to 4.7 percent					
Principal	\$ 855,000	\$ -	\$ 50,000	\$ 805,000	\$ 55,000
Interest	-	36,825	36,825	-	
	<u>855,000</u>	<u>36,825</u>	<u>86,825</u>	<u>805,000</u>	
Loan - Oregon Economic and Community Development Department (OECDD), original commitment \$1,000,000; interest at 2.61 percent					
Principal	1,214,073	-	48,324	1,165,749	48,573
Interest	-	53,777	53,777	-	
	<u>1,214,073</u>	<u>53,777</u>	<u>102,101</u>	<u>1,165,749</u>	
Capital Lease - Unisys Leasing for hardware and software, interest at 4.107 percent					
Principal	121,933	-	45,643	76,290	37,370
Interest	-	4,544	4,544	-	
	<u>121,933</u>	<u>4,544</u>	<u>50,187</u>	<u>76,290</u>	
Landfill liability	<u>3,527,134</u>	-	48,211	<u>3,478,923</u>	177,713
Vested compensated absences	<u>1,230,546</u>	<u>2,090,799</u>	<u>2,038,064</u>	<u>1,283,281</u>	<u>1,283,281</u>
Principal	6,948,686	2,090,799	2,230,242	6,809,243	
Interest	-	95,146	95,146	-	
	<u>\$ 6,948,686</u>	<u>\$ 2,185,945</u>	<u>\$ 2,325,388</u>	<u>\$ 6,809,243</u>	<u>\$ 1,601,937</u>

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

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

B. The future maturities of long-term obligations outstanding as of June 30, 2012 is as follows:

Fiscal Year	Full Faith and Credit Bond		Loan		Capital Lease		Vested	Totals	
	August 27, 2003		OECD		Unisys Leasing		Compensated	Principal	Interest
	Principal	Interest	Principal	Interest	Principal	Interest	Absences		
2013	\$ 55,000	\$ 34,725	\$ 48,573	\$ 52,327	\$ 37,370	\$ 2,753	\$ 1,283,281	\$ 1,424,224	\$ 89,805
2014	55,000	32,525	48,873	50,627	38,920	1,203	-	142,793	84,355
2015	55,000	30,243	54,184	48,917	-	-	-	109,184	79,160
2016	60,000	27,770	54,551	46,749	-	-	-	114,551	74,519
2017	60,000	25,190	54,933	44,567	-	-	-	114,933	69,757
2018-22	355,000	81,113	316,154	186,276	-	-	-	671,154	267,389
2023-27	165,000	7,872	400,239	106,664	-	-	-	565,239	114,536
2028-32	-	-	188,242	13,522	-	-	-	188,242	13,522
	<u>\$ 805,000</u>	<u>\$ 239,438</u>	<u>\$ 1,165,749</u>	<u>\$ 549,649</u>	<u>\$ 76,290</u>	<u>\$ 3,956</u>	<u>\$ 1,283,281</u>	<u>\$ 3,330,320</u>	<u>\$ 793,043</u>

C. The landfill post-closure care liability represents the total permit and worst-case scenario costs of the Whitson and Newberg landfills per the May 2009 analysis by Parametrix less actual costs paid in this fiscal year of \$34,985. Future maturities have not been established but the County has budgeted \$177,713 to be retired in the ensuing fiscal year. However, future maturities are subject to change due to inflation, deflation, changes in technology or changes to applicable laws or regulations.

**6. Conduit debt**

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

On April 3, 2003, Yamhill County created a component unit, the Yamhill County Hospital Authority ("Authority").

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

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

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

**6. Conduit debt (continued)**

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

- finance the costs of construction, additions, renovations, improvements and equipping of the University's new residence hall and the Herbert Hoover Academic Building,
- improvements to parking areas and athletic facilities,
- acquisition of property contiguous to the Newberg Campus and capital improvements thereto,
- improvements to educational and educational support facilities located on the Newberg Campus, and
- provide funds sufficient to pay maturing principal and interest on the 1997 series A bonds when due beginning October 1, 2005, and redeem all remaining principal amounts on the 1997 Series A bonds on March 1, 2007. The outstanding amounts for Series 2005A and Series 2005B issues at June 30, 2012 are \$19,280,000 and \$3,945,000 respectively.

**7. Interfund balances and transfers**

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

Fund	Transfers	
	In	Out
General	\$ 1,402,847	\$ 5,128,172
Road	645,884	589,523
Health and Human Services	1,630,788	1,728,817
Solid Waste	-	206,847
Transportation	464,061	10,572
Other Governmental	2,769,052	1,219,674
Cove Orchard Sewer Service District	59	100
Internal Service	2,381,889	410,875
	<u>\$ 9,294,580</u>	<u>\$ 9,294,580</u>

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

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

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

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

Advances to other funds	Advances from other funds		Totals
	Road	Other governmental funds	
Internal Service	<u>\$ 152,418</u>	<u>\$ 863,281</u>	<u>\$ 1,015,699</u>

The Self-Insurance Fund made two loans to the Capital Improvement Fund. One to acquire real properties; property at 638 Davis Street and a block of three large commercial buildings in McMinnville and a second for a new chiller in the County Courthouse. The remaining balances on these loans are \$599,208 and \$199,914, respectively, for a total of \$799,122. An internal service fund (Motor Vehicle Replacement) which maintains the County's fleet of vehicles provided funds to the Public Works department. The amount outstanding on this loan at June 30, 2012 was \$152,418. During the year, the Self-Insurance Fund also made a loan to the Fair Fund. At June 30, 2012, the remaining balance on this loan was \$64,159.

**8. Deferred revenue**

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

	General	Health and Human Services	Other Governmental Funds	Totals
Property taxes	\$ 1,337,808	\$ -	\$ 22,899	\$ 1,360,707
Other	-	136,325	7,030	143,355
Unearned revenue	<u>18,000</u>	<u>-</u>	<u>-</u>	<u>18,000</u>
Total	<u>\$ 1,355,808</u>	<u>\$ 136,325</u>	<u>\$ 29,929</u>	<u>\$ 1,522,062</u>

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 9. Retirement plan

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

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

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

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

For employees hired before August 29, 2003 – 12.17 percent

For employees hired after August 29, 2003:

Police and fire – 8.84 percent

All other employees – 6.13 percent

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



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

**9. Retirement plan (continued)**

The County's contribution to the plan for the years ending June 30, 2012, 2011, and 2010, were as follows:

June 30,	Annual Pension Cost (APC)	Contributions	Percentage of APC Contributed	Net Pension Obligation
2012	\$ 2,783,672	\$ 2,783,672	100	\$ -
2011	2,289,099	2,289,099	100	-
2010	2,326,813	2,326,813	100	-

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

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

**10. Other post-employment benefits**

Plan description and benefits provided

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

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

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

#### Membership

The County's membership in the plan at August 1, 2010 (the date of the first actuarial valuation) consisted of the following:

Active employees	307
Retirees, spouses or dependents	<u>23</u>
Total	<u>330</u>

#### Funding policy and contributions

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

For retirees	\$ 510
For spouses of retirees	482

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

#### Annual OPEB cost and net OPEB Obligation

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

Normal cost	\$ 145,204
Amortization of UAAL	<u>122,137</u>
Annual required contribution	<u>\$ 267,341</u>

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

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

The net OPEB obligation as of June 30, 2012 was calculated as follows:

Annual required contribution	\$ 267,341
Interest on prior year Net OPEB	32,968
Adjustment to ARC	(56,012)
Contributions made	<u>(93,574)</u>
Increase in net OPEB obligation	150,723
Net OPEB obligation at beginning of year	<u>824,195</u>
Net OPEB obligation at end of year	<u>\$ 974,918</u>

The County's annual OPEB cost, percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation as of June 30, 2012 is as follows:

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Annual</u> <u>OPEB Cost</u>	<u>Percentage of</u> <u>Annual OPEB</u> <u>Cost Contributed</u>	<u>Net OPEB</u> <u>Obligation</u>
2012	\$ 244,297	38.30%	\$ 974,918
2011	381,586	32.79%	824,195
2010	361,463	30.35%	567,736

Funded status and funding progress

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

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

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

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

#### Actuarial methods and assumptions

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

In the August 1, 2010 actuarial valuation, the projected unit credit actuarial cost method was used to determine contribution levels comprised of normal cost and amortization payments. The actuarial assumptions included a 4.5 percent rate for discounting future liabilities, a payroll growth rate of 3.75 percent per year, annual premium rate increases from 8 percent in 2009 to 5 percent in 2024, and participation rate of 70 percent of future retirees electing coverage under the plan. The unfunded actuarial accrued liability is being amortized using a level percent of payroll over a period of 15 years. As of August 1, 2010 the remaining amortization period is 13 years.

### 11. Contingency – Sick leave

Portions of amounts accumulated at any point in time can be expected to be redeemed before termination of employment; however, such redemptions cannot be reasonably estimated. As of June 30, 2012, employees of the County had accumulated 5,137 days of sick leave.

### 12. Litigation

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

### 13. Net assets restricted through enabling legislation

Net assets resulting from the County's receipt of state gas tax revenue are restricted for road repairs and improvements in the amount of \$2,323,338.

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

**14. Governmental Fund Balances**

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

<b>Fund balances:</b>	<u>General</u>	<u>Road</u>	<u>Health and Human Services</u>	<u>Solid Waste</u>	<u>Transportation</u>	<u>Other Governmental Funds</u>	<u>Total</u>
<b>Nonspendable</b>							
Inventory	\$ -	\$ 214,160	\$ -	\$ -	\$ -	\$ -	\$ 214,160
Prepaid items	33,019	-	4,793	-	-	6,335	44,147
<b>Restricted for:</b>							
Highways and streets	-	2,109,178	-	-	-	-	2,109,178
Schools and education	-	-	-	-	-	108,786	108,786
Health services	-	-	4,373,105	3,707,388	-	-	8,080,493
County library	-	-	-	-	-	24,509	24,509
Grants	-	-	-	-	-	60,972	60,972
Public safety	-	-	-	-	-	1,303,466	1,303,466
Capital projects	-	-	-	-	-	331,804	331,804
Other purposes	-	-	-	-	588,698	725,499	1,314,197
<b>Assigned for:</b>							
Capital projects	-	-	-	-	-	238,400	238,400
<b>Unassigned:</b>	<u>8,530,810</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(53,098)</u>	<u>8,477,712</u>
<b>Total fund balances</b>	<u>\$ 8,563,829</u>	<u>\$ 2,323,338</u>	<u>\$ 4,377,898</u>	<u>\$ 3,707,388</u>	<u>\$ 588,698</u>	<u>\$ 2,746,673</u>	<u>\$ 22,307,824</u>

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

**15. Budgetary perspective differences**

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

	General	Road	Health and Human Services	Solid Waste	Transportation
<b>Revenues</b>					
Total fund revenues - budgetary basis	\$ 27,283,221	\$ 7,052,514	\$ 15,048,530	\$ 892,199	\$ 1,901,217
Revenues of separately budgeted funds which are included in the fund on the governmental fund financial statements:					
O&C Reserve	111,902	-	-	-	-
Certain items are classified as revenues on the budgetary basis and are shown as other financing sources on the governmental fund financial statements	<u>(1,324,035)</u>	<u>(645,884)</u>	<u>(64,244)</u>	<u>-</u>	<u>-</u>
Total revenues reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	<u>\$ 26,071,088</u>	<u>\$ 6,406,630</u>	<u>\$ 14,984,286</u>	<u>\$ 892,199</u>	<u>\$ 1,901,217</u>
<b>Expenditures</b>					
Total fund expenditures - budgetary basis	\$ 24,171,673	\$ 6,297,489	\$ 16,210,057	\$ 575,094	\$ 1,837,492
Expenditures of separately budgeted funds which are included in the fund on the governmental fund financial statements:					
O&C Reserve	1,074	-	-	-	-
Certain items are classified as expenditures on the budgetary basis and are shown as other financing (uses) on the governmental fund financial statements	<u>(2,242,404)</u>	<u>(639,773)</u>	<u>(1,728,817)</u>	<u>(128,047)</u>	<u>(10,572)</u>
Total expenditures reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	<u>\$ 21,930,343</u>	<u>\$ 5,657,716</u>	<u>\$ 14,481,240</u>	<u>\$ 447,047</u>	<u>\$ 1,826,920</u>
<b>Other financing sources (uses)</b>					
Total fund other financing sources (uses) - budgetary basis	\$ (1,873,714)	\$ -	\$ 1,566,544	\$ (78,800)	\$ 524,973
Other financing sources (uses) of separately budgeted funds which are included in the fund on the governmental fund financial statements:					
O&C Reserve	(141,328)	-	-	-	-
Certain items are classified as revenues/expenditures on the budgetary basis and are shown as other financing sources (uses) on the governmental fund financial statements	<u>(1,771,195)</u>	<u>56,361</u>	<u>(1,664,573)</u>	<u>(128,047)</u>	<u>(10,572)</u>
Total other financing sources (uses) reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	<u>\$ (3,786,237)</u>	<u>\$ 56,361</u>	<u>\$ (98,029)</u>	<u>\$ (206,847)</u>	<u>\$ 514,401</u>

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

**16. Expenditures in excess of appropriations**

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

Expenditures in excess of appropriations occurred as follows:

<u>Fund/Category</u>	<u>Appropriation</u>	<u>Actual</u>	<u>Variance</u>
General			
Courthouse security	\$ 217,441	\$ 219,251	\$ (1,810)

**17. Prior period adjustment**

The beginning net assets of the Cove Orchard Sewer Service District has been adjusted for an error in accounting for unpaid sewer service charges which have been turned over to the tax assessor and added to the property taxes for the associated real property. Previously these amounts were not reported as receivables, therefore the beginning net assets have been increased by \$20,700.

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



**YAMHILL COUNTY**  
**COMBINING BALANCE SHEET**  
**GENERAL FUNDS**  
**June 30, 2012**

	General	O&C Reserve	Totals
<b><u>ASSETS</u></b>			
Cash and investments	\$ 7,488,844	\$ 1,205,771	\$ 8,694,615
Receivables	2,247,732	-	2,247,732
Prepaid items	33,019	-	33,019
<b>TOTAL ASSETS</b>	<b>\$ 9,769,595</b>	<b>\$ 1,205,771</b>	<b>\$ 10,975,366</b>
<b><u>LIABILITIES</u></b>			
Account payable	\$ 545,483	\$ -	\$ 545,483
Payroll and related liabilities	437,113	-	437,113
Deposits	12,221	-	12,221
Deferred revenue	1,355,808	-	1,355,808
<b>TOTAL LIABILITIES</b>	<b>2,350,625</b>	<b>-</b>	<b>2,350,625</b>
<b><u>FUND BALANCES</u></b>			
Nonspendable	33,019	-	33,019
Unassigned	7,385,951	1,205,771	8,591,722
<b>TOTAL FUND BALANCES</b>	<b>7,418,970</b>	<b>1,205,771</b>	<b>8,624,741</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 9,769,595</b>	<b>\$ 1,205,771</b>	<b>\$ 10,975,366</b>

**YAMHILL COUNTY**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
GENERAL FUNDS  
For the Year Ended June 30, 2012**

	General	O&C Reserve	Totals
<b>REVENUES</b>			
Property taxes	\$ 17,329,479	\$ -	\$ 17,329,479
Miscellaneous taxes	14,780	-	14,780
Licenses, permits and fees	696,631	-	696,631
Intergovernmental	3,952,166	107,088	4,059,254
Charges for services	2,978,513	-	2,978,513
Fines and forfeitures	434,233	-	434,233
Interest	36,640	4,814	41,454
Other	516,744	-	516,744
	<hr/>	<hr/>	<hr/>
TOTAL REVENUES	25,959,186	111,902	26,071,088
	<hr/>	<hr/>	<hr/>
<b>EXPENDITURES</b>			
Current			
General government	9,463,655	1,074	9,464,729
Public safety	12,211,145	-	12,211,145
Parks, culture, and recreation	185,792	-	185,792
Capital outlay	68,677	-	68,677
	<hr/>	<hr/>	<hr/>
TOTAL EXPENDITURES	21,929,269	1,074	21,930,343
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over expenditures	4,029,917	110,828	4,140,745
	<hr/>	<hr/>	<hr/>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	1,402,847	-	1,402,847
Transfers out	(4,986,844)	(141,328)	(5,128,172)
	<hr/>	<hr/>	<hr/>
TOTAL OTHER FINANCING SOURCES (USES)	(3,583,997)	(141,328)	(3,725,325)
	<hr/>	<hr/>	<hr/>
Net change in fund balances	445,920	(30,500)	415,420
Fund balances at beginning of year	6,973,050	1,236,271	8,209,321
	<hr/>	<hr/>	<hr/>
Fund balances at end of year	\$ 7,418,970	\$ 1,205,771	\$ 8,624,741
	<hr/>	<hr/>	<hr/>

**YAMHILL COUNTY**

**O&C RESERVE - SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the Year Ended June 30, 2012**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Intergovernmental	\$ 176,471	\$ 107,088	\$ (69,383)
Interest	<u>5,000</u>	<u>4,814</u>	<u>(186)</u>
<b>TOTAL REVENUES</b>	<u>181,471</u>	<u>111,902</u>	<u>(69,569)</u>
<b>EXPENDITURES</b>			
Materials and services	716,480	1,074	715,406
Capital outlay	<u>550,000</u>	<u>-</u>	<u>550,000</u>
<b>TOTAL EXPENDITURES</b>	<u>1,266,480</u>	<u>1,074</u>	<u>1,265,406</u>
Excess (deficiency) of revenues over expenditures	(1,085,009)	110,828	1,195,837
<b>OTHER FINANCING (USES)</b>			
Transfers out	<u>(141,327)</u>	<u>(141,328)</u>	<u>(1)</u>
Net change in fund balance	(1,226,336)	(30,500)	1,195,836
Fund balance at beginning of year	<u>1,226,336</u>	<u>1,236,271</u>	<u>9,935</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 1,205,771</u>	<u>\$ 1,205,771</u>

**YAMHILL COUNTY**  
**COMBINING BALANCE SHEET**  
**OTHER GOVERNMENTAL FUNDS**  
**June 30, 2012**

	Special Revenue	Capital Projects	Totals
<b><u>ASSETS</u></b>			
Cash and investments	\$ 2,423,098	\$ 1,381,224	\$ 3,804,322
Receivables	101,669	26,010	127,679
Prepaid items	6,335	-	6,335
<b>TOTAL ASSETS</b>	<b>\$ 2,531,102</b>	<b>\$ 1,407,234</b>	<b>\$ 3,938,336</b>
<b><u>LIABILITIES</u></b>			
Accounts payable	\$ 158,659	\$ 24,376	\$ 183,035
Payroll and related liabilities	97,253	13,532	110,785
Deposits	4,633	-	4,633
Advances from other funds	64,159	799,122	863,281
Deferred revenue	29,929	-	29,929
<b>TOTAL LIABILITIES</b>	<b>354,633</b>	<b>837,030</b>	<b>1,191,663</b>
<b><u>FUND BALANCES</u></b>			
Nonspendable	6,335	-	6,335
Restricted	2,223,232	331,804	2,555,036
Assigned	-	238,400	238,400
Unassigned	(53,098)	-	(53,098)
<b>TOTAL FUND BALANCES</b>	<b>2,176,469</b>	<b>570,204</b>	<b>2,746,673</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 2,531,102</b>	<b>\$ 1,407,234</b>	<b>\$ 3,938,336</b>

**YAMHILL COUNTY**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
OTHER GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2012**

	Special Revenue	Capital Projects	Totals
<b>REVENUES</b>			
Property taxes	\$ 299,394	\$ -	\$ 299,394
Licenses, permits and fees	269,874	-	269,874
Intergovernmental	2,925,046	213,636	3,138,682
Charges for services	990,745	254,451	1,245,196
Fines and forfeitures	20,392	-	20,392
Interest	11,222	3,070	14,292
Other	161,025	28,562	189,587
<b>TOTAL REVENUES</b>	<u>4,677,698</u>	<u>499,719</u>	<u>5,177,417</u>
<b>EXPENDITURES</b>			
Current			
General government	607,243	1,092,088	1,699,331
Public safety	3,367,659	332	3,367,991
Parks, culture, and recreation	371,592	24,105	395,697
Education	67,089	-	67,089
Capital outlay	298,659	528,607	827,266
Debt service	-	188,926	188,926
<b>TOTAL EXPENDITURES</b>	<u>4,712,242</u>	<u>1,834,058</u>	<u>6,546,300</u>
(Deficiency) of revenues over expenditures	<u>(34,544)</u>	<u>(1,334,339)</u>	<u>(1,368,883)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	560,118	2,208,934	2,769,052
Transfers out	<u>(1,033,266)</u>	<u>(186,408)</u>	<u>(1,219,674)</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(473,148)</u>	<u>2,022,526</u>	<u>1,549,378</u>
Net change in fund balances	(507,692)	688,187	180,495
Fund balances at beginning of year	<u>2,684,161</u>	<u>(117,983)</u>	<u>2,566,178</u>
Fund balances at end of year	<u>\$ 2,176,469</u>	<u>\$ 570,204</u>	<u>\$ 2,746,673</u>

**YAMHILL COUNTY**

**COMBINING BALANCE SHEET  
SPECIAL REVENUE FUNDS  
June 30, 2012**

	Community Corrections	County Clerk's Records	Dog Control	Law Library	Commission on Children and Families
<b><u>ASSETS</u></b>					
Cash and investments	\$ 1,094,965	\$ 145,051	\$ 276,105	\$ 38,164	\$ 58,658
Receivables	11,419	-	1,118	-	-
Prepaid items	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b><u>\$ 1,106,384</u></b>	<b><u>\$ 145,051</u></b>	<b><u>\$ 277,223</u></b>	<b><u>\$ 38,164</u></b>	<b><u>\$ 58,658</u></b>
<b><u>LIABILITIES</u></b>					
Accounts payable	\$ 60,896	\$ 456	\$ 9,104	\$ 13,338	\$ -
Payroll and related liabilities	77,154	-	9,242	317	2,100
Deposits	-	-	4,619	-	-
Advances from other funds	-	-	-	-	-
Deferred revenue	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b><u>138,050</u></b>	<b><u>456</u></b>	<b><u>22,965</u></b>	<b><u>13,655</u></b>	<b><u>2,100</u></b>
<b><u>FUND BALANCES</u></b>					
Nonspendable	-	-	-	-	-
Restricted	968,334	144,595	254,258	24,509	56,558
Unassigned	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b><u>968,334</u></b>	<b><u>144,595</u></b>	<b><u>254,258</u></b>	<b><u>24,509</u></b>	<b><u>56,558</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 1,106,384</u></b>	<b><u>\$ 145,051</u></b>	<b><u>\$ 277,223</u></b>	<b><u>\$ 38,164</u></b>	<b><u>\$ 58,658</u></b>

County Fair	911 Emergency System	Economic Development	Corner Restoration	Title III	Yamhill Emergency Communications District	Extension Service District	Totals
\$ 26,836	\$ 24,290	\$ 350,235	\$ 292,889	\$ 4,414	\$ 8,089	\$ 103,402	\$ 2,423,098
-	59,279	-	48	-	1,522	28,283	101,669
6,335	-	-	-	-	-	-	6,335
<u>\$ 33,171</u>	<u>\$ 83,569</u>	<u>\$ 350,235</u>	<u>\$ 292,937</u>	<u>\$ 4,414</u>	<u>\$ 9,611</u>	<u>\$ 131,685</u>	<u>\$ 2,531,102</u>
\$ 9,028	\$ 10,718	\$ 52,181	\$ 2,938	\$ -	\$ -	\$ -	\$ 158,659
1,305	-	253	6,882	-	-	-	97,253
-	-	-	14	-	-	-	4,633
64,159	-	-	-	-	-	-	64,159
5,442	-	-	-	-	1,588	22,899	29,929
<u>79,934</u>	<u>10,718</u>	<u>52,434</u>	<u>9,834</u>	<u>-</u>	<u>1,588</u>	<u>22,899</u>	<u>354,633</u>
6,335	-	-	-	-	-	-	6,335
-	72,851	297,801	283,103	4,414	8,023	108,786	2,223,232
(53,098)	-	-	-	-	-	-	(53,098)
<u>(46,763)</u>	<u>72,851</u>	<u>297,801</u>	<u>283,103</u>	<u>4,414</u>	<u>8,023</u>	<u>108,786</u>	<u>2,176,469</u>
<u>\$ 33,171</u>	<u>\$ 83,569</u>	<u>\$ 350,235</u>	<u>\$ 292,937</u>	<u>\$ 4,414</u>	<u>\$ 9,611</u>	<u>\$ 131,685</u>	<u>\$ 2,531,102</u>

**YAMHILL COUNTY**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
For the Year Ended June 30, 2012**

	Community Corrections	County Clerk's Records	Dog Control	Law Library	County School	Commission on Children and Families
<b>REVENUES</b>						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses, permits and fees	-	-	269,874	-	-	-
Intergovernmental	2,281,750	-	-	-	59,301	29,290
Charges for services	411,408	15,965	22,291	77,687	-	-
Fines and forfeitures	-	-	20,243	149	-	-
Interest	5,297	785	1,218	173	25	226
Other	31,262	-	44,545	-	7,563	945
<b>TOTAL REVENUES</b>	<u>2,729,717</u>	<u>16,750</u>	<u>358,171</u>	<u>78,009</u>	<u>66,889</u>	<u>30,461</u>
<b>EXPENDITURES</b>						
Current						
General government	-	5,062	-	95,486	-	47,517
Public safety	2,813,815	-	359,886	-	-	-
Parks, culture, and recreation	-	-	-	-	-	-
Education	-	-	-	-	67,089	-
Capital outlay	-	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>2,813,815</u>	<u>5,062</u>	<u>359,886</u>	<u>95,486</u>	<u>67,089</u>	<u>47,517</u>
Excess (deficiency) of revenues over expenditures	<u>(84,098)</u>	<u>11,688</u>	<u>(1,715)</u>	<u>(17,477)</u>	<u>(200)</u>	<u>(17,056)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	505,974	-	-	-	-	15
Transfers out	<u>(591,449)</u>	<u>(396)</u>	<u>(40,758)</u>	<u>(7,665)</u>	-	<u>(7,982)</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(85,475)</u>	<u>(396)</u>	<u>(40,758)</u>	<u>(7,665)</u>	-	<u>(7,967)</u>
Net change in fund balances	(169,573)	11,292	(42,473)	(25,142)	(200)	(25,023)
Fund balances at beginning of year	<u>1,137,907</u>	<u>133,303</u>	<u>296,731</u>	<u>49,651</u>	<u>200</u>	<u>81,581</u>
Fund balances at end of year	<u>\$ 968,334</u>	<u>\$ 144,595</u>	<u>\$ 254,258</u>	<u>\$ 24,509</u>	<u>\$ -</u>	<u>\$ 56,558</u>



County Fair	911 Emergency System	Economic Development	Corner Restoration	Title III	Yamhill Emergency Communications District	Extension Service District	Totals
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 299,394	\$ 299,394
-	-	-	-	-	-	-	269,874
50,002	181,904	282,093	-	40,706	-	-	2,925,046
324,542	-	-	138,852	-	-	-	990,745
-	-	-	-	-	-	-	20,392
-	360	825	1,490	108	-	715	11,222
75,210	-	1,500	-	-	-	-	161,025
<u>449,754</u>	<u>182,264</u>	<u>284,418</u>	<u>140,342</u>	<u>40,814</u>	<u>-</u>	<u>300,109</u>	<u>4,677,698</u>
-	-	124,878	333,786	514	-	-	607,243
-	193,958	-	-	-	-	-	3,367,659
371,592	-	-	-	-	-	-	371,592
-	-	-	-	-	-	-	67,089
20,341	-	-	-	-	-	278,318	298,659
<u>391,933</u>	<u>193,958</u>	<u>124,878</u>	<u>333,786</u>	<u>514</u>	<u>-</u>	<u>278,318</u>	<u>4,712,242</u>
<u>57,821</u>	<u>(11,694)</u>	<u>159,540</u>	<u>(193,444)</u>	<u>40,300</u>	<u>-</u>	<u>21,791</u>	<u>(34,544)</u>
51,625	-	-	2,504	-	-	-	560,118
(174,738)	-	(110,079)	(34,546)	(65,653)	-	-	(1,033,266)
<u>(123,113)</u>	<u>-</u>	<u>(110,079)</u>	<u>(32,042)</u>	<u>(65,653)</u>	<u>-</u>	<u>-</u>	<u>(473,148)</u>
(65,292)	(11,694)	49,461	(225,486)	(25,353)	-	21,791	(507,692)
18,529	84,545	248,340	508,589	29,767	8,023	86,995	2,684,161
<u>\$ (46,763)</u>	<u>\$ 72,851</u>	<u>\$ 297,801</u>	<u>\$ 283,103</u>	<u>\$ 4,414</u>	<u>\$ 8,023</u>	<u>\$ 108,786</u>	<u>\$ 2,176,469</u>

**YAMHILL COUNTY**

**COMBINING BALANCE SHEET  
CAPITAL PROJECTS FUNDS  
June 30, 2012**

	Bicycle and Footpath	Capital Improvement	Systems Development	Totals
<b><u>ASSETS</u></b>				
Cash and investments	\$ 239,694	\$ 1,054,052	\$ 87,478	\$ 1,381,224
Receivables	4,632	21,378	-	26,010
<b>TOTAL ASSETS</b>	<b><u>\$ 244,326</u></b>	<b><u>\$ 1,075,430</u></b>	<b><u>\$ 87,478</u></b>	<b><u>\$ 1,407,234</u></b>
<b><u>LIABILITIES</u></b>				
Accounts payable	\$ -	\$ 24,376	\$ -	\$ 24,376
Payroll and related liabilities	-	13,532	-	13,532
Advances from other funds	-	799,122	-	799,122
<b>TOTAL LIABILITIES</b>	<b><u>-</u></b>	<b><u>837,030</u></b>	<b><u>-</u></b>	<b><u>837,030</u></b>
<b><u>FUND BALANCES</u></b>				
Restricted for capital projects	244,326	-	87,478	331,804
Assigned for capital projects	-	238,400	-	238,400
<b>TOTAL FUND BALANCES</b>	<b><u>244,326</u></b>	<b><u>238,400</u></b>	<b><u>87,478</u></b>	<b><u>570,204</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 244,326</u></b>	<b><u>\$ 1,075,430</u></b>	<b><u>\$ 87,478</u></b>	<b><u>\$ 1,407,234</u></b>

**YAMHILL COUNTY**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
CAPITAL PROJECTS FUNDS  
For the Year Ended June 30, 2012**

	Bicycle and Footpath	Capital Improvement	Capital Projects	Systems Development	Totals
<b>REVENUES</b>					
Intergovernmental	\$ 54,510	\$ 159,126	\$ -	\$ -	\$ 213,636
Charges for services	-	223,374	-	31,077	254,451
Interest	1,180	1,195	-	695	3,070
Other	-	28,562	-	-	28,562
<b>TOTAL REVENUES</b>	<u>55,690</u>	<u>412,257</u>	<u>-</u>	<u>31,772</u>	<u>499,719</u>
<b>EXPENDITURES</b>					
Current					
General government	-	1,092,088	-	-	1,092,088
Public safety	332	-	-	-	332
Culture and recreation	-	-	-	24,105	24,105
Capital outlay	-	518,907	-	9,700	528,607
Debt service	-	188,926	-	-	188,926
<b>TOTAL EXPENDITURES</b>	<u>332</u>	<u>1,799,921</u>	<u>-</u>	<u>33,805</u>	<u>1,834,058</u>
Excess (deficiency) of revenues over expenditures	<u>55,358</u>	<u>(1,387,664)</u>	<u>-</u>	<u>(2,033)</u>	<u>(1,334,339)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	2,208,934	-	-	2,208,934
Transfers out	(42,050)	(143,470)	(12)	(876)	(186,408)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(42,050)</u>	<u>2,065,464</u>	<u>(12)</u>	<u>(876)</u>	<u>2,022,526</u>
Net change in fund balances	13,308	677,800	(12)	(2,909)	688,187
Fund balances at beginning of year	231,018	(439,400)	12	90,387	(117,983)
Fund balances at end of year	<u>\$ 244,326</u>	<u>\$ 238,400</u>	<u>\$ -</u>	<u>\$ 87,478</u>	<u>\$ 570,204</u>

**YAMHILL COUNTY**

**COMMUNITY CORRECTIONS - SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the Year Ended June 30, 2012**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Intergovernmental	\$ 2,510,612	\$ 2,281,750	\$ (228,862)
Charges for services	386,700	412,000	25,300
Interest earnings	10,000	5,297	(4,703)
Other	<u>31,000</u>	<u>31,262</u>	<u>262</u>
<b>TOTAL REVENUES</b>	<u>2,938,312</u>	<u>2,730,309</u>	<u>(208,003)</u>
<b>EXPENDITURES</b>			
Jail			
Personal services	107,204	115,994	(8,790)
Materials and services	<u>130,918</u>	<u>112,682</u>	<u>18,236</u>
Total Jail	<u>238,122</u>	<u>228,676</u>	<u>9,446</u>
Community Corrections			
Personal services	174,891	169,277	5,614
Materials and services	<u>19,964</u>	<u>15,008</u>	<u>4,956</u>
Total Community Corrections	<u>194,855</u>	<u>184,285</u>	<u>10,570</u>
State Enhancement			
Personal services	1,698,046	1,629,241	68,805
Materials and services	719,080	447,768	271,312
Capital outlay	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Total State Enhancement	<u>2,427,126</u>	<u>2,077,009</u>	<u>350,117</u>
Victims Panel			
Materials and services	<u>3,398</u>	<u>926</u>	<u>2,472</u>
Work Release			
Personal services	164,228	153,868	10,360
Materials and services	<u>47,912</u>	<u>39,905</u>	<u>8,007</u>
Total Work Release	<u>212,140</u>	<u>193,773</u>	<u>18,367</u>

*Continued on page 59*

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

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>EXPENDITURES (continued)</b>			
Senate Bill 1145			
Personal services	\$ 153,403	\$ 152,889	\$ 514
Materials and services	<u>66,393</u>	<u>61,888</u>	<u>4,505</u>
Total Senate Bill 1145	<u>219,796</u>	<u>214,777</u>	<u>5,019</u>
Jail Facilities Maintenance			
Personal services	232,738	217,542	15,196
Materials and services	<u>321,382</u>	<u>288,276</u>	<u>33,106</u>
Total Jail Facilities Maintenance	<u>554,120</u>	<u>505,818</u>	<u>48,302</u>
TOTAL EXPENDITURES	<u>3,849,557</u>	<u>3,405,264</u>	<u>444,293</u>
Excess (deficiency) of revenues over expenditures	(911,245)	(674,955)	236,290
<b>OTHER FINANCING SOURCES</b>			
Transfers in	<u>503,041</u>	<u>505,382</u>	<u>2,341</u>
Net change in fund balance	(408,204)	(169,573)	238,631
Fund balance at beginning of year	<u>900,000</u>	<u>1,137,907</u>	<u>237,907</u>
Fund balance at end of year	<u>\$ 491,796</u>	<u>\$ 968,334</u>	<u>\$ 476,538</u>

**YAMHILL COUNTY**

**COUNTY CLERK'S RECORDS - SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the Year Ended June 30, 2012**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Charges for services	\$ 15,000	\$ 15,965	\$ 965
Interest	<u>700</u>	<u>785</u>	<u>85</u>
<b>TOTAL REVENUES</b>	<u>15,700</u>	<u>16,750</u>	<u>1,050</u>
<b>EXPENDITURES</b>			
Personal services	16,290	-	16,290
Materials and services	52,747	5,458	47,289
Capital outlay	<u>5,000</u>	<u>-</u>	<u>5,000</u>
<b>TOTAL EXPENDITURES</b>	<u>74,037</u>	<u>5,458</u>	<u>68,579</u>
Net change in fund balance	(58,337)	11,292	69,629
Fund balance at beginning of year	<u>133,250</u>	<u>133,303</u>	<u>53</u>
Fund balance at end of year	<u>\$ 74,913</u>	<u>\$ 144,595</u>	<u>\$ 69,682</u>

**YAMHILL COUNTY**

**DOG CONTROL - SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the Year Ended June 30, 2012**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Licenses and permits	\$ 340,300	\$ 269,874	\$ (70,426)
Charges for services	18,100	22,291	4,191
Fines and penalties	7,200	20,243	13,043
Interest	4,500	1,218	(3,282)
Miscellaneous	<u>38,150</u>	<u>44,545</u>	<u>6,395</u>
<b>TOTAL REVENUES</b>	<u>408,250</u>	<u>358,171</u>	<u>(50,079)</u>
<b>EXPENDITURES</b>			
Personal services	416,617	300,198	116,419
Materials and services	136,662	95,821	40,841
Capital outlay	<u>5,000</u>	<u>-</u>	<u>5,000</u>
<b>TOTAL EXPENDITURES</b>	<u>558,279</u>	<u>396,019</u>	<u>162,260</u>
Excess (deficiency) of revenues over expenditures	(150,029)	(37,848)	112,181
<b>OTHER FINANCING (USES)</b>			
Transfers out	<u>(4,625)</u>	<u>(4,625)</u>	<u>-</u>
Net change in fund balance	(154,654)	(42,473)	112,181
Fund balance at beginning of year	<u>288,200</u>	<u>296,731</u>	<u>8,531</u>
Fund balance at end of year	<u>\$ 133,546</u>	<u>\$ 254,258</u>	<u>\$ 120,712</u>

**YAMHILL COUNTY**

**LAW LIBRARY - SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 For the Year Ended June 30, 2012**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Charges for services	\$ 98,015	\$ 77,687	\$ (20,328)
Fines and penalties	-	149	149
Interest	135	173	38
Miscellaneous	<u>15</u>	<u>-</u>	<u>(15)</u>
 TOTAL REVENUES	 <u>98,165</u>	 <u>78,009</u>	 <u>(20,156)</u>
 <b>EXPENDITURES</b>			
Personal services	13,795	11,248	2,547
Materials and services	96,020	91,903	4,117
Contingency	<u>20,000</u>	<u>-</u>	<u>20,000</u>
 TOTAL EXPENDITURES	 <u>129,815</u>	 <u>103,151</u>	 <u>26,664</u>
 Net change in fund balance	 (31,650)	 (25,142)	 6,508
Fund balance at beginning of year	<u>31,650</u>	<u>49,651</u>	<u>18,001</u>
 Fund balance at end of year	 <u>\$ -</u>	 <u>\$ 24,509</u>	 <u>\$ 24,509</u>



**YAMHILL COUNTY**

**COUNTY SCHOOL - SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the Year Ended June 30, 2012**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Intergovernmental	\$ 59,000	\$ 59,301	\$ 301
Interest	100	25	(75)
Miscellaneous	<u>8,000</u>	<u>7,563</u>	<u>(437)</u>
 TOTAL REVENUES	 67,100	 66,889	 (211)
 <b>EXPENDITURES</b>			
Materials and services	<u>67,100</u>	<u>67,089</u>	<u>11</u>
 Net change in fund balance	 -	 (200)	 (200)
Fund balance at beginning of year	<u>-</u>	<u>200</u>	<u>200</u>
 Fund balance at end of year	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ -</u>

**YAMHILL COUNTY**

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

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Intergovernmental	\$ 779,255	\$ 29,290	\$ (749,965)
Charges for services	-	15	15
Interest	1,200	226	(974)
Other	<u>350</u>	<u>945</u>	<u>595</u>
TOTAL REVENUES	<u>780,805</u>	<u>30,476</u>	<u>(750,329)</u>
<b>EXPENDITURES</b>			
Personal services	207,903	37,324	170,579
Materials and services	571,492	18,175	553,317
Contingency	<u>59,797</u>	<u>-</u>	<u>59,797</u>
TOTAL EXPENDITURES	<u>839,192</u>	<u>55,499</u>	<u>783,693</u>
Net change in fund balance	(58,387)	(25,023)	33,364
Fund balance at beginning of year	<u>58,387</u>	<u>81,581</u>	<u>23,194</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 56,558</u>	<u>\$ 56,558</u>

**YAMHILL COUNTY**

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

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Intergovernmental	\$ 49,672	\$ 50,002	\$ 330
Charges for services	312,538	324,542	12,004
Interest	50	-	(50)
Other	<u>69,818</u>	<u>75,210</u>	<u>5,392</u>
<b>TOTAL REVENUES</b>	<u>432,078</u>	<u>449,754</u>	<u>17,676</u>
<b>EXPENDITURES</b>			
County Fair			
Materials and services	<u>310,125</u>	<u>310,856</u>	<u>(731)</u>
Fair Event Center			
Personal services	63,818	65,243	(1,425)
Materials and services	188,892	186,072	2,820
Capital outlay	<u>20,500</u>	<u>20,341</u>	<u>159</u>
<b>Total Fair Event Center</b>	<u>273,210</u>	<u>271,656</u>	<u>1,554</u>
<b>TOTAL EXPENDITURES</b>	<u>583,335</u>	<u>582,512</u>	<u>823</u>
Excess (deficiency) of revenues over expenditures	<u>(151,257)</u>	<u>(132,758)</u>	<u>18,499</u>
<b>OTHER FINANCING SOURCES</b>			
Proceeds from sale of interfund loan	80,000	80,000	-
Transfers in	<u>51,625</u>	<u>51,625</u>	<u>-</u>
<b>TOTAL OTHER FINANCING SOURCES</b>	<u>131,625</u>	<u>131,625</u>	<u>-</u>
Net change in fund balance	(19,632)	(1,133)	18,499
Fund balance at beginning of year	<u>19,632</u>	<u>18,529</u>	<u>(1,103)</u>
Fund balance at end of year	<u>\$ -</u>	17,396	<u>\$ 17,396</u>
<b>Reconciliation to generally accepted accounting principles</b>			
Advances from other funds		<u>(64,159)</u>	
Fund balance at end of year		<u>\$ (46,763)</u>	

**YAMHILL COUNTY**

**911 EMERGENCY SYSTEM - SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 For the Year Ended June 30, 2012**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Intergovernmental	\$ 236,277	\$ 181,904	\$ (54,373)
Interest	200	360	160
	<hr/>	<hr/>	<hr/>
TOTAL REVENUES	236,477	182,264	(54,213)
<b>EXPENDITURES</b>			
Materials and services	316,477	193,958	122,519
	<hr/>	<hr/>	<hr/>
Net change in fund balance	(80,000)	(11,694)	68,306
Fund balance at beginning of year	80,000	84,545	4,545
	<hr/>	<hr/>	<hr/>
Fund balance at end of year	\$ -	\$ 72,851	\$ 72,851
	<hr/>	<hr/>	<hr/>

**YAMHILL COUNTY**

**ECONOMIC DEVELOPMENT - SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 For the Year Ended June 30, 2012**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Intergovernmental	\$ 230,000	\$ 282,093	\$ 52,093
Interest	950	825	(125)
Miscellaneous	<u>-</u>	<u>1,500</u>	<u>1,500</u>
<b>TOTAL REVENUES</b>	<u>230,950</u>	<u>284,418</u>	<u>53,468</u>
<b>EXPENDITURES</b>			
Materials and services	458,895	234,957	223,938
Contingency	<u>18,020</u>	<u>-</u>	<u>18,020</u>
<b>TOTAL EXPENDITURES</b>	<u>476,915</u>	<u>234,957</u>	<u>241,958</u>
Net change in fund balance	(245,965)	49,461	295,426
Fund balance at beginning of year	<u>245,965</u>	<u>248,340</u>	<u>2,375</u>
<b>Fund balance at end of year</b>	<u>\$ -</u>	<u>\$ 297,801</u>	<u>\$ 297,801</u>

**YAMHILL COUNTY**

**CORNER RESTORATION - SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 For the Year Ended June 30, 2012**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Charges for services	\$ 150,600	\$ 140,594	\$ (10,006)
Interest	<u>1,147</u>	<u>1,490</u>	<u>343</u>
<b>TOTAL REVENUES</b>	<u>151,747</u>	<u>142,084</u>	<u>(9,663)</u>
<b>EXPENDITURES</b>			
Personal services	193,222	200,064	(6,842)
Materials and services	184,922	163,268	21,654
Capital outlay	<u>9,000</u>	<u>-</u>	<u>9,000</u>
<b>TOTAL EXPENDITURES</b>	<u>387,144</u>	<u>363,332</u>	<u>23,812</u>
Excess (deficiency) of revenues over expenditures	(235,397)	(221,248)	14,149
<b>OTHER FINANCING SOURCES</b>			
Transfers in	<u>25,693</u>	<u>25,693</u>	<u>-</u>
Net change in fund balance	(209,704)	(195,555)	14,149
Fund balance at beginning of year	<u>600,000</u>	<u>478,658</u>	<u>(121,342)</u>
Fund balance at end of year	<u>\$ 390,296</u>	<u>\$ 283,103</u>	<u>\$ (107,193)</u>

**YAMHILL COUNTY**

**TITLE III - SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the Year Ended June 30, 2012**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Intergovernmental	\$ 46,806	\$ 40,706	\$ (6,100)
Interest	<u>50</u>	<u>108</u>	<u>58</u>
 TOTAL REVENUES	 46,856	 40,814	 (6,042)
 <b>EXPENDITURES</b>			
Materials and services	<u>75,867</u>	<u>66,167</u>	<u>9,700</u>
 Net change in fund balance	 (29,011)	 (25,353)	 3,658
Fund balance at beginning of year	<u>29,011</u>	<u>29,767</u>	<u>756</u>
 Fund balance at end of year	 <u>\$ -</u>	 <u>\$ 4,414</u>	 <u>\$ 4,414</u>

YAMHILL COUNTY

YAMHILL EMERGENCY COMMUNICATIONS DISTRICT - SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGE IN FUND BALANCE - BUDGET AND ACTUAL  
For the Year Ended June 30, 2012

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



**YAMHILL COUNTY**

**EXTENSION SERVICE DISTRICT - SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 For the Year Ended June 30, 2012**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Property taxes	\$ 293,603	\$ 299,394	\$ 5,791
Interest	800	715	(85)
	<hr/>	<hr/>	<hr/>
TOTAL REVENUES	294,403	300,109	5,706
	<hr/>	<hr/>	<hr/>
<b>EXPENDITURES</b>			
Materials and services	275,653	278,318	(2,665)
Contingency	15,000	-	15,000
	<hr/>	<hr/>	<hr/>
TOTAL EXPENDITURES	290,653	278,318	12,335
	<hr/>	<hr/>	<hr/>
Net change in fund balance	3,750	21,791	18,041
Fund balance at beginning of year	68,000	86,995	18,995
	<hr/>	<hr/>	<hr/>
Fund balance at end of year	\$ 71,750	\$ 108,786	\$ 37,036
	<hr/>	<hr/>	<hr/>

**YAMHILL COUNTY**

**BICYCLE AND FOOTPATH - CAPITAL PROJECTS FUND  
 SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 For the Year Ended June 30, 2012**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Intergovernmental	\$ 59,716	\$ 54,510	\$ (5,206)
Interest	<u>2,000</u>	<u>1,180</u>	<u>(820)</u>
<b>TOTAL REVENUES</b>	<u>61,716</u>	<u>55,690</u>	<u>(6,026)</u>
<b>EXPENDITURES</b>			
Materials and services	42,150	42,382	(232)
Contingency	<u>240,246</u>	<u>-</u>	<u>240,246</u>
<b>TOTAL EXPENDITURES</b>	<u>282,396</u>	<u>42,382</u>	<u>240,014</u>
Net change in fund balance	(220,680)	13,308	233,988
Fund balance at beginning of year	<u>220,680</u>	<u>231,018</u>	<u>10,338</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 244,326</u>	<u>\$ 244,326</u>

**YAMHILL COUNTY**

**CAPITAL IMPROVEMENT -CAPITAL PROJECTS FUND  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the Year Ended June 30, 2012**

	Budget	Actual	Variance
<b>REVENUES</b>			
Intergovernmental	\$ -	\$ 159,126	\$ 159,126
Charges for services	1,593,137	1,611,000	17,863
Interest earnings	-	1,195	1,195
Other	<u>9,500</u>	<u>28,562</u>	<u>19,062</u>
<b>TOTAL REVENUES</b>	<u>1,602,637</u>	<u>1,799,883</u>	<u>197,246</u>
<b>EXPENDITURES</b>			
Facilities Maintenance			
Personal services	483,337	464,002	19,335
Materials and services	584,407	505,907	78,500
Capital outlay	<u>14,000</u>	<u>4,485</u>	<u>9,515</u>
Total Facilities Maintenance	<u>1,081,744</u>	<u>974,394</u>	<u>107,350</u>
Information Systems			
Materials and services	<u>188,193</u>	<u>92,426</u>	<u>95,767</u>
Capital Improvement			
Materials and services	490,239	338,760	151,479
Capital outlay	<u>720,471</u>	<u>426,300</u>	<u>294,171</u>
Total Capital Improvement	<u>1,210,710</u>	<u>765,060</u>	<u>445,650</u>
Maintenance Reserve			
Capital outlay	<u>142,761</u>	<u>-</u>	<u>142,761</u>
Jail			
Materials and services	106,750	107,024	(274)
Capital outlay	<u>116,460</u>	<u>88,122</u>	<u>28,338</u>
Total Jail	<u>223,210</u>	<u>195,146</u>	<u>28,064</u>
Software Reserve			
Capital outlay	<u>100,000</u>	<u>-</u>	<u>100,000</u>
<b>TOTAL EXPENDITURES</b>	<u>2,946,618</u>	<u>2,027,026</u>	<u>919,592</u>
Excess (deficiency) of revenues over expenditures	<u>(1,343,981)</u>	<u>(227,143)</u>	<u>1,116,838</u>

*Continued on page 74*

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

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	\$ 823,120	\$ 821,308	\$ (1,812)
Net change in fund balance	(520,861)	594,165	1,115,026
Fund balance at beginning of year	<u>532,388</u>	<u>443,357</u>	<u>(89,031)</u>
Fund balance at end of year	<u>\$ 11,527</u>	1,037,522	<u>\$ 1,025,995</u>
<b>Reconciliation to generally accepted accounting principles</b>			
Advances from other funds		<u>(799,122)</u>	
Fund balance at end of year		<u>\$ 238,400</u>	

**YAMHILL COUNTY**

**CAPITAL PROJECTS - CAPITAL PROJECTS FUND  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the Year Ended June 30, 2012**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	\$ -	\$ (12)	\$ (12)
Net change in fund balance	-	(12)	(12)
Fund balance at beginning of year	<u>-</u>	<u>12</u>	<u>12</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**YAMHILL COUNTY**

**SYSTEMS DEVELOPMENT - CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the Year Ended June 30, 2012**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Charges for services	\$ 27,825	\$ 31,077	\$ 3,252
Interest	<u>1,000</u>	<u>695</u>	<u>(305)</u>
<b>TOTAL REVENUES</b>	<u>28,825</u>	<u>31,772</u>	<u>2,947</u>
<b>EXPENDITURES</b>			
Non-departmental			
Materials and services	1,830	1,809	21
County Fair			
Capital outlay	3,020	9,700	(6,680)
Parks			
Materials and services	24,500	23,172	1,328
Parks System Development			
Capital outlay	<u>75,225</u>	<u>-</u>	<u>75,225</u>
<b>TOTAL EXPENDITURES</b>	<u>104,575</u>	<u>34,681</u>	<u>69,894</u>
Net change in fund balance	(75,750)	(2,909)	72,841
Fund balance at beginning of year	<u>84,920</u>	<u>90,387</u>	<u>5,467</u>
Fund balance at end of year	<u>\$ 9,170</u>	<u>\$ 87,478</u>	<u>\$ 78,308</u>

**YAMHILL COUNTY**

**COVE ORCHARD SERVICE DISTRICT - ENTERPRISE FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the Year Ended June 30, 2012**

	Budget	Actual	Variance
<b>REVENUES</b>			
Charges for services	\$ 44,000	\$ 47,794	\$ 3,794
Grants	255,169	-	(255,169)
Interest	750	333	(417)
Miscellaneous	<u>-</u>	<u>255</u>	<u>255</u>
 TOTAL REVENUES	 <u>299,919</u>	 <u>48,382</u>	 <u>(251,537)</u>
 <b>EXPENDITURES</b>			
Personal services	5,930	5,734	196
Materials and services	282,849	41,271	241,578
Contingency	<u>89,812</u>	<u>-</u>	<u>89,812</u>
 TOTAL EXPENDITURES	 <u>378,591</u>	 <u>47,005</u>	 <u>331,586</u>
 Net change in fund balance	 (78,672)	 1,377	 80,049
Fund balance at beginning of year	<u>78,672</u>	<u>74,844</u>	<u>(3,828)</u>
 Fund balance at end of year	 <u>\$ -</u>	 76,221	 <u>\$ 76,221</u>
 <b>Reconciliation to generally accepted accounting principles</b>			
Capital assets, net		81,067	
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds		<u>20,888</u>	
 Net assets at end of year		 <u>\$ 178,176</u>	

**YAMHILL COUNTY**

**COMBINING STATEMENT OF NET ASSETS  
INTERNAL SERVICE FUNDS  
June 30, 2012**

	<u>Telecommunications</u>	<u>Self-Insurance</u>	<u>Motor Vehicle Replacement</u>	<u>Totals</u>
<b><u>ASSETS</u></b>				
Cash and investments	\$ 659,463	\$ 2,269,810	\$ 1,820,824	\$ 4,750,097
Receivables	-	-	19,418	19,418
Advances to other funds	-	863,281	152,418	1,015,699
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL ASSETS	659,463	3,133,091	1,992,660	5,785,214
	<hr/>	<hr/>	<hr/>	<hr/>
<b><u>LIABILITIES</u></b>				
Accounts payable and accrued expenditures	16,482	41,588	-	58,070
Payroll and related liabilities	5,089	8,075	-	13,164
Compensated absences	8,919	3,236	-	12,155
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL LIABILITIES	30,490	52,899	-	83,389
	<hr/>	<hr/>	<hr/>	<hr/>
<b><u>NET ASSETS</u></b>				
Unrestricted	<u>\$ 628,973</u>	<u>\$ 3,080,192</u>	<u>\$ 1,992,660</u>	<u>\$ 5,701,825</u>



**YAMHILL COUNTY**

**COMBINING STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET ASSETS  
INTERNAL SERVICE FUNDS  
For the Year Ended June 30, 2012**

	<u>Telecommunications</u>	<u>Self-Insurance</u>	<u>Motor Vehicle Replacement</u>	<u>Totals</u>
<b>OPERATING REVENUES</b>				
Charges for services	\$ -	\$ 243,413	\$ 6,807	\$ 250,220
Other	<u>118,952</u>	<u>4,039</u>	<u>74,388</u>	<u>197,379</u>
<b>TOTAL OPERATING REVENUES</b>	<u>118,952</u>	<u>247,452</u>	<u>81,195</u>	<u>447,599</u>
<b>OPERATING EXPENSES</b>				
Personal services	156,584	404,012	-	560,596
Materials and services	<u>235,110</u>	<u>908,878</u>	<u>325,563</u>	<u>1,469,551</u>
<b>TOTAL OPERATING EXPENSES</b>	<u>391,694</u>	<u>1,312,890</u>	<u>325,563</u>	<u>2,030,147</u>
Operating (loss)	(272,742)	(1,065,438)	(244,368)	(1,582,548)
<b>NONOPERATING REVENUES</b>				
Investment earnings	<u>2,405</u>	<u>8,621</u>	<u>6,422</u>	<u>17,448</u>
(Loss) before transfers	<u>(270,337)</u>	<u>(1,056,817)</u>	<u>(237,946)</u>	<u>(1,565,100)</u>
<b>TRANSFERS</b>				
Transfers in	333,196	1,543,665	505,028	2,381,889
Transfers out	<u>(24,309)</u>	<u>(290,920)</u>	<u>(95,646)</u>	<u>(410,875)</u>
<b>TOTAL TRANSFERS</b>	<u>308,887</u>	<u>1,252,745</u>	<u>409,382</u>	<u>1,971,014</u>
Change in net assets	38,550	195,928	171,436	405,914
Net assets-beginning of year	<u>590,423</u>	<u>2,884,264</u>	<u>1,821,224</u>	<u>5,295,911</u>
Net assets-end of year	<u>\$ 628,973</u>	<u>\$ 3,080,192</u>	<u>\$ 1,992,660</u>	<u>\$ 5,701,825</u>

**YAMHILL COUNTY**

**COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
For the Year Ended June 30, 2012**

	<u>Telecommunications</u>	<u>Self-Insurance</u>	<u>Motor Vehicle Replacement</u>	<u>Totals</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from interfund services provided	\$ -	\$ 243,413	\$ 6,807	\$ 250,220
Other receipts from services provided	128,888	4,039	55,395	188,322
Payments to suppliers of goods or services	(237,181)	(877,201)	(325,563)	(1,439,945)
Payments to employees for services	<u>(154,389)</u>	<u>(394,548)</u>	<u>-</u>	<u>(548,937)</u>
Net cash (used in) operating activities	<u>(262,682)</u>	<u>(1,024,297)</u>	<u>(263,361)</u>	<u>(1,550,340)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Advances to other funds	-	(932,826)	-	(932,826)
Transfers in	333,196	1,613,208	555,278	2,501,682
Transfers out	<u>(24,309)</u>	<u>(290,920)</u>	<u>(95,646)</u>	<u>(410,875)</u>
Net cash provided by noncapital financing activities	<u>308,887</u>	<u>389,462</u>	<u>459,632</u>	<u>1,157,981</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest on investments	<u>2,405</u>	<u>8,621</u>	<u>6,422</u>	<u>17,448</u>
Net increase (decrease) in cash and cash equivalents	48,610	(626,214)	202,693	(374,911)
Cash and cash equivalents-beginning of year	<u>610,853</u>	<u>2,896,024</u>	<u>1,618,131</u>	<u>5,125,008</u>
Cash and cash equivalents-end of year	<u>\$ 659,463</u>	<u>\$ 2,269,810</u>	<u>\$ 1,820,824</u>	<u>\$ 4,750,097</u>
<b>Reconciliation of operating (loss) to net cash (used in) operating activities</b>				
Operating (loss)	\$ (272,742)	\$ (1,065,438)	\$ (244,368)	\$ (1,582,548)
Adjustments to reconcile operating (loss) to net cash (used in) operating activities				
(Increase) decrease in assets:				
Receivables	9,936	-	(18,993)	(9,057)
Increase (decrease) in liabilities:				
Accounts payable and accrued expenditures	(2,071)	31,677	-	29,606
Payroll and related liabilities	960	7,526	-	8,486
Compensated absences	<u>1,235</u>	<u>1,938</u>	<u>-</u>	<u>3,173</u>
Net cash (used in) operating activities	<u>\$ (262,682)</u>	<u>\$ (1,024,297)</u>	<u>\$ (263,361)</u>	<u>\$ (1,550,340)</u>

**YAMHILL COUNTY**

**TELECOMMUNICATIONS - INTERNAL SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the Year Ended June 30, 2012**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Interest	\$ 1,000	\$ 2,405	\$ 1,405
Other	<u>112,391</u>	<u>118,952</u>	<u>6,561</u>
<b>TOTAL REVENUES</b>	<u>113,391</u>	<u>121,357</u>	<u>7,966</u>
<b>EXPENDITURES</b>			
Personal services	148,607	158,435	(9,828)
Materials and services	291,159	256,333	34,826
Capital outlay	<u>550,000</u>	<u>-</u>	<u>550,000</u>
<b>TOTAL EXPENDITURES</b>	<u>989,766</u>	<u>414,768</u>	<u>574,998</u>
Excess (deficiency) of revenues over expenditures	(876,375)	(293,411)	582,964
<b>OTHER FINANCING SOURCES</b>			
Transfers in	<u>316,375</u>	<u>333,196</u>	<u>16,821</u>
Net change in fund balance	(560,000)	39,785	599,785
Fund balance at beginning of year	<u>560,000</u>	<u>598,107</u>	<u>38,107</u>
Fund balance at end of year	<u>\$ -</u>	<u>637,892</u>	<u>\$ 637,892</u>
<b>Reconciliation to generally accepted accounting principles</b>			
Compensated absences		<u>(8,919)</u>	
Net assets at end of year		<u>\$ 628,973</u>	

**YAMHILL COUNTY**

**SELF-INSURANCE - INTERNAL SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the Year Ended June 30, 2012**

	Budget	Actual	Variance
<b>REVENUES</b>			
Charges for services	\$ 1,586,762	\$ 1,581,244	\$ (5,518)
Interest	11,350	8,621	(2,729)
Other	<u>-</u>	<u>4,039</u>	<u>4,039</u>
<b>TOTAL REVENUES</b>	<u>1,598,112</u>	<u>1,593,904</u>	<u>(4,208)</u>
<b>EXPENDITURES</b>			
Personal services	672,970	527,200	145,770
Materials and services	1,477,373	961,219	516,154
Contingency	<u>611,535</u>	<u>-</u>	<u>611,535</u>
<b>TOTAL EXPENDITURES</b>	<u>2,761,878</u>	<u>1,488,419</u>	<u>1,273,459</u>
Excess (deficiency) of revenues over expenditures	(1,163,766)	105,485	1,269,251
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	<u>112,621</u>	<u>81,926</u>	<u>(30,695)</u>
Net change in fund balance	(1,051,145)	(665,415)	385,730
Fund balance at beginning of year	<u>2,680,238</u>	<u>2,885,562</u>	<u>205,324</u>
Fund balance at end of year	<u>\$ 1,629,093</u>	2,220,147	<u>\$ 591,054</u>
<b>Reconciliation to generally accepted accounting principles</b>			
Advances to other funds		863,281	
Compensated absences		<u>(3,236)</u>	
Net assets at end of year		<u>\$ 3,080,192</u>	

**YAMHILL COUNTY**

**MOTOR VEHICLE REPLACEMENT - INTERNAL SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the Year Ended June 30, 2012**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Charges for services	\$ 1,900	\$ 6,807	\$ 4,907
Interest	12,500	6,422	(6,078)
Other	<u>78,796</u>	<u>125,684</u>	<u>46,888</u>
<b>TOTAL REVENUES</b>	<u>93,196</u>	<u>138,913</u>	<u>45,717</u>
<b>EXPENDITURES</b>			
Materials and services	129,568	128,753	815
Capital outlay	<u>1,645,846</u>	<u>292,456</u>	<u>1,353,390</u>
<b>TOTAL EXPENDITURES</b>	<u>1,775,414</u>	<u>421,209</u>	<u>1,354,205</u>
Excess (deficiency) of revenues over expenditures	(1,682,218)	(282,296)	1,399,922
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	<u>511,298</u>	<u>503,982</u>	<u>(7,316)</u>
Net change in fund balance	(1,170,920)	221,686	1,392,606
Fund balance at beginning of year	<u>1,575,133</u>	<u>1,618,556</u>	<u>43,423</u>
Fund balance at end of year	<u>\$ 404,213</u>	1,840,242	<u>\$ 1,436,029</u>
<b>Reconciliation to generally accepted accounting principles</b>			
Advances to other funds		<u>152,418</u>	
Fund balance at end of year		<u>\$ 1,992,660</u>	

**YAMHILL COUNTY**

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

**For the Year Ended June 30, 2012**

	Balance June 30, 2011	Additions	Deductions	Balance June 30, 2012
<b><u>Unsegregated Tax and Interest</u></b>				
Assets				
Cash and investments	\$ 1,865,844	\$ 101,787,937	\$ 102,167,188	\$ 1,486,593
Property taxes receivable	<u>7,739,958</u>	<u>102,481,256</u>	<u>102,144,080</u>	<u>8,077,134</u>
Total assets	<u>\$ 9,605,802</u>	<u>\$ 204,269,193</u>	<u>\$ 204,311,268</u>	<u>\$ 9,563,727</u>
Liabilities				
Intergovernmental payables	<u>\$ 9,605,802</u>	<u>\$ 102,123,475</u>	<u>\$ 102,165,550</u>	<u>\$ 9,563,727</u>
<b><u>Holding Trust</u></b>				
Assets				
Cash and investments	<u>\$ 80,937</u>	<u>\$ 82,910</u>	<u>\$ 68,950</u>	<u>\$ 94,897</u>
Liabilities				
Amounts held in trust	<u>\$ 80,937</u>	<u>\$ 82,910</u>	<u>\$ 68,950</u>	<u>\$ 94,897</u>
<b><u>Assessment and Mapping</u></b>				
Assets				
Cash and investments	<u>\$ 239,138</u>	<u>\$ 808,924</u>	<u>\$ 812,935</u>	<u>\$ 235,127</u>
Liabilities				
Intergovernmental payables	<u>\$ 239,138</u>	<u>\$ 1,060,287</u>	<u>\$ 1,064,298</u>	<u>\$ 235,127</u>
<b><u>Total-All Agency Funds</u></b>				
Assets				
Cash and investments	\$ 2,185,919	\$ 102,679,771	\$ 103,049,073	\$ 1,816,617
Property taxes receivable	<u>7,739,958</u>	<u>102,481,256</u>	<u>102,144,080</u>	<u>8,077,134</u>
Total assets	<u>\$ 9,925,877</u>	<u>\$ 205,161,027</u>	<u>\$ 205,193,153</u>	<u>\$ 9,893,751</u>
Liabilities				
Intergovernmental payables	\$ 9,844,940	\$ 103,183,762	\$ 103,229,848	\$ 9,798,854
Amounts held in trust	<u>80,937</u>	<u>82,910</u>	<u>68,950</u>	<u>94,897</u>
Total liabilities	<u>\$ 9,925,877</u>	<u>\$ 103,266,672</u>	<u>\$ 103,298,798</u>	<u>\$ 9,893,751</u>

# YAMHILL COUNTY

## SCHEDULE OF CASH RECEIPTS FOR ELECTED OFFICIALS AGENCY FUND For the Year Ended June 30, 2012

Official	Total Cash and Cash Equivalents				Classification of Cash and Cash Equivalents						Total
	June 30, 2011	Cash Receipts	Cash Disbursements and Refunds	Turned to Treasurer	June 30, 2012	Cash on Hand	Checking	Unsegregated Tax Accts	Local Government Investment Pool		
Assessor	\$ 350	\$ 308,927	\$ -	\$ 308,927	\$ 350	\$ 350	\$ -	\$ -	\$ -	\$ 350	
Clerk	1,100	655,347	-	655,347	1,100	1,100	-	-	-	1,100	
Commissioners	4,700	5,347	-	5,347	4,700	4,700	-	-	-	4,700	
District Attorney	1,000	671,757	-	671,757	1,000	1,000	-	-	-	1,000	
Sheriff	1,010	2,463,571	-	2,463,571	1,010	1,010	-	-	-	1,010	
Surveyor	100	179,578	-	179,578	100	100	-	-	-	100	
Treasurer	29,430,989	51,740,037	51,972,234	-	29,198,792	10,215	2,691,310	1,486,593	25,010,674	29,198,792	
	<u>\$ 29,439,249</u>	<u>\$ 56,024,564</u>	<u>\$ 51,972,234</u>	<u>\$ 4,284,527</u>	<u>\$ 29,207,052</u>	<u>\$ 18,475</u>	<u>\$ 2,691,310</u>	<u>\$ 1,486,593</u>	<u>\$ 25,010,674</u>	<u>\$ 29,207,052</u>	

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





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

Board of County Commissioners  
YAMHILL COUNTY  
McMinnville, Oregon

We have audited the basic financial statements of YAMHILL COUNTY as of and for the year ended June 30, 2012, and have issued our report thereon dated December 31, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Compliance

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-240 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. As such, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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

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

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

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

<u>Fund/Category</u>	<u>Appropriation</u>	<u>Actual</u>	<u>Variance</u>
General			
Courthouse security	\$ 217,441	\$ 219,251	\$ (1,810)
Extension Service District			
Materials and services	275,653	278,318	(2,665)
Bicycle and Footpath			
Materials and services	42,150	42,382	(232)

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

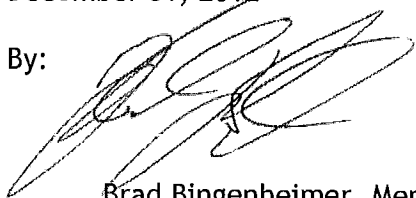
In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the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

In connection with our audit we have issued a letter to management, as required by statement of auditing standards No. 115, communicating significant deficiencies (and material weaknesses) in internal controls.

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

**Boldt Carlisle + Smith**  
 Certified Public Accountants  
 Salem, Oregon  
 December 31, 2012

By:



Brad Bingenheimer, Member

**GRANT COMPLIANCE – SINGLE AUDIT**



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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of **YAMHILL COUNTY** as of and for the year ended June 30, 2012, which collectively comprise the County's basic financial statements and have issued our report thereon dated December 31, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

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

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompany schedule of findings and questioned costs to be a material weakness (see item 2012-1).

Board of County Commissioners  
YAMHILL COUNTY  
Yamhill, Oregon

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

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompany schedule of findings and questioned costs to be a significant deficiency (see finding 2012-2).

**Compliance and Other Matters**

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

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

*Boldt Carlisle + Smith*

Certified Public Accountants  
Salem, Oregon  
December 31, 2012



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS  
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE  
WITH OMB CIRCULAR A-133**

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

**Compliance**

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

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the County's compliance with those requirements.

In our opinion, **YAMHILL COUNTY** complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012.

Board of County Commissioners  
YAMHILL COUNTY  
Yamhill, Oregon

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS  
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE  
WITH OMB CIRCULAR A-133 (Continued)**

**Internal Control Over Compliance**

Management of YAMHILL COUNTY is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

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

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

*Boldt Carlisle + Smith*

Certified Public Accountants  
Salem, Oregon  
December 31, 2012

**YAMHILL COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2012**

Section I – Summary of Auditor’s Results

**Financial Statements**

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

**Federal Awards**

Internal control over major programs:	
♦ Material weakness(es) identified?	No
♦ Significant deficiencies identified that are not considered to be material weaknesses?	None reported
Type of auditor’s report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	No
Identification of major programs:	

CFDA Number(s)

Name of Federal Program or Cluster

14.228	CDBG – State-Administered CDBG Cluster
20.500	Federal Transit Cluster
93.959	Block Grants for Prevention and Treatment of Substance Abuse

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



## SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

### Section II – Financial Statement Findings

#### **Material Weakness:**

##### 2012-1 Bank reconciliations

- Criteria:** Timely reconciliation of bank accounts to the general ledger each month is an essential part of internal controls to safeguard assets, detect and correct misstatements, including those which could result from fraud.
- Condition:** Timely reconciliations of bank accounts are not performed. The bank accounts were reconciled to the general ledger as of June 30, 2012. However no other reconciliations throughout the year were performed..
- Cause:** Staff assigned to perform the reconciliation do not have sufficient time or resources to complete the task on a monthly basis.
- Effect:** Material misstatements, caused by error or fraud, could occur and not be detected and corrected in a timely manner.
- Recommendation:** Sufficient time and resources should be allocated to the finance staff such that all bank account balances can be reconciled to the general ledger on a monthly basis and the reconciliations be reviewed by appropriate supervisory personnel.

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

### Section II – Financial Statement Findings (continued)

#### **Significant Deficiencies:**

##### 2012-2 Access to the General Ledger

- Criteria: Proper segregation of duties is an essential part of internal controls to safeguard assets and ensure that accounts payable are properly authorized before the disbursement is processed and to ensure that all employees exist and are paid the proper amount.
- Condition: All staff in the accounting department has access to the accounts payable function in the accounting software.
- Cause: All staff in the accounting department has been granted the same rights to the various modules of the accounting software.
- Effect: Anyone in the accounting department could process a disbursement without proper approval.
- Recommendation: Accounting department staff should be granted access only to those modules of the accounting software needed to perform their assigned functions. A log should be created to track the use of accounts payable checks in numerical order to ensure that all checks are accounted for and the log verified by another staff member to each check run. The ability to create new employee records and change pay rates should be segregated from personnel that process payroll.

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

No matters were reported.

**YAMHILL COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended June 30, 2012**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
<i>Department of Agriculture</i>			
<b>Food and Nutrition Service</b>			
<i>Passed through Oregon State Health Division</i>			
School Breakfast Program	10.553		\$ 10,506
National School Lunch Program	10.555		15,293
<b>Forest Service</b>			
<i>Passed through Oregon Department of Administrative Services</i>			
Schools and Roads - Grants to States	10.665		<u>256,736</u>
Total Department of Agriculture			<u>282,535</u>
<i>Department of Housing and Urban Development</i>			
<b>Office of Community Planning and Development</b>			
<i>Passed through Oregon Economic and Community Development Department</i>			
Community Development Block Grant	14.228		1,416,469
<i>Passed through Oregon Housing and Community Services</i>			
Community Development Block Grants/State's Program	14.228		<u>36,000</u>
Total Department of Housing and Urban Development			<u>1,452,469</u>
<i>Department of the Interior</i>			
<b>Bureau of Land Management</b>			
Payments in Lieu of Taxes	15.226		19,970
Distribution of Receipts to State and Local Governments	15.227		<u>278,260</u>
Total Department of the Interior			<u>298,230</u>
<i>Department of Justice</i>			
<b>Office of Juvenile Justice and Delinquency Prevention</b>			
<i>Passed through Oregon State Criminal Justice Services Division</i>			
Juvenile Accountability Block Grant	16.523		10,000
<b>Office of Victims of Crime</b>			
<i>Passed through Oregon State Criminal Justice Division</i>			
Crime Victims Assistance	16.575	VOCA	71,397
<b>Bureau of Justice Assistance</b>			
Drug Court Discretionary Grant Program	16.585		40,832
Marijuana Eradication	16.580		5,803
State Criminal Alien Assistance Program	16.606		17,688
Bulletproof Vest Partnership Program	16.607		694
Recovery Act - Edward Byrne Memorial Competitive Grant	16.808		174,436
<i>Passed through Oregon State Criminal Justice Division</i>			
Edward Byrne Memorial Justice Assistance Grant Program	16.738		14,110
Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/ Grants to States and Territories	16.803		<u>117,055</u>
Total Department of Justice			<u>452,015</u>

*See accompanying note to schedule of expenditures of federal awards  
Continued on pages 96 and 97*

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

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
<i>Department of Transportation</i>			
<b>Federal Transit Administration</b>			
<i>Passed through Oregon Department of Transportation</i>			
Formula Grants for Other Than Urbanized Areas	20.509	27425	\$ 360,750
		27426	245,492
		26568	<u>112,152</u>
Subtotal Formula Grants for Other Than Urbanized Areas			<u>718,394</u>
Capital Investment Grants	20.500	27488	<u>294,056</u>
<b>National Highway Traffic Safety Administration</b>			
<i>Passed through Oregon State Sheriffs' Association</i>			
Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601		12,930
Occupant Protection Incentive Grants	20.602		<u>7,404</u>
Total Department of Transportation			<u>1,032,784</u>
<i>Environmental Protection Agency</i>			
<b>Office of Water</b>			
<i>Passed through Oregon Department of Human Services</i>			
State Public Water System Supervision	66.432		15,436
Capitalization Grants for Drinking Water State Revolving Funds	66.468		<u>4,410</u>
Total Environmental Protection Agency			<u>19,846</u>
<i>Department of Energy</i>			
Energy Efficiency Conservation Block Grant	81.128		<u>151,814</u>
<i>Department of Education</i>			
<b>Office of Elementary and Secondary Education</b>			
<i>Passed through Oregon Department of Human Services</i>			
Safe and Drug-Free Schools and Communities - State Grants	84.186		<u>55,000</u>
<i>Department of Health and Human Services</i>			
<b>Office of Population Affairs</b>			
<i>Passed through Oregon Department of Human Services and Oregon Health Authority</i>			
Family Planning Services	93.217		31,567
<b>Administration for Children and Families</b>			
<i>Passed through Oregon Commission on Children and Families</i>			
Promoting Safe and Stable Families	93.556		22,689
Social Services Block Grant	93.667		20,357
<i>Passed through Oregon State Adult and Family Services Division</i>			
Child Support Enforcement	93.563		250,030

See accompanying note to schedule of expenditures of federal awards  
Continued on page 97

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
<i>Department of Health and Human Services (continued)</i>			
<b>Centers for Medicare and Medicaid Services</b>			
<i>Passed through Oregon Commission on Children and Families</i>			
Medical Assistance Program	93.778		\$ 60,660
<b>Centers for Disease Control and Prevention</b>			
<i>Passed through Oregon Department of Human Services and Oregon Health Authority</i>			
Environmental Public Health and Emergency Response			
Centers for Disease Control and Prevention -			
Investigations and Technical Assistance	93.283		67,133
HIV Prevention Activities Health Department Based	93.940		15,914
Public Health Emergency Preparedness	93.069		133,955
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116		1,484
Immunization	93.268		1,890
<b>Health Resources and Services Administration</b>			
<i>Passed through Multnomah County</i>			
HIV Emergency Relief Project Grants	93.914		26,559
<i>Passed through Oregon Department of Human Services</i>			
<i>Service Division</i>			
Maternal and Child Health Services Block Grant	93.994		29,664
<b>Substance Abuse and Mental Health Services Administration</b>			
Substance Abuse and Mental Health Services -			
Projects of Regional and National Significance	93.243		136,157
Drug-Free Communities Support Program Grants	93.276		32,345
<i>Passed through Oregon Department of Human Services Service Division</i>			
Block Grants for Community Mental Health Services	93.958		100,891
Block Grants for Prevention and Treatment of Substance Abuse	93.959		262,865
Total Department of Health and Human Services			1,194,160
<b><i>Social Security Administration</i></b>			
<hr/>			
Social Security - Work Incentives - Planning and Assistance Program	96.008		10,200
<b><i>Department of Homeland Security</i></b>			
<hr/>			
<i>Passed through Oregon State Police Office of Emergency Management</i>			
Emergency Management Performance Grants	97.042		52,738
State Homeland Security Grant	97.073		28,114
Boating Safety Financial Assistance	97.012		2,816
Total Department of Homeland Security			83,668
Total Expenditures of Federal Awards			\$ 5,032,721

See accompanying note to schedule of expenditures of federal awards

**YAMHILL COUNTY**

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

**June 30, 2012**

***Basis of Presentation***

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