

**Wasco County, Oregon**  
**Report on Audit of Financial Statements**  
**And Supplementary Information**  
**For the Year Ended June 30, 2014**

**Wasco County, Oregon**  
**Table of Contents**  
**For the Year Ended June 30, 2014**

	<u>PAGE</u>
<b><u>INTRODUCTORY SECTION</u></b>	
Table of Contents	2
Elected Officials and Agent of Record	5
<b><u>FINANCIAL SECTION</u></b>	6
Independent Auditor's Report	7
Management's Discussion and Analysis	10
<b>Basic Financial Statements:</b>	17
<b><u>Government-Wide Financial Statements:</u></b>	
Statement of Net Position	18
Statement of Activities	19
<b><u>Fund Financial Statements:</u></b>	
Balance Sheet – Governmental Funds	20
Reconciliation of Balance Sheet to Statement of Net Position	21
Statement of Revenues, Expenditures, and Change in Fund Balances – Governmental Funds	22
Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to Statement of Activities	23
Fiduciary Funds:	24
Statement of Fiduciary Net Position	25
Statement of Changes in Fiduciary Net Position – Trust Only	26
Major Funds:	27
Statement of Revenues, Expenses, and Changes in Fund Balances – Budget and Actual - Budgetary Basis – General Fund	28
Statement of Revenues, Expenses, and Changes in Fund Balances – Budget and Actual – Budgetary Basis – Public Works Fund	30
<b>Notes to Basic Financial Statements</b>	31
<b><u>OTHER MATTERS</u></b>	
<b>Required Supplementary Information:</b>	
Schedule of Funding Progress:	
Other Postemployment Benefits – Healthcare Benefits	46
<b>Other Information:</b>	47
<b><u>Combining Fund Statements:</u></b>	
Combining Balance Sheet – Nonmajor Governmental Funds	48
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	49

**Wasco County, Oregon**  
**Table of Contents**  
**For the Year Ended June 30, 2014**

	<u>PAGE</u>
<u>Special Revenue Funds – Nonmajor:</u>	50
Combining Balance Sheet	53
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances	55
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual – Budgetary Basis:	
Public Health Fund	57
County Fair Fund	58
County School Fund	59
Land Corner Preservation Fund	60
Forest Health Fund	61
Household Hazardous Waste Fund	62
Special Economic Development Payments Fund	63
Law Library Fund	64
District Attorney Fund	65
Museum Fund	66
Weed and Pest Control Fund	67
911 Communications Fund	68
Parks Fund	69
Community Corrections Fund	70
Court Facilities Fund	71
Commission on Children & Families Fund	72
Kramer Field Fund	73
Clerk Records Fund	74
Road Reserve Fund	75
911 Equipment Reserve Fund	76
911 Capital Reserve Fund	77
Facility Capital Reserve Fund	78
General Operating Reserve Fund	79
 <u>Nonmajor Capital Projects Funds:</u>	 80
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual – Budgetary Basis:	
Capital Acquisitions Fund	81
 <u>Nonmajor Debt Service Funds:</u>	 82
Combining Balance Sheet	83
Combining Schedule of Revenues, Expenditure and Changes in Fund Balances	84
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual – Budgetary Basis:	
VA Bond Debt Service Fund	85
Discovery Center Debt Service Fund	86

**Wasco County, Oregon  
Table of Contents  
For the Year Ended June 30, 2014**

	<u>PAGE</u>
<u>Agency Funds:</u>	87
Combining Schedule of Changes in Assets and Liabilities – Agency Funds	88
 <u>Other Schedules:</u>	 89
Schedule of Accountability of Elected Officials	90
Schedule of Property Tax Transactions	91
Schedule of Insurance in Force	92
Schedule of Expenditures of Federal Awards	93
Notes to the Schedule of Expenditures of Federal Awards	94
Schedule of Findings and Questioned Costs	96
 <b>Other Required Reports:</b>	 99
Independent Auditor's Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	100
Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133	102
Independent Auditor's Report Required by Oregon Minimum Standards	104

**Wasco County, Oregon  
Elected Officials and Agent of Record  
For the Year Ended June 30, 2014**

**WASCO COUNTY BOARD OF COMMISSIONERS:**

Commissioner

Scott Hege  
The Dalles, Oregon 97058

Commissioner

Rod Runyon  
The Dalles, Oregon 97058

Commissioner

Steve Kramer  
Dufur, OR 97021

**OTHER ELECTED OFFICIALS:**

Treasurer

Chad Krause  
The Dalles, Oregon 97058

Clerk

Linda Brown  
The Dalles, Oregon 97058

Sheriff

Ricky Eiesland  
The Dalles, Oregon 97058

Assessor

Jill Amery  
The Dalles, Oregon 97058

District Attorney

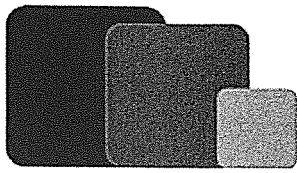
Eric Nisley  
The Dalles, Oregon 97058

**OTHER:**

Insurance Agent of Record

Mike Courtney-Courtney  
Insurance Agency  
414 East Second  
The Dalles, Oregon 97058

## FINANCIAL SECTION



**FRIEND & REAGAN, P.C.**  
Certified Public Accountants

305 E. Fifth Street  
The Dalles, OR 97058  
phone [541] 296.2000  
fax [541] 296.5636  
[www.friendreagan.com](http://www.friendreagan.com)

## INDEPENDENT AUDITOR'S REPORT

Board of Commissioners  
Wasco County, Oregon  
The Dalles, Oregon 97058

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Wasco County, Oregon as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

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

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

### ***Auditor's Responsibility***

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

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

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

## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Wasco County, Oregon, as of June 30, 2014, and the respective changes in financial position, and the respective budgetary comparison for the General Fund and Public Works Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 10-16 and the schedule of funding progress on page 46 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Information***

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

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

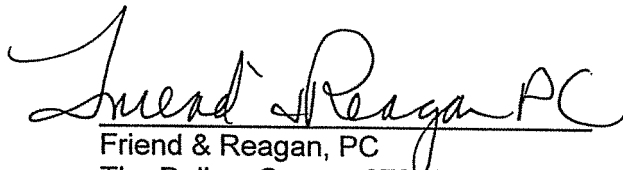


The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

### **Reports on Other Legal and Regulatory Requirements**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2014, on our consideration of Wasco County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Wasco County's internal control over financial reporting and compliance.

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated December 30, 2014, on our consideration of compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

  
Friend & Reagan, PC  
The Dalles, Oregon 97058  
December 30, 2014

**Wasco County, Oregon**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Year Ended June 30, 2014**

This discussion and analysis is intended to be an easily readable analysis of Wasco County's financial activities based on currently known facts, decisions or conditions. This analysis focuses on current year activities and should be read in conjunction with the financial statements in the audit.

**REPORT LAYOUT**

This discussion and analysis is intended to serve an introduction to Wasco County's basic financial statements. The County's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves. The first several statements are highly condensed and present a government-wide view of the County's finances including the Statement of Net Position and the Statement of Activities.

**Government-Wide Financial Statements**

*Statement of Net Position:* The focus of the Statement of Net Position is to present the unrestricted assets of governmental activities. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

*Statement of Activities:* The focus of the Statement of Activities is to present the major program costs and match major resources with each. To the extent a program's cost is not recovered by grants and direct charges, it is paid from general taxes and other resources. This Statement summarizes and simplifies the user's analysis to determine the extent to which programs are self-supporting and/or subsidized by general revenues.

The government wide financial statements include two service districts as discretely presented component units. Requests for copies of the separately issued financial statements for the service districts should be addressed to Wasco County, 511 Washington Street, Room 207, The Dalles, Oregon 97058.

**Fund Financial Statements**

Following the government-wide statements is a section containing fund financial statements. The County's major funds are presented in their own column and the remaining funds are combined into a column titled "Other Governmental Funds". For each major fund, A Budgetary Comparison Statement is presented. Readers who wish to obtain information on non-major funds can find it in the Combining Schedules of Non-Major Funds and/or the Supplemental Information-Budgetary Comparison Schedules sections of this report.

**Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the financial data provide in the government-wide and fund financial statements.

Finally, completing the document is a series of other financial and statistical schedules, and the reports by the independent certified public accountants, as required by statute.

The MD&A is intended to explain the significant changes in financial position and differences in operations between the current and prior years

## COUNTY AS A WHOLE

### GOVERNMENT-WIDE FINANCIAL STATEMENTS

This section will discuss and analyze significant differences. A condensed version of the Primary Government Statement of Net Position at June 30, 2013 and June 30, 2014 follows:

**TABLE 1**  
**NET POSITION AT YEAR END**

	Primary Governmental Activities	
	<u>June 30, 2014</u>	<u>June 30, 2013</u>
<b>ASSETS</b>		
Cash and Investments	19,185,240	16,750,155
Other Assets	1,732,188	1,975,627
Capital Assets	<u>11,939,647</u>	<u>12,561,074</u>
<b>TOTAL ASSETS</b>	<u>32,857,075</u>	<u>31,286,856</u>
<b>LIABILITIES</b>		
Other Liabilities	853,932	850,230
Long Term Debt Outstanding	<u>811,818</u>	<u>1,164,592</u>
<b>TOTAL LIABILITIES</b>	<u>1,665,750</u>	<u>2,014,822</u>
<b>NET ASSETS</b>		
Invested in Capital Assets/Net of Related Debt	11,939,647	12,231,459
Restricted	1,181,277	5,846,842
Unrestricted Net Assets	<u>18,070,401</u>	<u>11,193,733</u>
<b>TOTAL NET ASSETS</b>	<u>31,191,325</u>	<u>29,272,034</u>

### Governmental Activities

As noted earlier, net position may serve over time as a useful indicator of the County's financial position. The County's assets exceeded liabilities by \$31,191,325 at the close of the most recent fiscal year.

A large portion of the County's net position reflects investment in capital assets (land, buildings, improvements, machinery and equipment, bridges and infrastructure), net of accumulated depreciation, and the debt used to acquire the assets.

**TABLE 2**  
**STATEMENT OF ACTIVITIES**

Program revenues	<u>2013-14</u>	<u>2012-13</u>
Charges for Services	3,036,149	3,364,775
Operating Grants and Contributions	7,464,770	7,331,980
Capital Grants and Contributions	185,529	176,856
General revenues		
Taxes for General Purpose	7,806,316	8,035,968
Other Taxes	654,785	625,004
Interest	94,963	94,397
Other	280,104	313,477
Sale of Capital Assets	23,332	16,051
Transfers	-	-
Total Program and General Revenues	<u>19,545,948</u>	<u>19,958,508</u>
Expenses		
General Government	4,633,447	4,147,864
Public Safety	6,970,148	6,740,841
Highways and Streets	3,376,876	2,994,652
Health and Welfare	2,010,325	3,073,191
Culture and Recreation	296,428	252,271
Capital Projects	319,988	1,013,257
Interest	19,449	45,709
Total Expenses	<u>17,626,660</u>	<u>18,267,786</u>
Change in net assets	1,919,288	1,690,724
Net position, beginning	<u>29,272,036</u>	<u>27,581,314</u>
Net position, ending	<u>31,191,324</u>	<u>29,272,034</u>

#### Governmental Activities

With a few exceptions, governmental program expenses remain similar to the prior year. Public Works Federal Forest Receipts are in jeopardy and it is unknown how much, if any, allocation will be re-authorized. If we see reauthorization Wasco County's overall financial position and operations will remain steady with the use of some reserve funds to shore up any shortfalls. Efforts to address Forest Receipts at the State and Federal level continue with different proposals none of which are anticipated to restore forest payments to historical levels. Wasco County is working diligently to be proactive with available funding and not reactive to funding cuts. See next paragraph "Budgetary Highlights" for explanation of changes in programs.

During the course of this year Wasco County initiated a process to review and update the compensation philosophy and programs. This updates a compensation program that is nearly 25 years old. The new program focuses on paying according to market with a focus on performance based pay.

Using the help of a consultant, Wasco County reviewed pay programs against market and started the process of placing employees in the appropriate pay categories. This resulted in additional payroll expenses of approximately \$80,000 but locked future increases into a market based evaluation and increase on two year intervals. This process has taken compensation out of union negotiations and made it a market and performance based discussion.

#### BUDGETARY HIGHLIGHTS –

The primary purpose of this budget combined with the cost of service approach is to develop, adopt and implement a fiscally sound and sustainable plan for accomplishing goals each year. In addition, the budget must meet the principal objectives of maintaining a responsive local government, comparatively low property taxes, high service levels and a strong financial position. To help obtain our principal objectives the general fund beginning balance was fully recognized and committed to reserve funds. Revenues continue to be relatively flat and federal grants are not as plentiful as they once were. Public Works funding continues to be the top budgetary concern because of the loss of Secure Rural Schools payments. Operating expense has increased due to the updated compensation program, however only 27% of the county wide budget is allocated to personnel service costs.

The Norcor funding formula was changed during the course of the year which resulted in a cost shift to Wasco County. As a result, Wasco County was forced to start controlling the jail population using a matrix. This matrix is designed to keep Wasco County at no more than 50 inmates incarcerated at any given time. The funding formula is driven by a 5 year rolling average of bed utilization. Consequently, Wasco County is currently paying for more beds than are actually being used due to high utilization in previous years. The County expects to control costs by controlling bed use at the facility. It will take several more years of utilization experience to bring costs down to a manageable level. NORCOR is currently the single largest expense for Wasco County at \$2,258,934.

This year saw a moderate investment in capital improvements of \$344,734. Energy efficiency upgrades in the Planning Department included installation of a drop ceiling, insulation, fire sprinkler system and HVAC upgrades at a total cost of \$63,214 additionally, a donated generator was installed at a cost of \$37,000 at the Public Works Department to provide emergency power for operations. This was identified as an emergency response issue due to the inability to fuel emergency vehicles during power outage situations. Upgrades to the phone system and installing a wireless infrastructure in the court house cost \$36,000. Three work stations were installed in the Clerk's Office making the space user friendly and ergonomically sound for \$8,700. The vehicle plan rotation allowed for the purchase of three Police Interceptor vehicles which are more fuel efficient than the SUV's previously used. The Police Interceptor is a fairly new vehicle out and the Sheriff's Office is pleased with the performance and fuel savings these vehicles provide.

Wasco County was able to continue to fund capital reserve accounts this year primarily due to better than expected beginning fund balances. Road Reserve remains static at \$2.79 million due to the extension of the SRS funding used for operations in the Public Works Fund. The Capital Acquisitions Reserve sits at \$1.37 million; Facility Capital Reserve is at \$1.16 million; and the Operating Reserve sits at \$1.46 million. The 911 Equipment Reserve is at \$270,000 including a \$33,000 transfer from the 911 Budget. It is a goal to be able to fund reserve accounts going forward to help offset declining Timber Revenues and continue capital improvement programs.

Landfill revenue continues to be a strong revenue stream at \$667,000 received for license, host and franchise fees. However, the weight of the trucks and the amount of traffic does have an impact on the road system.

North Central Public Health was created as a separate and distinct entity over the course of this year. This entity will be the service provider of public health services in Wasco County. Previously these services were provided by an internal public health department within the Wasco County structure. The transition process to a separate entity has been a challenge at best. The provision of health services in Wasco County, governance, and sound fiscal management of the new district shall be evaluated over the course of the next year and remain an ongoing concern for Wasco County. Success of this new entity will be dependent upon how well the newly formed District and Wasco County coordinate, and communicate on the provision of public health services in Wasco County.

The Commission on Children and Families discussion on restructuring at the State level came to reality under the direction of the Early Learning Council. A process was formed to create regional hubs for the purpose of providing early learning services. Wasco, Sherman, Hood River, Gilliam, and Wheeler counties applied for hub status but were not awarded hub status in the first round. Funding was continued for Commission on Children and Families work during the hub formation process.

Property taxes remain the single largest source of revenue to the General Fund and are projected to remain steady. The County is hopeful that as the State begins to climb out of the recession that values will start trending up providing a greater property tax revenue.

#### CAPITAL ASSETS AND DEBT ADMINISTRATION

As of June 30, 2014 the County had invested over twelve million dollars in capital assets that are reflected in the following table, which represents a net increase from prior year.

	<b>Beginning Fixed Assets</b>	<b>Additions</b>	<b>Deletions</b>	<b>Ending Fixed Assets</b>
Land	1,418,304	7,807	(8,760)	1,417,351
Depreciable Assets				
Buildings	7,403,272	107,814	-	7,511,086
Furniture and Equipment	9,840,979	158,327	(378,814)	9,620,492
Infrastructure	5,156,544	-	-	5,156,544
<b>Total Cost</b>	<u>22,400,795</u>	<u>266,141</u>	<u>(378,814)</u>	<u>22,288,122</u>
<b>Depreciation</b>				
Accumulated Depreciation	11,258,027	842,591	(334,790)	11,765,827
<b>Total Depreciation</b>	<u>11,258,027</u>	<u>842,591</u>	<u>(334,790)</u>	<u>11,765,827</u>
<b>Capital Assets Net of Depreciation</b>	<u>11,142,768</u>	<u>(568,643)</u>	<u>(52,784)</u>	<u>11,939,646</u>

#### Debt Outstanding

At the closing of this fiscal year, the Commissioners had successfully completed the payment requirements for the Veterans Facility bond, Crates Point bonded loan and the note payable for a deferred loan to finance infrastructure at Crates Point. The remaining long term debt consists of compensated absences and OPEB.

<u>Changes in Long Term Debt</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Due in One Year</u>
Combesated Absences	250,953	(78,201)		172,752	
OPEB Obligation	551,556	87,510	-	639,066	-
Crates Point Bonded Loan	96,587	-	96,587	-	-
Refunded Series 2005 (Crates Point)	329,615	-	329,615	-	-
Totals	<u>1,228,711</u>	<u>9,309</u>	<u>426,202</u>	<u>811,818</u>	<u>-</u>

For more detailed information on the County's debt and amortization terms refer to Note 3c to the financial statements.

## ECONOMIC FACTORS

Wasco County's permanent rate is \$4.2523 per thousand. This absolute limitation on tax revenues and the County's dependence on property taxes do not allow it to keep pace with increased demands for services. Counties are highly susceptible to economic pressures given the large reliance on property taxes to fund County services. This creates a certain amount of financial uncertainty for Counties as we move through economic cycles. Budgeting in this type of an environment where such a large percent of a county's budget can be impacted by market conditions creates challenges for forecasting budgets into the future. Property taxes represent approximately 44% of total General Fund resources. Beginning fund balance is 34% while operating and capital grants contributions, fees, fines and charges for services represent the balance of 22%. The County does monitor all of its resources and determines the need for program adjustments or fee increases accordingly. With the exception of a couple of departments, Wasco County did not have significant fee increases for the 2013/14 year.

NORCOR continues to see less rental beds to outside agencies resulting in increased costs for member counties. Proactive measures were taken to replace this revenue by installing alternative programs for rental bed space at this facility. This has resulted in increased revenue for NORCOR but not enough to offset the loss of historic bed rentals. In the 12/13 year the discussion was started by one of the NORCOR member counties to change the funding formula for the NORCOR facility. Negotiations were concluded and as expected the new formula will shift additional costs to Wasco County in the coming years if we do not manage our jail population. Through population management Wasco County has achieved lower bed use numbers in this year however due to the 5 year rolling average the County continues to pay for more beds than are being used at the 50 person cap. This overpayment and under utilization of compensated beds subsidizes the cost of jail services for our partner counties and is not sustainable in the long term. It is anticipated that the funding formula will be revisited again to see if a more equitable formula distribution can be reached between the member counties.

Mass gatherings are becoming more frequent in Wasco County and as such continue to utilize staff resources in permitting and monitoring the events. These gatherings bring significant revenue into the county as an economic driver but Wasco County does not see much direct revenue from these events.

Veteran Services continues to bring significant private monies into the county through compensation and benefit awards to veterans. The fully staffed and volunteer driven department has shown significant increases in new and retroactive benefits for this audit year.

## CURRENT YEAR BUDGET

The County's 2014/2015 budget reflects a General Fund increase of \$976,338 from the previous year.

This is primarily due to an increase in beginning fund balance. Unexpected beginning fund revenues were put into reserve accounts for use in future years as revenues in certain funds continue to decline and expenses continue to rise.

The largest union decertified in this current budget year which has resulted in employees being held at current pay rates while work is done to transition former union employees to non-represented status and pay. In the current year non-rep and sheriff employees were moved onto the new compensation program which resulted in market based pay increases for those employees that were determined to fall under market. It is anticipated that former AFSCME employees will be moved to the new compensation program once a transition plan has been established. PERS pickup and pay are among the biggest difference between the two groups and are proving to be the most difficult issues to address in this transition.

Road funding remains as the top priority in this budget. Wasco County will continue to fund road shortages utilizing beginning fund balances while strategies to increase road revenue are explored. A Road Committee was formed and made recommendations for obtaining additional revenue during this budget year but efforts were put on hold pending the outcome of efforts at the state and national levels. Timber payments to counties were not included in the federal budget request. We still hold out hope that a legislative fix for the loss of timber dollars will materialize. We suspect however that any legislative fixes will result in significantly less revenue than have been previously received.

A new enterprise zone application was received and approved in this budget year resulting in a onetime initial payment of \$1.2m and \$800,000 per year for the next 15 years. Funds are split between City and County as the enterprise zone sponsors.

PERS continues to be a significant variable in the County budget process. We expect to see PERS reform legislation during this session. Any such legislation is expected to have a positive impact on future budgets. This budget saw an approximate 4% increase in the PERS rate for Wasco County.

All of these potential changes would save Wasco County significant monies but they will all need to be approved by the Legislature Assembly and it is expected that they will all be challenged in Court.

#### FINANCIAL CONTACT

The County's financial statements are designed to present users (citizens, taxpayers, customers, investors and creditors) with a general overview of the County's finances and to demonstrate the County's accountability. If you have questions about the report or need additional financial information, please contact the County's Budget Officer at 511 Washington Street, Room 207, The Dalles, Oregon 97058.



## BASIC FINANCIAL STATEMENTS

**Wasco County, Oregon**  
**Statement of Net Position**  
**June 30, 2014**  
(all amounts are in dollars)

	Primary Government Governmental Activities	Aggregate Discretely Presented Component Units
<b><u>ASSETS:</u></b>		
Cash & Investments	19,185,240	1,252,376
Receivables (Net of Allowances):		
Property Taxes	750,125	154,105
Other	577,767	-
Inventory	404,296	-
Capital Assets		
Land (non-depreciable)	1,417,351	-
Depreciable Assets (Net of Depreciation)	10,522,296	-
<b><u>TOTAL ASSETS</u></b>	<b><u>32,857,075</u></b>	<b><u>1,406,481</u></b>
<b><u>LIABILITIES:</u></b>		
Accounts Payable	443,302	-
Accrued Liabilities	410,630	-
Noncurrent Liabilities		
Compensated Absences	172,752	-
OPEB Obligation	639,066	-
<b><u>TOTAL LIABILITIES</u></b>	<b><u>1,665,750</u></b>	<b><u>-</u></b>
<b><u>NET POSITION</u></b>		
Net Investment in Capital Assets	11,939,647	-
Restricted for:		
General Government	52,059	-
Public Safety	578,768	-
Highways and Streets	127,001	-
Health and Welfare	125,199	-
Culture and Recreation	298,250	-
Unrestricted	18,070,401	1,406,481
<b><u>TOTAL NET POSITION</u></b>	<b><u>31,191,324</u></b>	<b><u>1,406,481</u></b>

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

**Wasco County, Oregon**  
**Statement of Activities**  
**For the year ended June 30, 2014**  
(all amounts are in dollars)

FUNCTIONS/PROGRAMS	Expenses	PROGRAM REVENUES			Net (Expenses) Revenues and changes in Net Position	
		Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	PRIMARY	COMPONENT
					GOVERNMENT	UNITS
					Total Governmental Activities	
General Government	4,633,447	1,331,737	1,709,652	185,529	(1,406,529)	-
Public Safety	6,970,148	656,264	1,870,418	-	(4,443,466)	-
Highways and Streets	3,376,876	625,620	2,697,514	-	(53,742)	-
Health and Welfare	2,010,325	274,629	1,034,669	-	(701,027)	-
Culture and Recreation	296,428	147,900	152,517	-	3,989	(1,493,768)
Capital Projects	319,988	-	-	-	(319,988)	-
Interest	19,447	-	-	-	(19,447)	-
<b>Total Governmental Activities</b>	<b>17,626,659</b>	<b>3,036,149</b>	<b>7,464,770</b>	<b>185,529</b>	<b>(6,940,211)</b>	<b>(1,493,768)</b>

**General Revenues:**

Property Taxes	7,806,316	1,658,451
Other Taxes	654,785	-
Interest and Investment Earnings	94,963	7,204
Miscellaneous	280,104	2,721
Gain (Loss) on Sale of Fixed Assets	23,332	-
<b>Total General Revenues and Transfers</b>	<b>8,859,500</b>	<b>1,668,377</b>
 Change in net position	 1,919,288	 174,610
 Net position, beginning	 29,272,036	 1,231,871
 Net position, ending	 31,191,324	 1,406,481

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

**Wasco County, Oregon**  
**Balance Sheet - Governmental Funds**  
**June 30, 2014**  
(all amounts are in dollars)

	101 General Fund	202 Public Works Fund	Non-Major Governmental Funds	Total Governmental Funds
<u>ASSETS:</u>				
Deposits and Investments	9,350,292	7,295,140	2,539,808	19,185,240
Receivables:				
Accounts Receivable	334,412	156,323	87,031	577,767
Taxes Receivable	750,125	-	-	750,125
Inventories	-	404,296	-	404,296
<u>TOTAL ASSETS</u>	<u>10,434,830</u>	<u>7,855,759</u>	<u>2,626,839</u>	<u>20,917,428</u>
<u>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</u>				
<u>Liabilities:</u>				
Accounts Payable	286,198	67,574	89,531	443,302
Accrued Liabilities	333,344	50,490	26,797	410,630
Compensated Absences	114,160	36,988	21,604	172,752
<u>Total Liabilities</u>	<u>733,701</u>	<u>155,051</u>	<u>137,931</u>	<u>1,026,684</u>
<u>Deferred Inflows of Resources</u>				
Unavailable Revenue	677,403	16,108	-	693,511
<u>Total Deferred Inflows of Resources</u>	<u>677,403</u>	<u>16,108</u>	<u>-</u>	<u>693,511</u>
<u>Fund Balances:</u>				
Non-Spendable	-	404,296	-	404,296
Restricted	-	4,460,765	1,181,276	5,642,042
Committed	1,263,315	2,782,550	1,228,258	5,274,124
Assigned	2,490,340	36,988	21,604	2,548,932
Unassigned	5,270,070	-	57,769	5,327,839
<u>Total Fund Balances</u>	<u>9,023,726</u>	<u>7,684,599</u>	<u>2,488,908</u>	<u>19,197,233</u>
<u>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</u>	<u>10,434,830</u>	<u>7,855,759</u>	<u>2,626,839</u>	<u>20,917,428</u>

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

**Wasco County, Oregon**  
**Reconciliation of Balance Sheet to Statement of Net Position**  
**June 30, 2014**  
(all amounts are in dollars)

Fund Balances - Governmental Funds	19,197,233
------------------------------------	------------

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

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

Governmental capital assets:

Land	1,417,351	
Depreciable assets net of accumulated depreciation	10,522,296	11,939,647

Long-term liabilities applicable to the County's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long term, are reported in the Statement of Net Position.

Other post employment benefits	(639,066)	(639,066)
--------------------------------	-----------	-----------

Unavailable revenue represents amounts that were not available to fund current expenditures and therefore are not reported in the governmental funds.

693,511

Net Position of Governmental Activities

31,191,324

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

**Wasco County, Oregon**  
**Statement of Revenues, Expenditures**  
**and Changes in Fund Balance**  
**Governmental Funds**  
**For the year ended June 30, 2014**  
(all amounts are in dollars)

	101 General Fund	202 Public Works Fund	Non-Major Governmental Funds	Total Governmental Funds
<b><u>REVENUES:</u></b>				
Taxes	7,758,345	-	-	7,758,345
Licenses, Fees & Permits	1,191,935	1,000	522,178	1,715,113
Intergovernmental Revenues	1,476,307	2,038,889	1,730,117	5,245,312
Federal Revenues	364,659	671,609	559,366	1,595,634
Charges for Services	722,327	263,382	48,221	1,033,930
Internal Service Charges	1,910	3,180	-	5,090
Fines and Restitution	39,651	-	31,808	71,459
Investment Earnings	44,916	37,214	12,832	94,963
Rents	168,573	-	-	168,573
Contributions and Donations	1,478,007	-	28,117	1,506,124
Miscellaneous	253,636	562	19,987	274,184
Pass Through Payments	5,920	-	-	5,920
<b><u>TOTAL REVENUES</u></b>	<b><u>13,506,186</u></b>	<b><u>3,015,835</u></b>	<b><u>2,952,625</u></b>	<b><u>19,474,646</u></b>
<b><u>EXPENDITURES:</u></b>				
Current				
<i>Personal Services</i>	6,235,728	1,554,799	1,438,476	9,229,003
<i>Materials &amp; Services</i>	4,797,468	1,149,113	1,430,742	7,377,322
Capital Outlay	316,155	-	28,579	344,734
Debt Service	-	-	454,935	454,935
<b><u>TOTAL EXPENDITURES</u></b>	<b><u>11,349,350</u></b>	<b><u>2,703,912</u></b>	<b><u>3,352,731</u></b>	<b><u>17,405,993</u></b>
Excess of Revenues Over (Under) Expenditures	<u>2,156,835</u>	<u>311,923</u>	<u>(400,106)</u>	<u>2,068,653</u>
<b><u>OTHER FINANCING SOURCES (USES):</u></b>				
Gain/Loss on Sale of Fixed Assets	27,116	48,150	850	76,116
Transfers from Other Funds	2,361,661	-	1,245,596	3,607,258
Transfers to Other Funds	(3,201,399)	-	(405,858)	(3,607,258)
<b><u>TOTAL OTHER FINANCING SOURCES(USES)</u></b>	<b><u>(812,622)</u></b>	<b><u>48,150</u></b>	<b><u>840,588</u></b>	<b><u>76,116</u></b>
Net Changes in Fund Balance	1,344,213	360,073	440,482	2,144,768
<b><u>FUND BALANCE - BEGINNING OF YEAR</u></b>	<b><u>7,561,864</u></b>	<b><u>7,324,526</u></b>	<b><u>2,166,076</u></b>	<b><u>17,052,466</u></b>
Residual Equity Transfers	117,649	-	(117,649)	-
<b><u>FUND BALANCE - END OF YEAR</u></b>	<b><u>9,023,726</u></b>	<b><u>7,684,599</u></b>	<b><u>2,488,908</u></b>	<b><u>19,197,233</u></b>

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

**Wasco County, Oregon**  
**Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**of Governmental Funds to the Statement of Activities**  
**June 30, 2014**  
(all amounts are in dollars)

Net Change in Fund Balances - Governmental Funds	2,144,768
--	-----------

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

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

Expenditures for capital assets	273,947	
Disposal of capital assets	(52,784)	
Less current year depreciation	<u>(842,591)</u>	(621,428)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

Principal Payments	426,202
--------------------	---------

Expenditures reported for other post employment benefits in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(87,510)
---	----------

Revenues in the funds that do not provide current financial resources are not reported as revenues in the Statement of Activities as follows:

Change in unavailable revenues	47,971
--------------------------------	--------

In the Statement of Activities interest is accrued on long-term debt. In the governmental funds it is recorded as an interest expense when due.	<u>9,286</u>
---	--------------

Change in Net Position of Governmental Activities	<u><u>1,919,288</u></u>
---	-------------------------

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

This page left intentionally blank



## FIDUCIARY FUNDS

These funds account for resources received and held by the County in a fiduciary capacity. The modified accrual basis of accounting is used to record transactions in the agency funds.

TRUST FUND: The County collects revenues and pays expenditures for the Mid-Columbia Interagency Task Force, a collaborative agreement between local law enforcement agencies.

AGENCY FUNDS: The funds received and disbursed through Wasco County's Agency Funds are, for the most part, taxes collected for other taxing districts within the county. The County Treasurer collects these funds for the various governmental units and either invests the moneys for these governments or disburses the money to them.

**Wasco County, Oregon**  
**Statement of Fiduciary Net Position**  
**June 30, 2014**  
(all amounts are in dollars)

	<u>Trust Fund</u>	<u>Agency Funds</u>	<u>Total Fiduciary Funds</u>
<u>ASSETS:</u>			
Cash with Treasurer	105,997	842,564	948,561
Taxes Receivable	<u>-</u>	<u>2,212,477</u>	<u>2,212,477</u>
<u>TOTAL ASSETS</u>	<u>105,997</u>	<u>3,055,041</u>	<u>3,161,038</u>
 <u>LIABILITIES:</u>			
Due to Other Governments	<u>-</u>	<u>3,055,041</u>	<u>3,055,041</u>
<u>TOTAL LIABILITIES</u>	<u>-</u>	<u>3,055,041</u>	<u>3,055,041</u>
 <u>NET POSITION</u>	<u><u>105,997</u></u>	<u><u>-</u></u>	<u><u>105,997</u></u>

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

**Wasco County, Oregon**  
**Statement of Changes in Fiduciary Net Position - Trust Only**  
**MINT Trust Fund**  
**For the year ended June 30, 2014**  
(all amounts are in dollars)

<u>REVENUES:</u>	
Investment Earnings	708
Miscellaneous	805
<u>TOTAL REVENUES</u>	<u>1,513</u>
<u>EXPENDITURES:</u>	
Materials & Services	34,761
<u>TOTAL EXPENDITURES</u>	<u>34,761</u>
Change in Net Position	(33,248)
<u>Net Position held for MINT-Beginning</u>	<u>139,245</u>
<u>Net Position held for MINT-Ending</u>	<u>105,997</u>

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

## **MAJOR GOVERNMENTAL FUNDS**

### **GENERAL AND SPECIAL REVENUE FUNDS**

Major governmental funds are defined as those funds whose revenues, expenditures/expenses, assets or liabilities (excluding extraordinary items) are at least 10 percent of corresponding totals for all governmental funds for the same items. The general fund is always classified as a major fund.

**GENERAL FUND:** Most of the activities relating to the operations of Wasco County are accounted for through the General Fund. Primary sources of revenues are taxes, fees and licenses, fines and forfeits, intergovernmental revenues, supplies and services sold, interest on investments, rents and other miscellaneous revenues. Expenditures are for personal services, materials and services, capital outlay and transfers to other funds.

**PUBLIC WORKS FUND:** The Public Works Fund accounts for revenues and expenditures used in constructing and maintaining County roads. Most of the fund's revenues are from Federal Forest Receipts and Motor Vehicle funds. Expenditures are for personal services, materials and services and capital outlay.

Wasco County, Oregon  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual - Budgetary Basis  
General Fund  
For the year ended June 30, 2014  
(all amounts are in dollars)

	BUDGETED AMOUNTS			VARIANCE FAVORABLE (UNFAVORABLE)
	ORIGINAL	FINAL	ACTUAL	
<b>REVENUES:</b>				
Taxes	7,507,267	7,507,267	7,758,345	251,078
Licenses, Fees & Permits	853,085	853,085	1,188,989	335,904
Intergovernmental Revenues	863,438	911,679	947,968	36,289
Federal Revenues	288,690	392,042	364,659	(27,383)
Charges for Services	91,915	91,915	75,331	(16,584)
Fines and Restitution	40,750	40,750	39,651	(1,099)
Investment Earnings	28,200	28,200	31,119	2,919
Rents	129,800	129,800	168,573	38,773
Contributions and Donations	12,350	12,350	-	(12,350)
Miscellaneous	173,150	173,150	252,242	79,092
Pass Through Payments	1,500	1,500	5,920	4,420
<b>TOTAL REVENUES</b>	<b>9,990,145</b>	<b>10,141,738</b>	<b>10,832,797</b>	<b>691,059</b>
<b>EXPENDITURES:</b>				
<i><b>Current by Department</b></i>				
Assessor	719,098	719,098	604,840	114,258
Clerk	315,593	315,593	272,296	43,297
Sheriff	1,966,154	1,972,154	1,917,360	54,794
EAS	1,992,961	2,027,961	1,871,890	156,071
Administration	3,125,547	3,377,217	3,123,362	253,855
District Attorney	506,054	513,295	489,133	24,162
Planning	484,649	484,649	455,308	29,341
Public Works	61,437	61,437	57,139	4,298
Public Health	2,000	-	-	-
Youth Services	529,690	531,690	517,177	14,513
<i><b>Total Current by Department</b></i>	<b>9,703,183</b>	<b>10,003,094</b>	<b>9,308,506</b>	<b>694,588</b>
<i><b>Capital Outlay by Department</b></i>				
Sheriff	-	96,122	93,667	2,456
EAS	165,700	172,930	144,904	28,026
Administration	85,000	85,000	77,584	7,416
<i><b>Total Capital Outlay by Department</b></i>	<b>250,700</b>	<b>354,052</b>	<b>316,155</b>	<b>37,897</b>
<i><b>Contingency</b></i>	<b>450,000</b>	<b>404,302</b>	<b>-</b>	<b>404,302</b>
<b>TOTAL EXPENDITURES</b>	<b>10,403,883</b>	<b>10,761,448</b>	<b>9,624,660</b>	<b>1,136,788</b>

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

Wasco County, Oregon  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual - Budgetary Basis  
General Fund  
For the year ended June 30, 2014  
(all amounts are in dollars)

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
Excess of Revenues Over (Under) Expenditures	(413,738)	(619,710)	1,208,137	1,827,847
<u>OTHER FINANCING SOURCES AND (USES):</u>				
Sale of Fixed Assets	9,000	9,000	27,116	18,116
Transfers from Other Funds	687,614	687,614	659,951	(27,663)
Transfers to Other Funds	(1,182,876)	(2,476,904)	(2,476,903)	1
<u>TOTAL OTHER FINANCING SOURCES AND USES</u>	<u>(486,262)</u>	<u>(1,780,290)</u>	<u>(1,789,836)</u>	<u>(9,546)</u>
Net Changes in Fund Balance	(900,000)	(2,400,000)	(581,700)	1,818,300
<u>FUND BALANCE - BEGINNING OF YEAR</u>	<u>900,000</u>	<u>2,400,000</u>	<u>5,923,225</u>	<u>3,523,225</u>
<u>Residual Equity Transfer In</u>	<u>-</u>	<u>-</u>	<u>117,649</u>	<u>117,649</u>
<u>FUND BALANCE - END OF YEAR</u>	<u>-</u>	<u>-</u>	<u>5,459,174</u>	<u>5,459,174</u>

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

Wasco County, Oregon  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual - Budgetary Basis  
202 Public Works Fund  
For the year ended June 30, 2014  
(all amounts are in dollars)

	<u>BUDGETED AMOUNTS</u>			Variance Favorable
<u>REVENUES:</u>	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>(Unfavorable)</u>
Licenses, Fees & Permits	-	-	1,000	1,000
Intergovernmental Revenues	2,128,634	2,128,634	2,038,889	(89,745)
Federal Revenues	93,696	93,696	671,609	577,913
Charges for Services	225,700	225,700	263,382	37,682
Internal Service Charges	1,855	1,855	3,180	1,325
Investment Earnings	18,000	18,000	22,265	4,265
Miscellaneous	12,700	12,700	562	(12,138)
<u>TOTAL REVENUES</u>	<u>2,480,585</u>	<u>2,480,585</u>	<u>3,000,886</u>	<u>520,301</u>
<u>EXPENDITURES:</u>				
<i>Current: Personal Services</i>	1,704,899	1,704,899	1,587,518	117,381
<i>Current: Materials &amp; Services</i>	1,172,825	1,172,825	1,102,101	70,724
Contingency	287,000	287,000	-	287,000
<u>TOTAL EXPENDITURES</u>	<u>3,164,724</u>	<u>3,164,724</u>	<u>2,689,619</u>	<u>475,105</u>
Excess of Revenues Over (Under) Expenditures	(684,139)	(684,139)	311,267	995,406
<u>OTHER FINANCING SOURCES(USES)</u>				
Sale of Assets	50,500	50,500	48,150	(2,350)
<u>NET OTHER FINANCING SOURCES (USES)</u>	<u>50,500</u>	<u>50,500</u>	<u>48,150</u>	<u>(2,350)</u>
Net Changes in Fund Balance	(633,639)	(633,639)	359,417	993,056
<u>FUND BALANCE - BEGINNING OF YEAR</u>	<u>633,639</u>	<u>633,639</u>	<u>4,175,324</u>	<u>3,541,685</u>
<u>FUND BALANCE - END OF YEAR</u>	<u>-</u>	<u>-</u>	<u>4,534,741</u>	<u>4,534,741</u>

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

**Wasco County, Oregon**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2014**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

The accounting policies of Wasco County, Oregon conform to generally accepted accounting principles (GAAP) as applicable to governments. The following is a summary of the more significant policies:

**A. REPORTING ENTITY:**

Wasco County, Oregon is a non-home rule county governed by an elected Board of Commissioners consisting of a three County Commissioners, one whom serves as County Chair. Other elected officials include the County Clerk, County Treasurer, County Sheriff, County Assessor, County District Attorney and County Surveyor.

As required by GAAP, these financial statements present the County and its component units – legally separate entities for which the County is considered to be financially accountable. Financial accountability is defined by GASB 61, as appointment of a voting majority of the component unit's board, and either a) the ability to impose its will on the organization, or b) the possibility that the component unit will provide a financial benefit or impose a financial burden on the primary government.

Wasco County reports two component units. These are the Wasco County 4-H and Extension Service District and the Wasco County Library Service District. These Districts began operations July 1, 2008 and are included in the County's statements as discretely presented component units. Each District has separate audited financial statements available upon request through Wasco County.

**B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS:**

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the County. For the most part, the effect of interfund activity has been removed from these statements.

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

**C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PREPARATION:**

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

Government 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. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Property taxes, excise taxes, business income taxes, intergovernmental revenue, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the County.

GASB 34 establishes criteria (percentage of the assets, liabilities, revenues or expenditure/expense of either fund category or the governmental and enterprise funds combined) for the determination of major funds. Nonmajor funds are combined in a single column in the fund financial statements. The County reports the following major governmental funds:

**GENERAL FUND:** This is the County's primary operating fund and is always considered a major fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

**PUBLIC WORKS FUND:** This fund accounts for revenues and expenditures used in constructing and maintaining County roads.

Additionally, the County reports the following fund types:

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

**CAPITAL PROJECTS FUNDS:** Expenditures for major construction projects or equipment acquisitions are accounted for in the capital projects funds.

**DEBT SERVICE FUNDS:** These funds account for the resources accumulated and payments made for principal and interest on long-term debt of governmental funds.

**FIDUCIARY FUNDS:** Trust and Agency Funds are used to account for assets held by the County in a trustee capacity. Agency Funds are custodial in nature and do not involve measurement of result of operations.

**D. ASSETS, LIABILITIES AND NET POSITION:**

1. *Deposits and investments:* The County maintains a cash and investment pool that is

available for use by all funds. Each fund's portion of this pool is shown on the Combined Balance Sheet as "Cash with Treasurer". Deposits and Investments are shown at cost which approximates market value at June 30, 2014. Earnings on the pooled monies are apportioned and credited to the funds monthly, based on the average daily balances of each participating fund.

2. *Inventory*: Inventory-type items are considered to be an expenditure when purchased. Except for the Public Works Fund, the amount of inventory at year end was not considered significant and is not reported on the balance sheet. The Public Works Fund inventory is recorded at cost or estimated cost and is offset by a reservation of fund balance.

3. *Net Position*: Classified and displayed in the following three components:

Net investment in capital assets - Consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets and adjusted for any deferred inflows and outflows of resources attributable to capital assets and related debt. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of invested in capital assets, net of related debt. Rather, that portion of the debt is included in the same net assets component as the unspent proceeds.

Restricted - Consists of constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted - Consists of all other net position that is not included in "restricted" or "net investment in capital assets".

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

4. *Fund Balance*: In the fund financial statements, Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54) defines the different types of fund balances that a governmental entity must use for financial reporting purposes. GASB 54 requires the fund balance amounts to be properly reported within one of the five fund balance components listed below:

Nonspendable- Includes amounts that cannot be spent because they are either (1) not in spendable form or (2) legally or contractually required to be maintained intact.

Restricted- Consists of amounts that can be spent only for the specific purpose stipulated by external resource providers, constitutional provisions, or enabling legislation.

Committed- Consists of amounts that can only be used for the specific purposes determined by a formal action of the County's highest level of decision-making authority, which includes resolutions. Those committed amounts cannot be used for any other purpose unless the County removes or changes the specified use by taking the same type of action (resolution) it employed previously to commit those amounts.

Assigned- Consists of amounts that are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. The authority for assigning fund balance is expressed by the Board of Commissioners, or their designee as established in the County's Fund Balance Policy.

Unassigned- This residual classification of fund balance includes all spendable amounts that have not been restricted, committed, or assigned.

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

Below is a schedule of ending fund balances, based on the standards in GASB Statement 54:

	<u>General Fund</u>	<u>Public Works Fund</u>	<u>Nonmajor Funds</u>	<u>Total all Funds</u>
<b>Fund Balances</b>				
<b>Total Nonspendable in form:</b>	-	404,296	-	404,296
<b>Restricted for:</b>				
Public Works Fund	-	4,460,765	-	4,460,765
County Fair Fund	-	-	104,904	104,904
County School Fund	-	-	25,142	25,142
Land Corner Preservation Fund	-	-	127,001	127,001
Forest Health Program Fund	-	-	193,346	193,346
Law Library Fund	-	-	123,874	123,874
Community Corrections Fund	-	-	401,270	401,270
Court Facilities Security Fund	-	-	53,623	53,623
CCFC Fund	-	-	125,199	125,199
Clerk Records Fund	-	-	26,917	26,917
<b>Total Restricted</b>	-	4,460,765	1,181,276	5,642,042
<b>Committed to:</b>				
Road Reserve Fund	-	2,782,550	-	2,782,550
Capital Acquisitions Fund	-	-	1,228,258	1,228,258
Equipment Reserve Fund	237,204	-	-	237,204
Facility Reserve Fund	1,026,111	-	-	1,026,111
<b>Total Committed</b>	1,263,315	2,782,550	1,228,258	5,274,124
<b>Assigned for:</b>				
Economic Development Payments Fund	513,532	-	-	513,532
District Attorneys Fund	37,493	-	-	37,493
Museum Fund	195,135	-	-	195,135
Weed & Pest Fund	190,231	-	-	190,231
911 Communications Fund	80,183	-	-	80,183
Kramer Field Fund	32,671	-	-	32,671
General Operating Reserve	1,326,935	-	-	1,326,935
Compensated Absences	114,160	36,988	21,604	172,752
<b>Total Assigned</b>	2,490,340	36,988	21,604	2,548,932
<b>Total Unassigned:</b>	5,270,070	-	57,769	5,327,839
<b>Total Fund Balances</b>	<u>9,023,726</u>	<u>7,684,599</u>	<u>2,488,908</u>	<u>19,197,233</u>

5. *Capital Assets:* Include property and equipment, infrastructure and land, and are reported in the government-wide financial statements. Capital assets (other than infrastructure) are defined by the County as assets with an initial, individual cost of more than \$5,000 and an estimated useful life of more than one year. Infrastructure assets are defined by the County as assets with an initial, individual cost of more than \$50,000. 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 cost 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 the following estimated useful lives:

Equipment	5 to 45 years
Buildings and Improvements	45 to 100 years
Infrastructure	25 to 100 years

6. *Compensated Absences:* Vacation time for employees who are members of bargaining units accumulates based on the number of years of service, ranging from ten to twenty working days per year. Vacation pay is vested when earned.

Vacation time for employees who are not members of bargaining units is awarded based on the number of years of service, ranging from 10 to 20 working days per year. Vacation is awarded on January 1, of any given year. Vacation pay is expected to be liquidated with expendable available financial resources and is reported as an expenditure and fund liability of the appropriate Governmental Fund.

Sick leave accumulates at the rate of twelve days per year for full time employees. There is no limit on accumulation, and it is not compensable upon termination of employment.

7. *Long-Term Obligations:* In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the statement of net position.

In the fund financial statements, governmental fund types report the face amount of debt issued as other financing sources. Principal and interest payments are reported as debt service expenditures when paid.

8. *Property tax revenues and receivables:* Property taxes are collected by the Wasco County Tax Collector and distributed to the County's funds monthly. The fund financial statements reflect property taxes as revenue when collected by the Tax Collector and available to the County to pay current period expenditures. The government-wide financial statements reflect property taxes as revenue in the year levied.

Property taxes receivable at year end have been reported on the balance sheet. No allowance has been made for uncollectible taxes since past history has shown losses to be minimal. In the fund financial statements, taxes receivable considered not available for payment of current year expenditures have been offset as deferred inflows of resources – unavailable revenue.

Property taxes are levied on July 1 pursuant to Oregon Revised Statute 310.030. Taxes are payable in full on November 15 or are payable in installments the last of which is due on May 15 of the year following the year in which imposed. Taxes become delinquent on personal property when any installment is not paid by its due date. Taxes become delinquent on real property if not paid by May 15. On January 1 and July 1 tax liens attach to personal and real property respectively to secure payment of all taxes, penalties and interest ultimately imposed. Personal property is subject to summary seizure and the responsible taxpayer is subject to

warrant service 30 days after the delinquency date. Foreclosure proceedings begin on real property after three years from the date taxes become delinquent.

9. *Deferred outflows/inflows of resources:* In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditures) until then. The County does not currently report any deferred outflows on its Statement of Net Position.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The County reports unavailable revenue, which arises under the modified accrual basis of accounting, in this category. Accordingly, unavailable revenue is reported only in the governmental funds Balance Sheet. These amounts are deferred and recognized as an inflow of resources in the period amounts become available.

10. *Interfund Activity:*

Transfers - Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. Operating interfund transactions are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers.

Receivables and Payables – Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “due to/from other funds” (i.e., current portion of interfund loans).

11. *Use of Estimates:* The financial statements and related disclosures are prepared in conformity with accounting principles generally accepted in the United States. 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 revenue and expenses during the period reported. These estimates include assessing the collectability of accounts receivable, the use and recoverability of inventory and the useful lives and impairment of tangible and intangible assets, among others. Estimates and assumptions are reviewed periodically and the effects of revisions are reflected in the financial statements in the period they are determined to be necessary. Actual results could differ from the estimates.

**NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY:**

A. **BUDGETS AND BUDGETARY ACCOUNTING:**

The budget is prepared on the modified accrual method of accounting for each fiscal year July 1 to June 30. The budget process includes a series of notices and publications culminating with the budget hearing. After the public hearing has been held, the County Commission enacts the resolutions to adopt the budget, make appropriations and declare the ad valorem tax levy for all funds.

The Appropriations Resolution contains amounts for department expenditures, capital outlay, inter-fund transfers, debt service and contingency. This is the level of control for authorized expenditures. The level of expenditures is monitored throughout the year. Transfers are made

from operating contingency or between the major object classifications of the appropriation for each fund as required to prevent over-expenditures. Final budget amounts shown in the budget to actual schedules include appropriation transfers and supplemental budget increases pursuant to ORS 294.480. All appropriations transfers and supplemental budget increases are approved by the Board of Commissioners. Appropriations for all funds lapse at the end of each fiscal year.

#### **Excess of expenditures over appropriations**

The County has no instance where expenditures exceeded appropriations for the year ended June 30, 2014.

#### **Deficit fund balance**

None of the County's funds had a deficit fund balance as of June 30, 2014.

### **NOTE 3 -DETAILED NOTES ON ALL FUNDS:**

#### **A. CASH AND INVESTMENTS:**

Cash and Investments (recorded at cost) for the county, its discretely presented component units and fiduciary funds, consisted of petty cash of \$2,958, deposits with financial institutions totaling \$1,589,413 and investment in the LGIP of \$19,793,806, for a total of \$21,386,177.

	<u>Fair Value</u>
Primary Government	19,185,240
Component Units	1,252,376
Fiduciary Funds	948,561
Total Deposits and Investments	<u>21,386,177</u>

#### **DEPOSITS:**

*Custodial Credit Risk* is the risk that in the event of a bank failure, the government's deposits may not be returned to it. In order to minimize this risk, state statutes require banks holding public funds become members of the Public Funds Collateralization Program (PFCP), a multiple financial institution collateral pool created by the Office of the State Treasurer. To qualify, participating banks must pledge collateral against any public fund deposits in excess of deposit insurance. The amount of collateral is set by the PFCP between 10% and 110% of each bank's public fund deposits based on their net worth and level of capitalization. Although the PFCP creates a shared liability structure for participating bank depositories, it does not guarantee that all funds are 100% protected. All of the County's June 30, 2014 bank balance of \$1,673,371 was collateralized by the FDIC or the PFCP.

#### **INVESTMENTS:**

The County participates in an external investment pool (State of Oregon Treasury Local Government Investment Pool). The Pool is not registered with the U.S. Securities and Exchange Commission as an investment company. The State's investment policies are governed by the ORS and the Oregon Investment Council (OIC). The State Treasurer is the investment officer for the OIC and is responsible for all funds in the State Treasury. These funds are invested exercising reasonable care, skill and caution. Investments in the Pool are further governed by portfolio guidelines issued by the Oregon Short-Term Fund Board, which establishes diversification percentages and specifies the types and maturities of investments. That portion of the external investment pool which belongs to local government participants is reported in an Investment Trust Fund in the State's Comprehensive Annual Financial Report. A copy of the State's Comprehensive Annual Financial Report may be obtained at the Oregon

State Treasury, 340 Winter St. NE., Salem, Oregon 97310-0840.

The County's position in the Pool at June 30, 2014 is stated at cost which approximates the fair value.

*Custodial Credit Risk – Investments* is the risk that, in the event of failure of the counterparty (e.g., broker dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in possession of another party. At June 30, 2014, the County did not have any investments exposed to custodial credit risk.

*Concentration of Credit Risk – Investments* is the risk of loss attributed to the magnitude of an entity's investment in a single issuer. There are no investments in any one issuer that represent five percent or more of the County's total investments.

*Interest Rate Risk* The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

#### B. CAPITAL ASSETS:

The following schedule shows the changes in Capital Assets for the year ended June 30, 2014:

	Beginning Balance	Additions	Deletions	Corrections	Ending Balance
<b>Land</b>	<b>1,418,304</b>	<b>7,807</b>	<b>(8,760)</b>	<b>-</b>	<b>1,417,351</b>
<i>Depreciable Assets</i>					
Buildings	7,403,272	107,814	-	-	7,511,086
Furniture and Equipment	9,840,979	158,327	(378,814)	-	9,620,492
Infrastructure	5,156,544	-	-	-	5,156,544
	22,400,795	266,140	(378,814)	-	22,288,121
<i>Accumulated Depreciation</i>					
Buildings	3,604,238	116,604	-	-	3,720,842
Furniture and Equipment	6,455,540	522,711	(334,790)	-	6,643,462
Infrastructure	1,198,247	203,275	-	-	1,401,523
	11,258,027	842,591	(334,790)	-	11,765,827
<b>Depreciable Assets - Net</b>	<b>11,142,768</b>	<b>(576,451)</b>	<b>(44,024)</b>	<b>-</b>	<b>10,522,294</b>
<b>Net Fixed Assets</b>	<b>12,561,072</b>	<b>(568,644)</b>	<b>(52,784)</b>	<b>-</b>	<b>11,939,645</b>

Depreciation expense for the year was charged to the following programs:

General Government	112,856
Public Safety	206,974
Highways and Streets	451,890
Health and Welfare	50,193
Culture and Recreation	20,678
	<u>842,591</u>

#### C. LONG-TERM DEBT:

1. *Veterans Facility Bonds:* In 1994, the County issued general obligation Veterans Facility Bonds to finance the County's portion of the costs of construction of a long-term health care facility for veterans and to pay related costs. The bonds are payable from general property tax revenues, with coupon rates that increase yearly from 3.25 % beginning in December 1995 to 4.35 % in 2013.

The County is authorized pursuant to the Oregon Constitution and Oregon Revised Statutes Sections 288.605 through 288.695 to issue advance refunding bonds for the refunding of all or any portion of its outstanding bonds. Advance refunding all or a portion of the refundable bonds provided significant debt service savings to the County as required by law. On December 7, 1999, the County issued General Obligation Refunding Bonds Series 1998 in the amount of \$3,150,000. The net proceeds of the refunding bonds were used to purchase refundable general obligations which were placed irrevocably in escrow and used solely to pay principal, interest and redemption premiums, if any, on the refundable 1994 general obligation bonds as they were redeemed. The ultimate savings on the advance refunding was expected to be \$262,926. The interest rate on these bonds increased yearly from 3.25% in 1998 to 4.35% in 2013.

The payment requirements for these bonds were satisfied in the year ending June 30, 2014. The remaining fund balance in the debt service fund was transferred to the general fund.

2. *Crates Point Bonded Loan*: In 1996, the County contracted with the State Of Oregon Economic Development Department, Oregon Bond Bank for a bonded loan of \$320,600 to finance the construction of the infrastructure at Crates Point. The loan was expected to be repaid with revenues derived from the operation of the Discovery Center and Museum. Payments began December 1, 1997 with an interest rate of 5.329%. This debt was satisfied in the year ended June 30, 2014.

3. *Notes Payable*: In 1996, the County contracted with the State Of Oregon Economic Development Department, Oregon Bond Bank for a deferred loan of \$634,241 to finance the construction of the infrastructure at Crates Point. The loan was expected to be repaid with revenues derived from the operation of the Discovery Center and Museum. Payments began December 1, 2002 with an interest rate of 6.00% for a 20 year term. On January 14, 2005, the County refinanced the note over 15 years at an interest rate of 5.15% for an anticipated savings of \$80,922. This debt was satisfied in the year ended June 30, 2014.

4. *Changes in Long-Term Debt*:

	Beginning Balance	Additions	Deletions	Ending Balance	Due in One Year
Compensated Absences	250,953	(78,201)	-	172,752	-
OPEB Obligation	551,556	87,510	-	639,066	-
Crates Point Bonded Loan					
Principal	96,587	-	96,587	-	-
Refunded Series 2005 (Crates Point)					
Principal	329,615	-	329,615	-	-
<u>Total Long Term Obligations</u>	<u>1,228,711</u>	<u>9,309</u>	<u>426,202</u>	<u>811,818</u>	<u>-</u>

D. EMPLOYEE PENSION PLANS:

1. *Plan Description*: Wasco County contributes to two pension plans administered by the Oregon Public Employees Retirement System (PERS). The Oregon Public Employees Retirement Fund (OPERF) applies to the County's contribution for qualifying employees who were hired before August 29, 2003, and is a cost-sharing multiple-employer defined benefit pension plan. The Oregon Public Service Retirement Plan (OPSRP) is a hybrid successor plan to the OPERF and consists of two programs: The Pension Program, the defined benefit portion of the plan, applies to qualifying District employees hired after August 29, 2003, and to inactive



employees who return to employment following a six-month or greater break in service. Benefits are calculated by a formula for members who attain normal retirement age. The formula takes into account final average salary and years of service. Beginning January 1, 2004, all PERS member contributions go into the Individual Account Program (IAP), the defined contribution portion of the plan. PERS members retain their existing PERS account, but any future member contributions are deposited into the member's IAP, not the member's PERS account.

Both PERS plans provide retirement and disability benefits, post-employment healthcare benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS is administered under Oregon Revised Statute Chapter 238, which establishes the Public Employees Retirement Board as the governing body of PERS. PERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to PERS, PO Box 23700, Tigard, OR 97281-3700 or by calling 503-598-7377.

2. *Funding Policy:* Members of PERS are required to contribute 6.00% of their salary covered under the plan, which is invested in the OPSRP Individual Account Program. The County is required by ORS 238.225 to contribute at an actuarially determined rate for the qualifying employees under the OPERF plan and a general service rate, and a police and fire rate for the Qualifying employees under the OPSRP plan. The rates for the year ended June 30, 2014 were as follows:

OPERF	12.81%
OPSRP General	9.50%
OPSRP Police/Fire	12.21%

The contribution requirements for plan members are established by ORS Chapter 238 and may be amended by an act of the Oregon Legislature. Actual contributions made by plan members for the IAP defined contribution portion of the OPSRP plan for the year ended June 30, 2014 are \$84,909.

3. *Annual Pension Cost:* For 2014, the County's annual pension cost for PERS was equal to the County's required and actual contributions. The required contribution was determined as part of the December 31, 2011, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 8.00 percent investment rate of return (net of investment and administrative expenses), (b) projected salary increases of 3.75% per year with additional increases for promotion and longevity that vary by age and service, (c) healthcare cost inflation of 7%, grading down to 4.5% in 2029 and (d) certain demographic assumptions. The underlying long-term assumed rate of inflation is 2.75% per year. The actuarial value of PERS assets at fair market value on the valuation date less a reserve equal to a prorated portion of the investment gains (losses) over the four-year period ending on the valuation date. The unfunded actuarial liability as of December 31, 2011 valuation, is being amortized on a level percentage of covered payroll on a closed fixed term method over a 20-year period.

Three Year Trend Information for Wasco County

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2012	919,794	100%	-
6/30/2013	941,647	100%	-
6/30/2014	866,779	100%	-

**E     OPERATING LEASES:**

The County leases equipment, primarily copiers, under non-cancelable lease agreements. Operating lease expenditures were \$32,860 for the year ended June 30, 2014. Future payments associated with operating leases are due as follows:

<u>FYE</u>	<u>Amount</u>
<u>30-Jun</u>	
2014	32,859
2015	32,089
2016	17,712
2017	4,172
2018	960

**F.     OTHER POST-EMPLOYMENT BENEFITS:**

**Plan Description:** The County participates in a defined benefit postemployment healthcare plan, administered by City County Insurance Services (CIS), which offers medical, dental and vision benefits to eligible retired employees and their beneficiaries. The plan is an agent multiple-employer postemployment healthcare plan. As the administrator of the plan, CIS has the authority to determine post-retirement benefit increases and decreases. CIS does not issue a separate, publicly available financial report for this plan.

The plan allows County employees retiring under PERS or PRSRP to continue their healthcare on a self-pay basis until eligible for Medicare, usually at age 65. This plan creates an "implicit rate subsidy" because the healthcare insurance premiums paid by the County for its employees are based on a blended premium of both employees and retirees combined, which is a higher premium than would have been paid for employees alone.

**Funding Policy:** The County's policy is to pay the implicit rate subsidy on a pay-as-you-go basis. For the fiscal year 2014 the County paid healthcare insurance premiums of \$1,671,928.

**Annual OPEB Cost and Net OPEB Obligation:** The County's annual OPEB expense is calculated based on the County's annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities over thirty years. The following table shows the components of the County's annual OPEB expense for the year, the amount actually contributed to the plan and changes in the County's net OPEB obligation.

	<u>FYE 6/30/14</u>
<b>Determination of Annual Required Contribution</b>	
1) Normal Cost at year end	\$ 76,322
2) Amortization of UAAL	<u>113,145</u>
3) Annual Required Contribution (ARC) (1) + (2)	\$ 189,467
<b>Determination of Net OPEB Obligation</b>	
4) Annual Required Contribution	\$ 189,467
5) Interest on prior year Net OPEB Obligation	19,304
6) Adjustment to ARC	<u>66,320</u>
7) Annual OPEB Cost (4) + (5) - (6)	\$ 142,451
8) Explicit Benefit Payments	-
9) Implicit Benefit Payments	<u>54,941</u>
10) Increase in Net OPEB Obligation (7) - (8) - (9)	\$ 87,510
11) Net OPEB Obligation - beginning of year	<u>551,556</u>
12) Net OPEB Obligation - end of year	<u>639,066</u>

:

The following table shows the annual OPEB cost and net OPEB obligation for the prior three years:

<u>Three Year Trend Information for Wasco County</u>			
<u>Fiscal Year Ending</u>	<u>Annual OPEB Cost</u>	<u>% of OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
6/30/2012	163,961	52%	467,890
6/30/2013	171,311	51%	551,556
6/30/2014	142,451	38%	639,066

**Funded Status and Funding Progress:** As of August 1, 2012, the most recent actuarial valuation date, the plan was zero percent funded. The actuarial accrued liability for benefits was \$911,773 and the actuarial value of assets was zero, resulting in an unfunded accrued liability of \$911,773.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

**Actuarial Methods and Assumptions:** Projections of benefits are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the County and the plan members to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Significant methods and assumptions were as follows:

Actuarial Valuation Date	8/1/2012
Actuarial Cost Method	Projected Unit Credit Cost Method
Amortization Method	Level % of Payroll
Open Amortization Period	10 Years
Actuarial Assumptions:	
Projected Salary Increases	2.75% plus merit component
Initial Healthcare Inflation Rates	7.25%
Ultimate Healthcare Inflation Rates	5.0%

**G. INTERFUND TRANSFERS:**

The following table reflects the interfund transfers completed during the year ended June 30, 2014:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	659,951	2,476,903
Health Grants	163,041	-
Fair Fund	-	17,500
Land Corner Preservation Fund	-	2,588
Forest Health Fund	-	33,500
Spec. ED Payments Fund	-	711,528
Law Library Fund	-	8,000
District Attorney Fund	-	5,000
Museum Fund	15,000	-
911 Communication Fund	208,742	-
Community Corrections Fund	-	278,571
Parks Fund	7,500	35,000
Court Facilities Fund	-	30,000
CCF Fund	-	700
Capital Acquisitions Fund	620,120	-
911 Equipment Reserve	7,968	-
911 Capital Reserve	-	7,968
Facility Capital Reserve	700,000	-
General Reserve	770,000	-
Discovery Center DSF	454,935	-
Total Operating Transfers	<u>3,607,258</u>	<u>3,607,258</u>
Residual Equity Transfer		
General Fund	117,649	-
VA Bond Fund	-	117,649
Total All Transfers	<u>3,724,907</u>	<u>3,724,907</u>

All transfers are budgeted to provide for operations of individual funds.

**H. BUDGET/G.A.A.P. RECONCILIATION:**

The following schedule reconciles the amounts on the Statement of Revenues, Expenditures and Changes in Fund Balance to the amounts on the individual fund statements prepared on the budgetary basis.

	General <u>Fund</u>	Public <u>Works Fund</u>	Other Nonmajor <u>Funds</u>
Net change in fund balances - GAAP basis	1,344,213	360,073	440,482
<i>Expenditures required by GAAP not recorded under budgetary basis:</i>			
Change in Inventory	-	47,012	-
Change in compensated absences	(24,724)	(32,719)	(20,758)
<i>Net change in fund balance for budgeted funds that do not meet the GASB 54 definition of Special Revenue funds and so are included in the General Fund:</i>			
208 - Economic Development Payments Fund	(489,840)	-	489,840
210 - District Attorney Fund	6,857	-	(6,857)
211 - Museum Fund	6,183	-	(6,183)
219 - Weed & Pest Control Fund	(3,422)	-	3,422
220 - 911 Communications Fund	57,849	-	(57,849)
233 - Kramer Field Fund	(176)	-	176
321 - Road Reserve Fund	-	(14,949)	14,949
324 - Equipment Reserve	(9,217)	-	9,217
325 - 911 Capital Reserve	7,942	-	(7,942)
326 - Facility Capital Reserve	(702,934)	-	702,934
327 - General Operating Reserve	<u>(774,432)</u>	<u>-</u>	<u>774,432</u>
Net change in fund balances - budgetary basis	<u>(581,700)</u>	<u>359,417</u>	<u>2,335,862</u>

**J. LIABILITY FOR DEFERRED COMPENSATION:**

The County offers a deferred compensation plan created in accordance with Internal Revenue Code Section 457. This plan, available to all full time regular employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

All amounts of compensation deferred under the plan are held in trust by the plan administrator for the sole benefit of the participants. The assets of the plan totaled \$3,191,928 and \$2,900,819 at June 30, 2014 and 2013, respectively.

**NOTE 4 – OTHER INFORMATION:**

**A. RISK MANAGEMENT:**

The County is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the County carries commercial insurance with nominal deductible levels. Losses over the past three years have not exceeded insurance coverage.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Any liability for claims or judgments would be reported in the appropriate governmental fund.

The County has elected to finance the liability for unemployment compensation benefits to County employees by reimbursing the State of Oregon Employment Division for the County's actual costs for the unemployment benefits.

B. JOINTLY GOVERNED ORGANIZATION:

Wasco County, Oregon, in conjunction with Sherman County, Hood River County, and Gilliam County, has created a regional jail facility in Wasco County known as Northern Oregon Corrections (NORCOR). The board of NORCOR is composed of five members, one from each of the participating governments, along with one sheriff. Wasco County budgeted expenditures to NORCOR for the year ended June 30, 2014 totaled \$2,206,380. Financial information for this entity may be obtained from the Administrator, Northern Oregon Corrections, 201 Webber Road, The Dalles, Oregon 97058.

C. SUBSEQUENT EVENTS

Subsequent events have been evaluated through the date of this financial statement with management. The issuance date of this financial statement is the same as the report date.

**Wasco County, Oregon**  
**Schedule of Funding Progress Required by GASB 45**  
**For the year ended June 30, 2014**  
(all amounts are in dollars)

<u>Actuarial</u>	<u>Actuarial</u>					<u>UAAL as a</u>
<u>Valuation</u>	<u>Value of</u>	<u>AAL</u>		<u>Funded</u>	<u>Covered</u>	<u>% of</u>
<u>Date</u>	<u>Assets</u>	<u>Unit Credit</u>	<u>UAAL</u>	<u>Ratio</u>	<u>Payroll</u>	<u>Covered</u>
8/1/2008	-	1,225,563	1,225,563	0%	6,331,674	19%
8/1/2010	-	1,251,853	1,251,853	0%	6,964,303	18%
8/1/2012	-	911,773	911,773	0%	6,671,504	14%

## **OTHER INFORMATION**



Wasco County, Oregon  
Combining Balance Sheet  
Non-Major Funds  
June 30, 2014  
(all amounts are in dollars)

	Special Revenue Funds	Capital Project Funds	Debt Service Funds	Total Non-Major Funds
<u>ASSETS:</u>				
Deposits and Investments	1,307,716	1,232,092	-	2,539,808
Receivables:				
Accounts Receivable	87,031	-	-	87,031
<u>TOTAL ASSETS</u>	<u>1,394,748</u>	<u>1,232,092</u>	<u>-</u>	<u>2,626,839</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>				
<u>Liabilities:</u>				
Accounts Payable	85,697	3,833	-	89,531
Compensated Absences	21,604	-	-	21,604
Accrued Payroll & Related Liabilities	26,797	-	-	26,797
<u>Total Liabilities</u>	<u>134,098</u>	<u>3,833</u>	<u>-</u>	<u>137,931</u>
<u>Fund Balances:</u>				
Restricted	1,181,276	-	-	1,181,276
Committed	-	1,228,258	-	1,228,258
Assigned	21,604	-	-	21,604
Unassigned	57,769	-	-	57,769
<u>Total Fund Balances</u>	<u>1,260,650</u>	<u>1,228,258</u>	<u>-</u>	<u>2,488,908</u>
<u>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>	<u>1,394,748</u>	<u>1,232,092</u>	<u>-</u>	<u>2,626,839</u>

**Wasco County, Oregon**  
**Combining Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance**  
**Non-Major Funds**  
**For the year ended June 30, 2014**  
(all amounts are in dollars)

	Special Revenue <u>Funds</u>	Capital Project <u>Funds</u>	Debt Service <u>Funds</u>	Total Non-Major <u>Funds</u>
Licenses, Fees & Permits	522,178	-	-	522,178
Intergovernmental Revenues	1,730,117	-	-	1,730,117
Federal Revenues	559,366	-	-	559,366
Charges for Services	48,221	-	-	48,221
Fines and Restitution	31,808	-	-	31,808
Investment Earnings	8,536	4,296	-	12,832
Contributions and Donations	28,117	-	-	28,117
Miscellaneous	19,987	-	-	19,987
<b>TOTAL REVENUES</b>	<b>2,948,328</b>	<b>4,296</b>	<b>-</b>	<b>2,952,625</b>
<b>EXPENDITURES:</b>				
<i>Current: Personal Services</i>	1,438,476	-	-	1,438,476
<i>Current: Materials &amp; Services</i>	1,430,742	-	-	1,430,742
Capital Outlay	24,746	3,833	-	28,579
Debt Service	-	-	454,935	454,935
<b>TOTAL EXPENDITURES</b>	<b>2,893,963</b>	<b>3,833</b>	<b>454,935</b>	<b>3,352,732</b>
Excess of Revenues Over (Under) Expenditures	54,365	463	(454,935)	(400,107)
<b>OTHER FINANCING SOURCES(USES)</b>				
Sale of Assets	850	-	-	850
Operating Transfers In	170,541	620,120	454,935	1,245,596
Operating Transfers Out	(405,858)	-	-	(405,858)
<b>NET OTHER FINANCING SOURCES (USES)</b>	<b>(234,467)</b>	<b>620,120</b>	<b>454,935</b>	<b>840,588</b>
Net Changes in Fund Balance	(180,102)	620,583	-	440,481
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<b>1,440,752</b>	<b>607,676</b>	<b>117,649</b>	<b>2,166,076</b>
Residual Equity Transfer Out	-	-	(117,649)	(117,649)
<b>FUND BALANCE - END OF YEAR</b>	<b>1,260,650</b>	<b>1,228,258</b>	<b>-</b>	<b>2,488,908</b>

**SPECIAL REVENUE FUNDS**  
**NONMAJOR GOVERNMENTAL FUNDS**

\*\* These funds do not meet the GASB 54 definition of Special Revenue Funds and are included in the General Fund or other Major Fund GAAP basis financial statements. They are budgeted as Special Revenue Funds under Oregon Budget Law.

201 PUBLIC HEALTH FUND: The North Central Public Health District receives revenues from state and federal grant programs, fees for immunizations, prenatal care, death certificates and various other sources. Expenditures from the fund are for personal services and materials and services. The Health Fund became a special district as of 1/1/2014, and the remaining fund balance was paid by Wasco County to the new district.

203 COUNTY FAIR FUND: Revenues and expenditures from the operation of the County Fair are recorded in this fund. The primary source of revenue for the Fair is money earned from the annual County Fair operation. Revenues are also received from the State Video Lottery Commission. Expenditures are mainly for the fair and year round maintenance of the fair grounds.

204 COUNTY SCHOOL FUND: The County School Fund is used to account for the receipt of forest reserve rental revenues and distributions from the State of Oregon Common School Fund. By law, these funds are distributed to the school districts in Wasco County.

205 LAND CORNER PRESERVATION FUND: This fund was created by statute to account for revenues and expenditures relating to the surveying of all section corners in Wasco County. Revenues are mainly derived from fees charged for recording and interest on investments. Expenditures are for personal services and materials and services.

206 FOREST HEALTH FUND: The County receives Federal Title III money to be used to maintain the health of forests within county boundaries. Revenues are from grants and interest. Expenditures were for materials and services.

207 HOUSEHOLD HAZARDOUS WASTE FUND: Income is from DEQ grants and surcharges on local garbage services. Monies were expended for the Sanitarian and the Public Health Business Manager to supervise the collection of fees and the contracting of services and building projects relating to the disposal of Household Hazardous Waste.

\*\*208 SPECIAL ECONOMIC DEVELOPMENT PAYMENTS FUND: This fund was established to account for Enterprise Zone Tax Abatement Agreement Project fees. The agreement states that "Project Fees will be deposited with the County, and budgeted, expended and distributed by the Sponsor for projects and programs for local services or infrastructure".

209 LAW LIBRARY FUND: This fund is used to maintain a law library within the County. Revenues are mainly from filing fees and expenditures are for materials and services.

\*\*210 DISTRICT ATTORNEY FUND: Established to account for forfeiture proceeds, Victim and Drug Court donation balances in the General Fund are also transferred and accounted for in this fund. Revenues are mainly from Victim and Drug Court donations and forfeiture proceeds. Expenditures are for materials and services and capital expenses.

\*\*211 MUSEUM FUND: Revenues are mainly from donations and supplements from the City of The Dalles and Wasco County. Expenditures are for personal services, materials and services and capital expenses.

\*\*219 WEED AND PEST CONTROL FUND: Revenues and expenditures for the County's weed abatement and pest control are recorded in this fund. Major sources of revenue include federal and state grants and contracts. Expenditures are for personal services, materials and services and capital outlay.

\*\*220 911 COMMUNICATIONS FUND: This fund was created to account for activities of the County acting as the administrative and fiscal agent for the 911 user group. Revenues are primarily from 911 contracts and phone taxes. Expenditures are for personal services and materials and services.

223 PARKS FUND: The Parks fund receives RV and campsite monies to pay for a Park Manager, and maintenance and utilities for Hunt Park.

227 COMMUNITY CORRECTIONS FUND: This fund is used to account for revenues from state grants and fees from participants in the community correction program. Expenditures are for personal services, materials and services and capital outlay.

229 COURT FACILITIES SECURITY FUND: This fund is used to account for revenues from assessments on court fines. Expenditures are for materials and services.

232 COMMISSION ON CHILDREN AND FAMILIES: This fund accounts for state and federal grant monies. The grants are used to redirect state and federal child and family services to the local level. Expenditures were for personal services and materials and services.

\*\*233 KRAMER FIELD FUND: Amounts remaining after the construction of Kramer Field on Webber Street are recorded in this fund. Revenues were from interest earned on investments. Expenditures are for materials and services.

237 CLERK RECORDS FUND: During 1999, Oregon law required a separate fund be maintained to accumulate 5% of the Assessment and Taxations recording fee. These funds are to be used to acquire storage and retrieval systems, and pay expenditures related to collecting the fee and maintaining and storing records.

\*\*321 ROAD RESERVE FUND: This fund was created to accumulate monies for future road equipment purchases and construction projects. Revenues were from interest on investments. Budgeted expenditures are for materials and services and capital outlay. This fund is included with the Public Works Fund in the GAAP basis financial statements.

\*\*324 911 EQUIPMENT RESERVE FUND: This fund was created to accumulate monies for the purchase of 911 equipment. Revenues were from interest on investments and transfers.

\*\*325 911 CAPITAL RESERVE FUND: This fund was created to accumulate monies for potential 911 capital expenditures. Revenues were from interest on investments and transfers.

\*\*326 FACILITY CAPITAL RESERVE FUND: This fund was created to accumulate monies for potential capital expenditures required by county facilities. Revenues were from interest on investments and transfers.

\*\*327 GENERAL OPERATING RESERVE FUND: This fund was created to accumulate monies to support operating expense as determined by the Commissioners. Revenues were from interest on investments and transfers.

Wasco County, Oregon  
Combining Balance Sheet  
Special Revenue Funds  
June 30, 2014  
(all amounts are in dollars)

	201 Public Health Fund	203 County Fair Fund	204 County School Fund	205 Land Corner Pres Fund	206 Forest Health Fund
<b>ASSETS:</b>					
Deposits and Investments	-	117,614	24,969	129,108	193,346
Receivables					
Accounts Receivable	-	540	174	-	-
<b>TOTAL ASSETS</b>	<u>-</u>	<u>118,154</u>	<u>25,142</u>	<u>129,108</u>	<u>193,346</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts Payable	-	12,684	-	530	-
Accrued Liabilities	-	566	-	1,577	-
Compensated Absences	-	-	-	-	-
<b>Total Liabilities</b>	<u>-</u>	<u>13,250</u>	<u>-</u>	<u>2,107</u>	<u>-</u>
<b>Fund Balances:</b>					
Restricted	-	104,904	25,142	127,001	193,346
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
<b>Total Fund Balances</b>	<u>-</u>	<u>104,904</u>	<u>25,142</u>	<u>127,001</u>	<u>193,346</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>-</u>	<u>118,154</u>	<u>25,142</u>	<u>129,108</u>	<u>193,346</u>

<u>207 HHW Fund</u>	<u>209 Law Lib Fund</u>	<u>223 Parks Fund</u>	<u>227 Comm. Corr Fund</u>	<u>229 Court Fac. Sec Fund</u>	<u>232 CCFC Fund</u>	<u>237 Clerk Records Fund</u>	<u>Total Non-Major Special Revenue Funds</u>
8	124,193	45,215	483,465	53,255	109,607	26,936	1,307,716
-	-	15,872	342	456	69,648	-	87,031
<u>8</u>	<u>124,193</u>	<u>61,087</u>	<u>483,807</u>	<u>53,710</u>	<u>179,255</u>	<u>26,936</u>	<u>1,394,748</u>
8	319	2,940	18,625	87	50,484	19	85,697
-	-	377	20,704	-	3,572	-	26,797
-	-	-	21,604	-	-	-	21,604
<u>8</u>	<u>319</u>	<u>3,318</u>	<u>60,933</u>	<u>87</u>	<u>54,057</u>	<u>19</u>	<u>134,098</u>
-	123,874	-	401,270	53,623	125,199	26,917	1,181,276
-	-	-	-	-	-	-	-
-	-	-	21,604	-	-	-	21,604
-	-	57,769	-	-	-	-	57,769
<u>-</u>	<u>123,874</u>	<u>57,769</u>	<u>422,874</u>	<u>53,623</u>	<u>125,199</u>	<u>26,917</u>	<u>1,260,650</u>
<u>8</u>	<u>124,193</u>	<u>61,087</u>	<u>483,807</u>	<u>53,710</u>	<u>179,255</u>	<u>26,936</u>	<u>1,394,748</u>

Wasco County, Oregon  
Combining Schedule of Revenues, Expenditures  
and Changes in Fund Balance  
Special Revenue Funds  
For the year ended June 30, 2014  
(all amounts are in dollars)

	201 <u>Public Health</u> <u>Fund</u>	203 <u>County Fair</u> <u>Fund</u>	204 <u>County</u> <u>School</u> <u>Fund</u>	205 <u>Land</u> <u>Corner</u> <u>Pres Fund</u>	206 <u>Forest</u> <u>Health</u> <u>Fund</u>
<b>REVENUES:</b>					
Licenses, Fees & Permits	96,731	94,871	-	26,520	-
Intergovernmental Revenues	222,473	50,964	62,709	-	-
Federal Revenues	282,996	-	223,762	-	52,609
Charges for Services	44,621	-	-	-	-
Fines and Restitution	-	-	-	-	-
Investment Earnings	693	607	382	773	931
Contributions and Donations	-	4,140	-	-	-
Miscellaneous	19,500	77	-	-	-
<b>TOTAL REVENUES</b>	<b>667,013</b>	<b>150,659</b>	<b>286,853</b>	<b>27,293</b>	<b>53,540</b>
<b>EXPENDITURES:</b>					
<i>Current: Personal Services</i>	733,454	24,359	-	46,025	-
<i>Current: Materials &amp; Services</i>	335,514	121,382	261,855	1,950	-
Capital Outlay	24,746	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>1,093,714</b>	<b>145,741</b>	<b>261,855</b>	<b>47,975</b>	<b>-</b>
Excess of Revenues Over (Under) Expenditures	(426,702)	4,918	24,998	(20,682)	53,540
<b>OTHER FINANCING SOURCES(USES)</b>					
Sale of Assets	-	-	-	-	-
Operating Transfers In	163,041	-	-	-	-
Operating Transfers Out	-	(17,500)	-	(2,588)	(33,500)
<b>NET OTHER FINANCING SOURCES (USES)</b>	<b>163,041</b>	<b>(17,500)</b>	<b>-</b>	<b>(2,588)</b>	<b>(33,500)</b>
Net Changes in Fund Balance	(263,660)	(12,582)	24,998	(23,270)	20,040
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<b>263,660</b>	<b>117,486</b>	<b>144</b>	<b>150,271</b>	<b>173,306</b>
<b>FUND BALANCE - END OF YEAR</b>	<b>-</b>	<b>104,904</b>	<b>25,142</b>	<b>127,001</b>	<b>193,346</b>



<u>207 HHW Fund</u>	<u>209 Law Lib Fund</u>	<u>223 Parks Fund</u>	<u>227 Comm. Corr Fund</u>	<u>229 Court Fac. Sec Fund</u>	<u>232 CCFC Fund</u>	<u>237 Clerk Records Fund</u>	<u>Total Non-Major Special Revenue Funds</u>
148,159	22,250	36,333	89,342	-	-	7,971	522,178
-	-	67,782	1,075,833	-	250,356	-	1,730,117
-	-	-	-	-	-	-	559,366
3,600	-	-	-	-	-	-	48,221
-	-	-	-	31,808	-	-	31,808
412	670	294	2,663	280	700	130	8,536
-	-	-	-	-	23,977	-	28,117
-	-	207	202	-	-	-	19,987
<u>152,171</u>	<u>22,921</u>	<u>104,616</u>	<u>1,168,041</u>	<u>32,088</u>	<u>275,032</u>	<u>8,101</u>	<u>2,948,328</u>
48,228	-	16,239	507,160	-	63,010	-	1,438,476
222,769	13,498	45,065	207,798	87	217,140	3,683	1,430,742
-	-	-	-	-	-	-	24,746
<u>270,997</u>	<u>13,498</u>	<u>61,304</u>	<u>714,959</u>	<u>87</u>	<u>280,150</u>	<u>3,683</u>	<u>2,893,963</u>
(118,826)	9,422	43,312	453,082	32,001	(5,118)	4,418	54,365
850	-	-	-	-	-	-	850
-	-	7,500	-	-	-	-	170,541
-	(8,000)	(35,000)	(278,571)	(30,000)	(700)	-	(405,858)
<u>850</u>	<u>(8,000)</u>	<u>(27,500)</u>	<u>(278,571)</u>	<u>(30,000)</u>	<u>(700)</u>	<u>-</u>	<u>(234,467)</u>
(117,976)	1,422	15,812	174,511	2,001	(5,818)	4,418	(180,102)
<u>117,976</u>	<u>122,452</u>	<u>41,957</u>	<u>248,363</u>	<u>51,622</u>	<u>131,016</u>	<u>22,498</u>	<u>1,440,752</u>
<u>-</u>	<u>123,874</u>	<u>57,769</u>	<u>422,874</u>	<u>53,623</u>	<u>125,199</u>	<u>26,917</u>	<u>1,260,650</u>

**Wasco County, Oregon**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual - Budgetary Basis**  
**201 Public Health Fund**  
**For the year ended June 30, 2014**  
(all amounts are in dollars)

	<u>BUDGETED AMOUNTS</u>			Variance Favorable
<u>REVENUES:</u>	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>(Unfavorable)</u>
Licenses, Fees & Permits	251,020	251,020	96,731	(154,289)
Intergovernmental Revenues	684,539	512,973	222,473	(290,500)
Federal Revenues	511,595	683,161	282,996	(400,165)
Charges for Services	176,505	176,505	44,621	(131,884)
Investment Earnings	1,200	1,200	693	(507)
Miscellaneous	66,700	66,700	19,500	(47,200)
<u>TOTAL REVENUES</u>	<u>1,691,559</u>	<u>1,691,559</u>	<u>667,013</u>	<u>(1,024,546)</u>
<u>EXPENDITURES:</u>				
<i>Current: Personal Services</i>	1,723,552	1,723,552	747,255	976,297
<i>Current: Materials &amp; Services</i>	338,179	338,179	335,514	2,665
Capital Outlay	70,690	70,690	24,746	45,944
Contingency	131,152	131,152	-	131,152
<u>TOTAL EXPENDITURES</u>	<u>2,263,573</u>	<u>2,263,573</u>	<u>1,107,515</u>	<u>1,156,058</u>
Excess of Revenues Over (Under) Expenditures	(572,014)	(572,014)	(440,503)	131,511
<u>OTHER FINANCING SOURCES(USES)</u>				
Operating Transfers In	314,014	314,014	163,041	(150,973)
<u>NET OTHER FINANCING SOURCES (USES)</u>	<u>314,014</u>	<u>314,014</u>	<u>163,041</u>	<u>(150,973)</u>
Net Changes in Fund Balance	(258,000)	(258,000)	(277,461)	(19,461)
<u>FUND BALANCE - BEGINNING OF YEAR</u>	<u>258,000</u>	<u>258,000</u>	<u>277,461</u>	<u>19,461</u>
<u>FUND BALANCE - END OF YEAR</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Wasco County, Oregon  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual - Budgetary Basis  
203 County Fair Fund  
For the year ended June 30, 2014  
(all amounts are in dollars)

	BUDGETED AMOUNTS			Variance Favorable
	Original	Final	Actual	(Unfavorable)
<b>REVENUES:</b>				
Licenses, Fees & Permits	83,000	83,000	94,871	11,871
Intergovernmental Revenues	48,000	48,000	50,964	2,964
Investment Earnings	500	500	607	107
Contributions and Donations	4,500	4,500	4,140	(360)
Miscellaneous	-	-	77	77
<b>TOTAL REVENUES</b>	<b>136,000</b>	<b>136,000</b>	<b>150,659</b>	<b>14,659</b>
<b>EXPENDITURES:</b>				
<i>Current: Personal Services</i>	24,997	24,997	24,359	638
<i>Current: Materials &amp; Services</i>	124,360	124,360	121,382	2,978
Capital Outlay	5,000	5,000	-	5,000
Contingency	21,643	21,643	-	21,643
<b>TOTAL EXPENDITURES</b>	<b>176,000</b>	<b>176,000</b>	<b>145,741</b>	<b>30,259</b>
Excess of Revenues Over (Under) Expenditures	(40,000)	(40,000)	4,918	44,918
<b>OTHER FINANCING SOURCES(USES)</b>				
Operating Transfers Out	(17,500)	(17,500)	(17,500)	-
<b>NET OTHER FINANCING SOURCES (USES)</b>	<b>(17,500)</b>	<b>(17,500)</b>	<b>(17,500)</b>	<b>-</b>
Net Changes in Fund Balance	(57,500)	(57,500)	(12,582)	44,918
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<b>57,500</b>	<b>57,500</b>	<b>117,486</b>	<b>59,986</b>
<b>FUND BALANCE - END OF YEAR</b>	<b>-</b>	<b>-</b>	<b>104,904</b>	<b>104,904</b>

Wasco County, Oregon  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual - Budgetary Basis  
204 County School Fund  
For the year ended June 30, 2014  
(all amounts are in dollars)

	BUDGETED AMOUNTS			Variance Favorable
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>(Unfavorable)</u>
<b>REVENUES:</b>				
Intergovernmental Revenues	61,500	61,500	62,709	1,209
Federal Revenues	200,190	200,190	223,762	23,572
Investment Earnings	200	200	382	182
<b>TOTAL REVENUES</b>	<u>261,890</u>	<u>261,890</u>	<u>286,853</u>	<u>24,963</u>
<b>EXPENDITURES:</b>				
<i>Current: Materials &amp; Services</i>	<u>261,890</u>	<u>261,890</u>	<u>261,855</u>	<u>35</u>
<b>TOTAL EXPENDITURES</b>	<u>261,890</u>	<u>261,890</u>	<u>261,855</u>	<u>35</u>
Net Changes in Fund Balance	-	-	24,998	24,998
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>-</u>	<u>-</u>	<u>144</u>	<u>144</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>-</u>	<u>-</u>	<u>25,142</u>	<u>25,142</u>

Wasco County, Oregon  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual - Budgetary Basis  
205 Land Corner Preservation Fund  
For the year ended June 30, 2014  
(all amounts are in dollars)

	<u>BUDGETED AMOUNTS</u>			Variance Favorable
<u>REVENUES:</u>	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>(Unfavorable)</u>
Licenses, Fees & Permits	30,000	30,000	26,520	(3,480)
Investment Earnings	1,000	1,000	773	(227)
<u>TOTAL REVENUES</u>	<u>31,000</u>	<u>31,000</u>	<u>27,293</u>	<u>(3,707)</u>
<u>EXPENDITURES:</u>				
<i>Current: Personal Services</i>	50,007	50,007	48,565	1,442
<i>Current: Materials &amp; Services</i>	2,000	2,000	1,950	50
Contingency	10,000	10,000	-	10,000
<u>TOTAL EXPENDITURES</u>	<u>62,007</u>	<u>62,007</u>	<u>50,515</u>	<u>11,492</u>
Excess of Revenues Over (Under) Expenditures	(31,007)	(31,007)	(23,222)	7,785
<u>OTHER FINANCING SOURCES(USES)</u>				
Operating Transfers Out	(3,450)	(3,450)	(2,588)	863
<u>NET OTHER FINANCING SOURCES (USES)</u>	<u>(3,450)</u>	<u>(3,450)</u>	<u>(2,588)</u>	<u>863</u>
Net Changes in Fund Balance	(34,457)	(34,457)	(25,810)	8,647
<u>FUND BALANCE - BEGINNING OF YEAR</u>	<u>34,457</u>	<u>34,457</u>	<u>152,811</u>	<u>118,354</u>
<u>FUND BALANCE - END OF YEAR</u>	<u>-</u>	<u>-</u>	<u>127,001</u>	<u>127,001</u>

**Wasco County, Oregon**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual - Budgetary Basis**  
**206 Forest Health Fund**  
**For the year ended June 30, 2014**  
(all amounts are in dollars)

	<u>BUDGETED AMOUNTS</u>			Variance Favorable
<u>REVENUES:</u>	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>(Unfavorable)</u>
Federal Revenues	-	-	52,609	52,609
Investment Earnings	600	600	931	331
<u>TOTAL REVENUES</u>	<u>600</u>	<u>600</u>	<u>53,540</u>	<u>52,940</u>
<u>EXPENDITURES:</u>				
<i>Current: Materials &amp; Services</i>	115,600	115,600	-	115,600
<u>TOTAL EXPENDITURES</u>	<u>115,600</u>	<u>115,600</u>	<u>-</u>	<u>115,600</u>
Excess of Revenues Over (Under) Expenditures	(115,000)	(115,000)	53,540	168,540
<u>OTHER FINANCING SOURCES(USES)</u>				
Operating Transfers Out	(60,000)	(60,000)	(33,500)	26,500
<u>NET OTHER FINANCING SOURCES (USES)</u>	<u>(60,000)</u>	<u>(60,000)</u>	<u>(33,500)</u>	<u>26,500</u>
Net Changes in Fund Balance	(175,000)	(175,000)	20,040	195,040
<u>FUND BALANCE - BEGINNING OF YEAR</u>	<u>175,000</u>	<u>175,000</u>	<u>173,306</u>	<u>(1,694)</u>
<u>FUND BALANCE - END OF YEAR</u>	<u>-</u>	<u>-</u>	<u>193,346</u>	<u>193,346</u>

Wasco County, Oregon  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual - Budgetary Basis  
207 Household Hazardous Waste  
For the year ended June 30, 2014  
(all amounts are in dollars)

	BUDGETED AMOUNTS			Variance
	Original	Final	Actual	Favorable (Unfavorable)
<b>REVENUES:</b>				
Licenses, Fees & Permits	315,750	315,750	148,159	(167,591)
Charges for Services	7,200	7,200	3,600	(3,600)
Investment Earnings	450	450	412	(38)
Miscellaneous	7,000	7,000	-	(7,000)
<b>TOTAL REVENUES</b>	<b>330,400</b>	<b>330,400</b>	<b>152,171</b>	<b>(178,229)</b>
<b>EXPENDITURES:</b>				
<i>Current: Personal Services</i>	143,800	103,800	49,208	54,592
<i>Current: Materials &amp; Services</i>	188,400	228,400	222,769	5,631
Contingency	136,566	136,566	-	136,566
<b>TOTAL EXPENDITURES</b>	<b>468,766</b>	<b>468,766</b>	<b>271,977</b>	<b>196,789</b>
Excess of Revenues Over (Under) Expenditures	(138,366)	(138,366)	(119,806)	18,560
<b>OTHER FINANCING SOURCES(USES)</b>				
Sale of Assets	7,000	7,000	850	(6,150)
<b>NET OTHER FINANCING SOURCES (USES)</b>	<b>7,000</b>	<b>7,000</b>	<b>850</b>	<b>(6,150)</b>
Net Changes in Fund Balance	(131,366)	(131,366)	(118,956)	12,410
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<b>131,366</b>	<b>131,366</b>	<b>118,956</b>	<b>(12,410)</b>
<b>FUND BALANCE - END OF YEAR</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Wasco County, Oregon  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual - Budgetary Basis  
208 Special Economic Development Payments Fund  
For the year ended June 30, 2014  
(all amounts are in dollars)

	BUDGETED AMOUNTS			Variance Favorable
<u>REVENUES:</u>	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>(Unfavorable)</u>
Intergovernmental Revenues	185,000	185,000	203,850	18,850
Investment Earnings	-	-	2,209	2,209
Contributions and Donations	250,000	1,450,000	1,450,000	-
<u>TOTAL REVENUES</u>	<u>435,000</u>	<u>1,635,000</u>	<u>1,656,059</u>	<u>21,059</u>
<u>EXPENDITURES:</u>				
<i>Current: Materials &amp; Services</i>	165,000	939,155	454,691	484,464
<u>TOTAL EXPENDITURES</u>	<u>165,000</u>	<u>939,155</u>	<u>454,691</u>	<u>484,464</u>
Excess of Revenues Over (Under) Expenditures	270,000	695,845	1,201,368	505,523
<u>OTHER FINANCING SOURCES(USES)</u>				
Operating Transfers Out	(288,000)	(713,845)	(711,528)	2,317
<u>NET OTHER FINANCING SOURCES (USES)</u>	<u>(288,000)</u>	<u>(713,845)</u>	<u>(711,528)</u>	<u>2,317</u>
Net Changes in Fund Balance	(18,000)	(18,000)	489,840	507,840
<u>FUND BALANCE - BEGINNING OF YEAR</u>	<u>18,000</u>	<u>18,000</u>	<u>23,692</u>	<u>5,692</u>
<u>FUND BALANCE - END OF YEAR</u>	<u>-</u>	<u>-</u>	<u>513,532</u>	<u>513,532</u>



Wasco County, Oregon  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual - Budgetary Basis  
209 Law Library Fund  
For the year ended June 30, 2014  
(all amounts are in dollars)

	<u>BUDGETED AMOUNTS</u>			Variance Favorable
<u>REVENUES:</u>	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>(Unfavorable)</u>
Licenses, Fees & Permits	20,000	20,000	22,250	2,250
Investment Earnings	500	500	670	170
<u>TOTAL REVENUES</u>	<u>20,500</u>	<u>20,500</u>	<u>22,920</u>	<u>2,421</u>
<u>EXPENDITURES:</u>				
<i>Current: Materials &amp; Services</i>	38,000	38,000	13,498	24,502
Contingency	89,500	89,500	-	89,500
<u>TOTAL EXPENDITURES</u>	<u>127,500</u>	<u>127,500</u>	<u>13,498</u>	<u>114,002</u>
Excess of Revenues Over (Under) Expenditures	(107,000)	(107,000)	9,422	116,422
<u>OTHER FINANCING SOURCES(USES)</u>				
Operating Transfers Out	(8,000)	(8,000)	(8,000)	-
<u>NET OTHER FINANCING SOURCES (USES)</u>	<u>(8,000)</u>	<u>(8,000)</u>	<u>(8,000)</u>	<u>-</u>
Net Changes in Fund Balance	(115,000)	(115,000)	1,422	116,422
<u>FUND BALANCE - BEGINNING OF YEAR</u>	<u>115,000</u>	<u>115,000</u>	<u>122,452</u>	<u>7,452</u>
<u>FUND BALANCE - END OF YEAR</u>	<u>-</u>	<u>-</u>	<u>123,874</u>	<u>123,874</u>

Wasco County, Oregon  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual - Budgetary Basis  
210 District Attorney Fund  
For the year ended June 30, 2014  
(all amounts are in dollars)

	<u>BUDGETED AMOUNTS</u>			Variance Favorable
<u>REVENUES:</u>	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>(Unfavorable)</u>
Investment Earnings	-	-	226	226
Contributions and Donations	5,000	5,000	4,716	(285)
<u>TOTAL REVENUES</u>	<u>5,000</u>	<u>5,000</u>	<u>4,941</u>	<u>(59)</u>
<u>EXPENDITURES:</u>				
<i>Current: Materials &amp; Services</i>	50,000	50,000	6,798	43,202
<u>TOTAL EXPENDITURES</u>	<u>50,000</u>	<u>50,000</u>	<u>6,798</u>	<u>43,202</u>
Excess of Revenues Over (Under) Expenditures	(45,000)	(45,000)	(1,857)	43,143
<u>OTHER FINANCING SOURCES(USES)</u>				
Operating Transfers Out	(5,000)	(5,000)	(5,000)	-
<u>NET OTHER FINANCING SOURCES (USES)</u>	<u>(5,000)</u>	<u>(5,000)</u>	<u>(5,000)</u>	<u>-</u>
Net Changes in Fund Balance	(50,000)	(50,000)	(6,857)	43,143
<u>FUND BALANCE - BEGINNING OF YEAR</u>	<u>50,000</u>	<u>50,000</u>	<u>44,350</u>	<u>(5,650)</u>
<u>FUND BALANCE - END OF YEAR</u>	<u>-</u>	<u>-</u>	<u>37,493</u>	<u>37,493</u>

Wasco County, Oregon  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual - Budgetary Basis  
211 Museum Fund  
For the year ended June 30, 2014  
(all amounts are in dollars)

	<u>BUDGETED AMOUNTS</u>			Variance Favorable
<u>REVENUES:</u>	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>(Unfavorable)</u>
Intergovernmental Revenues	15,000	15,000	20,090	5,090
Investment Earnings	600	600	1,091	491
Contributions and Donations	28,000	28,000	23,292	(4,708)
<u>TOTAL REVENUES</u>	<u>43,600</u>	<u>43,600</u>	<u>47,521</u>	<u>3,921</u>
<u>EXPENDITURES:</u>				
<i>Current: Personal Services</i>	31,910	37,910	38,641	(731)
<i>Current: Materials &amp; Services</i>	45,340	45,340	30,064	15,276
Capital Outlay	138,780	138,780	-	138,780
Contingency	19,000	13,000	-	13,000
<u>TOTAL EXPENDITURES</u>	<u>235,030</u>	<u>235,030</u>	<u>68,705</u>	<u>166,325</u>
Excess of Revenues Over (Under) Expenditures	(191,430)	(191,430)	(21,183)	170,247
<u>OTHER FINANCING SOURCES(USES)</u>				
Operating Transfers In	15,000	15,000	15,000	-
<u>NET OTHER FINANCING SOURCES (USES)</u>	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>	<u>-</u>
Net Changes in Fund Balance	(176,430)	(176,430)	(6,183)	170,247
<u>FUND BALANCE - BEGINNING OF YEAR</u>	<u>176,430</u>	<u>176,430</u>	<u>201,319</u>	<u>24,889</u>
<u>FUND BALANCE - END OF YEAR</u>	<u>-</u>	<u>-</u>	<u>195,135</u>	<u>195,135</u>

Wasco County, Oregon  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual - Budgetary Basis  
219 Weed & Pest Control Fund  
For the year ended June 30, 2014  
(all amounts are in dollars)

	BUDGETED AMOUNTS			Variance Favorable
<u>REVENUES:</u>	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>(Unfavorable)</u>
Intergovernmental Revenues	3,800	3,800	-	(3,800)
Charges for Services	263,650	263,650	276,661	13,011
Internal Service Charges	1,700	1,700	1,910	210
Investment Earnings	650	650	945	295
Miscellaneous	-	-	440	440
<u>TOTAL REVENUES</u>	<u>269,800</u>	<u>269,800</u>	<u>279,955</u>	<u>10,155</u>
<u>EXPENDITURES:</u>				
<i>Current: Personal Services</i>	161,648	161,648	153,558	8,090
<i>Current: Materials &amp; Services</i>	192,650	192,650	122,975	69,675
Contingency	64,242	64,242	-	64,242
<u>TOTAL EXPENDITURES</u>	<u>418,540</u>	<u>418,540</u>	<u>276,533</u>	<u>142,007</u>
Net Changes in Fund Balance	(148,740)	(148,740)	3,422	152,162
<u>FUND BALANCE - BEGINNING OF YEAR</u>	<u>148,740</u>	<u>148,740</u>	<u>186,808</u>	<u>38,068</u>
<u>FUND BALANCE - END OF YEAR</u>	<u>-</u>	<u>-</u>	<u>190,231</u>	<u>190,231</u>

Wasco County, Oregon  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual - Budgetary Basis  
220 911 Communications Fund  
For the year ended June 30, 2014  
(all amounts are in dollars)

	<u>BUDGETED AMOUNTS</u>			Variance Favorable
<u>REVENUES:</u>	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>(Unfavorable)</u>
Intergovernmental Revenues	308,000	308,000	304,399	(3,601)
Charges for Services	373,097	373,097	370,336	(2,761)
Investment Earnings	600	600	511	(89)
Miscellaneous	-	-	851	851
<u>TOTAL REVENUES</u>	<u>681,697</u>	<u>681,697</u>	<u>676,097</u>	<u>(5,600)</u>
<u>EXPENDITURES:</u>				
<i>Current: Personal Services</i>	780,808	780,808	775,656	5,152
<i>Current: Materials &amp; Services</i>	167,131	167,131	167,031	100
Contingency	38,000	38,000	-	38,000
<u>TOTAL EXPENDITURES</u>	<u>985,939</u>	<u>985,939</u>	<u>942,688</u>	<u>43,251</u>
Excess of Revenues Over (Under) Expenditures	(304,242)	(304,242)	(266,591)	37,651
<u>OTHER FINANCING SOURCES(USES)</u>				
Operating Transfers In	208,742	208,742	208,742	-
<u>NET OTHER FINANCING SOURCES (USES)</u>	<u>208,742</u>	<u>208,742</u>	<u>208,742</u>	<u>-</u>
Net Changes in Fund Balance	(95,500)	(95,500)	(57,849)	37,651
<u>FUND BALANCE - BEGINNING OF YEAR</u>	<u>95,500</u>	<u>95,500</u>	<u>177,248</u>	<u>81,748</u>
<u>FUND BALANCE - END OF YEAR</u>	<u>-</u>	<u>-</u>	<u>119,399</u>	<u>119,399</u>

**Wasco County, Oregon**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual - Budgetary Basis**  
**223 Parks Fund**  
**For the year ended June 30, 2014**  
(all amounts are in dollars)

	<u>BUDGETED AMOUNTS</u>			Variance Favorable
<u>REVENUES:</u>	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>(Unfavorable)</u>
Licenses, Fees & Permits	25,000	25,000	36,333	11,333
Intergovernmental Revenues	36,000	36,000	67,782	31,782
Investment Earnings	500	500	294	(206)
Miscellaneous	-	-	207	207
<u>TOTAL REVENUES</u>	<u>61,500</u>	<u>61,500</u>	<u>104,616</u>	<u>43,116</u>
<u>EXPENDITURES:</u>				
<i>Current: Personal Services</i>	16,664	16,664	16,239	425
<i>Current: Materials &amp; Services</i>	53,000	53,000	45,065	7,935
Capital Outlay	50,000	50,000	-	50,000
Contingency	30,336	30,336	-	30,336
<u>TOTAL EXPENDITURES</u>	<u>150,000</u>	<u>150,000</u>	<u>61,304</u>	<u>88,696</u>
Excess of Revenues Over (Under) Expenditures	(88,500)	(88,500)	43,312	131,812
<u>OTHER FINANCING SOURCES(USES)</u>				
Operating Transfers In	7,500	7,500	7,500	-
Operating Transfers Out	(35,000)	(35,000)	(35,000)	-
<u>NET OTHER FINANCING SOURCES (USES)</u>	<u>(27,500)</u>	<u>(27,500)</u>	<u>(27,500)</u>	<u>-</u>
Net Changes in Fund Balance	(116,000)	(116,000)	15,812	131,812
<u>FUND BALANCE - BEGINNING OF YEAR</u>	<u>116,000</u>	<u>116,000</u>	<u>41,957</u>	<u>(74,043)</u>
<u>FUND BALANCE - END OF YEAR</u>	<u>-</u>	<u>-</u>	<u>57,769</u>	<u>57,769</u>

Wasco County, Oregon  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual - Budgetary Basis  
227 Community Corrections Fund  
For the year ended June 30, 2014  
(all amounts are in dollars)

	<u>BUDGETED AMOUNTS</u>			Variance Favorable
<u>REVENUES:</u>	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>(Unfavorable)</u>
Licenses, Fees & Permits	80,600	80,600	89,342	8,742
Intergovernmental Revenues	732,338	741,216	1,075,833	334,617
Investment Earnings	1,600	1,600	2,663	1,063
Miscellaneous	500	500	202	(298)
<u>TOTAL REVENUES</u>	<u>815,038</u>	<u>823,916</u>	<u>1,168,041</u>	<u>344,125</u>
<u>EXPENDITURES:</u>				
<i>Current: Personal Services</i>	520,047	520,047	510,597	9,450
<i>Current: Materials &amp; Services</i>	199,250	208,128	207,798	330
Contingency	77,170	77,170	-	77,170
<u>TOTAL EXPENDITURES</u>	<u>796,467</u>	<u>805,345</u>	<u>718,396</u>	<u>86,949</u>
Excess of Revenues Over (Under) Expenditures	18,571	18,571	449,645	431,074
<u>OTHER FINANCING SOURCES(USES)</u>				
Operating Transfers Out	(278,571)	(278,571)	(278,571)	-
<u>NET OTHER FINANCING SOURCES (USES)</u>	<u>(278,571)</u>	<u>(278,571)</u>	<u>(278,571)</u>	<u>-</u>
Net Changes in Fund Balance	(260,000)	(260,000)	171,074	431,074
<u>FUND BALANCE - BEGINNING OF YEAR</u>	<u>260,000</u>	<u>260,000</u>	<u>273,404</u>	<u>13,404</u>
<u>FUND BALANCE - END OF YEAR</u>	<u>-</u>	<u>-</u>	<u>444,478</u>	<u>444,478</u>

Wasco County, Oregon  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual - Budgetary Basis  
229 Court Facilities Fund  
For the year ended June 30, 2014  
(all amounts are in dollars)

	<u>BUDGETED AMOUNTS</u>			Variance Favorable
<u>REVENUES:</u>	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>(Unfavorable)</u>
Fines and Restitution	25,000	25,000	31,808	6,808
Investment Earnings	200	200	280	80
<u>TOTAL REVENUES</u>	<u>25,200</u>	<u>25,200</u>	<u>32,088</u>	<u>6,888</u>
<u>EXPENDITURES:</u>				
<i>Current: Materials &amp; Services</i>	26,500	26,500	87	26,413
Contingency	11,700	11,700	-	11,700
<u>TOTAL EXPENDITURES</u>	<u>38,200</u>	<u>38,200</u>	<u>87</u>	<u>38,113</u>
Excess of Revenues Over (Under) Expenditures	(13,000)	(13,000)	32,001	45,001
<u>OTHER FINANCING SOURCES(USES)</u>				
Operating Transfers Out	(30,000)	(30,000)	(30,000)	-
<u>NET OTHER FINANCING SOURCES (USES)</u>	<u>(30,000)</u>	<u>(30,000)</u>	<u>(30,000)</u>	<u>-</u>
Net Changes in Fund Balance	(43,000)	(43,000)	2,001	45,001
<u>FUND BALANCE - BEGINNING OF YEAR</u>	<u>43,000</u>	<u>43,000</u>	<u>51,622</u>	<u>8,622</u>
<u>FUND BALANCE - END OF YEAR</u>	<u>-</u>	<u>-</u>	<u>53,623</u>	<u>53,623</u>



Wasco County, Oregon  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual - Budgetary Basis  
232 Commission on Children and Families Fund  
For the year ended June 30, 2014  
(all amounts are in dollars)

	<u>BUDGETED AMOUNTS</u>			Variance Favorable
<u>REVENUES:</u>	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>(Unfavorable)</u>
Intergovernmental Revenues	259,897	299,497	250,356	(49,141)
Federal Revenues	-	19,678	-	(19,678)
Investment Earnings	100	100	700	600
Contributions and Donations	21,000	21,000	23,977	2,977
<u>TOTAL REVENUES</u>	<u>280,997</u>	<u>340,275</u>	<u>275,032</u>	<u>(65,243)</u>
<u>EXPENDITURES:</u>				
<i>Current: Personal Services</i>	63,256	63,256	63,010	246
<i>Current: Materials &amp; Services</i>	252,738	312,016	217,140	94,876
Contingency	11,403	11,403	-	11,403
<u>TOTAL EXPENDITURES</u>	<u>327,397</u>	<u>386,675</u>	<u>280,150</u>	<u>106,525</u>
Excess of Revenues Over (Under) Expenditures	(46,400)	(46,400)	(5,118)	41,282
<u>OTHER FINANCING SOURCES(USES)</u>				
Operating Transfers Out	(1,000)	(1,000)	(700)	300
<u>NET OTHER FINANCING SOURCES (USES)</u>	<u>(1,000)</u>	<u>(1,000)</u>	<u>(700)</u>	<u>300</u>
Net Changes in Fund Balance	(47,400)	(47,400)	(5,818)	41,582
<u>FUND BALANCE - BEGINNING OF YEAR</u>	<u>47,400</u>	<u>47,400</u>	<u>131,016</u>	<u>83,616</u>
<u>FUND BALANCE - END OF YEAR</u>	<u>-</u>	<u>-</u>	<u>125,199</u>	<u>125,199</u>

Wasco County, Oregon  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual - Budgetary Basis  
233 Kramer Field Fund  
For the year ended June 30, 2014  
(all amounts are in dollars)

	<u>BUDGETED AMOUNTS</u>			Variance Favorable
<u>REVENUES:</u>	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>(Unfavorable)</u>
Investment Earnings	150	150	176	26
<u>TOTAL REVENUES</u>	<u>150</u>	<u>150</u>	<u>176</u>	<u>26</u>
 <u>EXPENDITURES:</u>				
<i>Current: Materials &amp; Services</i>	32,600	32,600	-	32,600
<u>TOTAL EXPENDITURES</u>	<u>32,600</u>	<u>32,600</u>	<u>-</u>	<u>32,600</u>
 Net Changes in Fund Balance	(32,450)	(32,450)	176	32,626
 <u>FUND BALANCE - BEGINNING OF YEAR</u>	<u>32,450</u>	<u>32,450</u>	<u>32,496</u>	<u>46</u>
 <u>FUND BALANCE - END OF YEAR</u>	<u>-</u>	<u>-</u>	<u>32,671</u>	<u>32,671</u>

Wasco County, Oregon  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual - Budgetary Basis  
237 Clerk Records Fund  
For the year ended June 30, 2014  
(all amounts are in dollars)

	BUDGETED AMOUNTS			Variance Favorable
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>(Unfavorable)</u>
<b>REVENUES:</b>				
Licenses, Fees & Permits	9,000	9,000	7,971	(1,029)
Investment Earnings	100	100	130	30
<b>TOTAL REVENUES</b>	<u>9,100</u>	<u>9,100</u>	<u>8,101</u>	<u>(999)</u>
<b>EXPENDITURES:</b>				
<i>Current: Materials &amp; Services</i>	18,555	18,555	3,683	14,872
Capital Outlay	15,000	15,000	-	15,000
<b>TOTAL EXPENDITURES</b>	<u>33,555</u>	<u>33,555</u>	<u>3,683</u>	<u>29,872</u>
Net Changes in Fund Balance	(24,455)	(24,455)	4,418	28,873
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>24,455</u>	<u>24,455</u>	<u>22,498</u>	<u>(1,957)</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>-</u>	<u>-</u>	<u>26,917</u>	<u>26,917</u>

Wasco County, Oregon  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual - Budgetary Basis  
321 Road Reserve Fund  
For the year ended June 30, 2014  
(all amounts are in dollars)

	BUDGETED AMOUNTS			Variance Favorable
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>(Unfavorable)</u>
<u>REVENUES:</u>				
Investment Earnings	11,000	11,000	14,949	3,949
<u>TOTAL REVENUES</u>	<u>11,000</u>	<u>11,000</u>	<u>14,949</u>	<u>3,949</u>
 <u>EXPENDITURES:</u>				
Capital Outlay	2,774,300	2,774,300	-	2,774,300
<u>TOTAL EXPENDITURES</u>	<u>2,774,300</u>	<u>2,774,300</u>	<u>-</u>	<u>2,774,300</u>
 Net Changes in Fund Balance	(2,763,300)	(2,763,300)	14,949	2,778,249
 <u>FUND BALANCE - BEGINNING OF YEAR</u>	<u>2,763,300</u>	<u>2,763,300</u>	<u>2,767,601</u>	<u>4,301</u>
 <u>FUND BALANCE - END OF YEAR</u>	<u>-</u>	<u>-</u>	<u>2,782,550</u>	<u>2,782,550</u>

Wasco County, Oregon  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual - Budgetary Basis  
324 Equipment Reserve Fund  
For the year ended June 30, 2014  
(all amounts are in dollars)

	BUDGETED AMOUNTS			Variance Favorable
	Original	Final	Actual	(Unfavorable)
<u>REVENUES:</u>				
Investment Earnings	1,200	1,200	1,249	49
<u>TOTAL REVENUES</u>	<u>1,200</u>	<u>1,200</u>	<u>1,249</u>	<u>49</u>
 <u>EXPENDITURES:</u>				
Capital Outlay	241,830	241,830	-	241,830
<u>TOTAL EXPENDITURES</u>	<u>241,830</u>	<u>241,830</u>	<u>-</u>	<u>241,830</u>
 Excess of Revenues Over (Under) Expenditures	(240,630)	(240,630)	1,249	241,879
 <u>OTHER FINANCING SOURCES(USES)</u>				
Operating Transfers In	8,500	8,500	7,968	(532)
<u>NET OTHER FINANCING SOURCES (USES)</u>	<u>8,500</u>	<u>8,500</u>	<u>7,968</u>	<u>(532)</u>
 Net Changes in Fund Balance	(232,130)	(232,130)	9,217	241,347
 <u>FUND BALANCE - BEGINNING OF YEAR</u>	<u>232,130</u>	<u>232,130</u>	<u>227,987</u>	<u>(4,143)</u>
 <u>FUND BALANCE - END OF YEAR</u>	<u>-</u>	<u>-</u>	<u>237,204</u>	<u>237,204</u>

**Wasco County, Oregon**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual - Budgetary Basis**  
**325 911 Capital Reserve Fund**  
**For the year ended June 30, 2014**  
 (all amounts are in dollars)

	<u>BUDGETED AMOUNTS</u>			Variance Favorable
<u>REVENUES:</u>	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>(Unfavorable)</u>
Investment Earnings	-	-	26	26
<u>TOTAL REVENUES</u>	-	-	26	26
 <u>TOTAL EXPENDITURES</u>	-	-	-	-
 Excess of Revenues Over (Under) Expenditures	-	-	26	26
 <u>OTHER FINANCING SOURCES(USES)</u>				
Operating Transfers Out	(8,500)	(8,500)	(7,968)	532
<u>NET OTHER FINANCING SOURCES (USES)</u>	(8,500)	(8,500)	(7,968)	532
 Net Changes in Fund Balance	-	(8,500)	(7,942)	558
 <u>FUND BALANCE - BEGINNING OF YEAR</u>	8,500	8,500	7,942	(558)
 <u>FUND BALANCE - END OF YEAR</u>	-	-	-	-

Wasco County, Oregon  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual - Budgetary Basis  
326 Facility Capital Reserve  
For the year ended June 30, 2014  
(all amounts are in dollars)

	<u>BUDGETED AMOUNTS</u>			Variance Favorable
<u>REVENUES:</u>	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>(Unfavorable)</u>
Investment Earnings	850	850	2,934	2,084
<u>TOTAL REVENUES</u>	<u>850</u>	<u>850</u>	<u>2,934</u>	<u>2,084</u>
 <u>EXPENDITURES:</u>				
Capital Outlay	523,600	1,023,600	-	1,023,600
<u>TOTAL EXPENDITURES</u>	<u>523,600</u>	<u>1,023,600</u>	<u>-</u>	<u>1,023,600</u>
 Excess of Revenues Over (Under) Expenditures	(522,750)	(1,022,750)	2,934	1,025,684
 <u>OTHER FINANCING SOURCES(USES)</u>				
Operating Transfers In	200,000	700,000	700,000	-
<u>NET OTHER FINANCING SOURCES (USES)</u>	<u>200,000</u>	<u>700,000</u>	<u>700,000</u>	<u>-</u>
 Net Changes in Fund Balance	(322,750)	(322,750)	702,934	1,025,684
 <u>FUND BALANCE - BEGINNING OF YEAR</u>	<u>322,750</u>	<u>322,750</u>	<u>323,177</u>	<u>427</u>
 <u>FUND BALANCE - END OF YEAR</u>	<u>-</u>	<u>-</u>	<u>1,026,111</u>	<u>1,026,111</u>

Wasco County, Oregon  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual - Budgetary Basis  
327 General Operating Reserve  
For the year ended June 30, 2014  
(all amounts are in dollars)

	<u>BUDGETED AMOUNTS</u>			Variance Favorable
<u>REVENUES:</u>	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>(Unfavorable)</u>
Investment Earnings	1,700	1,700	4,432	2,732
<u>TOTAL REVENUES</u>	<u>1,700</u>	<u>1,700</u>	<u>4,432</u>	<u>2,732</u>
 <u>EXPENDITURES:</u>				
Capital Outlay	878,628	1,323,628	-	1,323,628
<u>TOTAL EXPENDITURES</u>	<u>878,628</u>	<u>1,323,628</u>	<u>-</u>	<u>1,323,628</u>
 Excess of Revenues Over (Under) Expenditures	 (876,928)	 (1,321,928)	 4,432	 1,326,360
 <u>OTHER FINANCING SOURCES(USES)</u>				
Operating Transfers In	325,000	770,000	770,000	-
<u>NET OTHER FINANCING SOURCES (USES)</u>	<u>325,000</u>	<u>770,000</u>	<u>770,000</u>	<u>-</u>
 Net Changes in Fund Balance	 (551,928)	 (551,928)	 774,432	 1,326,360
 <u>FUND BALANCE - BEGINNING OF YEAR</u>	 <u>551,928</u>	 <u>551,928</u>	 <u>552,503</u>	 <u>575</u>
 <u>FUND BALANCE - END OF YEAR</u>	 <u>-</u>	 <u>-</u>	 <u>1,326,935</u>	 <u>1,326,935</u>



## **CAPITAL PROJECTS FUNDS**

### **NONMAJOR GOVERNMENTAL FUNDS**

**322 CAPITAL ACQUISITIONS FUND:** This fund was established to accumulate monies for future capital improvements and tax dollars appeals settlements. Revenues are from interest on investments and rents.

Wasco County, Oregon  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual - Budgetary Basis  
322 Capital Acquisitions Fund  
For the year ended June 30, 2014  
(all amounts are in dollars)

	BUDGETED AMOUNTS			Variance
	Original	Final	Actual	Favorable (Unfavorable)
<u>REVENUES:</u>				
Investment Earnings	2,200	2,200	4,296	2,096
<u>TOTAL REVENUES</u>	<u>2,200</u>	<u>2,200</u>	<u>4,296</u>	<u>2,096</u>
<u>EXPENDITURES:</u>				
Capital Outlay	772,020	1,272,020	3,833	1,268,187
<u>TOTAL EXPENDITURES</u>	<u>772,020</u>	<u>1,272,020</u>	<u>3,833</u>	<u>1,268,187</u>
Excess of Revenues Over (Under) Expenditures	(769,820)	(1,269,820)	463	1,270,283
<u>OTHER FINANCING SOURCES(USES)</u>				
Operating Transfers In	120,120	620,120	620,120	-
<u>NET OTHER FINANCING SOURCES (USES)</u>	<u>120,120</u>	<u>620,120</u>	<u>620,120</u>	<u>-</u>
Net Changes in Fund Balance	(649,700)	(649,700)	620,583	1,270,283
<u>FUND BALANCE - BEGINNING OF YEAR</u>	<u>649,700</u>	<u>649,700</u>	<u>607,676</u>	<u>(42,024)</u>
<u>FUND BALANCE - END OF YEAR</u>	<u>-</u>	<u>-</u>	<u>1,228,258</u>	<u>1,228,258</u>

## **DEBT SERVICE FUNDS**

### **NONMAJOR GOVERNMENTAL FUNDS**

**404 VA BOND DEBT SERVICE FUND:** This fund is used to account for the collection of taxes to repay the principal and interest of the bonds sold in 1994-95 and refinanced in 1998, to help finance the building of a Veteran's Home in Columbia View Heights. The debt was repaid and the fund closed in 2014.

**417 CRATES POINT DEBT SERVICE FUND:** In 1996, the County contracted with the State Of Oregon Economic Development Department, Oregon Bond Bank for a bonded loan of \$320,600 to finance the construction of the infrastructure at Crates Point. This loan was refinanced during the current fiscal year. The loan is repaid with revenues derived from the operation of the Discovery Center and Museum. These are recorded as donations in the debt service fund. Payment of principal and interest is recorded in this fund. The debt was repaid and the fund closed in 2014.

Wasco County, Oregon  
Combining Balance Sheet  
Non-Major Debt Service Funds  
June 30, 2014  
(all amounts are in dollars)

	404 VA Bond Fund	417 Discovery Center Fund	Total Debt Service Funds
<u>ASSETS:</u>			
<u>TOTAL ASSETS</u>	-	-	-
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</u>			
<u>Liabilities:</u>			
<u>Fund Balances:</u>			
Restricted	-	-	-
<u>Total Fund Balances</u>	-	-	-
<u>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</u>	-	-	-

Wasco County, Oregon  
Combining Schedule of Revenues, Expenditures  
and Changes in Fund Balance  
Non-Major Debt Service Funds  
For the year ended June 30, 2014  
(all amounts are in dollars)

	404 VA Bond Fund	417 Discovery Center Fund	Total Debt Service Funds
<u>REVENUES:</u>			
<u>TOTAL REVENUES</u>	-	-	-
<u>EXPENDITURES:</u>			
Debt Service	-	454,935	454,935
<u>TOTAL EXPENDITURES</u>	-	454,935	454,935
Excess of Revenues Over (Under) Expenditures	-	(454,935)	(454,935)
<u>OTHER FINANCING SOURCES(USES)</u>			
Operating Transfers In	-	454,935	454,935
<u>NET OTHER FINANCING SOURCES (USES)</u>	-	454,935	454,935
Net Changes in Fund Balance	-	-	-
<u>FUND BALANCE - BEGINNING OF YEAR</u>	117,649	-	117,649
<u>Residual Equity Transfer Out</u>	(117,649)	-	(117,649)
<u>FUND BALANCE - END OF YEAR</u>	-	-	-

Wasco County, Oregon  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual - Budgetary Basis  
404 VA Bond Debt Service Fund  
For the year ended June 30, 2014  
(all amounts are in dollars)

	<u>BUDGETED AMOUNTS</u>			Variance Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<u>TOTAL REVENUES</u>	-	-	-	-
<u>TOTAL EXPENDITURES</u>	-	-	-	-
Net Changes in Fund Balance	-	-	-	-
<u>FUND BALANCE - BEGINNING OF YEAR</u>	-	-	117,649	117,649
<u>Residual Equity Transfer Out</u>	-	-	(117,649)	(117,649)
<u>FUND BALANCE - END OF YEAR</u>	-	-	-	-

Wasco County, Oregon  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual - Budgetary Basis  
417 Discovery Center Debt Service  
For the year ended June 30, 2014  
(all amounts are in dollars)

	<u>BUDGETED AMOUNTS</u>			Variance Favorable
<u>REVENUES:</u>	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>(Unfavorable)</u>
Intergovernmental Revenues	55,000	55,000	-	(55,000)
<u>TOTAL REVENUES</u>	<u>55,000</u>	<u>55,000</u>	<u>-</u>	<u>(55,000)</u>
<u>EXPENDITURES:</u>				
Debt Service				
Principal	64,119	489,964	426,202	63,762
Interest	22,288	22,288	28,733	(6,445)
<u>TOTAL EXPENDITURES</u>	<u>86,407</u>	<u>512,252</u>	<u>454,935</u>	<u>57,317</u>
Excess of Revenues Over (Under) Expenditures	(31,407)	(457,252)	(454,935)	2,317
<u>OTHER FINANCING SOURCES(USES)</u>				
Operating Transfers In	31,407	457,252	454,935	(2,317)
<u>NET OTHER FINANCING SOURCES (USES)</u>	<u>31,407</u>	<u>457,252</u>	<u>454,935</u>	<u>(2,317)</u>
Net Changes in Fund Balance	-	-	-	-
<u>FUND BALANCE - BEGINNING OF YEAR</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>FUND BALANCE - END OF YEAR</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

**AGENCY FUNDS**



Wasco County, Oregon  
Combining Schedule of Changes in Assets and Liabilities  
Agency Funds  
For the year ended June 30, 2014  
(all amounts are in dollars)

	Beginning Balance	Additions	Deductions	Ending Balance
<u>ASSETS:</u>				
Cash with Treasurer	618,322	23,647,969	23,423,727	842,564
Taxes Receivable	<u>2,113,774</u>	<u>23,634,670</u>	<u>23,535,967</u>	<u>2,212,477</u>
<u>TOTAL ASSETS</u>	<u>2,732,096</u>	<u>47,282,638</u>	<u>46,959,693</u>	<u>3,055,041</u>
<u>LIABILITIES:</u>				
Amounts held in trust	2,113,774	23,634,670	23,535,967	2,212,477
Due to Other Governments	<u>618,322</u>	<u>23,647,969</u>	<u>23,423,727</u>	<u>842,564</u>
<u>TOTAL LIABILITIES</u>	<u>2,732,096</u>	<u>47,282,638</u>	<u>46,959,693</u>	<u>3,055,041</u>

## OTHER SCHEDULES

**Wasco County, Oregon**  
**Schedule of Accountability of Elected Officials**  
**For the year ended June 30, 2014**  
 (all amounts are in dollars)

	<u>County Treasurer</u>	<u>County Clerk</u>	<u>County Sheriff</u>	<u>Assessor/Tax Collector</u>
Beginning Balance	18,595,365	200	200	150
Receipts	43,198,730	272,296	2,011,026	604,840
Disbursements	<u>(40,408,468)</u>	<u>(272,296)</u>	<u>(2,011,026)</u>	<u>(604,840)</u>
Ending Balance	<u><u>21,385,627</u></u>	<u><u>200</u></u>	<u><u>200</u></u>	<u><u>150</u></u>

**Wasco County, Oregon**  
**Schedule of Property Tax Transactions**  
**For the year ended June 30, 2014**

	(all amounts are in dollars)				
	TAXES RECEIVABLE	CURRENT YEAR	NET	DEDUCT TAX	TAXES RECEIVABLE
	<u>July 1</u>	<u>LEVY</u>	<u>ADJUSTMENTS</u>	<u>COLLECTIONS</u>	<u>June 30</u>
2013-14	-	33,397,984	(850,027)	(31,135,272)	1,412,685
2012-13	1,539,440	-	45,702	(718,627)	866,515
2011-12	731,861	-	36,569	(254,355)	514,075
2010-11	503,700	-	88,759	(376,808)	215,651
2009-10	137,053	-	28,042	(107,864)	57,231
2008-09	44,459	-	2,728	(9,604)	37,583
2007-08	6,636	-	1,011	(5,546)	2,101
2006-07	4,322	-	601	(1,649)	3,274
2005-06	3,190	-	431	(1,186)	2,435
2004-05	1,407	-	68	(324)	1,151
2003-04	263	-	91	(354)	-
2002-03	266	-	116	(382)	-
2001-02	268	-	137	(405)	-
2000-01	257	-	148	(405)	-
1999-00	234	-	159	(393)	-
1998-99	236	-	177	(413)	-
1997-98	228	-	241	(469)	-
1996-97	1,000	-	-	-	1,000
1995-96	1,000	-	-	-	1,000
1994-95	1,000	-	-	-	1,000
1985-86	953	-	-	-	953
1984-85	55	-	-	-	55
<b>TOTALS</b>	<b>2,977,828</b>	<b>33,397,984</b>	<b>(645,047)</b>	<b>(32,614,058)</b>	<b>3,116,707</b>

Note: Years that are not listed above have been paid in full

**Wasco County, Oregon**  
**Schedule of Insurance**  
**For the year ended June 30, 2014**  
(all amounts are in dollars)

<u>Company</u>	<u>Policy Number</u>	<u>Amount</u>	<u>Coverage</u>	<u>Annual Premium</u>	<u>Expiration</u>
CCIS	13PWASC	46,480,086	Property/Mobile Equip	86,102	7/1/2014
CCIS	13BWASC	Per Property	Boiler/Machinery	-	7/1/2014
CCIS	13LWASC	10,000,000	General & Auto Liability	72,043	7/1/2014
<u>Public Official Bonds</u>					
Ohio Casualty	3153510	20,000	Sheriff	100	12/31/2014
Ohio Casualty	LSF204939	5,000	Assessor	100	7/1/2014
Ohio Casualty	2930631	10,000	Fair Board	145	1/1/2015
Ohio Casualty	3384236	25,000	All Employees Bond	1,137	7/1/2014
Old Republic	W150081208	30,000	Clerk	100	1/3/2015
Old Republic	YPO0268634	100,000	Treasurer	375	12/21/2014
Old Republic	YPO0268342	30,000	Finance/Budget Officer	100	12/1/2014

**Wasco County, Oregon**  
**Schedule of Expenditure of Federal Awards**  
**For the year ended June 30, 2014**  
(all amounts are in dollars)

FEDERAL GRANTOR/PASS- THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL CFDA* NUMBER	PROGRAM OR AWARD AMOUNT RECEIVED	PROGRAM OR AWARD AMOUNT EXPENDED
<b><u>U.S. DEPARTMENT OF AGRICULTURE:</u></b>			
<i>Passed through Oregon Department of Human Services:</i>			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	86,470	86,470
<i>Passed through Oregon Department of Admin. Services:</i>			
Schools and Roads - Grants to States	10.665	946,960	946,960
<b><u>TOTAL U.S. DEPARTMENT OF AGRICULTURE</u></b>		<u>1,033,430</u>	<u>1,033,430</u>
<b><u>U.S. DEPARTMENT OF DEFENSE:</u></b>			
<i>Passed through Oregon Department of Administrative Services:</i>			
Flood Control Leases	12.112	347	347
<b><u>TOTAL U.S. DEPARTMENT OF DEFENSE</u></b>		<u>347</u>	<u>347</u>
<b><u>U.S. DEPARTMENT OF THE INTERIOR:</u></b>			
<i>Passed through Oregon Department of Administrative Services:</i>			
Non-Sale Disposals of Mineral Materials	15.214	672	672
Distribution of Receipts to States and Local Governments-Taylor Grazing	15.227	3,151	3,151
<b><u>TOTAL U.S. DEPARTMENT OF THE INTERIOR</u></b>		<u>3,823</u>	<u>3,823</u>
<b><u>U.S. DEPARTMENT OF JUSTICE:</u></b>			
<i>Direct from Office of Justice Programs:</i>			
State Criminal Alien Assistance Program	16.606	5,445	5,445
Bulletproof Vest Partnership Program	16.607	2,884	2,884
<i>Passed through Oregon State Police:</i>			
Juvenile Accountability Block Grant	16.523	5,304	5,304
<i>Passed through Oregon Commission on Children and Families:</i>			
Juvenile Justice and Delinquency Prevention - Allocation to States	16.540	31,410	31,410
<i>Passed through Oregon Department of Justice:</i>			
Crime Victim Assistance	16.575	24,769	24,769
<b><u>TOTAL U.S. DEPARTMENT OF JUSTICE</u></b>		<u>69,812</u>	<u>69,812</u>

\*Catalog of Federal Domestic Assistance

(See Notes to the Schedule of Expenditures of Federal Awards)

**Wasco County, Oregon**  
**Schedule of Expenditure of Federal Awards**  
**For the year ended June 30, 2014**  
(all amounts are in dollars)

<b>FEDERAL GRANTOR/PASS- THROUGH GRANTOR/ PROGRAM TITLE</b>	<b>FEDERAL CFDA* NUMBER</b>	<b>PROGRAM OR AWARD AMOUNT RECEIVED</b>	<b>PROGRAM OR AWARD AMOUNT EXPENDED</b>
<b><u>U.S. DEPARTMENT OF TRANSPORTATION:</u></b>			
<i>Passed through Oregon Department of Transportation:</i>			
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	78,898	78,898
<b><u>TOTAL U.S. DEPARTMENT OF TRANSPORTATION</u></b>		<u>78,898</u>	<u>78,898</u>
<b><u>ENVIRONMENTAL PROTECTION AGENCY:</u></b>			
<i>Passed through Oregon Department of Human Resources - Health Division:</i>			
State Public Water System Supervision	66.432	5,066	5,066
Capitalization Grants for Drinking Water - RECOVERY ACT	66.468	4,497	4,497
<b><u>TOTAL ENVIRONMENTAL PROTECTION AGENCY</u></b>		<u>9,563</u>	<u>9,563</u>
<b><u>U.S. DEPARTMENT OF HEALTH AND HUMAN RESOURCES:</u></b>			
<i>Passed through Oregon Department of Human Resources - Health Division:</i>			
Public Health Emergency Preparedness	93.069	60,600	60,600
Family Planning Services	93.217	13,514	13,514
Immunization Cooperative Agreements	93.268	600	600
Medical Assistance Program	93.778	83,466	83,466
Maternal and Child Health Services Block Grant to the States	93.994	28,608	28,608
<i>Passed through Oregon Department of Administrative Services:</i>			
Child Support Enforcement	93.563	72,088	72,088
<i>Passed through Oregon Health Authority:</i>			
Project Grants and Cooperative Agreements for Tuberculosis Control Program	93.116	175	175
<b><u>TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN RESOURCES</u></b>		<u>259,051</u>	<u>259,051</u>
<b><u>U.S. DEPARTMENT OF HOMELAND SECURITY:</u></b>			
<i>Passed through Oregon State Police:</i>			
Emergency Management Performance Grants	97.042	47,311	47,311
State Homeland Security Program	97.073	93,399	93,399
<b><u>TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY</u></b>		<u>140,710</u>	<u>140,710</u>
<b><u>TOTAL FEDERAL AWARDS</u></b>		<u>1,595,634</u>	<u>1,595,634</u>

\*Catalog of Federal Domestic Assistance

(See Notes to the Schedule of Expenditures of Federal Awards)

**Wasco County, Oregon**  
**Notes to the Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2014**

**NOTE 1 – Summary of Certain Significant Accounting Policies**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Wasco County and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

**NOTE 2 – Subrecipients**

No amounts were provided to subrecipients.

**NOTE 3 – Noncash Awards**

Included in the Schedule of Expenditures of Federal Awards is the noncash Federal assistance program 93.268 Vaccines for Children.



**Wasco County, Oregon**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2014**

**Section 1**

Financial Statements:

Summary of Auditor's Results

- |  |             |
|--|-------------|
| 1. Type of auditor's report issued:  | Unqualified |
| 2. Internal controls over financial reporting:                                   |             |
| a. Material weaknesses identified?   | Yes         |
| b. Significant deficiencies identified not considered to be material weaknesses? | Yes         |
| 3. Noncompliance material to financial statements noted?                         | No          |

Federal Awards:

- |  |                                     |
|--|-------------------------------------|
| 1. Internal controls over major programs:  |                                     |
| a. Material weaknesses identified?   | No                                  |
| b. Significant deficiencies identified not considered to be material weaknesses?   | No                                  |
| 2. Type of auditor's report issued on compliance for major programs:   | Unqualified                         |
| 3. Any audit findings disclosed which are required to be reported in accordance with OMB Circular A-133, Section 510(a)? | No                                  |
| 4. Identification of major programs:   |                                     |
| 10.665   | School and Roads - Grants to States |
| 20.205   | Highway Planning and Construction   |
| 5. The dollar threshold used to distinguish between Type A and Type B programs?  | \$300,000                           |
| 6. Auditee qualified as a low risk auditee?  | Yes                                 |

**Section 2**

Financial Statement Findings

**2014-1 Significant Deficiency in Internal Control – Recording of Inventory in Public Works**

**Criteria:** All purchases of inventory type items in the Public Works department should be included in the inventory system at the correct count.

**Condition:** During our review of inventory, we noted that several items counted during our sampling process were overstated in the inventory count.

**Effect:** Inventory was overstated by \$11,735.

**Cause:** There does not appear to be a review process in place or functioning appropriately to ensure all purchases are correctly posted.

**Recommendation:** Establish a process for timely review of all purchases for compliance with inventory policy.

**Responsible Official's Response:** : A Third party review of the inventory will be conducted every six months by the Finance Department. Quarterly reviews will be conducted by internal staff of the department.

**2014-2** *Significant Deficiency in Internal Control – Petty Cash Fair Activity*

**Criteria:** Accounting and financial activity should be posted to the general ledger in a timely manner.

**Condition:** Petty cash activity for the August 2013 fair was not posted to the general ledger until July of 2014 and then posted incorrectly

**Effect:** Petty cash and accounts payable were overstated by \$15,400.

**Cause:** Treasurer did not post activity in a timely and correct manner.

**Recommendation:** Establish a review process to ensure that financial activity is posted in a timely manner.

**Responsible Official's Response:** A policy identifying maximum timeframes for posting of financial activity will be adopted.

**2014-3** *Material Weakness in Internal Control – Bank Reconciliations*

**Criteria:** Financial duties and responsibilities should be segregated to prevent one individual from having too much control, or compensating controls must be established to provide oversight.

**Condition:** Bank reconciliations were not performed in a timely manner. The Treasurer is responsible for reconciling the bank accounts and also for posting of revenue and making deposits.

**Effect:** Accurate financial information was not available for County Commissioners. Lack of segregation of duties provides opportunity for misappropriation of assets.

**Cause:** Compensating controls established to provide oversight were not followed. Treasurer failed to perform reconciliations in a timely manner.

**Recommendation:** 1): Remove reconciliation duties from Treasurers office to establish segregation of duties. 2) Establish review process at a high level to ensure timely completion of bank reconciliations.

**Responsible Official's Response:** A policy and procedure for bank reconciliation will be established that identifies unique individuals to take part in the reconciliation process establishing segregation of duties and timely control of the reconciliation process.

**2014-4** *Material Weakness in Internal Control – Reconciliation of Tax Deposits*

**Criteria:** Internal controls should exist requiring reconciliation of tax receipts to deposits of those receipts on a daily basis.

**Condition:** Bank deposits of tax receipts were not reconciled to the tax assessment software record of collections before deposits are made. One deposit in November was understated by \$300,000.

**Effect:** Because the deposits are not reconciled to the tax receipts, the opportunity exists for misappropriation of assets, as well as incorrect balances of cash and tax revenue.

**Cause:** The Tax Assessors office implemented new software in November 2013. Systems to reconcile daily cash deposits to the new software were not developed. Monthly reconciliations of cash to deposits were established in the spring of 2014, but were not used by the Treasurer's office.

**Recommendation:** Establish and implement procedures to reconcile cash deposits to tax receipts per tax assessment software.

**Responsible Official's Response:** This process was severely hampered by the implementation of a new tax and assessment software system. Issues were identified during the conversion process that required additional software purchases and system implementation changes. The Assessor's Office has a process for reconciliation in place. A new process will be developed by the Treasurer to reconcile daily cash deposits to Assessor collections in the Treasurer's office. A policy will be established by the Commission that outlines the daily, weekly, monthly processes that must be

performed and in what time frame.

**2014-5** *Material Weakness in Internal Control – Period Closings*

**Criteria:** Financial information should be accurate and timely.

**Condition:** Period or month end closings are not performed in a timely manner, because all information has not been entered into the accounting system.

**Effect:** County Commissioners are not provided with timely, accurate information for decision making.

**Cause:** Wasco County does not have a policy in place requiring month end close within a reasonable time period.

**Recommendation:** Establish and implement a policy requiring all financial activity be entered into the accounting system and the month closed within a reasonable period of time, such as 30-45 days after month end.

**Responsible Official's Response:** A policy will be established by the Commission that outlines the daily, weekly, monthly financial processes that must be performed and in what time frame.

**Section 3**

Federal Award Findings and Questioned Costs

None

**Section 4**

Summary Schedule of Prior Audit Findings

**2013-1** *Material Weakness in Internal Control – Recording of Inventory in Public Works*

**Criteria:** All purchases of inventory type items in the Public Works department should be included in the inventory system at cost.

**Condition:** During our review of inventory, we noted that several items counted during our sampling process were not included in the inventory count.

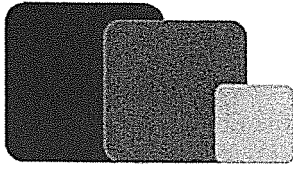
**Effect:** Inventory was understated by \$47,127.

**Cause:** There does not appear to be a review process in place to ensure all purchases are correctly posted.

**Recommendation:** Establish a process for monthly review of all purchases for compliance with inventory policy.

**Responsible Official's Response:** The goal is to add integrity to the inventory control system. We are doing that by adding duties to an independent person (employee) that will review the IRIS inventory amounts using the Eden Purchase Orders (inventory in) and the daily material slips (inventory out). In addition, actual inventory counts will be done multiple times annually by an employee that does not have a current role in recording inventory. This will allow a third person to reconcile recorded inventory to actual counts.

**OTHER REQUIRED REPORTS**



**FRIEND & REAGAN, P.C.**  
Certified Public Accountants

305 E. Fifth Street  
The Dalles, OR 97058  
phone [541] 296.2000  
fax [541] 296.5636  
www.friendreagan.com

**Independent Auditor's Report on Internal Control over Financial Reporting and on  
Compliance and Other Matters Based on an Audit of Financial Statements Performed in  
Accordance with *Government Auditing Standards***

County Commissioners  
Wasco County  
The Dalles, Oregon

We have audited, 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, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Wasco County, Oregon as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise Wasco County, Oregon's basic financial statements and have issued our report thereon dated December 30, 2014.

Internal Control over Financial Reporting

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

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs to be material weaknesses. **2014-3, 2014-4, and 2014-5.**

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 deficiencies described in the accompanying schedule of findings and questioned costs to be significant deficiencies. **2014-1 and 2014-2**

### Compliance and Other Matters

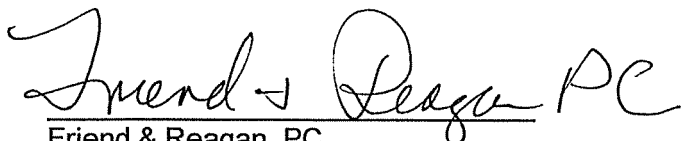
As part of obtaining reasonable assurance about whether Wasco County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect 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 that are required to be reported under **Government Auditing Standards**.

### Wasco County's Response to Findings

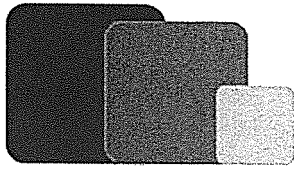
Wasco County's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit Wasco County's response and, accordingly, we express no opinion on it.

### Purpose of this Report

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

A handwritten signature in cursive script, appearing to read "Friend & Reagan PC", written over a horizontal line.

Friend & Reagan, PC  
The Dalles, Oregon 97058  
December 30, 2014



**FRIEND & REAGAN, P.C.**  
Certified Public Accountants

305 E. Fifth Street  
The Dalles, OR 97058  
phone |541| 296.2000  
fax |541| 296.5636  
[www.friendreagan.com](http://www.friendreagan.com)

## **Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by OMB Circular A-133**

County Commissioners  
Wasco County  
The Dalles, Oregon

### Report on Compliance for Each Major Federal Program

We have audited Wasco County, Oregon'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 Wasco County, Oregon's major federal programs for the year ended June 30, 2014. Wasco County, Oregon's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### Management's Responsibility

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

### Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Wasco County, Oregon's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with the 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 Wasco County, Oregon's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

### Opinion on Each Major Federal Program

In our opinion, Wasco County, Oregon complied, in all material respects, with the types of 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, 2014.

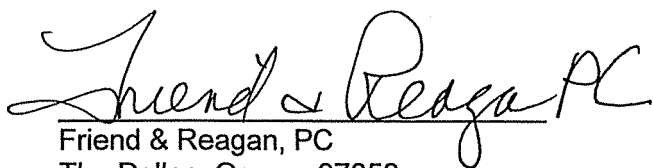
## Report on Internal Control over Compliance

Management of Wasco County, Oregon is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Wasco County, Oregon's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine our auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal 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 Wasco County, Oregon'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 more than 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. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

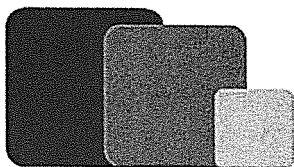
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. We did not identify any deficiencies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

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

A handwritten signature in black ink, appearing to read "Friend & Reagan PC", written over a horizontal line.

Friend & Reagan, PC  
The Dalles, Oregon 97058  
December 30, 2014





**FRIEND & REAGAN, P.C.**  
Certified Public Accountants

305 E. Fifth Street  
The Dalles, OR 97058  
phone [541] 296.2000  
fax [541] 296.5636  
[www.friendreagan.com](http://www.friendreagan.com)

### **Independent Auditor's Report Required by Oregon State Regulations**

We have audited the basic financial statements of Wasco County, Oregon of and for the year ended June 30, 2014, and have issued our report thereon dated December 30, 2014. 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 ***Governmental Auditing Standards*** issued by the Comptroller General of the United States.

#### **Compliance**

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

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

**Deposit of public funds with financial institutions (ORS Chapter 295).**

**Indebtedness limitations, restrictions and repayment.**

**Budgets legally required (ORS Chapter 294).**

**Insurance and fidelity bonds in force or required by law.**

**Programs funded from outside sources.**

**Highway revenues used for public highways, roads, and streets**

**Authorized investment of surplus funds (ORS Chapter 294).**

**Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).**

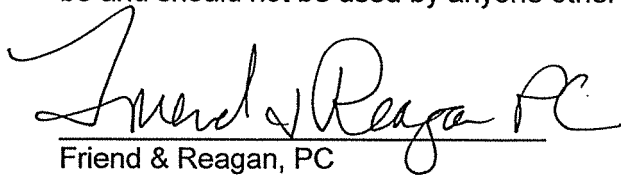
In connection with our testing nothing came to our attention that caused us to believe Wasco County, Oregon was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative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

## **OAR 162-10-0230 internal Control**

In planning and performing our audit, we considered Wasco County, Oregon'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 report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements in accordance with *Government Auditing Standards*, dated December 30, 2014, is presented in this report as listed in the Table of Contents.

This report is intended solely for the information and use of the Board of Commissioners and Management of Wasco County, Oregon and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than these parties.

A handwritten signature in black ink, appearing to read "Friend & Reagan PC", written over a horizontal line.

Friend & Reagan, PC  
The Dalles, Oregon 97058  
December 30, 2014