

Wasco County, Oregon
Annual Financial Report
For the Year Ended June 30, 2016

Wasco County, Oregon
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For the Year Ended June 30, 2016

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**Wasco County, Oregon
Elected Officials and Agent of Record
For the Year Ended June 30, 2016**

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

Lisa Gambie
The Dalles, Oregon 97058

Sheriff

Lane Magill
The Dalles, Oregon 97058

Assessor

Jill Amery
The Dalles, Oregon 97058

District Attorney

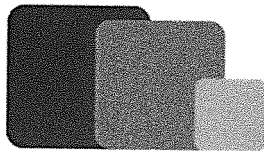
Eric Nisley
The Dalles, Oregon 97058

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

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, 2016, 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, 2016, 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 10-14 and the required supplementary information on pages 50-54 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 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining non-major statements, the individual budgetary basis 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 non-major statements, the individual budgetary basis 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.

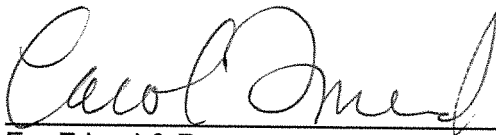
Reports on Other Legal and Regulatory Requirements

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 31, 2017, 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.

Other Reporting Required by Minimum Standards for Audits of Oregon Municipal Corporations

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated January 31, 2017, 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.

A handwritten signature in cursive script, appearing to read "Carol Omer", written over a horizontal line.

For Friend & Reagan, PC
The Dalles, Oregon 97058
January 31, 2017

Wasco County, Oregon
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2016

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 difference between Assets, Liabilities and Deferred Inflows/Outflows divided into three components: net investment in capital assets, restricted and unrestricted. 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 "Non-Major 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 provided 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 discusses and analyzes significant difference between fiscal year 2016 and fiscal year 2015. A condensed version of the Primary Government Statement of Net Position at June 30, 2016 and 2015 follows:

TABLE 1
NET POSITION AS OF YEAR END

	June 30, 2016	June 30, 2015
ASSETS		
Cash and investments	24,565,104	20,854,438
Other Assets	1,700,942	1,810,827
Capital Assets	11,151,222	11,710,058
Net Pension Asset	-	2,190,700
TOTAL ASSETS	37,417,268	36,566,023
DEFERRED OUTFLOW OF RESOURCES		
Related to Pensions	926,536	604,704
TOTAL DEFERRED OUTFLOW OF RESOURCES	926,536	604,704
LIABILITIES		
Other Liabilities	976,893	900,465
Long Term Liabilities	888,163	944,996
Net Pension Liability	4,451,262	
TOTAL LIABILITIES	6,316,318	1,845,461
DEFERRED INFLOW OF RESOURCES		
Related to Pensions	1,598,312	4,391,638
TOTAL DEFERRED INFLOWS OF RESOURCES	1,598,312	4,391,638
NET POSITION		
Invested in Capital Assets Net of Related Debt	11,151,221	11,710,059
Restricted	1,634,906	1,130,768
Unrestricted	17,643,047	18,092,801
TOTAL NET POSITION	30,429,173	30,933,628

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 \$30,429,173 at the close of fiscal year 2016.

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. Fixed Assets account for almost 37% of the total Net Assets of the County.

The total net position decreased \$504 thousand. There are changes involving the Net Pension Asset, Net Pension Liability and the deferred outflow and inflow Related to Pensions resulting in a net decrease to total net position due to pensions of \$2.1 million. However, the significant increase in cash and investments kept the net change down to the \$504 thousand decrease – a decrease of 1.6%.

TABLE 2
STATEMENT OF ACTIVITIES
For fiscal years ending June 30th

	<u>FY2016</u>	<u>FY2015</u>
Program revenues		
Charges for Services	3,178,458	3,079,378
Operating Grants and Contributions	7,480,725	5,638,118
Capital Grants and Contributions	222,040	171,924
General revenues		
Taxes for General Purpose	8,247,523	8,116,640
Other Taxes	589,419	536,896
Interest	121,100	92,280
Miscellaneous	309,085	387,546
Gain (Loss) on Sale of Capital Assets	(26,405)	96,055
Transfers	-	-
Total Program and General Revenues	<u>20,121,945</u>	<u>18,118,837</u>
Expenses		
General Government	6,358,453	4,409,402
Public Safety	9,019,976	6,137,677
Highways and Streets	3,592,165	2,282,543
Health and Welfare	957,322	462,053
Culture and Recreation	354,051	239,232
Capital Projects	344,433	605,641
Interest	-	-
Total Expenses	<u>20,626,400</u>	<u>14,136,548</u>
Change in net assets	(504,455)	3,982,289
Net position, beginning	<u>30,933,628</u>	<u>26,951,339</u>
Net position, ending	<u><u>30,429,173</u></u>	<u><u>30,933,628</u></u>

Governmental Activities

The ending net position is a decrease of \$504 thousand or 1.6%. This is due to personnel costs increasing \$268 thousand plus an additional \$51 thousand due to utilizing a contracted interim director level position. The remaining difference is made up on small increases in multiple areas.

BUDGETARY HIGHLIGHTS

The General Fund revenue exceeded the budgeted amount by \$550,876. This was primarily due to Taxes coming in with \$111,923 more than budgeted and Licenses, Fees & Permits generating \$336,061 more than budgeted. The General Fund Departments controlled costs and managed to come in under budget by 8.4% (\$912,088).

Combining the revenue exceeding budget with the expenses under the budget amount, the County had revenues exceeding expenditures by \$1,493,065 instead of the budgeted amount of \$(519,667).

The Public Works fund was originally budgeted for expenditures to exceed revenues resulting in the planned use of fund balance. However, due to budgetary savings of \$221,189 on material and services coupled with not using contingency funds, resulted in expenditures being \$659,390 under budget which resulted in actual excess revenue over expenditure of \$613,124 instead of the \$(101,393) revenues under expenditures.

CAPITAL ASSETS AND DEBT ADMINISTRATION

As of June 30, 2016 the County had invested over \$24.1 million in capital assets, after depreciation the net value of the assets is \$11.2 million.

	Beginning Balance	Additions	Deletions	Corrections	Ending Balance
Land	1,464,113	16,430	(73)	-	1,480,469
<i>Depreciable Assets</i>					
Buildings	7,511,086	54,038	-	-	7,565,124
Furniture and Equipment	9,716,695	243,010	(295,527)	-	9,664,178
Infrastructure	5,433,139	-	-	-	5,433,139
	22,660,920	297,048	(295,527)	-	22,662,441
<i>Accumulated Depreciation</i>					
Buildings	3,830,788	109,947	-	-	3,940,735
Furniture and Equipment	6,978,924	483,601	(225,639)	-	7,236,886
Infrastructure	1,605,260	208,807	-	-	1,814,067
	12,414,972	802,355	(225,639)	-	12,991,688
Depreciable Assets - Net	10,245,949	(505,307)	(69,888)	-	9,670,753
Net Fixed Assets	11,710,059	(488,877)	(69,961)	-	11,151,221

While the net value of the fixed assets decreased, this is due to the additions being less than the depreciation for the fiscal year.

DEBT OUTSTANDING

At the close of the fiscal year, the only long term liabilities (debt) for the County consisted of Compensated Absences, OPEB obligation and the Net Pension Liability.

Governmental Activities	Beginning Balance	Additions	Deletions	Ending Balance	Due in One Year
Compensated Absences	218,521	-	(66,659)	151,862	-
OPEB Obligation	726,475	9,826	-	736,301	-
Net Pension Liability	(2,190,700)	6,641,962	-	4,451,262	-
Total Long Term Liabilities	(1,245,704)	6,651,788	(66,659)	5,339,425	-

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 58% of total General Fund revenues. Operating and capital grants contributions, fees, fines and charges for services account for 32% of General Fund revenues. The County does monitor all of its resources and determines the need for program adjustments or fee increases accordingly.

2016 – 2017 YEAR BUDGET

The budget for fiscal year 2017 is starting to be compiled. The major guideline is to maintain the current service levels. Any additional service must be supported by a sustainable revenue source. The retirement fund contribution rate will increase effective 7/1/2017 by 2.66% (General Service), 3.32% (Public Safety) and 3.93% (Tier 1/Tier 2).

FINANCIAL CONTACT

The County's financial statements are designed to be presented to 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 Finance Director at 511 Washington Street, Room 207, The Dalles Oregon 90758.

BASIC FINANCIAL STATEMENTS

Wasco County, Oregon
Statement of Net Position
June 30, 2016
(all amounts are in dollars)

	Primary Government Governmental Activities	Aggregate Discretely Presented Component Units
<u>ASSETS:</u>		
Cash & Investments	24,565,104	1,639,528
Receivables (Net of Allowances):		
Property Taxes	596,316	125,797
Other	608,871	-
Inventory	371,555	-
Prepaid Expenditures	124,200	-
Capital Assets		
Land (non-depreciable)	1,480,470	-
Depreciable Assets (Net of Depreciation)	9,670,751	-
<u>TOTAL ASSETS</u>	<u>37,417,268</u>	<u>1,765,325</u>
<u>DEFERRED OUTFLOWS OF RESOURCES:</u>		
Related to Pensions	926,536	-
<u>TOTAL DEFERRED OUTFLOWS OF RESOURCES</u>	<u>926,536</u>	<u>-</u>
<u>LIABILITIES:</u>		
Accounts Payable	527,913	103,400
Accrued Liabilities	448,980	-
Noncurrent Liabilities		
Due in more than one year		
Compensated Absences	151,862	-
OPEB Obligation	736,301	-
Net Pension Liability	4,451,262	-
<u>TOTAL LIABILITIES</u>	<u>6,316,318</u>	<u>103,400</u>
<u>DEFERRED INFLOWS OF RESOURCES:</u>		
Related to Pensions	1,598,312	-
<u>TOTAL DEFERRED INFLOWS OF RESOURCES</u>	<u>1,598,312</u>	<u>-</u>
<u>NET POSITION</u>		
Net Investment in Capital Assets	11,151,221	-
Restricted for:		
General Government	32,280	-
Public Safety	898,324	-
Highways and Streets	66,189	-
Health and Welfare	111,441	-
Culture and Recreation	526,672	-
Unrestricted	17,643,047	1,661,924
<u>TOTAL NET POSITION</u>	<u>30,429,173</u>	<u>1,661,924</u>

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, 2016
(all amounts are in dollars)

					Net (Expenses) Revenues and changes in Net Position	
		PROGRAM REVENUES			PRIMARY GOVERNMENT	COMPONENT UNITS
FUNCTIONS/PROGRAMS	Expenses	Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities	
General Government	6,358,453	1,504,394	2,068,317	172,834	(2,612,908)	-
Public Safety	9,019,977	683,110	2,248,116	-	(6,088,751)	-
Highways and Streets	3,592,165	493,364	2,611,501	-	(487,299)	-
Health and Welfare	957,322	344,013	401,808	-	(211,501)	-
Culture and Recreation	354,051	153,577	150,983	-	(49,491)	-
Capital Projects	344,433	-	-	49,206	(295,227)	-
Interest	-	-	-	-	-	-
Total Primary Government	20,626,400	3,178,458	7,480,725	222,040	(9,745,177)	-
Component Units	1,699,239	-	-	-	-	(1,699,239)
General Revenues:						
Property Taxes					8,247,522	1,755,251
Other Taxes					589,419	-
Interest and Investment Earnings					121,100	10,876
Miscellaneous					309,085	-
Gain (Loss) on Sale of Fixed Assets					(26,405)	-
Total General Revenues and Transfers					9,240,722	1,766,128
Change in net position					(504,456)	66,889
Net position, beginning					30,933,629	1,595,035
Net position, ending					30,429,173	1,661,924

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

Wasco County, Oregon
Balance Sheet - Governmental Funds
June 30, 2016
(all amounts are in dollars)

	101 General <u>Fund</u>	202 Public Works <u>Fund</u>	Non-Major Governmental <u>Funds</u>	Total Governmental <u>Funds</u>
<u>ASSETS:</u>				
Deposits and Investments	12,590,103	7,883,113	4,091,889	24,565,104
Receivables:				
Accounts Receivable	193,638	365,636	49,597	608,871
Taxes Receivable	596,316	-	-	596,316
Prepaid Expenditures	124,200	-	-	124,200
Inventories	-	371,555	-	371,555
<u>TOTAL ASSETS</u>	<u>13,504,257</u>	<u>8,620,304</u>	<u>4,141,486</u>	<u>26,266,047</u>
<u>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</u>				
<u>Liabilities:</u>				
Accounts Payable	309,198	42,040	176,676	527,913
Accrued Liabilities	322,426	80,471	46,083	448,980
Compensated Absences	87,808	41,249	22,805	151,862
<u>Total Liabilities</u>	<u>719,431</u>	<u>163,760</u>	<u>245,564</u>	<u>1,128,755</u>
<u>Deferred Inflows of Resources</u>				
Unavailable Revenue	518,571	15,143	-	533,714
<u>Total Deferred Inflows of Resources</u>	<u>518,571</u>	<u>15,143</u>	<u>-</u>	<u>533,714</u>
<u>Fund Balances:</u>				
Non-Spendable	124,200	371,555	-	495,756
Restricted	-	5,218,554	1,634,905	6,853,459
Committed	2,063,168	2,810,043	2,262,215	7,135,426
Assigned	3,562,808	41,249	22,805	3,626,862
Unassigned	6,516,078	-	(24,003)	6,492,075
<u>Total Fund Balances</u>	<u>12,266,255</u>	<u>8,441,401</u>	<u>3,895,922</u>	<u>24,603,578</u>
<u>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</u>	<u>13,504,257</u>	<u>8,620,304</u>	<u>4,141,486</u>	<u>26,266,047</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, 2016
(all amounts are in dollars)

Fund Balances - Governmental Funds	24,603,578
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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	1,480,470	
Depreciable assets net of accumulated depreciation	9,670,751	11,151,221

Certain non-current assets and deferred outflows of resources recorded in the Statement of Net Position are not recognized in the government funds until actually expended.

Deferred outflow related to pensions	926,536	926,536
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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	(736,301)	
Net pension assets	(4,451,262)	(5,187,563)

Deferred inflows of resources represent amounts that were not available to fund current expenditures and therefore are not reported in the governmental funds.

Related to pensions	(1,598,312)	
Related to deferred revenue	533,714	(1,064,598)

Net Position of Governmental Activities	30,429,173
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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, 2016
(all amounts are in dollars)

	101 General Fund	202 Public Works Fund	Non-Major Governmental Funds	Total Governmental Funds
<u>REVENUES:</u>				
Taxes	8,357,210	-	-	8,357,210
Licenses, Fees & Permits	1,330,261	-	606,248	1,936,508
Intergovernmental Revenues	1,461,378	2,034,560	1,874,764	5,370,703
Federal Revenues	299,495	576,941	279,760	1,156,196
Charges for Services	715,993	218,124	13,700	947,818
Internal Service Charges	6,618	3,180	-	9,798
Fines and Restitution	45,892	-	34,422	80,315
Investment Earnings	62,014	40,545	18,540	121,100
Rents	197,849	-	-	197,849
Contributions and Donations	1,712,557	-	58,899	1,771,456
Miscellaneous	279,199	17,551	7,175	303,925
Pass Through Payments	5,160	-	-	5,160
<u>TOTAL REVENUES</u>	<u>14,473,627</u>	<u>2,890,902</u>	<u>2,893,509</u>	<u>20,258,038</u>
<u>EXPENDITURES:</u>				
Current				
General Government	5,365,397	-	12,382	5,377,779
Public Safety	6,114,226	-	828,391	6,942,617
Highways and Streets	232,270	2,363,884	61,165	2,657,319
Health and Welfare	116,031	-	836,308	952,339
Culture and Recreation	81,662	-	244,745	326,407
Capital Outlay	234,102	59,625	50,707	344,433
<u>TOTAL EXPENDITURES</u>	<u>12,143,687</u>	<u>2,423,508</u>	<u>2,033,698</u>	<u>16,600,892</u>
Excess of Revenues Over (Under) Expenditures	<u>2,329,940</u>	<u>467,394</u>	<u>859,811</u>	<u>3,657,145</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
Gain/Loss on Sale of Fixed Assets	19,625	23,931	-	43,556
Transfers from Other Funds	2,191,589	-	700,000	2,891,589
Transfers to Other Funds	(2,520,961)	-	(370,628)	(2,891,589)
<u>TOTAL OTHER FINANCING SOURCES(USES)</u>	<u>(309,747)</u>	<u>23,931</u>	<u>329,372</u>	<u>43,556</u>
Net Changes in Fund Balance	2,020,193	491,325	1,189,183	3,700,702
<u>FUND BALANCE - BEGINNING OF YEAR</u>	<u>10,246,062</u>	<u>7,988,477</u>	<u>2,668,338</u>	<u>20,902,877</u>
<u>Restatement of Beginning Fund Balance</u>	<u>-</u>	<u>(38,401)</u>	<u>38,401</u>	<u>-</u>
<u>FUND BALANCE - END OF YEAR</u>	<u>12,266,255</u>	<u>8,441,401</u>	<u>3,895,922</u>	<u>24,603,579</u>

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
For the year ended June 30, 2016
(all amounts are in dollars)

Net Change in Fund Balances - Governmental Funds	3,700,702
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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	313,478	
Disposal of capital assets	(69,961)	
Less current year depreciation	<u>(802,355)</u>	(558,839)

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.	(9,826)
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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	(109,688)
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Changes in pension assets and liabilities are not reported in governmental funds as they do not require the current use of financial resources. However, the Statement of Activities reports such changes as increases or decreases in the related expense accounts	<u>(3,526,804)</u>
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Change in Net Position of Governmental Activities	<u><u>(504,456)</u></u>
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The notes to the financial statement are an integral part of this statement

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 monies for these governments or disburses the money to them.

Wasco County, Oregon
Statement of Fiduciary Net Position
June 30, 2016
(all amounts are in dollars)

	Trust Fund	Agency Funds
<u>ASSETS:</u>		
Cash with Treasurer	74,021	1,094,739
Taxes Receivable	-	1,797,448
	<hr/>	<hr/>
<u>TOTAL ASSETS</u>	<u>74,021</u>	<u>2,892,188</u>
<u>LIABILITIES:</u>		
Accounts Payable	652	-
Due to Other Governments	-	2,892,188
	<hr/>	<hr/>
<u>TOTAL LIABILITIES</u>	<u>652</u>	<u>2,892,188</u>
<u>NET POSITION</u>	<u><u>73,369</u></u>	<u><u>-</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, 2016
(all amounts are in dollars)

<u>ADDITIONS:</u>	
Investment Earnings	421
Miscellaneous	32,798
<u>TOTAL ADDITIONS</u>	<u>33,219</u>
 <u>DEDUCTIONS</u>	
Materials & Services	57,255
<u>TOTAL DEDUCTIONS</u>	<u>57,255</u>
 Change in Net Position	 (24,036)
 <u>Net Position held for MINT-Beginning</u>	 <u>97,406</u>
 <u>Net Position held for MINT-Ending</u>	 <u>73,369</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 intergovernmental revenues, 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, 2016
(all amounts are in dollars)

	<u>BUDGETED AMOUNTS</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>
<u>REVENUES:</u>				
Taxes	8,245,287	8,245,287	8,357,210	111,923
Licenses, Fees & Permits	970,935	970,935	1,306,996	336,061
Intergovernmental Revenues	968,232	975,732	1,014,654	38,922
Federal Revenues	314,488	314,488	299,495	(14,993)
Charges for Services	73,965	73,965	81,571	7,606
Internal Service Charges	-	-	6,618	6,618
Fines and Restitution	40,125	40,125	45,892	5,767
Investment Earnings	28,200	28,200	39,867	11,667
Rents	179,311	179,311	197,849	18,538
Contributions and Donations	5,000	5,000	-	(5,000)
Miscellaneous	231,493	246,493	278,599	32,106
Pass Through Payments	3,500	3,500	5,160	1,660
<u>TOTAL REVENUES</u>	<u>11,060,536</u>	<u>11,083,036</u>	<u>11,633,912</u>	<u>550,876</u>
<u>EXPENDITURES:</u>				
<i>Current by Department</i>				
Assessor	855,265	857,765	737,905	119,860
Clerk	314,598	314,598	265,110	49,488
Sheriff	2,131,171	2,152,171	2,054,685	97,486
EAS	2,202,560	2,195,560	1,897,938	297,622
Administration	3,409,215	3,529,215	3,326,383	202,832
District Attorney	529,782	539,782	554,890	(15,108)
Planning	680,247	680,247	542,812	137,435
Public Works	66,217	66,217	59,428	6,789
Youth Services	494,154	494,154	478,470	15,684
<i>Total Current by Department</i>	<u>10,683,209</u>	<u>10,829,709</u>	<u>9,917,621</u>	<u>912,088</u>
<i>Capital Outlay by Department</i>				
Sheriff	51,627	51,627	30,545	21,082
EAS	165,000	180,000	87,102	92,898
Administration	104,000	104,000	105,578	(1,578)
<i>Total Capital Outlay by Department</i>	<u>320,627</u>	<u>335,627</u>	<u>223,226</u>	<u>112,401</u>
<i>Contingency</i>	<u>468,367</u>	<u>437,367</u>	<u>-</u>	<u>437,367</u>
<u>TOTAL EXPENDITURES</u>	<u>11,472,203</u>	<u>11,602,703</u>	<u>10,140,847</u>	<u>1,461,856</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
General Fund
For the year ended June 30, 2016
(all amounts are in dollars)

	<u>BUDGETED AMOUNTS</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>
Excess of Revenues Over (Under) Expenditures	(411,667)	(519,667)	1,493,065	2,012,732
<u>OTHER FINANCING SOURCES</u> <u>AND (USES):</u>				
Sale of Fixed Assets	4,000	4,000	19,625	15,625
Transfers from Other Funds	780,628	780,628	655,628	(125,000)
Transfers to Other Funds	<u>(2,264,961)</u>	<u>(2,264,961)</u>	<u>(2,235,961)</u>	<u>-</u>
<u>TOTAL OTHER FINANCING SOURCES</u> <u>AND USES</u>	<u>(1,480,333)</u>	<u>(1,480,333)</u>	<u>(1,560,708)</u>	<u>(109,375)</u>
Net Changes in Fund Balance	(1,892,000)	(2,000,000)	(67,643)	1,903,357
<u>FUND BALANCE - BEGINNING OF YEAR</u>	<u>5,018,000</u>	<u>5,126,000</u>	<u>6,948,774</u>	<u>1,822,774</u>
<u>FUND BALANCE - END OF YEAR</u>	<u>3,126,000</u>	<u>3,126,000</u>	<u>6,881,131</u>	<u>3,726,131</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, 2016
(all amounts are in dollars)

	<u>BUDGETED AMOUNTS</u>			
<u>REVENUES:</u>	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>
Licenses, Fees & Permits	11,500	11,500	-	(11,500)
Intergovernmental Revenues	2,071,455	2,071,455	2,034,560	(36,895)
Federal Revenues	520,407	520,407	576,941	56,534
Charges for Services	196,000	196,000	218,124	22,124
Internal Service Charges	3,180	3,180	3,180	-
Investment Earnings	18,100	18,100	25,913	7,813
Miscellaneous	500	500	17,551	17,051
<u>TOTAL REVENUES</u>	<u>2,821,142</u>	<u>2,821,142</u>	<u>2,876,270</u>	<u>55,128</u>
<u>EXPENDITURES:</u>				
<i>Current: Personal Services</i>	1,414,535	1,414,535	1,366,710	47,825
<i>Current: Materials & Services</i>	1,058,000	1,058,000	836,811	221,189
Capital Outlay	75,000	75,000	59,625	15,375
Contingency	367,000	375,000	-	375,000
<u>TOTAL EXPENDITURES</u>	<u>2,914,535</u>	<u>2,922,535</u>	<u>2,263,145</u>	<u>659,390</u>
Excess of Revenues Over (Under) Expenditures	(93,393)	(101,393)	613,124	714,517
<u>OTHER FINANCING SOURCES(USES)</u>				
Sale of Assets	15,000	15,000	23,931	8,931
<u>NET OTHER FINANCING SOURCES (USES)</u>	<u>15,000</u>	<u>15,000</u>	<u>23,931</u>	<u>8,931</u>
Net Changes in Fund Balance	(78,393)	(86,393)	637,056	723,449
<u>FUND BALANCE - BEGINNING OF YEAR</u>	<u>3,903,666</u>	<u>3,903,666</u>	<u>4,702,398</u>	<u>798,732</u>
Restatement of Beginning Fund Balance	-	-	(38,401)	(38,401)
<u>FUND BALANCE - END OF YEAR</u>	<u>3,825,273</u>	<u>3,817,273</u>	<u>5,301,052</u>	<u>1,483,779</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, 2016

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 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.

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, 2016. Earnings on the pooled monies are apportioned and credited to the funds monthly, based on the average daily balances of each participating fund.

2. *Inventories and Prepaid Expenses*: 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. Certain payments to vendors reflect costs applicable to future accounting periods and are reported as prepaid expenses.

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>
<i>Fund Balances</i>				
Total Nonspendable in form	-	371,555	-	371,555
Restricted for:				
Public Works Fund	-	5,218,554	-	5,218,554
County Fair Fund	-	-	79,742	79,742
Land Corner Preservation Fund	-	-	66,189	66,189
Forest Health Program Fund	-	-	273,245	273,245
Law Library Fund	-	-	129,645	129,645
Parks Fund	-	-	173,684	173,684
Community Corrections Fund	-	-	671,958	671,958
Court Facilities Security Fund	-	-	96,721	96,721
CCFC Fund	-	-	111,441	111,441
Clerk Records Fund	-	-	32,280	32,280
Total Restricted	-	5,218,554	1,634,905	6,853,459
Committed to:				
Household Hazardous Waste	-	-	181,488	181,488
Road Reserve Fund	-	2,810,043	-	2,810,043
Capital Acquisitions Fund	-	-	2,076,071	2,076,071
Equipment Reserve Fund	239,548	-	-	239,548
Facility Reserve Fund	1,823,620	-	-	1,823,620
CDBG Fund	-	-	4,656	4,656
Total Committed	2,063,168	2,810,043	2,262,215	7,135,426
Assigned for:				
Economic Development Payments Fund	949,236	-	-	949,236
District Attorneys Fund	19,721	-	-	19,721
Museum Fund	187,379	-	-	187,379
Weed & Pest Fund	210,495	-	-	210,495
Kramer Field Fund	32,994	-	-	32,994
General Operating Reserve	2,075,176	-	-	2,075,176
Compensated Absences	87,808	41,249	22,805	151,862
Total Assigned	3,562,808	41,249	22,805	3,626,862
Total Unassigned	6,516,078	-	(24,003)	6,492,075
Total Fund Balances	<u>12,142,054</u>	<u>8,441,401</u>	<u>3,895,922</u>	<u>24,479,378</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 acquisition 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 and Software	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 County 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.

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.

10. *Pensions:* For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Oregon Public Employees Retirement System (OPERS) and additions to/deductions from OPERS's fiduciary net position have been determined on the same basis as they are reported by OPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

11. *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).

12. *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.

13. *Other Post-Employment Benefits (OPEB) Obligation:* The County's net OPEB obligation is recognized as a liability and the Annual Required Contribution (ARC) is expensed, as

determined by the County's actuary, in the government-wide financial statements.

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

Expenditures exceeded appropriations by \$15,108 in the District Attorney's Department of the General Fund for the year ended June 30, 2016.

Deficit fund balance

The County has two funds with deficit fund balances for the year ended June 30, 2016, Fund 204, County School Fund and Fund 220, 911 Communications Fund.

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 \$3,108, deposits with financial institutions totaling \$5,403,941 and investment in the LGIP of \$21,964,817, for a total of \$27,371,866.

	<u>Fair Value</u>
Primary Government	24,565,104
Component Units	1,639,528
Fiduciary Funds	<u>1,168,760</u>
Total Deposits and Investment:	<u>27,373,392</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, 2016 bank balance of \$5,647,164 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 and is not rated by any national rating service. 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, 2016 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, 2016, the County did not have any investments exposed to custodial credit risk.

Credit Risk – Investments is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The State of Oregon Local Government Investments Pool is unrated.

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, 2016:

	Beginning Balance	Additions	Deletions	Corrections	Ending Balance
Land	1,464,113	16,430	(73)	-	1,480,469
<i>Depreciable Assets</i>					
Buildings	7,511,086	54,038	-	-	7,565,124
Furniture and Equipment	9,716,695	243,010	(295,527)	-	9,664,178
Infrastructure	5,433,139	-	-	-	5,433,139
	22,660,920	297,048	(295,527)	-	22,662,441
<i>Accumulated Depreciation</i>					
Buildings	3,830,788	109,947	-	-	3,940,735
Furniture and Equipment	6,978,924	483,601	(225,639)	-	7,236,886
Infrastructure	1,605,260	208,807	-	-	1,814,067
	12,414,972	802,355	(225,639)	-	12,991,688
Depreciable Assets - Net	10,245,949	(505,307)	(69,888)	-	9,670,753
Net Fixed Assets	11,710,059	(488,877)	(69,961)	-	11,151,221

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

General Government	113,840
Public Safety	247,457
Highways and Streets	383,751
Health and Welfare	35,027
Culture and Recreation	22,281
	<u>802,355</u>

C. LONG-TERM DEBT:

Changes in Long-Term Liabilities:

Long-term liability activity for the year ended June 30, 2016 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due in One Year
Governmental Activities					
Compensated Absences	218,521	-	(66,659)	151,862	-
OPEB Obligation	726,475	9,826	-	736,301	-
Net Pension Liability	(2,190,700)	6,641,962	-	4,451,262	-
Total Long Term Liabilities	(1,245,704)	6,651,788	(66,659)	5,339,425	-

D. EMPLOYEE PENSION PLANS:

General Information about the Pension Plan

Plan description

Employees of the County are provided with pensions through the Oregon Public Employees Retirement System (OPERS) a cost-sharing multiple-employer defined benefit pension plan, the Oregon Legislature has delegated authority to the Public Employees Retirement Board to

administer and manage the system. All benefits of the System are established by the legislature pursuant to ORS Chapters 238 and 238A. Tier One/Tier Two Retirement Benefit plan, established by ORS Chapter 238, is closed to new members hired on or after August 29, 2003. The Pension Program, established by ORS Chapter 238A, provides benefits to members hired on or after August 29, 2003. OPERS issues a publicly available Comprehensive Annual Financial Report and Actuarial Valuation that can be obtained at www.oregon.gov/pers/Pages/section/financial_reports/financials.aspx.

Benefits provided

1. Tier One/Tier Two Retirement Benefit ORS Chapter 238

Pension Benefits

If the retiree selects the annuity option, the PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.0 percent for police and fire employees, 1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit results.

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer (age 45 for police and fire members). General service employees may retire after reaching age 55. Police and fire members are eligible after reaching age 50. Tier One general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Police and fire member benefits are reduced if retirement occurs prior to age 55 with fewer than 25 years of service. Tier Two members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.

Death Benefits

Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided one or more of the following conditions are met:

- the member was employed by a PERS employer at the time of death,
- the member died within 120 days after termination of PERS-covered employment,
- the member died as a result of injury sustained while employed in a PERS covered job, or
- the member was on an official leave of absence from a PERS-covered job at the time of death.

Disability Benefits

A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-

duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.

Benefit Changes

After Retirement Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value of equity investments. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes. Under current law, the cap on the COLA in fiscal year 2015 and beyond will vary based on 1.25 percent on the first \$60,000 of annual benefit and 0.15 percent on annual benefits above \$60,000.

2. OPSRP Pension Program (OPSRP DB)

Pension Benefits

The Pension Program (ORS Chapter 238A) provides benefits to members hired on or after August 29, 2003. This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:

Police and fire: 1.8 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit. To be classified as a police and fire member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement.

General service: 1.5 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit.

A member of the OPSRP Pension Program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which termination becomes effective.

Death Benefits

Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50 percent of the pension that would otherwise have been paid to the deceased member.

Disability Benefits

A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.

Benefit Changes After Retirement

Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes. Under current law, the cap on the COLA in fiscal year 2015 and beyond will vary based on 1.25 percent on the first \$60,000 of annual benefit and 0.15 percent on annual benefits above \$60,000.

3. OPSRP Individual Account Program (OPSRP IAP)

Pension Benefits

An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies.

Upon retirement, a member of the OPSRP Individual Account Program (IAP) may receive the amounts in his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, 20-year period or an anticipated life span option. Each distribution option has a \$200 minimum distribution limit.

Death Benefits

Upon the death of a non-retired member, the beneficiary receives in a lump sum the member's account balance, rollover account balance, and vested employer optional contribution account balance. If a retired member dies before the installment payments are completed, the beneficiary may receive the remaining installment payments or choose a lump-sum payment.

Recordkeeping

OPERS contracts with VOYA Financial to maintain IAP participant records.

Contributions

PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. This funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2013 actuarial valuation. The rates based on a percentage of payroll, first became effective July 1, 2015. Employer contributions for the year ended June 30, 2016 were \$686,501, excluding amounts to fund employer specific liabilities. The rates in effect for the fiscal year ended June 30, 2016 were 15.87 percent for Tier One/Tier Two General Service Member, 15.87 percent for Tier One/Tier Two Police and Fire, 8.86 percent for OPSRP Pension Program General Service Members, 12.97 percent for OPSRP Pension Program Police and Fire Members, and 6 percent for OPSRP Individual Account Program

Pension Assets, Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2016, the County reported a liability of \$4,451,262 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2013 rolled forward to June 30, 2015. The County's proportion of the net pension liability was based on a projection of the County's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2015, the County's proportion was .07752839 percent, which was decreased from its proportion of .09664647 percent, measured as of June 30, 2014.

For the year ended June 30, 2016, the County recognized pension expense (income) of

\$4,223,846. At June 30, 2016, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	240,035	-
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	933,086
Changes in proportion	-	328,242
Differences between County contributions and proportionate share of contributions	-	336,984
County contributions subsequent to the measurement date	686,501	-
Total	<u>926,536</u>	<u>1,598,312</u>

Deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Deferred Outflows</u>		<u>Deferred Inflows</u>	
FY2017	741,054	FY2017	602,896
FY2018	54,553	FY2018	602,896
FY2019	54,553	FY2019	602,896
FY2020	54,553	FY2020	(259,151)
FY2021	21,823	FY2021	48,775
Thereafter	-	Thereafter	-
Total	<u>926,536</u>	Total	<u>1,598,312</u>

Actuarial assumptions

The employer contribution rates effective July 1, 2013 through June 30, 2015, and effective July 1, 2015 through June 30, 2017, were set using the projected unit credit actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (2) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 20 years. For the OPSRP Pension Program component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (a) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (b) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 16 years. The total pension liability in the December 31, 2013 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	December 31, 2013
Measurement Date	June 30, 2015
Experience Study Report	2014, published September 2015
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Inflation Rate	2.75 percent
Long-Term Expected Rate of Return	7.75 percent
Discount Rate	7.75 percent
Projected Salary Increases	3.75 percent overall payroll growth
Cost of Living Adjustments (COLA)	Blend of 2.00% COLA and grade COLA (1.25%/0.15%) in accordance with <i>Moro</i> decision, blend based on service
Mortality	<p>Health retirees and beneficiaries: RP-2000 Sex-distinct, generational per Scale AA, with collar adjustments and set-backs as described in the valuation.</p> <p>Active Members: Mortality rates are a percentage of healthy retiree rates that vary by group, as described in the valuation.</p> <p>Disabled retirees: Mortality rates are a percentage (65% for males, 90% for females) of the RP-2000 statistic combined disabled mortality sex-distinct table.</p>

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2014 Experience Study which reviewed experience for the four-year period ending on December 31, 2014.

Long-term expected rate of return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2013 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

Asset Class/Strategy	Assumed Asset Allocation		
	Low Range	High Range	Target
Cash	0.0%	3.0%	0.0%
Debt Securities	15.0%	25.0%	20.0%
Public Equity	32.5%	42.5%	37.5%
Private Equity	16.0%	24.0%	20.0%
Real Estate	9.5%	15.5%	12.5%
Alternative Equity	0.0%	10.0%	10.0%
Opportunity Portfolio	0.0%	3.0%	0.0%
Total			100.0%

Asset Class	Target Allocation	Compounded Annual Return (Geometric)
Core Fixed Income	7.20%	4.50%
Short-Term Bonds	8.00%	3.70%
Intermediate -Term Bonds	3.00%	4.10%
High Yield Bonds	1.80%	6.66%
Large Cap US Equities	11.65%	7.20%
Mid Cap US Equities	3.88%	7.30%
Small Cap US Equities	2.27%	7.45%
Developed Foreign Equities	14.21%	6.90%
Emerging Foreign Equities	5.49%	7.40%
Private Equities	20.00%	8.26%
Opportunity Funds/Absolute Return	5.00%	6.01%
Real Estate (Property)	13.75%	6.51%
Real Estate (REITS)	2.50%	6.76%
Commodities	1.25%	6.07%
Total	100.00%	
Assumed Inflation - Mean		2.75%

Depletion date projection

GASB 68 generally requires that a blended discount rate be used to measure the Total Pension Liability (the Actuarial Accrued Liability calculated using the Individual Entry Age Normal Cost Method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan's Fiduciary Net Position is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the Fiduciary Net Position is not projected to cover benefit payments and administrative expenses. Determining the discount rate under GASB 68 will often require that the actuary perform complex projections of future benefit payments and pension plan investments. GASB 68 (paragraph 67) does allow for alternative evaluations of projected solvency, if such evaluation can reliably be made. GASB does not contemplate a specific method for making an alternative evaluation of sufficiency; it is left to professional judgment.

The following circumstances justify an alternative evaluation of sufficiency for PERS:

- PERS has a formal written policy to calculate an Actuarially Determined Contribution (ADC), which is articulated in the actuarial valuation report.
- The ADC is based on a closed, layered amortization period, which means that payment of the full ADC each year will bring the plan to a 100% funded position by the end of the amortization period if future experience follows assumption.
- GASB 68 specifies that the projections regarding future solvency assume that plan assets earn the assumed rate return and there are no future changes in the plan provisions or actuarial methods and assumptions, which means that the projections would not reflect any adverse future experience which might impact the plan's funded position.

Based on these circumstances, it is our independent actuary's opinion that the detailed depletion date projections outlined in GASB 68 would clearly indicate that the Fiduciary Net Position is always projected to be sufficient to cover benefit payments and administrative expenses.

Discount rate

The discount rate used to measure the total pension liability was 7.75 percent for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County's proportionate share of the net pension liability to changes in the discount rate

The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 7.75 percent, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75 percent) or 1-percentage-point higher (8.75 percent) than the current rate:

	1% Decrease (6.75%)	Discount Rate (7.75%)	1% Increase (8.75%)
County's proportionate share of the net pension liability (asset)	10,742,956	4,451,263	(850,983)

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued OPERS financial report.

Changes in plan provisions during the measurement period

The Oregon Supreme Court on April 30, 2015, ruled that the provisions of Senate Bill 861, signed into law in October 2013, that limited the post-retirement COLA on benefits accrued prior to the signing of the law was unconstitutional. Benefits could be modified prospectively, but not retrospectively. As a result, those who retired before the bills were passed will continue to receive a COLA tied to the Consumer Price Index that normally results in a 2 percent increase annually. OPERS will make restoration payments to those benefit recipients.

OPERS members who have accrued benefits before and after the effective dates of the 2013 legislation will have a blended COLA rate when they retire.

This change in benefit terms was reflected in the current valuation.

Changes in plan provisions subsequent to measurement date

There were no changes subsequent to the June 30, 2015 measurement date.

E. OPERATING LEASES:

The County leases equipment, primarily copiers, under non-cancelable lease agreements. Operating lease expenditures were \$30,524 for the year ended June 30, 2016. Future payments associated with operating leases are due as follows:

FYE	
<u>30-Jun</u>	<u>Amount</u>
2017	28,069
2018	25,126
2019	22,255
2020	20,250
2021	10,995

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 2016 the County paid healthcare insurance premiums of \$1,450,652.

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>6/30/2016</u>
Determination of Annual Required Contribution	
1) Normal Cost at year end	\$ 37,814
2) Amortization of UAAL	<u>67,027</u>
3) Annual Required Contribution (ARC) (1) + (2)	\$ 104,841
Determination of Net OPEB Obligation	
4) Annual Required Contribution	\$ 104,841
5) Interest on prior year Net OPEB Obligation	25,427
6) Adjustment to ARC	<u>87,352</u>
7) Annual OPEB Cost (4) + (5) - (6)	\$ 42,916
8) Explicit Benefit Payments	-
9) Implicit Benefit Payments	<u>33,090</u>
10) Increase in Net OPEB Obligation (7) - (8) - (9)	\$ 9,826
11) Net OPEB Obligation - beginning of year	<u>726,475</u>
12) Net OPEB Obligation - end of year	<u>736,301</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>
6/30/2014	142,451	38%	639,066
6/30/2015	145,489	40%	726,475
6/30/2016	42,916	77%	736,301

Funded Status and Funding Progress: As of August 1, 2014, the most recent actuarial valuation date, the plan was zero percent funded. The actuarial accrued liability for benefits was \$540,131 and the actuarial value of assets was zero, resulting in an unfunded accrued liability of \$540,131.

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	8/1/2014
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	5.75%
Ultimate Healthcare Inflation Rates	4.75%

Retirement Health Insurance Account

As a member of Oregon Public Employees Retirement System ("OPERS"), the County contributes to the Retirement Health Insurance Account ("RHIA") for each of its eligible employees. RHIA is a cost-sharing multiple-employer defined benefit other postemployment benefit plan administered by OPERS. RHIA pays a monthly contribution toward the cost of Medicare companion health insurance premiums of eligible retirees. ORS 238.420 established this trust fund. Authority to establish and amend the benefit provisions of RHIA resides with the Oregon Legislature. The plan is closed to new entrants after January 1, 2004. OPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Oregon Public Employees Retirement System, P.O. Box 23700, Tigard, Oregon 97281-3700.

Because RHIA was created by enabling legislation (ORS 238.420), contribution requirements of the plan members and the participating employers were established and may be amended only by the Oregon Legislature. ORS require that an amount equal to \$60 or the total monthly cost of Medicare companion health insurance premiums coverage, whichever is less, shall be paid from the Retirement Health Insurance Account established by the employer, and any monthly cost in excess of \$60 shall be paid by the eligible retired member in the manner provided in ORS 238.410. To be eligible to receive this monthly payment toward the premium cost the member must: (1) have eight years or more of qualifying service in PERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in PERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in a PERS-sponsored health plan. A surviving spouse or dependent of a deceased PERS retiree who was eligible to receive the subsidy is eligible to receive the subsidy if he or she (1) is receiving a retirement benefit or allowance from PERS or (2) was insured at the time the member died and the member retired before May 1, 1991.

Participating employers are contractually required to contribute to RHIA at a rate assessed each year by OPERS, currently 0.59 percent of annual covered OPERF payroll and 0.50 percent of OPSRP payroll. The OPERS Board of Trustees sets the employer contribution rate based on the ARC of the employers, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The County's contributions to RHIA, which equaled the required contributions each year were included with the payments for the retirement plan described in Note D.

G. INTERFUND TRANSFERS:

The following table reflects the interfund transfers completed during the year ended June 30, 2016.

	<u>Transfers In</u>	<u>Transfers Out</u>
101- General Fund	655,628	2,235,961
208 - Economic Dev. Payments Fund	-	280,000
210 - District Attorney Fund	-	5,000
211 - Museum Fund	17,500	-
220 - 911 Communications Fund	219,238	-
326 - Facility Capital Reserve	699,223	-
327 - General Operating Reserve	600,000	-
Total General Fund GASB 54	<u>2,191,589</u>	<u>2,520,961</u>
Non-Major Funds		
205 - Land Corner Preservation Fund	-	2,500
209 - Law Library Fund	-	8,000
227 - CCF	-	360,128
322 - Capital Acquisitions Fund	700,000	-
Total Non-Major Funds	<u>700,000</u>	<u>370,628</u>
Total All Transfers	<u>2,891,589</u>	<u>2,891,589</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.

	<u>General Fund</u>	<u>Public Works Fund</u>	<u>Other Nonmajor Funds</u>
Net change in fund balances - GAAP basis	2,020,193	491,325	1,189,183
<i>Expenditures required by GAAP not recorded under budgetary basis:</i>			
Change in Inventory	-	163,647	-
Change in compensated absences	(62,014)	(3,284)	(1,361)
<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 or the Public Works Fund:</i>			
208 - Economic Dev. Payments Fund	(852,432)	-	852,432
210 - District Attorney Fund	9,625	-	(9,625)
211 - Museum Fund	14,654	-	(14,654)
219 - Weed & Pest Control Fund	(9,377)	-	9,377
220 - 911 Communications Fund	128,477	-	(128,477)
233 - Kramer Field Fund	(172)	-	172
321 - Road Reserve Fund	-	(14,633)	14,633
324 - Equipment Reserve	(1,247)	-	1,247
326 - Facility Capital Reserve	(706,472)	-	706,472
327 - General Operating Reserve	<u>(608,878)</u>	<u>-</u>	<u>608,878</u>
Net change in fund balances - budgetary basis	<u>(67,643)</u>	<u>637,055</u>	<u>3,228,277</u>

I. 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 \$3,343,333 and \$3,170,026 at June 30, 2015 and 2016, 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, 2016 totaled \$2,050,558. 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.

D. RESTATEMENT OF BEGINNING FUND BALANCES:

During the 2015 fiscal year, the money received from Title III funding for Forest Health activities was incorrectly allocated to the Public Works and County School Funds, instead of the Forest Health Fund. The restated beginning fund balances correct the allocation by moving the dollars to the Forest Health Fund.

	As originally reported	Correction	Restated
Public Work Fund	4,702,398	(38,401)	4,663,996
County School Fund	62,167	(12,800)	49,367
Forest Health Fund	176,079	51,202	227,281
Total	4,940,643	-	4,940,643

REQUIRED SUPPLEMENTARY INFORMATION

Wasco County, Oregon
Schedule of Funding Progress Required by GASB 45
For the year ended June 30, 2016
(all amounts are in dollars)

<u>Actuarial</u> <u>Valuation</u> <u>Date</u>	<u>Actuarial</u> <u>Value of</u> <u>Assets</u>	<u>AAL</u> <u>Unit Credit</u>	<u>UAAL</u>	<u>Funded</u> <u>Ratio</u>	<u>Covered</u> <u>Payroll</u>	<u>UAAL as a</u> <u>% of</u> <u>Covered</u> <u>Payroll</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%
8/1/2014	-	540,131	540,131	0%	6,480,919	8%

Wasco County, Oregon
Schedule of the Proportionate Share of the Net Pension Liability
For the Last Three Fiscal Years
June 30, 2016

Year Ended June 30,	(a) County's proportion of the net pension liability (asset)	(b) County's proportionate share of the net pension liability (asset)	(c) County's covered payroll	(b/c) County's proportionate share of the net pension liability (asset) as a percentage of its	Plan fiduciary net position as a percentage of the total pension liability
2016	0.07752839%	\$ 4,451,263	\$ 5,852,439	76.06%	91.90%
2015	0.09664647%	(2,190,700)	6,480,919	-33.80%	103.60%
2014	0.09664647%	4,932,011	7,170,616	68.78%	91.97%

The amounts presented for each fiscal year were actuarial determined at December 31 and rolled forward to the measurement date.

This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

Wasco County, Oregon
Schedule of Contributions
For the Last Three Fiscal Years
June 30, 2016

Year Ended June 30,	(a) Statutorily required contribution	(b) Contributions in relation to the statutorily required contribution	(a-b) Contribution deficiency (excess)	(c) County's covered payroll	(b/c) Contributions as a percent of covered payroll
2016	686,501	686,501	-	6,032,973	11.38%
2015	604,704	604,704	-	5,852,439	10.33%
2014	692,025	692,025	-	6,480,919	10.68%

The amounts presented for each fiscal year were actuarial determined at December 31 and rolled forward to the measurement date.

This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

Wasco County, Oregon
Notes to Required Supplementary Information
For the Year Ended June 30, 2016

Changes in Benefit Terms

The Oregon Supreme Court on April 30, 2015, ruled that the provisions of Senate Bill 861, signed into law in October 2013, that limited the post-retirement COLA on benefits accrued prior to the signing of the law was unconstitutional. Benefits could be modified prospectively, but not retrospectively. As a result, those who retired before the bills were passed will continue to receive a COLA tied to the Consumer Price Index that normally results in a 2 percent increase annually. OPERS will make restoration payments to those benefit recipients.

OPERS members who have accrued benefits before and after the effective dates of the 2013 legislation will have a blended COLA rate when they retire.

This is a change in benefit terms was not included in the net pension liability (asset) proportionate shares provided by OPERS for the years ending June 30, 2015 and June 30, 2014.

Changes of Assumptions

Details and a comprehensive list of changes in methods and assumptions can be found in the 2012 and 2014 Experience Study for the System, which were published on September 18, 2013 and September 23, 2015. These reports can be found at:
http://www.oregon.gov/pers/Pages/section/financial_reports/mercereports.aspx.

OTHER INFORMATION

Wasco County, Oregon
Combining Balance Sheet
Non-Major Funds
June 30, 2016
(all amounts are in dollars)

	Special Revenue Funds	Capital Project Funds	Total Non-Major Funds
<u>ASSETS:</u>			
Deposits and Investments	1,991,215	2,100,674	4,091,889
Receivables:			
Accounts Receivable	49,597	-	49,597
<u>TOTAL ASSETS</u>	<u>2,040,812</u>	<u>2,100,674</u>	<u>4,141,486</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
<u>Liabilities:</u>			
Accounts Payable	156,729	19,947	176,676
Compensated Absences	22,805	-	22,805
Accrued Payroll & Related Liabilities	46,083	-	46,083
<u>Total Liabilities</u>	<u>225,617</u>	<u>19,947</u>	<u>245,564</u>
<u>Fund Balances:</u>			
Restricted	1,634,905	-	1,634,905
Committed	181,488	2,080,727	2,262,215
Assigned	22,805	-	22,805
Unassigned	(24,003)	-	(24,003)
<u>Total Fund Balances</u>	<u>1,815,195</u>	<u>2,080,727</u>	<u>3,895,922</u>
<u>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>	<u>2,040,812</u>	<u>2,100,674</u>	<u>4,141,486</u>

Wasco County, Oregon
Combining Schedule of Revenues, Expenditures
and Changes in Fund Balance
Non-Major Funds
For the year ended June 30, 2016
(all amounts are in dollars)

	Special Revenue <u>Funds</u>	Capital Project <u>Funds</u>	Total Non-Major <u>Funds</u>
Licenses, Fees & Permits	606,248	-	606,248
Intergovernmental Revenues	1,874,764	-	1,874,764
Federal Revenues	255,157	24,603	279,760
Charges for Services	13,700	-	13,700
Fines and Restitution	34,422	-	34,422
Investment Earnings	9,964	8,577	18,540
Contributions and Donations	34,296	24,603	58,899
Miscellaneous	7,175	-	7,175
<u>TOTAL REVENUES</u>	<u>2,835,726</u>	<u>57,782</u>	<u>2,893,509</u>
<u>EXPENDITURES:</u>			
<i>Current: Personal Services</i>	756,722	-	756,722
<i>Current: Materials & Services</i>	1,226,269	-	1,226,269
Capital Outlay	6,157	44,550	50,707
<u>TOTAL EXPENDITURES</u>	<u>1,989,148</u>	<u>44,550</u>	<u>2,033,698</u>
Excess of Revenues Over (Under) Expenditures	846,578	13,233	859,811
<u>OTHER FINANCING SOURCES(USES)</u>			
Operating Transfers In	-	700,000	700,000
Operating Transfers Out	(370,628)	-	(370,628)
<u>NET OTHER FINANCING SOURCES (USES)</u>	<u>(370,628)</u>	<u>700,000</u>	<u>329,372</u>
Net Changes in Fund Balance	475,950	713,232	1,189,183
<u>FUND BALANCE - BEGINNING OF YEAR</u>	<u>1,300,843</u>	<u>1,367,495</u>	<u>2,668,338</u>
<u>Restatement of Beginning Fund Balance</u>	<u>38,401</u>	<u>-</u>	<u>38,401</u>
<u>FUND BALANCE - END OF YEAR</u>	<u>1,815,195</u>	<u>2,080,727</u>	<u>3,895,922</u>

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.

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". This fund is included in the General Fund in the GAAP basis financial statements.

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. This fund is included in the General Fund in the GAAP basis financial statements.

**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. This fund is included in the General Fund in the GAAP basis financial statements.

**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. This fund is included in the General Fund in the GAAP basis financial statements.

**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. This fund is included in the General Fund in the GAAP basis financial statements.

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. This fund is included in the General Fund in the GAAP basis financial statements.

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. This fund is included in the General Fund in the GAAP basis financial statements.

**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. This fund is included in the General Fund in the GAAP basis financial statements.

**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. This fund is included in the General Fund in the GAAP basis financial statements.

Wasco County, Oregon
Combining Balance Sheet
Special Revenue Funds
June 30, 2016
(all amounts are in dollars)

	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>	207 <u>HHW</u> <u>Fund</u>
ASSETS:					
Deposits and Investments	87,861	-	76,154	273,245	195,712
Receivables					
Accounts Receivable	-	-	-	-	36,126
<u>TOTAL ASSETS</u>	<u>87,861</u>	<u>-</u>	<u>76,154</u>	<u>273,245</u>	<u>231,838</u>
<u>LIABILITIES AND FUND BALANCES</u>					
<u>Liabilities:</u>					
Due to Other Funds	-	24,003	-	-	-
Accounts Payable	6,617	-	691	-	41,244
Accrued Liabilities	1,501	-	4,472	-	6,521
Compensated Absences	-	-	2,401	-	1,292
<u>Total Liabilities</u>	<u>8,118</u>	<u>24,003</u>	<u>7,564</u>	<u>-</u>	<u>49,057</u>
<u>Fund Balances:</u>					
Restricted	79,742	-	66,189	273,245	-
Committed	-	-	-	-	181,488
Assigned	-	-	2,401	-	1,292
Unassigned	-	(24,003)	-	-	-
<u>Total Fund Balances</u>	<u>79,742</u>	<u>(24,003)</u>	<u>68,590</u>	<u>273,245</u>	<u>182,780</u>
<u>TOTAL LIABILITIES AND</u>					
<u>FUND BALANCES</u>	<u>87,861</u>	<u>-</u>	<u>76,154</u>	<u>273,245</u>	<u>231,838</u>

<u>209</u> <u>Law Lib</u> <u>Fund</u>	<u>223</u> <u>Parks</u> <u>Fund</u>	<u>227</u> <u>Comm. Corr</u> <u>Fund</u>	<u>229</u> <u>Court</u> <u>Fac. Sec</u> <u>Fund</u>	<u>232</u> <u>CCFC</u> <u>Fund</u>	<u>237</u> <u>Clerk</u> <u>Records</u> <u>Fund</u>	<u>Total</u> <u>Non-Major</u> <u>Special Revenue</u> <u>Funds</u>
130,886	173,010	828,023	93,245	116,097	40,985	2,015,218
-	8,331	1,665	3,476	-	-	49,597
<u>130,886</u>	<u>181,341</u>	<u>829,688</u>	<u>96,721</u>	<u>116,097</u>	<u>40,985</u>	<u>2,064,815</u>
-	-	-	-	-	-	24,003
1,241	6,657	90,549	-	1,024	8,705	156,729
-	1,001	28,957	-	3,632	-	46,083
-	-	19,112	-	-	-	22,805
<u>1,241</u>	<u>7,657</u>	<u>138,618</u>	<u>-</u>	<u>4,656</u>	<u>8,705</u>	<u>249,620</u>
129,645	173,684	671,958	96,721	111,441	32,280	1,634,905
-	-	-	-	-	-	181,488
-	-	19,112	-	-	-	22,805
-	-	-	-	-	-	(24,003)
<u>129,645</u>	<u>173,684</u>	<u>691,070</u>	<u>96,721</u>	<u>111,441</u>	<u>32,280</u>	<u>1,815,195</u>
<u>130,886</u>	<u>181,341</u>	<u>829,688</u>	<u>96,721</u>	<u>116,097</u>	<u>40,985</u>	<u>2,064,815</u>

Wasco County, Oregon
Combining Schedule of Revenues, Expenditures
and Changes in Fund Balance
Special Revenue Funds
For the year ended June 30, 2016
 (all amounts are in dollars)

	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>	207 <u>HHW</u> <u>Fund</u>
REVENUES:					
Licenses, Fees & Permits	76,591	-	31,424	-	330,313
Intergovernmental Revenues	53,667	97,748	-	-	-
Federal Revenues	-	192,314	-	45,243	-
Charges for Services	-	-	-	-	7,200
Fines and Restitution	-	-	-	-	-
Investment Earnings	504	865	491	721	1,009
Contributions and Donations	13,288	-	-	-	7,500
Miscellaneous	3	-	-	-	7,031
<u>TOTAL REVENUES</u>	<u>144,053</u>	<u>290,926</u>	<u>31,915</u>	<u>45,965</u>	<u>353,053</u>
EXPENDITURES:					
<i>Current: Personal Services</i>	24,429	-	58,465	-	101,805
<i>Current: Materials & Services</i>	168,127	364,296	2,700	-	214,377
Capital Outlay	-	-	6,157	-	-
<u>TOTAL EXPENDITURES</u>	<u>192,556</u>	<u>364,296</u>	<u>67,322</u>	<u>-</u>	<u>316,182</u>
Excess of Revenues Over (Under) Expenditures	(48,503)	(73,370)	(35,407)	45,965	36,871
<u>OTHER FINANCING SOURCES(USES)</u>					
Operating Transfers Out	-	-	(2,500)	-	-
<u>NET OTHER FINANCING</u>					
<u>SOURCES (USES)</u>	<u>-</u>	<u>-</u>	<u>(2,500)</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balance	(48,503)	(73,370)	(37,907)	45,965	36,871
<u>FUND BALANCE - BEGINNING OF YEAR</u>	<u>128,245</u>	<u>62,167</u>	<u>106,497</u>	<u>176,079</u>	<u>145,909</u>
Restatement of Beginning Fund Balance	-	(12,800)	-	51,202	-
<u>FUND BALANCE - END OF YEAR</u>	<u>79,742</u>	<u>(24,003)</u>	<u>68,590</u>	<u>273,245</u>	<u>182,780</u>

<u>209</u> <u>Law Lib</u> <u>Fund</u>	<u>223</u> <u>Parks</u> <u>Fund</u>	<u>227</u> <u>Comm. Corr</u> <u>Fund</u>	<u>229</u> <u>Court</u> <u>Fac. Sec</u> <u>Fund</u>	<u>232</u> <u>CCFC</u> <u>Fund</u>	<u>237</u> <u>Clerk</u> <u>Records</u> <u>Fund</u>	<u>Total</u> <u>Non-Major</u> <u>Special Revenue</u> <u>Funds</u>
25,531	37,680	95,316	-	-	9,393	606,248
-	63,987	1,530,061	-	129,301	-	1,874,764
-	-	-	-	17,600	-	255,157
-	-	-	-	6,500	-	13,700
-	-	-	34,422	-	-	34,422
727	765	3,638	408	629	206	9,964
-	-	-	3,658	9,850	-	34,296
-	-	18	-	123	-	7,175
<u>26,258</u>	<u>102,432</u>	<u>1,629,033</u>	<u>38,489</u>	<u>164,003</u>	<u>9,599</u>	<u>2,835,726</u>
-	16,286	484,084	-	71,654	-	756,722
14,041	35,903	326,587	3,678	84,176	12,382	1,226,269
-	-	-	-	-	-	6,157
<u>14,041</u>	<u>52,189</u>	<u>810,672</u>	<u>3,678</u>	<u>155,830</u>	<u>12,382</u>	<u>1,989,148</u>
12,217	50,243	818,361	34,811	8,173	(2,783)	846,578
<u>(8,000)</u>	<u>-</u>	<u>(360,128)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(370,628)</u>
<u>(8,000)</u>	<u>-</u>	<u>(360,128)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(370,628)</u>
4,217	50,243	458,233	34,811	8,173	(2,783)	475,950
125,428	123,441	232,837	61,910	103,267	35,063	1,300,843
-	-	-	-	-	-	38,401
<u>129,645</u>	<u>173,684</u>	<u>691,070</u>	<u>96,721</u>	<u>111,441</u>	<u>32,280</u>	<u>1,815,195</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, 2016
(all amounts are in dollars)

	<u>BUDGETED AMOUNTS</u>			
<u>REVENUES:</u>	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>
Licenses, Fees & Permits	85,000	85,000	76,591	(8,409)
Intergovernmental Revenues	51,000	51,000	53,667	2,667
Investment Earnings	500	500	504	4
Contributions and Donations	9,550	9,550	13,288	3,738
Miscellaneous	-	-	3	3
<u>TOTAL REVENUES</u>	<u>146,050</u>	<u>146,050</u>	<u>144,053</u>	<u>(1,997)</u>
<u>EXPENDITURES:</u>				
<i>Current: Personal Services</i>	40,874	40,874	24,429	16,445
<i>Current: Materials & Services</i>	161,560	161,560	168,127	(6,567)
Contingency	17,000	17,000	-	17,000
<u>TOTAL EXPENDITURES</u>	<u>219,434</u>	<u>219,434</u>	<u>192,556</u>	<u>26,878</u>
Excess of Revenues Over (Under) Expenditures	(73,384)	(73,384)	(48,503)	24,881
<u>OTHER FINANCING SOURCES(USES)</u>				
Operating Transfers In	29,000	29,000	-	(29,000)
<u>NET OTHER FINANCING SOURCES (USES)</u>	<u>29,000</u>	<u>29,000</u>	<u>-</u>	<u>(29,000)</u>
Net Changes in Fund Balance	(44,384)	(44,384)	(48,503)	(4,119)
<u>FUND BALANCE - BEGINNING OF YEAR</u>	<u>102,500</u>	<u>44,384</u>	<u>128,245</u>	<u>83,861</u>
<u>FUND BALANCE - END OF YEAR</u>	<u>58,116</u>	<u>-</u>	<u>79,742</u>	<u>79,742</u>

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, 2016
(all amounts are in dollars)

	<u>BUDGETED AMOUNTS</u>			
<u>REVENUES:</u>	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>
Intergovernmental Revenues	63,600	63,600	97,748	34,148
Federal Revenues	225,190	225,190	192,314	(32,876)
Investment Earnings	400	400	865	465
<u>TOTAL REVENUES</u>	<u>289,190</u>	<u>289,190</u>	<u>290,926</u>	<u>1,736</u>
<u>EXPENDITURES:</u>				
<i>Current: Materials & Services</i>	<u>314,690</u>	<u>374,690</u>	<u>364,296</u>	<u>10,394</u>
<u>TOTAL EXPENDITURES</u>	<u>314,690</u>	<u>374,690</u>	<u>364,296</u>	<u>10,394</u>
Net Changes in Fund Balance	(25,500)	(85,500)	(73,370)	12,130
<u>FUND BALANCE - BEGINNING OF YEAR</u>	<u>25,500</u>	<u>85,500</u>	<u>62,167</u>	<u>(23,333)</u>
<u>Restatement of Beginning Fund Balance</u>	<u>-</u>	<u>-</u>	<u>(12,800)</u>	<u>(12,800)</u>
<u>FUND BALANCE - END OF YEAR</u>	<u>-</u>	<u>-</u>	<u>(24,003)</u>	<u>(24,003)</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, 2016
(all amounts are in dollars)

	<u>BUDGETED AMOUNTS</u>			
<u>REVENUES:</u>	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>
Licenses, Fees & Permits	27,000	27,000	31,424	4,424
Investment Earnings	700	700	491	(209)
<u>TOTAL REVENUES</u>	<u>27,700</u>	<u>27,700</u>	<u>31,915</u>	<u>4,215</u>
<u>EXPENDITURES:</u>				
<i>Current: Personal Services</i>	53,234	53,234	56,064	(2,830)
<i>Current: Materials & Services</i>	3,000	3,000	2,700	300
Capital Outlay	8,000	8,000	6,157	1,843
Contingency	8,800	800	-	800
<u>TOTAL EXPENDITURES</u>	<u>73,034</u>	<u>65,034</u>	<u>64,921</u>	<u>113</u>
Excess of Revenues Over (Under) Expenditures	(45,334)	(37,334)	(33,006)	4,328
<u>OTHER FINANCING SOURCES(USES)</u>				
Operating Transfers Out	(2,500)	(2,500)	(2,500)	-
<u>NET OTHER FINANCING SOURCES (USES)</u>	<u>(2,500)</u>	<u>(2,500)</u>	<u>(2,500)</u>	<u>-</u>
Net Changes in Fund Balance	(47,834)	(39,834)	(35,506)	4,328
<u>FUND BALANCE - BEGINNING OF YEAR</u>	<u>99,900</u>	<u>99,900</u>	<u>106,497</u>	<u>6,597</u>
<u>FUND BALANCE - END OF YEAR</u>	<u>52,066</u>	<u>60,066</u>	<u>70,991</u>	<u>10,925</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, 2016
(all amounts are in dollars)

	<u>BUDGETED AMOUNTS</u>			
<u>REVENUES:</u>	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>
Federal Revenues	55,000	55,000	45,243	(9,757)
Investment Earnings	1,000	1,000	721	(279)
<u>TOTAL REVENUES</u>	<u>56,000</u>	<u>56,000</u>	<u>45,965</u>	<u>(10,035)</u>
 <u>EXPENDITURES:</u>				
<i>Current: Materials & Services</i>	131,000	131,000	-	131,000
<u>TOTAL EXPENDITURES</u>	<u>131,000</u>	<u>131,000</u>	<u>-</u>	<u>131,000</u>
 Excess of Revenues Over (Under) Expenditures	(75,000)	(75,000)	45,965	120,965
 <u>OTHER FINANCING SOURCES(USES)</u>				
Operating Transfers Out	(100,000)	(100,000)	-	100,000
<u>NET OTHER FINANCING SOURCES (USES)</u>	<u>(100,000)</u>	<u>(100,000)</u>	<u>-</u>	<u>100,000</u>
 Net Changes in Fund Balance	(175,000)	(175,000)	45,965	220,965
 <u>FUND BALANCE - BEGINNING OF YEAR</u>	<u>175,000</u>	<u>175,000</u>	<u>176,079</u>	<u>1,079</u>
 Restatement of Beginning Fund Balance	-	-	51,202	51,202
 <u>FUND BALANCE - END OF YEAR</u>	<u>-</u>	<u>-</u>	<u>273,245</u>	<u>273,245</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, 2016
(all amounts are in dollars)

	<u>BUDGETED AMOUNTS</u>			
<u>REVENUES:</u>	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>
Licenses, Fees & Permits	295,000	295,000	330,313	35,313
Charges for Services	7,200	7,200	7,200	-
Investment Earnings	450	450	1,009	559
Contributions and Donations	-	-	7,500	7,500
Miscellaneous	7,000	7,000	7,031	31
<u>TOTAL REVENUES</u>	<u>309,650</u>	<u>309,650</u>	<u>353,053</u>	<u>43,403</u>
<u>EXPENDITURES:</u>				
<i>Current: Personal Services</i>	113,441	113,941	100,513	13,428
<i>Current: Materials & Services</i>	201,129	222,529	214,377	8,152
Capital Outlay	28,093	8,093	-	8,093
Contingency	75,000	73,100	-	73,100
<u>TOTAL EXPENDITURES</u>	<u>417,663</u>	<u>417,663</u>	<u>314,890</u>	<u>102,773</u>
Excess of Revenues Over (Under) Expenditures	(108,013)	(108,013)	38,163	146,176
<u>OTHER FINANCING SOURCES(USES)</u>				
Sale of Assets	7,000	7,000	-	(7,000)
<u>NET OTHER FINANCING SOURCES (USES)</u>	<u>7,000</u>	<u>7,000</u>	<u>-</u>	<u>(7,000)</u>
Net Changes in Fund Balance	(101,013)	(101,013)	38,163	139,176
<u>FUND BALANCE - BEGINNING OF YEAR</u>	<u>226,013</u>	<u>226,013</u>	<u>145,909</u>	<u>(80,104)</u>
<u>FUND BALANCE - END OF YEAR</u>	<u>125,000</u>	<u>125,000</u>	<u>184,072</u>	<u>59,072</u>

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, 2016
(all amounts are in dollars)

	<u>BUDGETED AMOUNTS</u>			
<u>REVENUES:</u>	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>
Intergovernmental Revenues	190,000	190,000	190,153	153
Investment Earnings	-	-	2,279	2,279
Contributions and Donations	250,000	1,100,000	1,700,000	600,000
<u>TOTAL REVENUES</u>	<u>440,000</u>	<u>1,290,000</u>	<u>1,892,432</u>	<u>602,432</u>
<u>EXPENDITURES:</u>				
<i>Current: Materials & Services</i>	165,693	1,015,693	760,000	255,693
<u>TOTAL EXPENDITURES</u>	<u>165,693</u>	<u>1,015,693</u>	<u>760,000</u>	<u>255,693</u>
Excess of Revenues Over (Under) Expenditures	274,307	274,307	1,132,432	858,125
<u>OTHER FINANCING SOURCES(USES)</u>				
Operating Transfers Out	(90,000)	(280,000)	(280,000)	-
<u>NET OTHER FINANCING SOURCES (USES)</u>	<u>(90,000)</u>	<u>(280,000)</u>	<u>(280,000)</u>	<u>-</u>
Net Changes in Fund Balance	184,307	(5,693)	852,432	858,125
<u>FUND BALANCE - BEGINNING OF YEAR</u>	<u>5,693</u>	<u>5,693</u>	<u>96,804</u>	<u>-</u>
<u>FUND BALANCE - END OF YEAR</u>	<u>190,000</u>	<u>-</u>	<u>949,236</u>	<u>858,125</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, 2016
(all amounts are in dollars)

	<u>BUDGETED AMOUNTS</u>			
<u>REVENUES:</u>	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>
Licenses, Fees & Permits	20,000	20,000	25,531	5,531
Investment Earnings	600	600	727	127
<u>TOTAL REVENUES</u>	<u>20,600</u>	<u>20,600</u>	<u>26,258</u>	<u>5,658</u>
 <u>EXPENDITURES:</u>				
<i>Current: Materials & Services</i>	40,000	40,000	14,041	25,959
Contingency	98,600	98,600	-	98,600
<u>TOTAL EXPENDITURES</u>	<u>138,600</u>	<u>138,600</u>	<u>14,041</u>	<u>124,559</u>
 Excess of Revenues Over (Under) Expenditures	(118,000)	(118,000)	12,217	130,217
 <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	(126,000)	(126,000)	4,217	130,217
 <u>FUND BALANCE - BEGINNING OF YEAR</u>	<u>126,000</u>	<u>126,000</u>	<u>125,428</u>	<u>(572)</u>
 <u>FUND BALANCE - END OF YEAR</u>	<u>-</u>	<u>-</u>	<u>129,645</u>	<u>129,645</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, 2016
 (all amounts are in dollars)

	<u>BUDGETED AMOUNTS</u>			
<u>REVENUES:</u>	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>
Investment Earnings	150	150	137	(13)
Contributions and Donations	1,500	1,500	2,387	887
<u>TOTAL REVENUES</u>	<u>1,650</u>	<u>1,650</u>	<u>2,524</u>	<u>874</u>
 <u>EXPENDITURES:</u>				
<i>Current: Materials & Services</i>	22,500	22,500	7,150	15,350
Contingency	1,750	1,750	-	1,750
<u>TOTAL EXPENDITURES</u>	<u>24,250</u>	<u>24,250</u>	<u>7,150</u>	<u>17,100</u>
 Excess of Revenues Over (Under) Expenditures	(22,600)	(22,600)	(4,625)	17,975
 <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	(27,600)	(27,600)	(9,625)	17,975
 <u>FUND BALANCE - BEGINNING OF YEAR</u>	<u>27,600</u>	<u>27,600</u>	<u>29,347</u>	<u>1,747</u>
 <u>FUND BALANCE - END OF YEAR</u>	<u>-</u>	<u>-</u>	<u>19,721</u>	<u>19,721</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, 2016
(all amounts are in dollars)

	<u>BUDGETED AMOUNTS</u>			
<u>REVENUES:</u>	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>
Licenses, Fees & Permits	21,200	21,200	23,264	2,064
Intergovernmental Revenues	17,500	17,500	16,042	(1,458)
Charges for Services	-	-	9,871	9,871
Investment Earnings	1,000	1,000	1,037	37
Contributions and Donations	19,793	29,664	10,170	(19,494)
<u>TOTAL REVENUES</u>	<u>59,493</u>	<u>69,364</u>	<u>60,384</u>	<u>(8,980)</u>
<u>EXPENDITURES:</u>				
<i>Current: Personal Services</i>	56,267	49,967	33,831	16,136
<i>Current: Materials & Services</i>	38,946	50,446	47,831	2,615
Capital Outlay	138,780	148,651	10,876	137,775
Contingency	8,000	2,800	-	2,800
<u>TOTAL EXPENDITURES</u>	<u>241,993</u>	<u>251,864</u>	<u>92,538</u>	<u>159,326</u>
Excess of Revenues Over (Under) Expenditures	(182,500)	(182,500)	(32,154)	150,346
<u>OTHER FINANCING SOURCES(USES)</u>				
Operating Transfers In	17,500	17,500	17,500	-
<u>NET OTHER FINANCING SOURCES (USES)</u>	<u>17,500</u>	<u>17,500</u>	<u>17,500</u>	<u>-</u>
Net Changes in Fund Balance	(165,000)	(165,000)	(14,654)	150,346
<u>FUND BALANCE - BEGINNING OF YEAR</u>	<u>185,000</u>	<u>165,000</u>	<u>202,032</u>	<u>37,032</u>
<u>FUND BALANCE - END OF YEAR</u>	<u>20,000</u>	<u>-</u>	<u>187,379</u>	<u>187,379</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, 2016
 (all amounts are in dollars)

	<u>BUDGETED AMOUNTS</u>			
<u>REVENUES:</u>	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>
Charges for Services	221,900	221,900	240,636	18,736
Investment Earnings	600	600	1,011	411
<u>TOTAL REVENUES</u>	<u>222,500</u>	<u>222,500</u>	<u>241,646</u>	<u>19,146</u>
 <u>EXPENDITURES:</u>				
<i>Current: Personal Services</i>	92,171	92,171	90,952	1,219
<i>Current: Materials & Services</i>	158,650	158,650	141,318	17,332
Contingency	35,000	35,000	-	35,000
<u>TOTAL EXPENDITURES</u>	<u>285,821</u>	<u>285,821</u>	<u>232,270</u>	<u>53,551</u>
 Net Changes in Fund Balance	(63,321)	(63,321)	9,377	72,698
 <u>FUND BALANCE - BEGINNING OF YEAR</u>	<u>170,000</u>	<u>170,000</u>	<u>201,118</u>	<u>31,118</u>
 <u>FUND BALANCE - END OF YEAR</u>	<u>106,679</u>	<u>106,679</u>	<u>210,495</u>	<u>103,816</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, 2016
(all amounts are in dollars)

	<u>BUDGETED AMOUNTS</u>			
<u>REVENUES:</u>	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>
Intergovernmental Revenues	316,000	316,000	240,529	(75,471)
Charges for Services	389,932	389,932	383,915	(6,017)
Investment Earnings	300	300	138	(162)
Miscellaneous	100	100	600	500
<u>TOTAL REVENUES</u>	<u>706,332</u>	<u>706,332</u>	<u>625,182</u>	<u>(81,150)</u>
<u>EXPENDITURES:</u>				
<i>Current: Personal Services</i>	781,522	806,522	810,918	(4,396)
<i>Current: Materials & Services</i>	169,048	169,048	161,979	7,069
Contingency	30,000	5,000	-	5,000
<u>TOTAL EXPENDITURES</u>	<u>980,570</u>	<u>980,570</u>	<u>972,897</u>	<u>7,673</u>
Excess of Revenues Over (Under) Expenditures	(274,238)	(274,238)	(347,715)	(73,477)
<u>OTHER FINANCING SOURCES(USES)</u>				
Operating Transfers In	219,238	219,238	219,238	-
<u>NET OTHER FINANCING SOURCES (USES)</u>	<u>219,238</u>	<u>219,238</u>	<u>219,238</u>	<u>-</u>
Net Changes in Fund Balance	(55,000)	(55,000)	(128,477)	(73,477)
<u>FUND BALANCE - BEGINNING OF YEAR</u>	<u>55,000</u>	<u>55,000</u>	<u>63,239</u>	<u>8,239</u>
<u>FUND BALANCE - END OF YEAR</u>	<u>-</u>	<u>-</u>	<u>(65,238)</u>	<u>(65,238)</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, 2016
 (all amounts are in dollars)

	<u>BUDGETED AMOUNTS</u>			
<u>REVENUES:</u>	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>
Licenses, Fees & Permits	31,000	31,000	37,680	6,680
Intergovernmental Revenues	48,000	48,000	63,987	15,987
Investment Earnings	400	400	765	365
<u>TOTAL REVENUES</u>	<u>79,400</u>	<u>79,400</u>	<u>102,432</u>	<u>23,032</u>
<u>EXPENDITURES:</u>				
<i>Current: Personal Services</i>	32,782	32,782	16,286	16,496
<i>Current: Materials & Services</i>	52,700	52,700	35,903	16,797
Contingency	1,800	1,800	-	1,800
<u>TOTAL EXPENDITURES</u>	<u>87,282</u>	<u>87,282</u>	<u>52,189</u>	<u>35,093</u>
Net Changes in Fund Balance	(7,882)	(7,882)	50,243	58,125
<u>FUND BALANCE - BEGINNING OF YEAR</u>	<u>67,900</u>	<u>67,900</u>	<u>123,441</u>	<u>55,541</u>
<u>FUND BALANCE - END OF YEAR</u>	<u>60,018</u>	<u>60,018</u>	<u>173,684</u>	<u>113,666</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, 2016
(all amounts are in dollars)

	<u>BUDGETED AMOUNTS</u>			
<u>REVENUES:</u>	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>
Licenses, Fees & Permits	78,150	78,150	95,316	17,166
Intergovernmental Revenues	1,017,320	1,017,320	1,530,061	512,741
Investment Earnings	2,000	2,000	3,638	1,638
Miscellaneous	-	-	18	18
<u>TOTAL REVENUES</u>	<u>1,097,470</u>	<u>1,097,470</u>	<u>1,629,033</u>	<u>531,563</u>
<u>EXPENDITURES:</u>				
<i>Current: Personal Services</i>	536,546	536,546	489,138	47,408
<i>Current: Materials & Services</i>	310,240	310,240	326,587	(16,347)
Contingency	45,556	45,556	-	45,556
<u>TOTAL EXPENDITURES</u>	<u>892,342</u>	<u>892,342</u>	<u>815,726</u>	<u>76,616</u>
Excess of Revenues Over (Under) Expenditures	205,128	205,128	813,307	608,179
<u>OTHER FINANCING SOURCES(USES)</u>				
Operating Transfers Out	(360,128)	(360,128)	(360,128)	-
<u>NET OTHER FINANCING SOURCES (USES)</u>	<u>(360,128)</u>	<u>(360,128)</u>	<u>(360,128)</u>	<u>-</u>
Net Changes in Fund Balance	(155,000)	(155,000)	453,179	608,179
<u>FUND BALANCE - BEGINNING OF YEAR</u>	<u>155,000</u>	<u>155,000</u>	<u>257,003</u>	<u>102,003</u>
<u>FUND BALANCE - END OF YEAR</u>	<u>-</u>	<u>-</u>	<u>710,182</u>	<u>710,182</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, 2016
(all amounts are in dollars)

	<u>BUDGETED AMOUNTS</u>			
<u>REVENUES:</u>	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>
Fines and Restitution	30,500	30,500	34,422	3,922
Investment Earnings	250	250	408	158
Contributions and Donations	-	-	3,658	3,658
<u>TOTAL REVENUES</u>	<u>30,750</u>	<u>30,750</u>	<u>38,489</u>	<u>7,739</u>
 <u>EXPENDITURES:</u>				
<i>Current: Materials & Services</i>	36,000	36,000	3,678	32,322
Contingency	47,750	47,750	-	47,750
<u>TOTAL EXPENDITURES</u>	<u>83,750</u>	<u>83,750</u>	<u>3,678</u>	<u>80,072</u>
 Net Changes in Fund Balance	(53,000)	(53,000)	34,811	87,811
 <u>FUND BALANCE - BEGINNING OF YEAR</u>	<u>53,000</u>	<u>53,000</u>	<u>61,910</u>	<u>8,910</u>
 <u>FUND BALANCE - END OF YEAR</u>	<u>-</u>	<u>-</u>	<u>96,721</u>	<u>96,721</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, 2016
 (all amounts are in dollars)

	<u>BUDGETED AMOUNTS</u>			
<u>REVENUES:</u>	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>
Intergovernmental Revenues	61,250	90,413	129,301	38,888
Federal Revenues	-	-	17,600	17,600
Charges for Services	13,000	13,000	6,500	(6,500)
Investment Earnings	500	500	629	129
Contributions and Donations	1,000	1,000	9,850	8,850
Miscellaneous	-	-	123	123
<u>TOTAL REVENUES</u>	<u>75,750</u>	<u>104,913</u>	<u>164,003</u>	<u>59,090</u>
 <u>EXPENDITURES:</u>				
<i>Current: Personal Services</i>	71,813	71,813	71,654	159
<i>Current: Materials & Services</i>	70,675	99,838	84,176	15,662
Contingency	21,000	21,000	-	21,000
<u>TOTAL EXPENDITURES</u>	<u>163,488</u>	<u>192,651</u>	<u>155,830</u>	<u>36,821</u>
 Net Changes in Fund Balance	(87,738)	(87,738)	8,173	95,911
 <u>FUND BALANCE - BEGINNING OF YEAR</u>	<u>125,000</u>	<u>125,000</u>	<u>103,267</u>	<u>(21,733)</u>
 <u>FUND BALANCE - END OF YEAR</u>	<u>37,262</u>	<u>37,262</u>	<u>111,441</u>	<u>74,179</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, 2016
 (all amounts are in dollars)

	<u>BUDGETED AMOUNTS</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>
<u>REVENUES:</u>				
Investment Earnings	150	150	172	22
<u>TOTAL REVENUES</u>	<u>150</u>	<u>150</u>	<u>172</u>	<u>22</u>
<u>EXPENDITURES:</u>				
<i>Current: Materials & Services</i>	32,950	32,950	-	32,950
<u>TOTAL EXPENDITURES</u>	<u>32,950</u>	<u>32,950</u>	<u>-</u>	<u>32,950</u>
Net Changes in Fund Balance	(32,800)	(32,800)	172	32,972
<u>FUND BALANCE - BEGINNING OF YEAR</u>	<u>32,800</u>	<u>32,800</u>	<u>32,822</u>	<u>22</u>
<u>FUND BALANCE - END OF YEAR</u>	<u>-</u>	<u>-</u>	<u>32,994</u>	<u>32,994</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, 2016
 (all amounts are in dollars)

	<u>BUDGETED AMOUNTS</u>			
<u>REVENUES:</u>	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>
Licenses, Fees & Permits	6,450	6,450	9,393	2,943
Investment Earnings	100	100	206	106
<u>TOTAL REVENUES</u>	<u>6,550</u>	<u>6,550</u>	<u>9,599</u>	<u>3,049</u>
 <u>EXPENDITURES:</u>				
<i>Current: Materials & Services</i>	15,600	15,600	12,382	3,218
Capital Outlay	24,950	24,950	-	24,950
<u>TOTAL EXPENDITURES</u>	<u>40,550</u>	<u>40,550</u>	<u>12,382</u>	<u>28,168</u>
 Net Changes in Fund Balance	(34,000)	(34,000)	(2,783)	31,217
 <u>FUND BALANCE - BEGINNING OF YEAR</u>	<u>34,000</u>	<u>34,000</u>	<u>35,063</u>	<u>1,063</u>
 <u>FUND BALANCE - END OF YEAR</u>	<u>-</u>	<u>-</u>	<u>32,280</u>	<u>32,280</u>

Wasco County, Oregon
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Budgetary Basis
245 County Development Fund
For the year ended June 30, 2016
 (all amounts are in dollars)

	<u>BUDGETED AMOUNTS</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>
<u>REVENUES:</u>				
Federal Revenues	4,000,000	4,000,000	-	(4,000,000)
<u>TOTAL REVENUES</u>	<u>4,000,000</u>	<u>4,000,000</u>	<u>-</u>	<u>(4,000,000)</u>
<u>EXPENDITURES:</u>				
<i>Current: Materials & Services</i>	4,000,000	4,000,000		4,000,000
<u>TOTAL EXPENDITURES</u>	<u>4,000,000</u>	<u>4,000,000</u>	<u>-</u>	<u>4,000,000</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>

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, 2016
 (all amounts are in dollars)

	<u>BUDGETED AMOUNTS</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>
<u>REVENUES:</u>				
Investment Earnings	13,000	13,000	14,633	1,633
<u>TOTAL REVENUES</u>	<u>13,000</u>	<u>13,000</u>	<u>14,633</u>	<u>1,633</u>
 <u>TOTAL EXPENDITURES</u>	 <u>-</u>	 <u>-</u>	 <u>-</u>	 <u>-</u>
 Net Changes in Fund Balance	 13,000	 13,000	 14,633	 1,633
 <u>FUND BALANCE - BEGINNING OF YEAR</u>	 <u>(13,000)</u>	 <u>(13,000)</u>	 <u>2,795,410</u>	 <u>2,808,410</u>
 <u>FUND BALANCE - END OF YEAR</u>	 <u>-</u>	 <u>-</u>	 <u>2,810,043</u>	 <u>2,810,043</u>

Wasco County, Oregon
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Budgetary Basis
324 911 Equipment Reserve Fund
For the year ended June 30, 2016
 (all amounts are in dollars)

	<u>BUDGETED AMOUNTS</u>			
<u>REVENUES:</u>	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>
Investment Earnings	1,200	1,200	1,247	47
<u>TOTAL REVENUES</u>	<u>1,200</u>	<u>1,200</u>	<u>1,247</u>	<u>47</u>
 <u>EXPENDITURES:</u>				
Capital Outlay	271,200	271,200	-	271,200
<u>TOTAL EXPENDITURES</u>	<u>271,200</u>	<u>271,200</u>	<u>-</u>	<u>271,200</u>
 Net Changes in Fund Balance	(270,000)	(270,000)	1,247	271,247
 <u>FUND BALANCE - BEGINNING OF YEAR</u>	<u>270,000</u>	<u>270,000</u>	<u>238,301</u>	<u>(31,699)</u>
 <u>FUND BALANCE - END OF YEAR</u>	<u>-</u>	<u>-</u>	<u>239,548</u>	<u>239,548</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, 2016
(all amounts are in dollars)

	<u>BUDGETED AMOUNTS</u>			
<u>REVENUES:</u>	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>
Investment Earnings	3,000	3,000	7,249	4,249
<u>TOTAL REVENUES</u>	<u>3,000</u>	<u>3,000</u>	<u>7,249</u>	<u>4,249</u>
 <u>EXPENDITURES:</u>				
Capital Outlay	1,837,223	1,837,223	-	1,837,223
<u>TOTAL EXPENDITURES</u>	<u>1,837,223</u>	<u>1,837,223</u>	<u>-</u>	<u>1,837,223</u>
 Excess of Revenues Over (Under) Expenditures	 (1,834,223)	 (1,834,223)	 7,249	 1,841,472
 <u>OTHER FINANCING SOURCES(USES)</u>				
Operating Transfers In	699,223	699,223	699,223	-
Operating Transfers Out	(25,000)	(25,000)	-	25,000
<u>NET OTHER FINANCING SOURCES (USES)</u>	<u>674,223</u>	<u>674,223</u>	<u>699,223</u>	<u>25,000</u>
 Net Changes in Fund Balance	 (1,160,000)	 (1,160,000)	 706,472	 1,866,472
 <u>FUND BALANCE - BEGINNING OF YEAR</u>	<u>1,160,000</u>	<u>1,160,000</u>	<u>1,117,148</u>	<u>(42,852)</u>
 <u>FUND BALANCE - END OF YEAR</u>	<u>-</u>	<u>-</u>	<u>1,823,620</u>	<u>1,823,620</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, 2016
(all amounts are in dollars)

	<u>BUDGETED AMOUNTS</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>
<u>REVENUES:</u>				
Investment Earnings	5,000	5,000	8,878	3,878
<u>TOTAL REVENUES</u>	<u>5,000</u>	<u>5,000</u>	<u>8,878</u>	<u>3,878</u>
 <u>TOTAL EXPENDITURES</u>	 <u>-</u>	 <u>-</u>	 <u>-</u>	 <u>-</u>
 Excess of Revenues Over (Under) Expenditures	 5,000	 5,000	 8,878	 3,878
 <u>OTHER FINANCING SOURCES(USES)</u>				
Operating Transfers In	600,000	600,000	600,000	-
<u>NET OTHER FINANCING</u>				
<u>SOURCES (USES)</u>	<u>600,000</u>	<u>600,000</u>	<u>600,000</u>	<u>-</u>
 Net Changes in Fund Balance	 605,000	 605,000	 608,878	 3,878
 <u>FUND BALANCE - BEGINNING OF YEAR</u>	 <u>(605,000)</u>	 <u>(605,000)</u>	 <u>1,466,298</u>	 <u>2,071,298</u>
 <u>FUND BALANCE - END OF YEAR</u>	 <u>-</u>	 <u>-</u>	 <u>2,075,176</u>	 <u>2,075,176</u>

CAPITAL PROJECTS FUNDS

NONMAJOR GOVERNMENTAL FUNDS

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

330 CBDG FUND: This fund was established to account for federal revenue received from a Community Block Development Grant and the use of those funds.

Wasco County, Oregon
Combining Balance Sheet
Non-Major Capital Project Funds
June 30, 2016
(all amounts are in dollars)

	322 Capital Acquisitions Funds	330 CDBG Grant Funds	Total Capital Project Funds
<u>ASSETS:</u>			
Deposits and Investments	2,076,071	24,603	2,100,674
<u>TOTAL ASSETS</u>	<u>2,076,071</u>	<u>24,603</u>	<u>2,100,674</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
<u>Liabilities:</u>			
Accounts Payable	-	19,947	19,947
<u>Total Liabilities</u>	<u>-</u>	<u>19,947</u>	<u>19,947</u>
<u>Fund Balances:</u>			
Committed	2,076,071	4,656	2,080,727
<u>Total Fund Balances</u>	<u>2,076,071</u>	<u>4,656</u>	<u>2,080,727</u>
<u>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>	<u>2,076,071</u>	<u>24,603</u>	<u>2,100,674</u>

Wasco County, Oregon
Combining Schedule of Revenues, Expenditures
and Changes in Fund Balance
Non-Major Capital Project Funds
For the year ended June 30, 2016
(all amounts are in dollars)

	322 Capital Acquisitions <u>Funds</u>	330 CDBG Grant <u>Funds</u>	Total Capital Project <u>Funds</u>
Federal Revenues	-	24,603	24,603
Investment Earnings	8,577	-	8,577
Contributions and Donations	-	24,603	24,603
<u>TOTAL REVENUES</u>	<u>8,577</u>	<u>49,206</u>	<u>57,782</u>
<u>EXPENDITURES:</u>			
Capital Outlay	-	44,550	44,550
<u>TOTAL EXPENDITURES</u>	<u>-</u>	<u>44,550</u>	<u>44,550</u>
Excess of Revenues Over (Under) Expenditures	8,577	4,656	13,233
<u>OTHER FINANCING SOURCES(USES)</u>			
Operating Transfers In	700,000	-	700,000
<u>NET OTHER FINANCING SOURCES (USES)</u>	<u>700,000</u>	<u>-</u>	<u>700,000</u>
Net Changes in Fund Balance	708,577	4,656	713,232
<u>FUND BALANCE - BEGINNING OF YEAR</u>	<u>1,367,495</u>	<u>-</u>	<u>1,367,495</u>
<u>FUND BALANCE - END OF YEAR</u>	<u>2,076,071</u>	<u>4,656</u>	<u>2,080,727</u>

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, 2016
(all amounts are in dollars)

	<u>BUDGETED AMOUNTS</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>
<u>REVENUES:</u>				
Investment Earnings	5,000	5,000	8,577	3,577
<u>TOTAL REVENUES</u>	<u>5,000</u>	<u>5,000</u>	<u>8,577</u>	<u>3,577</u>
<u>EXPENDITURES:</u>				
Capital Outlay	2,072,000	2,072,000	-	2,072,000
<u>TOTAL EXPENDITURES</u>	<u>2,072,000</u>	<u>2,072,000</u>	<u>-</u>	<u>2,072,000</u>
Excess of Revenues Over (Under) Expenditures	(2,067,000)	(2,067,000)	8,577	2,075,577
<u>OTHER FINANCING SOURCES(USES)</u>				
Operating Transfers In	700,000	700,000	700,000	-
<u>NET OTHER FINANCING SOURCES (USES)</u>	<u>700,000</u>	<u>700,000</u>	<u>700,000</u>	<u>-</u>
Net Changes in Fund Balance	(1,367,000)	(1,367,000)	708,577	2,075,577
<u>FUND BALANCE - BEGINNING OF YEAR</u>	<u>1,367,000</u>	<u>1,367,000</u>	<u>1,367,495</u>	<u>495</u>
<u>FUND BALANCE - END OF YEAR</u>	<u>-</u>	<u>-</u>	<u>2,076,071</u>	<u>2,076,071</u>

Wasco County, Oregon
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Budgetary Basis
330 CBDG Grant Fund
For the year ended June 30, 2016
 (all amounts are in dollars)

	<u>BUDGETED AMOUNTS</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>
<u>REVENUES:</u>				
Federal Revenues	-	2,000,000	24,603	(1,975,397)
Contributions and Donations	-	2,038,470	24,603	(2,013,867)
<u>TOTAL REVENUES</u>	<u>-</u>	<u>4,038,470</u>	<u>49,206</u>	<u>(3,989,264)</u>
<u>EXPENDITURES:</u>				
Capital Outlay	-	5,538,470	44,550	5,493,920
<u>TOTAL EXPENDITURES</u>	<u>-</u>	<u>5,538,470</u>	<u>44,550</u>	<u>5,493,920</u>
Excess of Revenues Over (Under) Expenditures	-	(1,500,000)	4,656	1,504,656
<u>OTHER FINANCING SOURCES(USES)</u>				
Loan Proceeds	-	1,500,000	-	(1,500,000)
<u>NET OTHER FINANCING SOURCES (USES)</u>	<u>-</u>	<u>1,500,000</u>	<u>-</u>	<u>(1,500,000)</u>
Net Changes in Fund Balance	-	-	4,656	4,656
<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>4,656</u>	<u>4,656</u>

AGENCY FUNDS

Wasco County, Oregon
Schedule of Changes in Assets and Liabilities
Agency Funds
For the year ended June 30, 2016
(all amounts are in dollars)

	Beginning <u>Balance</u>	<u>Additions</u>	<u>Deductions</u>	Ending <u>Balance</u>
<u>ASSETS:</u>				
Cash with Treasurer	1,014,617	25,872,709	25,792,587	1,094,739
Taxes Receivable	<u>2,115,647</u>	<u>25,616,374</u>	<u>25,934,573</u>	<u>1,797,448</u>
<u>TOTAL ASSETS</u>	<u><u>3,130,264</u></u>	<u><u>51,489,083</u></u>	<u><u>51,727,160</u></u>	<u><u>2,892,187</u></u>
<u>LIABILITIES:</u>				
Due to Other Governments	<u>3,130,264</u>	<u>25,872,709</u>	<u>25,792,587</u>	<u>2,892,187</u>
<u>TOTAL LIABILITIES</u>	<u><u>3,130,264</u></u>	<u><u>25,872,709</u></u>	<u><u>25,792,587</u></u>	<u><u>2,892,187</u></u>

OTHER SCHEDULES

Wasco County, Oregon
Schedule of Accountability of Elected Officials
For the year ended June 30, 2016
(all amounts are in dollars)

	<u>County Treasurer</u>	<u>County Clerk</u>	<u>County Sheriff</u>	<u>Assessor/Tax Collector</u>
Beginning Balance	23,682,131	200	200	150
Receipts	76,069,082	265,110	2,085,231	737,905
Disbursements	<u>(72,379,897)</u>	<u>(265,110)</u>	<u>(2,085,231)</u>	<u>(737,905)</u>
Ending Balance	<u><u>27,371,316</u></u>	<u><u>200</u></u>	<u><u>200</u></u>	<u><u>150</u></u>

Wasco County, Oregon
Schedule of Insurance
For the year ended June 30, 2016
(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	15PWASC	47,464,048	Property/Mobile Equip	97,949	7/1/2016
CCIS	15BWASC	Per Property	Boiler/Machinery	-	7/1/2016
CCIS	15LWASC	10,000,000	General & Auto Liability	93,000	7/1/2016
NUFIC	15ECWASC	200,000	Excess Crime	775	7/1/2016
Environmental Ins	STP-107726	1,000,000	Pollution Liability	5,416	6/7/2017
<u>Public Official Bonds</u>					
Ohio Casualty	3153510	20,000	Sheriff	100	12/31/2016
Ohio Casualty	601076797	5,000	Assessor	100	12/31/2016
Ohio Casualty	2930631	10,000	Fair Board	145	1/1/2017
Old Republic	W150235420	30,000	Clerk	100	1/3/2017
Old Republic	YPO0268634	100,000	Treasurer	375	12/21/2016

Wasco County, Oregon
Schedule of Expenditure of Federal Awards
For the year ended June 30, 2016
(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
<u>U.S. DEPARTMENT OF AGRICULTURE:</u>			
<i>Direct from U.S. Forest Service:</i>			
Water and Waste Disposal Systems for Rural Communities	10.760	45,000	45,000
<i>Passed through Oregon Department of Admin. Services:</i>			
Schools and Roads - Grants to States	10.665	814,498	769,255
<u>TOTAL U.S. DEPARTMENT OF AGRICULTURE</u>		<u>859,498</u>	<u>814,255</u>
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:</u>			
<i>Passed through Oregon Department of Administrative Services:</i>			
Community Development Block Grants	14.228	24,603	24,603
<u>TOTAL U.S. DEPARTMENT OF DEFENSE</u>		<u>24,603</u>	<u>24,603</u>
<u>U.S. DEPARTMENT OF THE INTERIOR:</u>			
<i>Passed through Oregon Department of Administrative Services:</i>			
Distribution of Receipts to States and Local Governments-Taylor Grazing	15.227	3,268	3,268
<u>TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:</u>		<u>3,268</u>	<u>3,268</u>
<u>U.S. DEPARTMENT OF JUSTICE:</u>			
<i>Direct from Office of Justice Programs:</i>			
State Criminal Alien Assistance Program	16.606	2,641	2,641
Bulletproof Vest Partnership Program	16.607	1,295	1,295
<i>Passed through Oregon Commission on Children and Families:</i>			
Juvenile Justice and Delinquency Prevention - Allocation to States	16.540	32,942	32,942
<i>Passed through Oregon Department of Justice:</i>			
Crime Victim Assistance	16.575	44,777	44,777
<u>TOTAL U.S. DEPARTMENT OF JUSTICE</u>		<u>81,655</u>	<u>81,655</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION:</u>			
<i>Passed through Oregon Department of Transportation:</i>			
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	76,804	76,804
<u>TOTAL U.S. DEPARTMENT OF TRANSPORTATION</u>		<u>76,804</u>	<u>76,804</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN RESOURCES:</u>			
<i>Passed through Oregon Commission on Children and Families:</i>			
Substance Abuse and Mental Health Services	93.243	17,600	17,600
<i>Passed through Oregon Department of Administrative Services:</i>			
Child Support Enforcement	93.563	60,476	60,476
<u>TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN RESOURCES</u>		<u>78,076</u>	<u>78,076</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY:</u>			
<i>Passed through Oregon State Police:</i>			
Emergency Management Performance Grants	97.042	29,568	29,568
State Homeland Security Program	97.073	2,725	2,725
<u>TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY</u>		<u>32,293</u>	<u>32,293</u>
<u>TOTAL FEDERAL AWARDS</u>		<u>1,156,196</u>	<u>1,110,953</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, 2016

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 Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

The County has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance

NOTE 2 – Subrecipients

No amounts were provided to subrecipients.

Wasco County, Oregon
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2016

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? | No |
| 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 section 200.516(a) of the Uniform Guidance? | Yes |
| 4. Identification of major programs: | |
| 10.665 | School and Roads - Grants to States |
| 5. The dollar threshold used to distinguish between Type A and Type B programs? | \$750,000 |
| 6. Auditee qualified as a low risk auditee? | No |

Section 2

Financial Statement Findings

2016-1 *Material Weakness in Internal Control – Tax Receipts and related accounts. Repeat Finding (2015-4)*

Criteria: Tax receipts and taxes receivable as recorded by the Assessor's office should reconcile to the general ledger. Cash with County recorded in the taxing districts should match the amount reported by the Assessor.

Condition: Tax receipts and taxes receivable for the 2015-16 fiscal year in the unadjusted trial balance did not agree with the amounts reported by the Assessor's office. Payments in lieu of taxes were recorded incorrectly and disbursements of cash held by the County made after year end were recorded as accounts payable in error.

Effect: The unadjusted trial balance for 2015-16 overstated tax receipts in the governmental and fiduciary funds and understated deferred revenue. Taxes receivable was correct in total, but not appropriately allocated to the taxing districts, and cash in the fiduciary funds was incorrect as a result of the posting errors for PILT and accounts payable. As a result the fiduciary funds did not reflect the correct balances.

Cause: Changes in staff and procedures created confusion regarding the reconciliation process. Midway through the year, the manual posting process was replaced by an automated process, designed to minimize discrepancies in the future.

Recommendation: Review reconciliation procedures for tax related accounts that are part of the year end process and educate staff responsible for those procedures.

Responsible Official's Response: The cause stated by the auditors is accurate. Changes in the staff did create confusion on the proper recording and reconciliation of the taxes receivable account. Additionally, the new Finance Director and the Interim Finance Director (contract employee) both worked on separate overlapping issues on tax receipts without fully communicating with the other regarding entries. This led to duplication of entries. Staff has now been trained, fiduciary funds will not utilize the accounts payable nor receivable at fiscal year-end. Additionally, the payment in lieu of taxes (PILT) is now a separate account to reduce the confusion during reconciliations.

2016-2 *Material Weakness in Internal Control – Bank Reconciliations – Repeat Finding as to timeliness*

Criteria: Bank reconciliations should be performed in a timely manner by someone not involved in posting or collection of revenue. 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. Bank reconciliations should include enough information to identify who prepared the reconciliation, the date it was prepared, date of review and identify the reviewer.

Condition: Bank reconciliations were not performed in a timely manner. The information necessary to identify the individual performing the reconciliation and date of the reconciliation was not included. During 2015-16 the interim Finance Director was responsible for reconciling the bank accounts.

Effect: General ledger information could have been incomplete resulting in inaccurate financial data available to the County for fiscal decision making. The opportunity for misappropriation of assets exists if banks are not reconciled on a timely basis.

Cause: The previous Finance Director left in June of 2015. An interim director was hired on a part time basis while a job search was performed for a full time candidate. During that period, there was a considerable backlog of work as a result of other personnel issues that needed to be completed before the bank reconciliations could be performed.

Recommendation: We would recommend implementation of the existing policies and procedures that identify unique individuals to take part in the reconciliation process establishing segregation of duties and timely control of the reconciliation process.

Responsible Official's Response: The cause stated by the auditors is accurate. Reconciliations were behind due to time and staffing constraints. A full time finance Director has been hired as well as adding a Finance Manager. This will increase the ability to complete necessary tasks on time. The reconciliations will be/are dated with the name of the individual completing the reconciliation. Further, the reconciliation will be reviewed by the Treasurer.

Section 3

Federal Award Findings and Questioned Costs – Major Federal Programs

2016-3 *Allocation of Title III Revenue*

CFDA Title and Number: 10.665 School and Roads – Grants to States – Title III

Federal Agency: Department of Agriculture

Pass-through Agency: Oregon Department of Administrative Services

Compliance Requirement: G. Matching, Level of Effort, Earmarking

Finding: The state payments include 2 funding sources, Title I and Title III. The Title I funds are allocated 75% to Public Works and 25% to the County Schools. The Title III funds are required to be allocated to the Federal Forest Fund. During 2015 and 2016 the Title III funds were incorrectly allocated to the Public Works and County School Funds. This resulted in under funding of Forest Health. The allocation has been corrected in the current year and the beginning fund balances for the Public Works, County Schools and Forest Health Funds have been restated to correct the allocation for the prior year.

Questioned Costs: none

Recommendation: The County should establish policies and procedures to ensure federal revenue is allocated correctly.

Responsible Official's Response: The finding is accurate. Due to a lack of staffing and training, the receipts were received in wrong. Going forward, the staff involved has been trained and know the difference now. It will not happen again. The funds were not spent out of the funds, the amounts just sat there. Now the amounts are available in the correct funds.

Section 4

Summary Schedule of Prior Audit Findings

2015-1 *Material Weakness in Internal Control – Review Process - corrected*

2015-2 *Material Weakness in Internal Control – Audit Documentation – corrected*

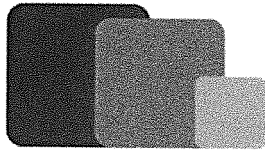
2015-3 *Material Weakness in Internal Control – Bank Reconciliations – See 2016-2*

2015-4 *Material Weakness in Internal Control – Reconciliation of Tax Deposits – See 2016-1*

2015-5 *Material Weakness in Internal Control – Period Closings – Repeat Finding - corrected*

2015-6 *Material Weakness in Internal Control – Disbursements from Treasury - corrected*

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, 2016, 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 January 31, 2017.

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.

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 deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses. **2016-1 through 2016-2.**

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 did not identify any deficiency, or a combination of deficiencies that we consider to be significant deficiencies.

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 instances of noncompliance that are required to be reported under **Government Auditing Standards** and which are described in the accompanying schedule of findings and questioned costs as item **2016-3**.

Wasco County's Response to Findings

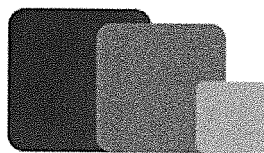
Wasco County's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit Wasco County's response and, accordingly, we express no opinion on it.

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.



For Friend & Reagan, PC
The Dalles, Oregon 97058
January 31, 2017



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 Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance

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 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, 2016. 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 the audit requirements of Title 2, U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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, 2016.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item **2016-3**. Our opinion on each major federal program is not modified with respect to these matters.

Wasco County, Oregon's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Wasco County, Oregon's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

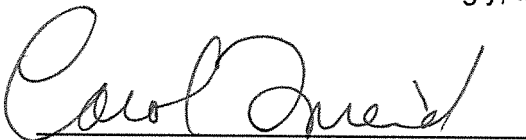
Report on Internal Control over Compliance

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 the Uniform Guidance, 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.

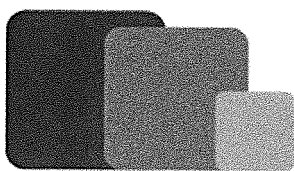
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



For Friend & Reagan, PC
The Dalles, Oregon 97058
January 31, 2017



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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, 2016, and have issued our report thereon dated January 31, 2017. 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 except as follows:

1) Excess of actual revenues over actual expenditures in the second preceding year did not equal the beginning balance in the first preceding year for several funds in the budget document.

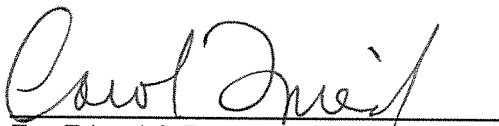
- 2) The resolution appropriating the 2016-17 budget did not agree with the adopted budget in the General Fund and the Youth Services Fund.
- 3) The process for changing the budget was followed however, the posting of those budget changes was not always accurate.
- 4) Expenditures exceeded appropriations as indicated in Note 2 to the financial statements and two funds had deficit fund balances.
- 5) The County Development Fund was included in the resolution appropriating the budget for 2015-16, with an appropriation of \$4,000,000 for Materials and Services. This Fund was not closed, but was not used or accounted for in the final budget numbers for the County.

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. In a separate communication dated January 31, 2017 we reported to management our findings related to control deficiencies.

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 January 31, 2017, 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.



For Friend & Reagan, PC
The Dalles, Oregon 97058
January 31, 2017

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