

**Wasco County, Oregon**  
**Annual Financial Report**  
**For the Year Ended June 30, 2017**

**Wasco County, Oregon  
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For the Year Ended June 30, 2017**

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**Wasco County, Oregon  
Elected Officials and Agent of Record  
For the Year Ended June 30, 2017**

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

Elijah Preston  
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



## 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, 2017, 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, 2017, 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.

**Change in Accounting Principle**

As discussed in Note 4F to the financial statements, Wasco County, Oregon adopted new accounting guidance, GASB Statement No. 77, Tax Abatement Disclosures. Our opinion is not modified with respect to this matter.

**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 financial 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.

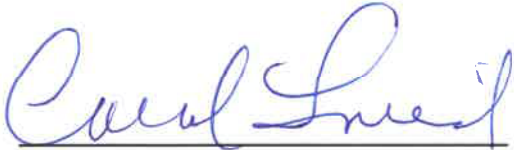
**Reports on Other Legal and Regulatory Requirements**

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 20, 2018, 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 February 20, 2018, 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.



For Friend & Reagan, PC  
The Dalles, Oregon 97058  
February 20, 2018

**Wasco County, Oregon**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**For the Year Ended June 30, 2017**

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 2017 and fiscal year 2016. A condensed version of the Primary Government Statement of Net Position at June 30, 2017 and 2016 follows:

**TABLE 1**  
NET POSITION AS OF YEAR END

	<u>June 30, 2017</u>	<u>June 30, 2016</u>
<b>ASSETS</b>		
Cash and investments	26,489,808	24,565,104
Other Assets	3,729,875	1,700,942
Capital Assets	11,548,578	11,151,222
<b>TOTAL ASSETS</b>	<u>41,768,260</u>	<u>37,417,268</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>		
Related to Pensions	5,207,959	926,536
<b>TOTAL DEFERRED OUTFLOW OF RESOURCES</b>	<u>5,207,959</u>	<u>926,536</u>
<b>LIABILITIES</b>		
Other Liabilities	1,084,869	976,893
Long Term Liabilities	932,009	888,163
Net Pension Liability	9,892,441	4,451,262
<b>TOTAL LIABILITIES</b>	<u>11,909,319</u>	<u>6,316,318</u>
<b>DEFERRED INFLOW OF RESOURCES</b>		
Related to Pensions	1,133,787	1,598,312
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>1,133,787</u>	<u>1,598,312</u>
<b>NET POSITION</b>		
Invested in Capital Assets Net of Related Debt	11,548,578	11,151,221
Restricted	2,225,560	1,634,906
Unrestricted	20,158,974	17,643,047
<b>TOTAL NET POSITION</b>	<u>33,933,112</u>	<u>30,429,173</u>

**Governmental Activities**

As noted earlier, net position may serve over time as a useful indicator of the County's financial position. The County's assets exceeded liabilities by \$33,933,112 at the close of fiscal year 2017.

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 34% of the total Net Assets of the County.

The total net position increased by \$2,245,762. 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 \$695,231. However, the significant increase in cash and investments increased the net change to \$2,245,762 – an increase of 6.6%

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

	<u>FY2017</u>	<u>FY2016</u>
Program revenues		
Charges for Services	3,719,895	3,178,458
Operating Grants and Contributions	6,890,874	7,480,725
Capital Grants and Contributions	693,795	222,040
General revenues		
Taxes for General Purpose	8,728,823	8,247,523
Other Taxes	653,589	589,419
Interest	245,942	121,100
Miscellaneous	298,309	309,085
Gain (Loss) on Sale of Capital Assets	(10,654)	(26,405)
Total Program and General Revenues	<u>21,220,574</u>	<u>20,121,945</u>
Expenses		
General Government	5,924,836	6,358,453
Public Safety	7,715,983	9,019,976
Highways and Streets	3,344,097	3,592,165
Health and Welfare	438,260	957,322
Culture and Recreation	353,526	354,051
Capital Projects	1,198,110	344,433
Total Expenses	<u>18,974,812</u>	<u>20,626,400</u>
Change in net assets	2,245,762	(504,455)
Net position, beginning	30,429,223	30,933,628
Restatement of Beginning Net Position	1,258,128	-
Net position, ending	<u>33,933,112</u>	<u>30,429,173</u>

#### Governmental Activities

The ending net position is an increase of \$2,245,762 or 6.6%. This is due to revenues increasing over fiscal year 2016 by \$1,098,629, while expenses decreased by \$1,651,588. The increased revenue was due to charges for services, capital grants, and taxes for general purposes. The decreased expenditures were across the board with the majority due to Public Safety.

#### BUDGETARY HIGHLIGHTS

The General Fund revenue exceeded the budgeted amount by \$901,697. This was primarily due to Taxes coming in with \$147,873 more than budgeted and Licenses, Fees & Permits generating \$494,775 more than budgeted. The General Fund Departments controlled costs and managed to come in under budget by 7.5% (\$858,870).

Combining the revenue exceeding budget with the expenses under the budget amount, the County had revenues exceeding expenditures by \$1,749,644 instead of the budgeted amount of \$(632,781).

The Public Works fund was budgeted for expenditures to exceed revenues resulting in the planned use of fund balance. Due to budgetary savings of \$420,000 by not using contingency funds, expenditures ended up being \$517,326 under budget which resulted in actual excess revenue over expenditure of \$(463,240) instead of the \$(902,159) revenues under expenditures as budgeted.



## CAPITAL ASSETS AND DEBT ADMINISTRATION

As of June 30, 2017 the County had invested over \$25.3 million in capital assets, after depreciation the net value of the assets is \$11.5 million.

	Beginning Balance	Additions	Deletions	Corrections	Ending Balance
<b>Land</b>	<b>1,480,469</b>	<b>54,134</b>	<b>(11,562)</b>	<b>-</b>	<b>1,523,041</b>
<i>Depreciable Assets</i>					
Buildings	7,565,124	552,308	-	-	8,117,432
Furniture and Equipment	9,664,178	592,826	-	-	10,257,004
Infrastructure	5,433,139	-	-	-	5,433,139
	<u>22,662,441</u>	<u>1,145,134</u>	<u>-</u>	<u>-</u>	<u>23,807,575</u>
<i>Accumulated Depreciation</i>					
Buildings	3,940,735	110,158	-	-	4,050,893
Furniture and Equipment	7,236,887	471,384	-	-	7,708,271
Infrastructure	1,814,067	208,807	-	-	2,022,874
	<u>12,991,689</u>	<u>790,349</u>	<u>-</u>	<u>-</u>	<u>13,782,038</u>
<b>Depreciable Assets - Net</b>	<b><u>9,670,753</u></b>	<b><u>354,785</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>10,025,537</u></b>
<b>Net Fixed Assets</b>	<b><u>11,151,219</u></b>	<b><u>408,919</u></b>	<b><u>(11,562)</u></b>	<b><u>-</u></b>	<b><u>11,548,578</u></b>

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
<b>Compensated Absences</b>	151,862	-	44,720	196,582	-
<b>OPEB Obligation</b>	736,301	(874)	-	735,427	-
<b>Net Pension Liability</b>	<u>4,451,262</u>	<u>5,441,179</u>	<u>-</u>	<u>9,892,441</u>	<u>-</u>
<b>Total Long Term Liabilities</b>	<b><u>5,339,425</u></b>	<b><u>5,440,305</u></b>	<b><u>44,720</u></b>	<b><u>10,824,450</u></b>	<b><u>-</u></b>

## 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 69% of total General Fund revenues. The County does monitor all of its resources and determines the need for program adjustments or fee increases accordingly.

#### 2017 – 2018 YEAR BUDGET

The budget for fiscal year 2018 was compiled during fiscal year 2017. 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, 2017**  
(all amounts are in dollars)

	<u>Primary Government Governmental Activities</u>	<u>Aggregate Discretely Presented Component Units</u>
<b>ASSETS:</b>		
Cash & Investments	26,489,808	1,727,107
Receivables (Net of Allowances):		
Property Taxes	611,040	123,612
Other	1,111,032	-
Inventory	476,921	-
Prepaid Expenditures	140,080	-
Investment in Joint Venture	1,390,802	
Capital Assets		
Land (non-depreciable)	1,523,043	-
Depreciable Assets (Net of Depreciation)	10,025,535	-
<b>TOTAL ASSETS</b>	<b>41,768,260</b>	<b>1,850,719</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>		
Related to Pensions	5,207,959	-
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>5,207,959</b>	<b>-</b>
<b>LIABILITIES:</b>		
Accounts Payable	584,591	100,000
Accrued Liabilities	500,278	-
Noncurrent Liabilities		
Due in more than one year		
Compensated Absences	196,582	-
OPEB Obligation	735,427	-
Net Pension Liability	9,892,441	-
<b>TOTAL LIABILITIES</b>	<b>11,909,319</b>	<b>100,000</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>		
Related to Pensions	1,133,787	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>1,133,787</b>	<b>-</b>
<b>NET POSITION</b>		
Net Investment in Capital Assets	11,548,578	-
Restricted for:		
General Government	33,983	-
Public Safety	1,454,178	-
Highways and Streets	49,528	-
Health and Welfare	102,915	-
Culture and Recreation	584,956	-
Unrestricted	20,158,974	1,750,719
<b>TOTAL NET POSITION</b>	<b>33,933,112</b>	<b>1,750,719</b>

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

**Wasco County, Oregon**  
**Statement of Activities**  
**For the year ended June 30, 2017**  
(all amounts are in dollars)

FUNCTIONS/PROGRAMS	Expenses	PROGRAM REVENUES			Net (Expenses) Revenues and changes in Net Position		
		Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	PRIMARY GOVERNMENT	COMPONENT UNITS	
					Total Governmental Activities		
General Government	5,924,836	1,980,695	1,491,878	350,437	(2,101,825)	-	
Public Safety	7,715,983	726,106	2,704,007	-	(4,285,871)	-	
Highways and Streets	3,344,097	463,326	2,349,323	-	(531,448)	-	
Health and Welfare	438,260	370,083	155,027	-	86,850	-	
Culture and Recreation	353,526	179,686	190,639	-	16,798	-	
Capital Projects	1,198,110	-	-	343,358	(854,753)	-	
<b>Total Primary Government</b>	<b>18,974,812</b>	<b>3,719,895</b>	<b>6,890,874</b>	<b>693,795</b>	<b>(7,670,248)</b>	<b>-</b>	
Component Units	1,774,022	-	-	-	-	(1,774,022)	
<b>General Revenues:</b>							
					8,728,823	1,843,054	
					653,589	-	
					245,942	19,761	
					298,309	-	
					(10,654)	-	
					<b>9,916,010</b>	<b>1,862,816</b>	
					Change in net position	2,245,762	88,794
					Net position, beginning	30,429,223	1,661,924
					Restatement of Beginning Net Position (Note 4D)	1,258,128	-
					<b>Net position, ending</b>	<b>33,933,112</b>	<b>1,750,719</b>

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

**Wasco County, Oregon**  
**Balance Sheet - Governmental Funds**  
**June 30, 2017**  
(all amounts are in dollars)

	101 General Fund	202 Public Works Fund	Non-Major Governmental Funds	Total Governmental Funds
<b><u>ASSETS:</u></b>				
Deposits and Investments	13,680,481	7,818,735	4,990,591	26,489,808
Receivables:				
Accounts Receivable	544,903	177,816	388,313	1,111,032
Taxes Receivable	611,040	-	-	611,040
Prepaid Expenditures	140,230	-	-	140,230
Inventories	-	476,921	-	476,921
	<u>14,976,654</u>	<u>8,473,471</u>	<u>5,378,904</u>	<u>28,829,030</u>
<b><u>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</u></b>				
<b><u>Liabilities:</u></b>				
Accounts Payable	246,985	249,231	88,375	584,591
Accrued Liabilities	376,573	72,227	51,629	500,428
Compensated Absences	154,134	34,172	8,276	196,582
<b>Total Liabilities</b>	<u>777,692</u>	<u>355,629</u>	<u>148,280</u>	<u>1,281,601</u>
<b><u>Deferred Inflows of Resources</u></b>				
Unavailable Revenue	503,237	-	-	503,237
<b>Total Deferred Inflows of Resources</b>	<u>503,237</u>	<u>-</u>	<u>-</u>	<u>503,237</u>
<b><u>Fund Balances:</u></b>				
Non-Spendable	140,230	476,921	-	617,150
Restricted	-	4,770,375	2,225,560	6,995,936
Committed	2,895,946	2,836,374	3,008,060	8,740,381
Assigned	3,861,997	34,172	8,276	3,904,445
Unassigned	6,797,552	-	(11,272)	6,786,280
<b>Total Fund Balances</b>	<u>13,695,726</u>	<u>8,117,842</u>	<u>5,230,624</u>	<u>27,044,192</u>
<b><u>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</u></b>	<u>14,976,654</u>	<u>8,473,471</u>	<u>5,378,904</u>	<u>28,829,030</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, 2017**  
(all amounts are in dollars)

Fund Balances - Governmental Funds	27,044,192
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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	1,523,043	
Depreciable assets net of accumulated depreciation	<u>10,025,535</u>	11,548,577

Investments in joint ventures are not financial resources and, therefore are not reported in the funds.	1,390,802
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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	5,207,959
--------------------------------------	-----------

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	(735,427)	
Net pension assets	<u>(9,892,441)</u>	(10,627,868)

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	(1,133,787)	
Related to deferred revenue	<u>503,237</u>	<u>(630,550)</u>

Net Position of Governmental Activities	<u><u>33,933,112</u></u>
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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, 2017**

(all amounts are in dollars)

	101 General Fund	202 Public Works Fund	Non-Major Governmental Funds	Total Governmental Funds
<b>REVENUES:</b>				
Taxes	8,744,158	-	-	8,744,158
Licenses, Fees & Permits	1,786,352	12,327	630,373	2,429,051
Intergovernmental Revenues	1,728,576	2,234,506	2,041,095	6,004,177
Federal Revenues	461,743	114,817	312,912	889,472
Charges for Services	744,032	189,679	18,050	951,762
Internal Service Charges	6,252	3,180	-	9,432
Fines and Restitution	52,083	-	30,816	82,899
Investment Earnings	125,634	75,647	44,661	245,942
Rents	220,693	-	2,100	222,793
Contributions and Donations	1,139,803	-	96,091	1,235,894
Miscellaneous	281,012	22,948	5,982	309,942
Pass Through Payments	3,510	-	-	3,510
<b>TOTAL REVENUES</b>	<b>15,293,847</b>	<b>2,653,104</b>	<b>3,182,080</b>	<b>21,129,032</b>
<b>EXPENDITURES:</b>				
Current				
General Government	6,180,502	-	8,698	6,189,199
Public Safety	6,284,537	-	966,371	7,250,908
Highways and Streets	242,658	2,765,064	50,927	3,058,648
Health and Welfare	130,661	-	533,391	664,052
Culture and Recreation	74,232	-	254,224	328,455
Capital Outlay	404,267	212,507	581,336	1,198,110
<b>TOTAL EXPENDITURES</b>	<b>13,316,856</b>	<b>2,977,571</b>	<b>2,394,946</b>	<b>18,689,373</b>
Excess of Revenues Over (Under) Expenditures	<u>1,976,990</u>	<u>(324,467)</u>	<u>787,134</u>	<u>2,439,659</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Gain/Loss on Sale of Fixed Assets	-	908	-	908
Transfers from Other Funds	3,431,944	-	929,000	4,360,944
Transfers to Other Funds	<u>(3,979,512)</u>	<u>-</u>	<u>(381,432)</u>	<u>(4,360,944)</u>
<b>TOTAL OTHER FINANCING SOURCES(USES)</b>	<b><u>(547,568)</u></b>	<b><u>908</u></b>	<b><u>547,568</u></b>	<b><u>908</u></b>
Net Changes in Fund Balance	1,429,422	(323,559)	1,334,702	2,440,566
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<b>12,266,303</b>	<b>8,441,401</b>	<b>3,895,922</b>	<b>24,603,627</b>
<b>FUND BALANCE - END OF YEAR</b>	<b>13,695,726</b>	<b>8,117,842</b>	<b>5,230,624</b>	<b>27,044,193</b>

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



**Wasco County, Oregon**  
**Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**of Governmental Funds to the Statement of Activities**  
**For the year ended June 30, 2017**  
(all amounts are in dollars)

Net Change in Fund Balances - Governmental Funds 2,440,566

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	1,199,268	
Disposal of capital assets	(11,562)	
Less current year depreciation	<u>(790,349)</u>	397,357

The County has an equity interest in a joint venture. The allocated gain or (loss) from this investment is not a current financial resource and therefore is not reported in the governmental funds. 132,674

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. 874

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 (30,477)

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 (695,231)

Change in Net Position of Governmental Activities 2,245,761

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, 2017**  
(all amounts are in dollars)

	<u>Trust Fund</u>	<u>Agency Funds</u>
<b><u>ASSETS:</u></b>		
Cash with Treasurer	54,884	1,205,484
Taxes Receivable	-	1,747,740
Accounts Receivable	<u>3,500</u>	<u>70</u>
<b><u>TOTAL ASSETS</u></b>	<b><u>58,384</u></b>	<b><u>2,953,294</u></b>
 <b><u>LIABILITIES:</u></b>		
Accounts Payable	368	-
Due to Other Governments	<u>-</u>	<u>2,953,294</u>
<b><u>TOTAL LIABILITIES</u></b>	<b><u>368</u></b>	<b><u>2,953,294</u></b>
<b><u>NET POSITION</u></b>	<b><u>58,017</u></b>	<b><u>-</u></b>

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, 2017**  
(all amounts are in dollars)

<u>ADDITIONS:</u>	
Investment Earnings	606
Miscellaneous	28,007
<u>TOTAL ADDITIONS</u>	<u>28,613</u>
 <u>DEDUCTIONS</u>	
Materials & Services	43,966
<u>TOTAL DEDUCTIONS</u>	<u>43,966</u>
 Change in Net Position	 (15,353)
 <u>Net Position held for MINT-Beginning</u>	 <u>73,369</u>
 <u>Net Position held for MINT-Ending</u>	 <u>58,017</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, 2017**  
(all amounts are in dollars)

	<u>BUDGETED AMOUNTS</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
Taxes	8,596,285	8,596,285	8,744,158	147,873
Licenses, Fees & Permits	1,264,300	1,264,300	1,759,075	494,775
Intergovernmental Revenues	1,074,962	1,074,962	1,052,028	(22,934)
Federal Revenues	310,954	327,756	461,743	133,987
Charges for Services	77,165	77,165	89,336	12,171
Internal Service Charges	-	-	6,252	6,252
Fines and Restitution	40,000	40,000	52,083	12,083
Investment Earnings	32,200	32,200	69,408	37,208
Rents	208,811	208,811	220,693	11,882
Contributions and Donations	2,000	2,000	1,500	(500)
Miscellaneous	211,577	211,577	280,967	69,390
Pass Through Payments	4,000	4,000	3,510	(490)
<b>TOTAL REVENUES</b>	<b>11,822,254</b>	<b>11,839,056</b>	<b>12,740,753</b>	<b>901,697</b>
<b>EXPENDITURES:</b>				
<b><i>Current by Department</i></b>				
Assessor	853,087	853,087	720,507	132,580
Clerk	344,836	344,836	327,374	17,462
Sheriff	2,258,743	2,258,743	2,175,159	83,583
EAS	2,584,646	2,579,145	2,326,049	253,096
Administration	3,472,766	3,472,766	3,168,636	304,130
District Attorney	576,865	576,865	567,098	9,767
Planning	759,017	759,017	671,311	87,706
Public Works	67,614	67,614	70,713	(3,099)
Youth Services	538,253	534,020	560,376	(26,356)
<b>Total Current by Department</b>	<b>11,455,827</b>	<b>11,446,092</b>	<b>10,587,222</b>	<b>858,870</b>
<b><i>Capital Outlay by Department</i></b>				
Sheriff	57,000	73,802	56,404	17,398
EAS	320,000	416,400	226,243	190,157
Administration	105,000	110,500	110,344	156
District Attorney	-	-	10,896	(10,896)
<b>Total Capital Outlay by Department</b>	<b>482,000</b>	<b>600,702</b>	<b>403,887</b>	<b>196,815</b>
<b>Contingency</b>	<b>456,043</b>	<b>425,043</b>	<b>-</b>	<b>425,043</b>
<b>TOTAL EXPENDITURES</b>	<b>12,393,870</b>	<b>12,471,837</b>	<b>10,991,108</b>	<b>1,480,728</b>

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

**Wasco County, Oregon**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual - Budgetary Basis**  
**General Fund**  
**For the year ended June 30, 2017**  
(all amounts are in dollars)

	<u>BUDGETED AMOUNTS</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
Excess of Revenues Over (Under) Expenditures	(571,616)	(632,781)	1,749,644	2,382,425
<u>OTHER FINANCING SOURCES</u> <u>AND (USES):</u>				
Sale of Fixed Assets	4,000	4,000	-	(4,000)
Transfers from Other Funds	1,482,882	1,548,282	1,473,282	(75,000)
Transfers to Other Funds	<u>(2,907,500)</u>	<u>(2,907,500)</u>	<u>(2,887,662)</u>	<u>19,838</u>
<u>TOTAL OTHER FINANCING SOURCES</u> <u>AND USES</u>	<u>(1,420,618)</u>	<u>(1,355,218)</u>	<u>(1,414,380)</u>	<u>(59,162)</u>
Net Changes in Fund Balance	(1,992,234)	(1,987,999)	335,264	2,323,263
<u>FUND BALANCE - BEGINNING OF YEAR</u>	<u>6,791,252</u>	<u>6,791,252</u>	<u>6,881,181</u>	<u>89,929</u>
<u>FUND BALANCE - END OF YEAR</u>	<u>4,799,018</u>	<u>4,803,253</u>	<u>7,216,445</u>	<u>2,413,193</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, 2017**  
(all amounts are in dollars)

	<u>BUDGETED AMOUNTS</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES:</u></b>				
Licenses, Fees & Permits	10,000	10,000	12,327	2,327
Intergovernmental Revenues	2,371,200	2,371,200	2,234,506	(136,694)
Federal Revenues	100,200	100,200	114,817	14,617
Charges for Services	196,000	196,000	189,679	(6,321)
Internal Service Charges	3,180	3,180	3,180	-
Investment Earnings	23,600	23,600	49,316	25,716
Miscellaneous	1,000	1,000	22,948	21,948
<b><u>TOTAL REVENUES</u></b>	<b><u>2,705,180</u></b>	<b><u>2,705,180</u></b>	<b><u>2,626,773</u></b>	<b><u>(78,407)</u></b>
<b><u>EXPENDITURES:</u></b>				
<i>Current: Personal Services</i>	1,624,939	1,624,939	1,590,527	34,412
<i>Current: Materials &amp; Services</i>	1,332,400	1,332,400	1,286,979	45,421
Capital Outlay	230,000	230,000	212,507	17,493
Contingency	420,000	420,000	-	420,000
<b><u>TOTAL EXPENDITURES</u></b>	<b><u>3,607,339</u></b>	<b><u>3,607,339</u></b>	<b><u>3,090,013</u></b>	<b><u>517,326</u></b>
Excess of Revenues Over (Under) Expenditures	(902,159)	(902,159)	(463,240)	438,919
<b><u>OTHER FINANCING SOURCES(USES)</u></b>				
Sale of Assets	10,000	10,000	908	(9,093)
<b><u>NET OTHER FINANCING SOURCES (USES)</u></b>	<b><u>10,000</u></b>	<b><u>10,000</u></b>	<b><u>908</u></b>	<b><u>(9,093)</u></b>
Net Changes in Fund Balance	(892,159)	(892,159)	(462,333)	429,826
<b><u>FUND BALANCE - BEGINNING OF YEAR</u></b>	<b><u>5,254,000</u></b>	<b><u>5,254,000</u></b>	<b><u>5,301,052</u></b>	<b><u>47,052</u></b>
<b><u>FUND BALANCE - END OF YEAR</u></b>	<b><u>4,361,841</u></b>	<b><u>4,361,841</u></b>	<b><u>4,838,719</u></b>	<b><u>476,878</u></b>

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, 2017**

**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, 2017. 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>
<b>Fund Balances</b>				
<b>Total Nonspendable in form</b>	140,230	476,921	-	617,150
<b>Restricted for:</b>				
Public Works Fund	-	4,770,375	-	4,770,375
County Fair Fund	-	-	82,578	82,578
Land Corner Preservation Fund	-	-	49,528	49,528
Forest Health Program Fund	-	-	274,889	274,889
Law Library Fund	-	-	134,514	134,514
Parks Fund	-	-	227,490	227,490
Community Corrections Fund	-	-	1,191,104	1,191,104
Court Facilities Security Fund	-	-	128,559	128,559
CCFC Fund	-	-	102,915	102,915
Clerk Records Fund	-	-	33,983	33,983
<b>Total Restricted</b>	-	4,770,375	2,225,560	6,995,936
<b>Committed to:</b>				
Household Hazardous Waste	-	-	241,629	241,629
Road Reserve Fund	-	2,836,374	-	2,836,374
Capital Acquisitions Fund	-	-	2,683,721	2,683,721
Equipment Reserve Fund	241,793	-	-	241,793
Facility Reserve Fund	2,654,154	-	-	2,654,154
CDBG Fund	-	-	82,711	82,711
<b>Total Committed</b>	2,895,946	2,836,374	3,008,060	8,740,381
<b>Assigned for:</b>				
Economic Development Payments Fund	341,255	-	-	341,255
District Attorneys Fund	17,334	-	-	17,334
Museum Fund	223,517	-	-	223,517
Weed & Pest Fund	194,259	-	-	194,259
Kramer Field Fund	33,303	-	-	33,303
General Operating Reserve	2,898,195	-	-	2,898,195
Compensated Absences	154,134	34,172	8,276	196,582
<b>Total Assigned</b>	3,861,997	34,172	8,276	3,904,445
<b>Total Unassigned</b>	6,797,552	-	(11,272)	6,786,280
<b>Total Fund Balances</b>	13,695,726	8,117,842	5,230,624	27,044,192

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. *Investment in Joint Ventures:* Investment in joint ventures with other governments is reported at cost plus or minus the County's share of operating income or loss utilizing the equity method of accounting for investments.

8. *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.

9. *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 is 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.

10. *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.

11. *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.

12. *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).

13. *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.

14. *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**

The following funds presented in their budgetary comparison an excess of expenditures over appropriations:

General Fund – Public Works, Youth Services, and District Attorney  
County Fair – Materials and Services  
Weed and Pest Control – Personnel Services  
Commission on Children and Families – Personnel Services

This is a violation of ORS 294.435 (4) which prohibits expending more than the amount appropriated.

**Deficit fund balance**

The County has one fund with a deficit fund balance for the year ended June 30, 2017:  
Fund 204, County School 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 3,113, deposits with financial institutions totaling 3,678,911, investment in the LGIP of 25,295,229, and investment in US Government Agency Securities of 500,030, for a total of 29,477,283.

	<u>Fair Value</u>
Primary Government	26,489,808
Component Units	1,727,107
Fiduciary Funds	<u>1,260,368</u>
Total Deposits and Investments	<u>29,477,283</u>

The County investment of cash funds is regulated by Oregon Revised Statutes. Under these guidelines, cash funds may be invested in bank accounts, general obligation issues of the United States and its agencies, certain states and certain guaranteed investments issued by banks. During the year, the County purchased allowable investment instruments but did not participate in any repurchase or reverse repurchase agreements.

**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, 2017 bank balance of \$3,678,911 was collateralized by the FDIC or the PFCP.

**INVESTMENTS:**

The County's cash management and investment policies are governed by Oregon Revised Statutes. Statutes authorize the County to invest in US Treasury obligations and its agencies and instrumentalities, Oregon Short Term Fund, Corporate Indebtedness, Repurchase Agreements, Municipal Debt, Bankers Acceptances, Qualified Institution – time certificates of deposit – savings accounts – certificates of deposit, and the Oregon State Treasurer's Local Government Investment Pool.

As of June 30, 2017, the County had the following investments and maturities:

<u>Investment Type</u>	<u>Maturity</u>	<u>Cost</u>
Local Government Investment Pool	1 Day	25,295,229
US Government Agency Securities	Less than 1 Year	<u>500,030</u>
		25,795,259
Less amounts classified as cash equivalents		<u>(25,295,229)</u>
Total Investments		<u>500,030</u>

*Investment Pool:* 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, 2017 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. The County's investment policy provides that broker/dealers and financial institutions meet certain qualifications which are reviewed annually.

*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. The minimum weighted average credit rating of the portfolio's rated investments shall be Aa/AA/AA.

*Concentration of Credit Risk – Investments* is the risk of loss attributed to the magnitude of an entity's investment in a single issuer. The County diversifies the investment portfolio to avoid incurring unreasonable risks, both credit and interest rate risk, inherent in over-investing in specific instruments, individual financial institutions or maturities.

*Interest Rate Risk – Investments* - Where feasible and prudent, investment maturities should be matched with expected cash outflows to mitigate market risk. Unless matched to a specific cash flow requirement, the County does not invest in securities maturing more than five years from the date of settlement. The maximum average maturity of the County's portfolio cannot exceed 2.5 years at any time.

*Foreign Currency Risk – Investments* - The County's investment policy prohibits investments that are not U.S. dollar – denominated; therefore, the County is not exposed to this risk.

Issue Type	Maximum %	Minimum Ratings Moody's / S&P /
US Treasury Obligations	100%	None
US Agency Securities	100%	-
Per Agency (Senior Obligations Only)	33%	-
Oregon Short Term Fund	Maximum allowed per ORS	-
Bankers' Acceptances	25% <sup>(1)</sup>	A1+/P1/F1+
Time Deposits/Savings Accounts/Certificates of Deposit <sup>(2)</sup>	50%	-
Per Institution	25%	
Repurchase Agreements	5%	-
Corporate Debt (Total)	15% <sup>(3)</sup>	-
Corporate Commercial Paper Per Issuer	15% <sup>(3)</sup>	A1/P1/F1
	2.5% <sup>(4)</sup>	
Corporate Bonds	10% <sup>(3)</sup>	
Per Issuer	2.5% <sup>(4)</sup>	Aa/AA/AA
Municipal Debt (Total)	10%	-
Municipal Commercial Paper Municipal Bonds	10%	A1/P1/F
	10%	1

(1) 25% Maximum per ORS 294.035(D)

(2) As authorized by ORS 294.035(3)(d)

(3) 35% Maximum per ORS 294.035(D)

(4) 5% Maximum per ORS 294.035(D)

**B. CAPITAL ASSETS:**

The following schedule shows the changes in Capital Assets for the year ended June 30, 2017:

	Beginning Balance	Additions	Deletions	Corrections	Ending Balance
<b>Land</b>	<b>1,480,469</b>	<b>54,134</b>	<b>(11,562)</b>	<b>-</b>	<b>1,523,041</b>
<i>Depreciable Assets</i>					
Buildings	7,565,124	552,308	-	-	8,117,432
Furniture and Equipment	9,664,178	592,826	-	-	10,257,004
Infrastructure	5,433,139	-	-	-	5,433,139
	22,662,441	1,145,134	-	-	23,807,575
<i>Accumulated Depreciation</i>					
Buildings	3,940,735	110,158	-	-	4,050,893
Furniture and Equipment	7,236,887	471,384	-	-	7,708,271
Infrastructure	1,814,067	208,807	-	-	2,022,874
	12,991,689	790,349	-	-	13,782,038
<b>Depreciable Assets - Net</b>	<b>9,670,753</b>	<b>354,785</b>	<b>-</b>	<b>-</b>	<b>10,025,537</b>
Net Fixed Assets	11,151,219	408,919	(11,562)	-	11,548,578

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

General Government	109,452
Public Safety	259,379
Highways and Streets	362,367
Health and Welfare	35,238
Culture and Recreation	23,913
	<u>790,349</u>

**C. INVESTMENT IN JOINT VENTURES:**

The QualityLife Intergovernmental Agency (QLife) is jointly owned by the City of The Dalles and Wasco County, Oregon, each party owning 50 percent. QLife operates a fiber optic network to the residents of The Dalles, Wasco County and the new Maupin project. The Maupin project was started in fiscal year ended June 30, 2016 and will be a separate operating network from the one that serves the City and Wasco County. Revenues earned by QLife are expended for the continued operations and maintenance of the network. Upon dissolution of QLife, the net position would be shared 50 percent each to the City and Wasco County. QLife is governed by a five-member board comprised of two appointees from the City, two appointees from Wasco County, and the fifth member is appointed by the other four. The County's net investment and its share of the operating results of QLife are reported in the County's governmental activities. Net position of the County's governmental fund increased 132,674 from a net gain in fiscal year ended June 30, 2017. The County's investment in QLife of 1,390,802 is accounted for using the equity method. Complete financial statements for QLife can be obtained from the City of The Dalles' administrative offices, 313 Court Street, The Dalles, OR 97058.

**D. LONG-TERM DEBT:**

*Changes in Long-Term Liabilities:*

Long-term liability activity for the year ended June 30, 2017 was as follows:

Governmental Activities	Beginning Balance	Additions	Deletions	Ending Balance	Due in One Year
<b>Compensated Absences</b>	151,862	-	44,720	196,582	-
<b>OPEB Obligation</b>	736,301	(874)	-	735,427	-
<b>Net Pension Liability</b>	4,451,262	5,441,179	-	9,892,441	-
<b>Total Long Term Liabilities</b>	<b>5,339,425</b>	<b>5,440,305</b>	<b>44,720</b>	<b>10,824,450</b>	-

E. 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](http://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, 2014 actuarial valuation. The rates based on a percentage of payroll, first became effective July 1, 2015. Employer contributions for the year ended June 30, 2017 were 774,484, excluding amounts to fund employer specific liabilities. The rates in effect for the fiscal year ended June 30, 2017 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, 2017, the County reported a liability of \$9,892,441 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2014 rolled forward to June 30, 2016. 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, 2016, the County's proportion was .06589548 percent, which was decreased from its proportion of .07752839 percent, measured as of June 30, 2015.

For the year ended June 30, 2017, the County recognized pension expense (income) of 1,479,046. At June 30, 2017, 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	327,285	-
Changes in assumptions	2,109,820	-
Net difference between projected and actual earnings on pension plan investments	1,954,331	-
Changes in proportion	-	879,892
Differences between County contributions and proportionate share of contributions	42,039	253,895
County contributions subsequent to the measurement date	774,484	-
Total	<u>5,207,959</u>	<u>1,133,787</u>

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

Deferred Outflows		Deferred Inflows	
FY2018	1,574,580	FY2018	303,329
FY2019	800,096	FY2019	303,329
FY2020	1,520,637	FY2020	289,024
FY2021	1,150,680	FY2021	194,415
FY2022	161,966	FY2022	43,690
Thereafter	-	Thereafter	-
Total	<u>5,207,959</u>	Total	<u>1,133,787</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, 2014 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	December 31, 2014
Measurement Date	June 30, 2016
Experience Study	2014, published September 2015
Actuarial Assumptions:	
Inflation Rate	2.50 percent
Long-Term Expected Rate of Return	7.50 percent
Discount Rate	7.50 percent
Projected Salary Increases	3.50 percent
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><b>Health retirees and beneficiaries:</b> RP-2000 Sex-distinct, generational per Scale BB, with collar adjustments and set-backs as described in the valuation.</p> <p><b>Active Members:</b> Mortality rates are a percentage of healthy retiree rates that vary by group, as described in the valuation.</p> <p><b>Disabled retirees:</b> Mortality rates are a percentage (70% for males, 95% for females) of the RP-2000 Sex-distinct, generational per Scale BB, disabled mortality 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.

<u>Asset Class</u>	<u>Target</u>
Cash	0.0%
Debt Securities	20.0%
Public Equity	37.5%
Private Equity	17.5%
Real Estate	12.5%
Alternative Equity Opportunity Portfolio	12.5%
	0.0%
Total	<u>100.0%</u>

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Compounded Annual Return (Geometric)</u>
Core Fixed Income	8.00%	4.00%
Short-Term Bonds	8.00%	3.61%
Bank/Leveraged Loans	3.00%	5.42%
High Yield Bonds	1.00%	6.20%
Large/Mid Cap US Equities	15.75%	6.70%
Small Cap US Equities	1.31%	6.99%
Micro Cap US Equities	1.31%	7.01%
Developed Foreign Equities	13.13%	6.73%
Emerging Market Equities	4.12%	7.25%
Non-US Small Cap Equities	1.88%	7.22%
Private Equity	17.50%	7.97%
Real Estate (Property)	10.00%	5.84%
Real Estate (REITS)	2.50%	6.69%
Hedge Fund of Funds - Diversified	2.50%	4.64%
Hedge Fund - Event-driven	0.63%	6.72%
Timber	1.88%	5.85%

Farmland	1.88%	6.37%
Infrastructure	3.75%	7.13%
Commodities	1.88%	4.58%
	<hr/>	
Total	<u>100.00%</u>	
Assumed Inflation - Mean		2.50%

**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 7.50 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 7.50 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 (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

	<u>1% Decrease (6.50%)</u>	<u>Discount Rate (7.50%)</u>	<u>1% Increase (8.50%)</u>
County's proportionate share of the net pension liability (asset)	15,972,995	9,892,442	4,810,163

**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**

There were no changes in plan provisions during the measurement period.

**Changes in plan provisions subsequent to measurement date**

There were no changes subsequent to the June 30, 2016 measurement date.

**F. OPERATING LEASES:**

The County leases equipment, primarily copiers, under non-cancelable lease agreements. Operating lease expenditures were \$29,401 for the year ended June 30, 2017. Future payments associated with operating leases are due as follows:

Fiscal Year Ending	
<u>30-Jun</u>	<u>Amount</u>
2018	25,116
2019	22,244
2020	20,239
2021	6,752
2022	-

**G. 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 2017 the County paid healthcare insurance premiums of 1,627,964.

**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>6/30/2017</u>
<b>Determination of Annual Required Contribution</b>	
1) Normal Cost at year end	36,659
2) Amortization of UAAL	69,546
3) Annual Required Contribution (ARC) (1) + (2)	<u>106,205</u>
<b>Determination of Net OPEB Obligation</b>	
4) Annual Required Contribution	106,205
5) Interest on prior year Net OPEB Obligation	25,771
6) Adjustment to ARC	88,534
7) Annual OPEB Cost (4) + (5) - (6)	<u>43,442</u>
8) Explicit Benefit Payments	-
9) Implicit Benefit Payments	<u>44,316</u>
10) Increase in Net OPEB Obligation (7) - (8) - (9)	(874)
11) Net OPEB Obligation - beginning of year	<u>736,301</u>
12) Net OPEB Obligation - end of year	<u>735,427</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>
6/30/2015	145,489	40%	726,475
6/30/2016	42,916	77%	736,301
6/30/2017	43,442	102%	735,427

**Funded Status and Funding Progress:** As of July 1, 2016, the most recent actuarial valuation date, the plan was zero percent funded. The actuarial accrued liability for benefits was 578,388 and the actuarial value of assets was zero, resulting in an unfunded accrued liability of 578,388.

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:

Valuation Date	7/1/2016
Measurement Date	6/30/2017
Inflation	2.50%
Salary Increases	3.50%
Healthy Mortality	RP-2000 healthy white collar male and female mortality tables, set back one year for males. Mortality is projected on a generational basis using Scale BB for males and female
Actuarial Cost Method	Entry Age Normal

**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 0.53 percent of annual covered OPERF payroll and 0.45 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 E.

H. INTERFUND TRANSFERS:

The following table reflects the interfund transfers completed during the year ended June 30, 2017.

	<u>Transfers In</u>	<u>Transfers Out</u>
101- General Fund	1,473,282	2,887,662
208 - Economic Dev. Payments Fund	-	999,650
210 - District Attorney Fund	-	1,800
211 - Museum Fund	17,500	-
220 - 911 Communications Fund	241,162	-
326 - Facility Capital Reserve	900,000	90,400
327 - General Operating Reserve	800,000	-
Total General Fund GASB 54	<u>3,431,944</u>	<u>3,979,512</u>
Non-Major Funds		
205 - Land Corner Preservation Fund	-	2,500
209 - Law Library Fund	-	8,000
227 - CCF	-	370,932
322 - Capital Acquisitions Fund	900,000	-
Total Non-Major Funds	<u>929,000</u>	<u>381,432</u>
<b>Total All Transfers</b>	<b><u>4,360,944</u></b>	<b><u>4,360,944</u></b>

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

I. BUDGET/G.A.A.P. RECONCILIATION:

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

	General <u>Fund</u>	Public <u>Works Fund</u>	Other Nonmajor <u>Funds</u>
Net change in fund balances - GAAP basis	1,429,422	(323,559)	1,334,702
<b><i>Expenditures required by GAAP not recorded under budgetary basis:</i></b>			
Change in Inventory	-	(105,365)	-
Change in compensated absences	66,326	(7,077)	(14,529)
<b><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></b>			
208 - Economic Dev. Payments Fund	607,981	-	(607,981)
210 - District Attorney Fund	2,386	-	(2,386)
211 - Museum Fund	(36,139)	-	36,139
219 - Weed & Pest Control Fund	15,342	-	(15,342)
220 - 911 Communications Fund	(93,949)	-	93,949
233 - Kramer Field Fund	(309)	-	309
321 - Road Reserve Fund	-	(26,331)	26,331
324 - Equipment Reserve	(2,245)	-	2,245
326 - Facility Capital Reserve	(830,534)	-	830,534
327 - General Operating Reserve	(823,019)	-	823,019
	<u>335,264</u>	<u>(462,334)</u>	<u>2,506,989</u>
Net change in fund balances - budgetary basis	<u>335,264</u>	<u>(462,334)</u>	<u>2,506,989</u>

**J. LIABILITY FOR DEFERRED COMPENSATION:**

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

All amounts of compensation deferred under the plan are held in trust by the plan administrator for the sole benefit of the participants. The assets of the plan totaled 3,170,026 and 3,551,947 at June 30, 2016 and 2017, respectively.

**K. TAX ABATEMENTS:**

Wasco County has authorized tax-exempt status for five qualified firms within the County: Escape The Dalles, Integrated 3D, NuCulture, 15 Mile Ventures LLC, and Design LLC. All properties are required to meet State and Federal funding requirements which include annual physical inspections and an annual audit of financial activity and programmatic compliance. The property tax exemption may be removed if the property is being used for any purpose other than the provisions of low income housing, or if the property is no longer eligible under the stated provisions of ORS 307.540 to 307.548. Section E of the renewal application requires the applicant to acknowledge compliance with the requirements annually. For fiscal year ending June 30, 2017, the forgone property tax revenue is 188,301 for short term (three to five years) abatements and 10,800,099 for long term (seven to fifteen years) abatements for a total abated tax in fiscal year 2017 of 10,988,400.

**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 ORGANIZATIONS:**

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, 2017 totaled \$1,916,748. Financial information for this entity may be obtained from the Administrator, Northern Oregon Corrections, 201 Webber Road, The Dalles, Oregon 97058.

Wasco County, Oregon, in conjunction with Sherman County, and Gilliam County, has created a public health department in Wasco County known as North Central Public Health District (NCPHD). The board of NCPHD is composed of nine members total, one from each of the participating governments, along with two other members from each County. Wasco County budgeted expenditures to NCPHD for the year ended June 30, 2017 total 340,000. Financial information for this entity may be obtained from the Finance Manager, North Central Public Health District, 419 E 7<sup>th</sup> Street, The Dalles, OR 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 NET POSITION:**

During the 2016-2017 fiscal year it was discovered that Wasco County had not been accounting for their joint venture in QLife. See Note 3C for more information. Accordingly, the beginning net position was restated to include the County's net position in QLife as of June 30, 2016 of 1,258,128. See page 17, Statement of Activities.

**E. RELATED PARTIES:**

During the year the County had the following related party transactions. QLife revenues from computer and GIS services of 4,950 and expenditures of 16,560. At June 30, 2017 the County has a zero balance to the Agency for services received.

**F. GASB PRONOUNCEMENTS IMPLEMENTED:**

GASB Statement 77, "Tax Abatement Disclosures." This statement requires state and local governments to disclose information about tax abatement agreements. The requirements of this statement are effective for financial statements for fiscal years beginning after December 15, 2015.



**REQUIRED SUPPLEMENTARY INFORMATION**

**Wasco County, Oregon**  
**Schedule of Funding Progress Required by GASB 45**  
**For the year ended June 30, 2017**  
(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%
7/1/2016	-	578,388	578,388	0%	6,032,973	10%

**Wasco County, Oregon**  
**Schedule of the Proportionate Share of the Net Pension Liability**  
**For the Last Four Fiscal Years**  
**June 30, 2017**

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
2017	0.06589548%	\$ 9,892,442	\$ 6,032,973	163.97%	80.50%
2016	0.06589548%	9,892,442	5,852,439	169.03%	91.90%
2015	0.07752839%	4,451,263	6,480,919	68.68%	103.60%
2014	0.09664647%	4,932,011	7,170,616	68.78%	91.97%

The amounts presented for each fiscal year were actuarially 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 Four Fiscal Years  
June 30, 2017**

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
2017	774,484	774,484	-	6,924,289	11.19%
2016	686,501	686,501	-	6,032,973	11.38%
2015	604,704	604,704	-	6,032,973	10.02%
2014	692,025	692,025	-	5,852,439	11.82%

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

**Wasco County, Oregon**  
**Notes to Required Supplementary Information**  
**For the Year Ended June 30, 2017**

**Changes in Benefit Terms**

There were no changes in plan provisions during the latest measurement period.

**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/mercerc\\_reports.aspx](http://www.oregon.gov/pers/Pages/section/financial_reports/mercerc_reports.aspx).

**OTHER INFORMATION**

**Wasco County, Oregon**  
**Combining Balance Sheet**  
**Non-Major Funds**  
**June 30, 2017**  
(all amounts are in dollars)

	Special Revenue <u>Funds</u>	Capital Project <u>Funds</u>	Total Non-Major <u>Funds</u>
<b>ASSETS:</b>			
Deposits and Investments	2,234,024	2,756,568	4,990,591
Receivables:			
Accounts Receivable	<u>378,449</u>	<u>9,864</u>	<u>388,313</u>
<b><u>TOTAL ASSETS</u></b>	<b><u>2,612,473</u></b>	<b><u>2,766,432</u></b>	<b><u>5,378,904</u></b>
<b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u></b>			
<b>Liabilities:</b>			
Accounts Payable	88,375	-	88,375
Compensated Absences	8,276	-	8,276
Accrued Payroll & Related Liabilities	<u>51,629</u>	<u>-</u>	<u>51,629</u>
<b><u>Total Liabilities</u></b>	<b><u>148,280</u></b>	<b><u>-</u></b>	<b><u>148,280</u></b>
<b>Fund Balances:</b>			
Restricted	2,225,560	-	2,225,560
Committed	241,629	2,766,432	3,008,060
Assigned	8,276	-	8,276
Unassigned	<u>(11,272)</u>	<u>-</u>	<u>(11,272)</u>
<b><u>Total Fund Balances</u></b>	<b><u>2,464,193</u></b>	<b><u>2,766,432</u></b>	<b><u>5,230,624</u></b>
<b><u>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u></b>	<b><u>2,612,473</u></b>	<b><u>2,766,432</u></b>	<b><u>5,378,904</u></b>

**Wasco County, Oregon**  
**Combining Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance**  
**Non-Major Funds**  
**For the year ended June 30, 2017**  
(all amounts are in dollars)

	Special Revenue Funds	Capital Project Funds	Total Non-Major Funds
Licenses, Fees & Permits	630,373	-	630,373
Intergovernmental Revenues	2,041,095	-	2,041,095
Federal Revenues	42,003	270,909	312,912
Charges for Services	18,050	-	18,050
Fines and Restitution	30,816	-	30,816
Investment Earnings	20,979	23,683	44,661
Rents	2,100	-	2,100
Contributions and Donations	23,642	72,449	96,091
Miscellaneous	5,982	-	5,982
<b>TOTAL REVENUES</b>	<u>2,815,040</u>	<u>367,040</u>	<u>3,182,080</u>
<b>EXPENDITURES:</b>			
<i>Current: Personal Services</i>	904,118	-	904,118
<i>Current: Materials &amp; Services</i>	909,492	-	909,492
Capital Outlay	-	581,336	581,336
<b>TOTAL EXPENDITURES</b>	<u>1,813,611</u>	<u>581,336</u>	<u>2,394,946</u>
Excess of Revenues Over (Under) Expenditures	1,001,429	(214,295)	787,134
<b>OTHER FINANCING SOURCES(USES)</b>			
Operating Transfers In	29,000	900,000	929,000
Operating Transfers Out	(381,432)	-	(381,432)
<b>NET OTHER FINANCING SOURCES (USES)</b>	<u>(352,432)</u>	<u>900,000</u>	<u>547,568</u>
Net Changes in Fund Balance	648,997	685,705	1,334,702
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>1,815,195</u>	<u>2,080,727</u>	<u>3,895,922</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>2,464,193</u>	<u>2,766,432</u>	<u>5,230,624</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, 2017**

(all amounts are in dollars)

	<u>203</u> <u>County Fair</u> <u>Fund</u>	<u>204</u> <u>County</u> <u>School</u> <u>Fund</u>	<u>205</u> <u>Land</u> <u>Corner</u> <u>Pres Fund</u>	<u>206</u> <u>Forest</u> <u>Health</u> <u>Fund</u>	<u>207</u> <u>HHW</u> <u>Fund</u>
<b>ASSETS:</b>					
Deposits and Investments	87,553	-	51,564	274,889	250,192
Receivables					
Accounts Receivable	50	-	16	-	33,650
	<u>87,603</u>	<u>-</u>	<u>51,580</u>	<u>274,889</u>	<u>283,842</u>
<b><u>TOTAL ASSETS</u></b>					
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Due to Other Funds	-	11,272	-	-	-
Accounts Payable	3,623	-	359	-	33,852
Accrued Liabilities	1,402	-	1,693	-	4,650
Compensated Absences	-	-	-	-	1,856
<b>Total Liabilities</b>	<u>5,025</u>	<u>11,272</u>	<u>2,052</u>	<u>-</u>	<u>40,358</u>
<b>Fund Balances:</b>					
Restricted	82,578	-	49,528	274,889	-
Committed	-	-	-	-	241,629
Assigned	-	-	-	-	1,856
Unassigned	-	(11,272)	-	-	-
<b>Total Fund Balances</b>	<u>82,578</u>	<u>(11,272)</u>	<u>49,528</u>	<u>274,889</u>	<u>243,485</u>
<b><u>TOTAL LIABILITIES AND</u></b>					
<b><u>FUND BALANCES</u></b>					
	<u>87,603</u>	<u>-</u>	<u>51,580</u>	<u>274,889</u>	<u>283,842</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>
135,496	210,253	970,731	123,923	106,721	33,974	2,245,296
-	24,331	310,133	4,636	5,625	9	378,449
<u>135,496</u>	<u>234,584</u>	<u>1,280,864</u>	<u>128,559</u>	<u>112,346</u>	<u>33,983</u>	<u>2,623,745</u>
-	-	-	-	-	-	11,272
982	6,259	37,381	-	5,920	-	88,375
-	835	39,538	-	3,511	-	51,629
-	-	6,420	-	-	-	8,276
<u>982</u>	<u>7,093</u>	<u>83,339</u>	<u>-</u>	<u>9,431</u>	<u>-</u>	<u>159,552</u>
134,514	227,490	1,191,104	128,559	102,915	33,983	2,225,560
-	-	-	-	-	-	241,629
-	-	6,420	-	-	-	8,276
-	-	-	-	-	-	(11,272)
<u>134,514</u>	<u>227,490</u>	<u>1,197,524</u>	<u>128,559</u>	<u>102,915</u>	<u>33,983</u>	<u>2,464,193</u>
<u>135,496</u>	<u>234,584</u>	<u>1,280,864</u>	<u>128,559</u>	<u>112,346</u>	<u>33,983</u>	<u>2,623,745</u>

Wasco County, Oregon  
Combining Schedule of Revenues, Expenditures  
and Changes in Fund Balance  
Special Revenue Funds  
For the year ended June 30, 2017  
(all amounts are in dollars)

	203 County Fair Fund	204 County School Fund	205 Land Corner Pres Fund	206 Forest Health Fund	207 HHW Fund
<b>REVENUES:</b>					
Licenses, Fees & Permits	97,939	-	33,752	-	352,033
Intergovernmental Revenues	53,667	64,128	-	-	-
Federal Revenues	-	38,128	-	-	-
Charges for Services	-	-	-	-	7,450
Fines and Restitution	-	-	-	-	-
Investment Earnings	677	205	613	1,643	2,215
Rents	945	-	-	-	-
Contributions and Donations	22,689	-	-	-	-
Miscellaneous	139	-	-	-	5,659
<b>TOTAL REVENUES</b>	<b>176,056</b>	<b>102,461</b>	<b>34,365</b>	<b>1,643</b>	<b>367,356</b>
<b>EXPENDITURES:</b>					
<i>Current: Personal Services</i>	22,353	-	50,027	-	105,075
<i>Current: Materials &amp; Services</i>	179,867	89,730	900	-	201,577
Capital Outlay	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>202,220</b>	<b>89,730</b>	<b>50,927</b>	<b>-</b>	<b>306,652</b>
Excess of Revenues Over (Under) Expenditures	(26,165)	12,731	(16,562)	1,643	60,704
<b>OTHER FINANCING SOURCES(USES)</b>					
Operating Transfers In	29,000	-	-	-	-
Operating Transfers Out	-	-	(2,500)	-	-
<b>NET OTHER FINANCING SOURCES (USES)</b>	<b>29,000</b>	<b>-</b>	<b>(2,500)</b>	<b>-</b>	<b>-</b>
Net Changes in Fund Balance	2,835	12,731	(19,062)	1,643	60,704
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<b>79,742</b>	<b>(24,003)</b>	<b>68,590</b>	<b>273,245</b>	<b>182,780</b>
<b>FUND BALANCE - END OF YEAR</b>	<b>82,578</b>	<b>(11,272)</b>	<b>49,528</b>	<b>274,889</b>	<b>243,485</b>

<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	28,411	82,644	-	-	10,063	630,373
-	74,259	1,736,970	-	112,071	-	2,041,095
-	-	-	-	3,875	-	42,003
-	-	-	-	10,600	-	18,050
-	-	-	30,816	-	-	30,816
1,340	1,831	10,111	1,022	984	338	20,979
-	1,155	-	-	-	-	2,100
-	-	-	-	953	-	23,642
-	153	31	-	-	-	5,982
<u>26,871</u>	<u>105,810</u>	<u>1,829,756</u>	<u>31,839</u>	<u>128,484</u>	<u>10,401</u>	<u>2,815,040</u>
-	14,902	636,046	-	75,716	-	904,118
14,001	37,102	316,324	-	61,293	8,698	909,492
-	-	-	-	-	-	-
<u>14,001</u>	<u>52,004</u>	<u>952,370</u>	<u>-</u>	<u>137,009</u>	<u>8,698</u>	<u>1,813,611</u>
12,869	53,806	877,386	31,839	(8,525)	1,703	1,001,429
-	-	-	-	-	-	29,000
<u>(8,000)</u>	<u>-</u>	<u>(370,932)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(381,432)</u>
<u>(8,000)</u>	<u>-</u>	<u>(370,932)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(352,432)</u>
4,869	53,806	506,454	31,839	(8,525)	1,703	648,997
<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>134,514</u>	<u>227,490</u>	<u>1,197,524</u>	<u>128,559</u>	<u>102,915</u>	<u>33,983</u>	<u>2,464,193</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, 2017**  
(all amounts are in dollars)

	<u>BUDGETED AMOUNTS</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES:</u></b>				
Licenses, Fees & Permits	72,680	72,680	97,939	25,259
Intergovernmental Revenues	54,000	54,000	53,667	(333)
Investment Earnings	470	470	677	207
Rents	-	-	945	945
Contributions and Donations	13,400	13,400	22,689	9,289
Miscellaneous	-	-	139	139
<b><u>TOTAL REVENUES</u></b>	<b><u>140,550</u></b>	<b><u>140,550</u></b>	<b><u>176,056</u></b>	<b><u>35,506</u></b>
<b><u>EXPENDITURES:</u></b>				
<i>Current: Personal Services</i>	44,103	44,103	22,353	21,750
<i>Current: Materials &amp; Services</i>	179,550	179,550	179,867	(317)
Contingency	25,000	25,000	-	25,000
<b><u>TOTAL EXPENDITURES</u></b>	<b><u>248,653</u></b>	<b><u>248,653</u></b>	<b><u>202,220</u></b>	<b><u>46,433</u></b>
Excess of Revenues Over (Under) Expenditures	(108,103)	(108,103)	(26,165)	81,938
<b><u>OTHER FINANCING SOURCES(USES)</u></b>				
Operating Transfers In	29,000	29,000	29,000	-
<b><u>NET OTHER FINANCING SOURCES (USES)</u></b>	<b><u>29,000</u></b>	<b><u>29,000</u></b>	<b><u>29,000</u></b>	<b><u>-</u></b>
Net Changes in Fund Balance	(79,103)	(79,103)	2,835	81,938
<b><u>FUND BALANCE - BEGINNING OF YEAR</u></b>	<b><u>109,291</u></b>	<b><u>109,291</u></b>	<b><u>79,742</u></b>	<b><u>(29,549)</u></b>
<b><u>FUND BALANCE - END OF YEAR</u></b>	<b><u>30,188</u></b>	<b><u>30,188</u></b>	<b><u>82,578</u></b>	<b><u>52,390</u></b>



**Wasco County, Oregon**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual - Budgetary Basis**  
**204 County School Fund**  
**For the year ended June 30, 2017**  
 (all amounts are in dollars)

	<u>BUDGETED AMOUNTS</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
Intergovernmental Revenues	75,000	75,000	64,128	(10,872)
Federal Revenues	205,000	205,000	38,128	(166,872)
Investment Earnings	200	200	205	5
<b>TOTAL REVENUES</b>	<u>280,200</u>	<u>280,200</u>	<u>102,461</u>	<u>(177,739)</u>
<b>EXPENDITURES:</b>				
<i>Current: Materials &amp; Services</i>	<u>290,000</u>	<u>290,000</u>	<u>89,730</u>	<u>200,270</u>
<b>TOTAL EXPENDITURES</b>	<u>290,000</u>	<u>290,000</u>	<u>89,730</u>	<u>200,270</u>
Net Changes in Fund Balance	(9,800)	(9,800)	12,731	22,531
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>9,800</u>	<u>9,800</u>	<u>(24,003)</u>	<u>(33,803)</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>-</u>	<u>-</u>	<u>(11,272)</u>	<u>(11,272)</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, 2017**  
(all amounts are in dollars)

	<u>BUDGETED AMOUNTS</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
Licenses, Fees & Permits	32,000	32,000	33,752	1,752
Investment Earnings	470	470	613	143
<b>TOTAL REVENUES</b>	<u>32,470</u>	<u>32,470</u>	<u>34,365</u>	<u>1,895</u>
<b>EXPENDITURES:</b>				
<i>Current: Personal Services</i>	56,039	56,039	52,428	3,611
<i>Current: Materials &amp; Services</i>	3,000	3,000	900	2,100
Capital Outlay	8,000	8,000	-	8,000
Contingency	10,000	10,000	-	10,000
<b>TOTAL EXPENDITURES</b>	<u>77,039</u>	<u>77,039</u>	<u>53,328</u>	<u>23,711</u>
Excess of Revenues Over (Under) Expenditures	(44,569)	(44,569)	(18,963)	25,606
<b>OTHER FINANCING SOURCES(USES)</b>				
Operating Transfers Out	(2,500)	(2,500)	(2,500)	-
<b>NET OTHER FINANCING SOURCES (USES)</b>	<u>(2,500)</u>	<u>(2,500)</u>	<u>(2,500)</u>	<u>-</u>
Net Changes in Fund Balance	(47,069)	(47,069)	(21,463)	25,606
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>68,941</u>	<u>68,941</u>	<u>70,991</u>	<u>2,050</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>21,872</u>	<u>21,872</u>	<u>49,528</u>	<u>27,656</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, 2017**  
 (all amounts are in dollars)

	<u>BUDGETED AMOUNTS</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
Investment Earnings	380	380	1,643	1,263
<b>TOTAL REVENUES</b>	<u>380</u>	<u>380</u>	<u>1,643</u>	<u>1,263</u>
<b>EXPENDITURES:</b>				
<i>Current: Materials &amp; Services</i>	2,219	2,219	-	2,219
<b>TOTAL EXPENDITURES</b>	<u>2,219</u>	<u>2,219</u>	<u>-</u>	<u>2,219</u>
Excess of Revenues Over (Under) Expenditures	(1,839)	(1,839)	1,643	3,482
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating Transfers Out	(75,000)	(75,000)	-	75,000
<b>NET OTHER FINANCING SOURCES (USES)</b>	<u>(75,000)</u>	<u>(75,000)</u>	<u>-</u>	<u>75,000</u>
Net Changes in Fund Balance	(76,839)	(76,839)	1,643	78,482
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>76,839</u>	<u>76,839</u>	<u>273,245</u>	<u>196,406</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>-</u>	<u>-</u>	<u>274,889</u>	<u>274,889</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, 2017**  
(all amounts are in dollars)

	<u>BUDGETED AMOUNTS</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES:</u></b>				
Licenses, Fees & Permits	315,000	315,000	352,033	37,033
Charges for Services	7,200	7,200	7,450	250
Investment Earnings	450	450	2,215	1,765
Miscellaneous	6,600	6,600	5,659	(941)
<b><u>TOTAL REVENUES</u></b>	<u>329,250</u>	<u>329,250</u>	<u>367,356</u>	<u>38,106</u>
<b><u>EXPENDITURES:</u></b>				
<i>Current: Personal Services</i>	117,584	117,584	104,511	13,073
<i>Current: Materials &amp; Services</i>	251,829	251,829	201,577	50,252
Capital Outlay	28,093	28,093	-	28,093
Contingency	75,000	75,000	-	75,000
<b><u>TOTAL EXPENDITURES</u></b>	<u>472,506</u>	<u>472,506</u>	<u>306,088</u>	<u>166,418</u>
Excess of Revenues Over (Under) Expenditures	(143,256)	(143,256)	61,268	204,524
<b><u>OTHER FINANCING SOURCES(USES)</u></b>				
Sale of Assets	2,000	2,000	-	(2,000)
<b><u>NET OTHER FINANCING SOURCES (USES)</u></b>	<u>2,000</u>	<u>2,000</u>	<u>-</u>	<u>(2,000)</u>
Net Changes in Fund Balance	(141,256)	(141,256)	61,268	202,524
<b><u>FUND BALANCE - BEGINNING OF YEAR</u></b>	<u>251,814</u>	<u>251,814</u>	<u>184,072</u>	<u>(67,742)</u>
<b><u>FUND BALANCE - END OF YEAR</u></b>	<u>110,558</u>	<u>110,558</u>	<u>245,341</u>	<u>134,783</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, 2017**  
(all amounts are in dollars)

	<u>BUDGETED AMOUNTS</u>			<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>REVENUES:</b>				
Intergovernmental Revenues	190,000	190,000	200,639	10,639
Investment Earnings	2,000	2,000	4,990	2,990
Contributions and Donations	1,050,000	1,050,000	1,128,738	78,738
<b>TOTAL REVENUES</b>	<u>1,242,000</u>	<u>1,242,000</u>	<u>1,334,367</u>	<u>92,367</u>
<b>EXPENDITURES:</b>				
<i>Current: Materials &amp; Services</i>	1,131,150	1,131,150	942,698	188,452
<b>TOTAL EXPENDITURES</b>	<u>1,131,150</u>	<u>1,131,150</u>	<u>942,698</u>	<u>188,452</u>
Excess of Revenues Over (Under) Expenditures	110,850	110,850	391,669	280,819
<b>OTHER FINANCING SOURCES(USES)</b>				
Operating Transfers Out	(999,650)	(999,650)	(999,650)	-
<b>NET OTHER FINANCING SOURCES (USES)</b>	<u>(999,650)</u>	<u>(999,650)</u>	<u>(999,650)</u>	<u>-</u>
Net Changes in Fund Balance	(888,800)	(888,800)	(607,981)	280,819
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>888,800</u>	<u>888,800</u>	<u>949,236</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>-</u>	<u>-</u>	<u>341,255</u>	<u>280,819</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, 2017**  
(all amounts are in dollars)

	<u>BUDGETED AMOUNTS</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES:</u></b>				
Licenses, Fees & Permits	25,000	25,000	25,531	531
Investment Earnings	700	700	1,340	640
<b><u>TOTAL REVENUES</u></b>	<u>25,700</u>	<u>25,700</u>	<u>26,871</u>	<u>1,171</u>
<b><u>EXPENDITURES:</u></b>				
<i>Current: Materials &amp; Services</i>	40,000	40,000	14,001	25,999
Contingency	110,285	110,285	-	110,285
<b><u>TOTAL EXPENDITURES</u></b>	<u>150,285</u>	<u>150,285</u>	<u>14,001</u>	<u>136,284</u>
Excess of Revenues Over (Under) Expenditures	(124,585)	(124,585)	12,869	137,454
<b><u>OTHER FINANCING SOURCES(USES)</u></b>				
Operating Transfers Out	(8,000)	(8,000)	(8,000)	-
<b><u>NET OTHER FINANCING SOURCES (USES)</u></b>	<u>(8,000)</u>	<u>(8,000)</u>	<u>(8,000)</u>	<u>-</u>
Net Changes in Fund Balance	(132,585)	(132,585)	4,869	137,454
<b><u>FUND BALANCE - BEGINNING OF YEAR</u></b>	<u>132,585</u>	<u>132,585</u>	<u>129,645</u>	<u>(2,940)</u>
<b><u>FUND BALANCE - END OF YEAR</u></b>	<u>-</u>	<u>-</u>	<u>134,514</u>	<u>134,514</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, 2017**  
(all amounts are in dollars)

	<u>BUDGETED AMOUNTS</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
Investment Earnings	100	100	176	76
Contributions and Donations	2,500	2,500	4,541	2,041
<b><u>TOTAL REVENUES</u></b>	<u>2,600</u>	<u>2,600</u>	<u>4,717</u>	<u>2,117</u>
<b>EXPENDITURES:</b>				
<i>Current: Materials &amp; Services</i>	19,525	19,525	5,304	14,221
Contingency	10	10	-	10
<b><u>TOTAL EXPENDITURES</u></b>	<u>19,535</u>	<u>19,535</u>	<u>5,304</u>	<u>14,231</u>
Excess of Revenues Over (Under) Expenditures	(16,935)	(16,935)	(586)	16,349
<b><u>OTHER FINANCING SOURCES(USES)</u></b>				
Operating Transfers Out	(1,800)	(1,800)	(1,800)	-
<b><u>NET OTHER FINANCING SOURCES (USES)</u></b>	<u>(1,800)</u>	<u>(1,800)</u>	<u>(1,800)</u>	<u>-</u>
Net Changes in Fund Balance	(18,735)	(18,735)	(2,386)	16,349
<b><u>FUND BALANCE - BEGINNING OF YEAR</u></b>	<u>18,735</u>	<u>18,735</u>	<u>19,721</u>	<u>986</u>
<b><u>FUND BALANCE - END OF YEAR</u></b>	<u>-</u>	<u>-</u>	<u>17,334</u>	<u>17,334</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, 2017**  
(all amounts are in dollars)

	<u>BUDGETED AMOUNTS</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES:</u></b>				
Licenses, Fees & Permits	24,500	24,500	27,277	2,777
Intergovernmental Revenues	52,500	52,500	58,958	6,458
Investment Earnings	975	975	1,991	1,016
Contributions and Donations	7,000	7,000	5,024	(1,976)
Miscellaneous	10,000	10,000	-	(10,000)
<b><u>TOTAL REVENUES</u></b>	<b><u>94,975</u></b>	<b><u>94,975</u></b>	<b><u>93,251</u></b>	<b><u>(1,724)</u></b>
<b><u>EXPENDITURES:</u></b>				
<i>Current: Personal Services</i>	44,669	44,669	28,606	16,063
<i>Current: Materials &amp; Services</i>	62,700	62,700	45,626	17,074
Capital Outlay	167,780	167,780	381	167,399
Contingency	10,000	10,000	-	10,000
<b><u>TOTAL EXPENDITURES</u></b>	<b><u>285,149</u></b>	<b><u>285,149</u></b>	<b><u>74,612</u></b>	<b><u>210,537</u></b>
Excess of Revenues Over (Under) Expenditures	(190,174)	(190,174)	18,639	208,813
<b><u>OTHER FINANCING SOURCES(USES)</u></b>				
Operating Transfers In	17,500	17,500	17,500	-
<b><u>NET OTHER FINANCING SOURCES (USES)</u></b>	<b><u>17,500</u></b>	<b><u>17,500</u></b>	<b><u>17,500</u></b>	<b><u>-</u></b>
Net Changes in Fund Balance	(172,674)	(172,674)	36,139	208,813
<b><u>FUND BALANCE - BEGINNING OF YEAR</u></b>	<b><u>184,000</u></b>	<b><u>184,000</u></b>	<b><u>187,379</u></b>	<b><u>3,379</u></b>
<b><u>FUND BALANCE - END OF YEAR</u></b>	<b><u>11,326</u></b>	<b><u>11,326</u></b>	<b><u>223,517</u></b>	<b><u>212,191</u></b>



**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, 2017**  
 (all amounts are in dollars)

	<u>BUDGETED AMOUNTS</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
Charges for Services	213,500	213,500	224,388	10,888
Investment Earnings	600	600	2,034	1,434
<b><u>TOTAL REVENUES</u></b>	<u>214,100</u>	<u>214,100</u>	<u>226,422</u>	<u>12,322</u>
<b>EXPENDITURES:</b>				
<i>Current: Personal Services</i>	93,588	93,588	99,890	(6,302)
<i>Current: Materials &amp; Services</i>	158,750	158,750	141,873	16,877
Contingency	37,500	37,500	-	37,500
<b><u>TOTAL EXPENDITURES</u></b>	<u>289,838</u>	<u>289,838</u>	<u>241,764</u>	<u>48,074</u>
Net Changes in Fund Balance	(75,738)	(75,738)	(15,342)	60,396
<b><u>FUND BALANCE - BEGINNING OF YEAR</u></b>	<u>170,000</u>	<u>170,000</u>	<u>210,495</u>	<u>40,495</u>
<b><u>FUND BALANCE - END OF YEAR</u></b>	<u>94,262</u>	<u>94,262</u>	<u>195,153</u>	<u>100,891</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, 2017**  
(all amounts are in dollars)

	<u>BUDGETED AMOUNTS</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
Intergovernmental Revenues	324,450	324,450	416,950	92,500
Charges for Services	428,725	428,725	430,308	1,583
Investment Earnings	150	150	528	378
Miscellaneous	200	200	45	(155)
<b>TOTAL REVENUES</b>	<u>753,525</u>	<u>753,525</u>	<u>847,831</u>	<u>94,306</u>
<b>EXPENDITURES:</b>				
<i>Current: Personal Services</i>	825,122	825,122	823,000	2,122
<i>Current: Materials &amp; Services</i>	174,989	174,989	172,045	2,944
Contingency	16,081	16,081	-	16,081
<b>TOTAL EXPENDITURES</b>	<u>1,016,192</u>	<u>1,016,192</u>	<u>995,045</u>	<u>21,147</u>
Excess of Revenues Over (Under) Expenditures	(262,667)	(262,667)	(147,213)	115,454
<b>OTHER FINANCING SOURCES(USES)</b>				
Operating Transfers In	241,162	241,162	241,162	-
<b>NET OTHER FINANCING SOURCES (USES)</b>	<u>241,162</u>	<u>241,162</u>	<u>241,162</u>	<u>-</u>
Net Changes in Fund Balance	(21,505)	(21,505)	93,949	115,454
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>21,505</u>	<u>21,505</u>	<u>(65,238)</u>	<u>(86,743)</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>-</u>	<u>-</u>	<u>28,711</u>	<u>28,711</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, 2017**  
(all amounts are in dollars)

	<u>BUDGETED AMOUNTS</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES:</u></b>				
Licenses, Fees & Permits	27,000	27,000	28,411	1,411
Intergovernmental Revenues	42,785	42,785	74,259	31,474
Investment Earnings	575	575	1,831	1,256
Rents	-	-	1,155	1,155
Miscellaneous	-	-	153	153
<b><u>TOTAL REVENUES</u></b>	<u>70,360</u>	<u>70,360</u>	<u>105,810</u>	<u>35,450</u>
<b><u>EXPENDITURES:</u></b>				
<i>Current: Personal Services</i>	36,343	36,343	14,902	21,441
<i>Current: Materials &amp; Services</i>	48,920	48,920	37,102	11,818
Contingency	10,000	10,000	-	10,000
<b><u>TOTAL EXPENDITURES</u></b>	<u>95,263</u>	<u>95,263</u>	<u>52,004</u>	<u>43,259</u>
 Net Changes in Fund Balance	 (24,903)	 (24,903)	 53,806	 78,709
 <b><u>FUND BALANCE - BEGINNING OF YEAR</u></b>	 <u>135,600</u>	 <u>135,600</u>	 <u>173,684</u>	 <u>38,084</u>
 <b><u>FUND BALANCE - END OF YEAR</u></b>	 <u>110,697</u>	 <u>110,697</u>	 <u>227,490</u>	 <u>116,793</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, 2017**  
(all amounts are in dollars)

	<u>BUDGETED AMOUNTS</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES:</u></b>				
Licenses, Fees & Permits	81,150	81,150	82,644	1,494
Intergovernmental Revenues	1,423,232	1,423,232	1,736,970	313,738
Investment Earnings	2,000	2,000	10,111	8,111
Miscellaneous	-	-	31	31
<b><u>TOTAL REVENUES</u></b>	<b><u>1,506,382</u></b>	<b><u>1,506,382</u></b>	<b><u>1,829,756</u></b>	<b><u>323,374</u></b>
<b><u>EXPENDITURES:</u></b>				
<i>Current: Personal Services</i>	610,870	675,870	648,738	27,132
<i>Current: Materials &amp; Services</i>	918,080	853,080	316,324	536,756
Contingency	160,000	160,000	-	160,000
<b><u>TOTAL EXPENDITURES</u></b>	<b><u>1,688,950</u></b>	<b><u>1,688,950</u></b>	<b><u>965,062</u></b>	<b><u>723,888</u></b>
Excess of Revenues Over (Under) Expenditures	(182,568)	(182,568)	864,694	1,047,262
<b><u>OTHER FINANCING SOURCES(USES)</u></b>				
Operating Transfers Out	(370,932)	(370,932)	(370,932)	-
<b><u>NET OTHER FINANCING SOURCES (USES)</u></b>	<b><u>(370,932)</u></b>	<b><u>(370,932)</u></b>	<b><u>(370,932)</u></b>	<b><u>-</u></b>
Net Changes in Fund Balance	(553,500)	(553,500)	493,762	1,047,262
<b><u>FUND BALANCE - BEGINNING OF YEAR</u></b>	<b><u>944,000</u></b>	<b><u>944,000</u></b>	<b><u>710,182</u></b>	<b><u>(233,818)</u></b>
<b><u>FUND BALANCE - END OF YEAR</u></b>	<b><u>390,500</u></b>	<b><u>390,500</u></b>	<b><u>1,203,944</u></b>	<b><u>813,444</u></b>

**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, 2017**  
 (all amounts are in dollars)

	<u>BUDGETED AMOUNTS</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
Fines and Restitution	3,500	3,500	30,816	27,316
Investment Earnings	355	355	1,022	667
<b><u>TOTAL REVENUES</u></b>	<u>3,855</u>	<u>3,855</u>	<u>31,839</u>	<u>27,984</u>
<b>EXPENDITURES:</b>				
<i>Current: Materials &amp; Services</i>	36,000	36,000	-	36,000
Contingency	80,107	80,107	-	80,107
<b><u>TOTAL EXPENDITURES</u></b>	<u>116,107</u>	<u>116,107</u>	<u>-</u>	<u>116,107</u>
Net Changes in Fund Balance	(112,252)	(112,252)	31,839	144,091
<b><u>FUND BALANCE - BEGINNING OF YEAR</u></b>	<u>87,252</u>	<u>87,252</u>	<u>96,721</u>	<u>9,469</u>
<b><u>FUND BALANCE - END OF YEAR</u></b>	<u>(25,000)</u>	<u>(25,000)</u>	<u>128,559</u>	<u>153,559</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, 2017**  
(all amounts are in dollars)

	<u>BUDGETED AMOUNTS</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES:</u></b>				
Intergovernmental Revenues	84,000	84,000	112,071	28,071
Federal Revenues	50,000	50,000	3,875	(46,125)
Charges for Services	13,000	13,000	10,600	(2,400)
Investment Earnings	600	600	984	384
Contributions and Donations	-	-	953	953
<b><u>TOTAL REVENUES</u></b>	<u>147,600</u>	<u>147,600</u>	<u>128,484</u>	<u>(19,116)</u>
<b><u>EXPENDITURES:</u></b>				
<i>Current: Personal Services</i>	73,971	73,971	75,716	(1,745)
<i>Current: Materials &amp; Services</i>	135,875	135,875	61,293	74,582
Contingency	30,000	30,000	-	30,000
<b><u>TOTAL EXPENDITURES</u></b>	<u>239,846</u>	<u>239,846</u>	<u>137,009</u>	<u>102,837</u>
Net Changes in Fund Balance	(92,246)	(92,246)	(8,525)	83,721
<b><u>FUND BALANCE - BEGINNING OF YEAR</u></b>	<u>112,125</u>	<u>112,125</u>	<u>111,441</u>	<u>(684)</u>
<b><u>FUND BALANCE - END OF YEAR</u></b>	<u>19,879</u>	<u>19,879</u>	<u>102,915</u>	<u>83,036</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, 2017**  
 (all amounts are in dollars)

	<u>BUDGETED AMOUNTS</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
Investment Earnings	165	165	309	144
<b>TOTAL REVENUES</b>	<u>165</u>	<u>165</u>	<u>309</u>	<u>144</u>
<b>EXPENDITURES:</b>				
<i>Current: Materials &amp; Services</i>	33,145	33,145	-	33,145
<b>TOTAL EXPENDITURES</b>	<u>33,145</u>	<u>33,145</u>	<u>-</u>	<u>33,145</u>
Net Changes in Fund Balance	(32,980)	(32,980)	309	33,289
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>32,980</u>	<u>32,980</u>	<u>32,994</u>	<u>14</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>-</u>	<u>-</u>	<u>33,303</u>	<u>33,303</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, 2017**  
 (all amounts are in dollars)

	<u>BUDGETED AMOUNTS</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES:</u></b>				
Licenses, Fees & Permits	7,250	7,250	10,063	2,813
Investment Earnings	175	175	338	163
<b><u>TOTAL REVENUES</u></b>	<u>7,425</u>	<u>7,425</u>	<u>10,401</u>	<u>2,976</u>
<b><u>EXPENDITURES:</u></b>				
<i>Current: Materials &amp; Services</i>	30,825	30,825	8,698	22,127
Capital Outlay	20,000	20,000	-	20,000
<b><u>TOTAL EXPENDITURES</u></b>	<u>50,825</u>	<u>50,825</u>	<u>8,698</u>	<u>42,127</u>
Net Changes in Fund Balance	(43,400)	(43,400)	1,703	45,103
<b><u>FUND BALANCE - BEGINNING OF YEAR</u></b>	<u>43,400</u>	<u>43,400</u>	<u>32,280</u>	<u>(11,120)</u>
<b><u>FUND BALANCE - END OF YEAR</u></b>	<u>-</u>	<u>-</u>	<u>33,983</u>	<u>33,983</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, 2017**  
 (all amounts are in dollars)

	<u>BUDGETED AMOUNTS</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Investment Earnings	15,000	15,000	26,331	11,331
<u>TOTAL REVENUES</u>	<u>15,000</u>	<u>15,000</u>	<u>26,331</u>	<u>11,331</u>
<u>TOTAL EXPENDITURES</u>	<u>2,815,000</u>	<u>2,815,000</u>	<u>-</u>	<u>2,815,000</u>
Net Changes in Fund Balance	(2,800,000)	(2,800,000)	26,331	2,826,331
<u>FUND BALANCE - BEGINNING OF YEAR</u>	<u>2,800,000</u>	<u>2,800,000</u>	<u>2,810,043</u>	<u>10,043</u>
<u>FUND BALANCE - END OF YEAR</u>	<u>-</u>	<u>-</u>	<u>2,836,374</u>	<u>2,836,374</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, 2017**  
 (all amounts are in dollars)

	<u>BUDGETED AMOUNTS</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
Investment Earnings	1,200	1,200	2,245	1,045
<b>TOTAL REVENUES</b>	<u>1,200</u>	<u>1,200</u>	<u>2,245</u>	<u>1,045</u>
<b>EXPENDITURES:</b>				
Capital Outlay	240,600	240,600	-	240,600
<b>TOTAL EXPENDITURES</b>	<u>240,600</u>	<u>240,600</u>	<u>-</u>	<u>240,600</u>
Net Changes in Fund Balance	(239,400)	(239,400)	2,245	241,645
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>239,400</u>	<u>239,400</u>	<u>239,548</u>	<u>148</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>-</u>	<u>-</u>	<u>241,793</u>	<u>241,793</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, 2017**  
(all amounts are in dollars)

	<u>BUDGETED AMOUNTS</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
Investment Earnings	12,000	12,000	20,934	8,934
<b><u>TOTAL REVENUES</u></b>	<u>12,000</u>	<u>12,000</u>	<u>20,934</u>	<u>8,934</u>
<b>EXPENDITURES:</b>				
Capital Outlay	2,709,000	2,643,600	-	2,643,600
<b><u>TOTAL EXPENDITURES</u></b>	<u>2,709,000</u>	<u>2,643,600</u>	<u>-</u>	<u>2,643,600</u>
Excess of Revenues Over (Under) Expenditures	(2,697,000)	(2,631,600)	20,934	2,652,534
<b><u>OTHER FINANCING SOURCES(USES)</u></b>				
Operating Transfers In	900,000	900,000	900,000	-
Operating Transfers Out	(25,000)	(90,400)	(90,400)	-
<b><u>NET OTHER FINANCING SOURCES (USES)</u></b>	<u>875,000</u>	<u>809,600</u>	<u>809,600</u>	<u>-</u>
Net Changes in Fund Balance	(1,822,000)	(1,822,000)	830,534	2,652,534
<b><u>FUND BALANCE - BEGINNING OF YEAR</u></b>	<u>1,822,000</u>	<u>1,822,000</u>	<u>1,823,620</u>	<u>1,620</u>
<b><u>FUND BALANCE - END OF YEAR</u></b>	<u>-</u>	<u>-</u>	<u>2,654,154</u>	<u>2,654,154</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, 2017**  
(all amounts are in dollars)

	<u>BUDGETED AMOUNTS</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Investment Earnings	12,000	12,000	23,019	11,019
<u>TOTAL REVENUES</u>	<u>12,000</u>	<u>12,000</u>	<u>23,019</u>	<u>11,019</u>
 <u>TOTAL EXPENDITURES</u>	 <u>2,812,000</u>	 <u>2,812,000</u>	 <u>-</u>	 <u>2,812,000</u>
 Excess of Revenues Over (Under) Expenditures	 (2,800,000)	 (2,800,000)	 23,019	 2,823,019
 <u>OTHER FINANCING SOURCES(USES)</u>				
Operating Transfers In	800,000	800,000	800,000	-
<u>NET OTHER FINANCING SOURCES (USES)</u>	<u>800,000</u>	<u>800,000</u>	<u>800,000</u>	<u>-</u>
 Net Changes in Fund Balance	 (2,000,000)	 (2,000,000)	 823,019	 2,823,019
 <u>FUND BALANCE - BEGINNING OF YEAR</u>	 <u>2,000,000</u>	 <u>2,000,000</u>	 <u>2,075,176</u>	 <u>75,176</u>
 <u>FUND BALANCE - END OF YEAR</u>	 <u>-</u>	 <u>-</u>	 <u>2,898,195</u>	 <u>2,898,195</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, 2017**  
(all amounts are in dollars)

	322 Capital Acquisitions Funds	330 CDBG Grant Funds	Total Capital Project Funds
<b>ASSETS:</b>			
Deposits and Investments	2,683,721	72,847	2,756,568
Receivables:			
Accounts Receivable	<u>          -</u>	<u>      9,864</u>	<u>      9,864</u>
<b><u>TOTAL ASSETS</u></b>	<b><u>2,683,721</u></b>	<b><u>      82,711</u></b>	<b><u>2,766,432</u></b>
<b>Fund Balances:</b>			
Committed	<u>2,683,721</u>	<u>      82,711</u>	<u>2,766,432</u>
<b>Total Fund Balances</b>	<b><u>2,683,721</u></b>	<b><u>      82,711</u></b>	<b><u>2,766,432</u></b>
<b><u>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u></b>	<b><u>2,683,721</u></b>	<b><u>      82,711</u></b>	<b><u>2,766,432</u></b>

**Wasco County, Oregon**  
**Combining Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance**  
**Non-Major Capital Project Funds**  
**For the year ended June 30, 2017**  
(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	-	270,909	270,909
Investment Earnings	23,170	513	23,683
Contributions and Donations	-	72,449	72,449
<b><u>TOTAL REVENUES</u></b>	<b><u>23,170</u></b>	<b><u>343,871</u></b>	<b><u>367,040</u></b>
<b>EXPENDITURES:</b>			
Capital Outlay	315,520	265,816	581,336
<b><u>TOTAL EXPENDITURES</u></b>	<b><u>315,520</u></b>	<b><u>265,816</u></b>	<b><u>581,336</u></b>
Excess of Revenues Over (Under) Expenditures	(292,350)	78,055	(214,295)
<b><u>OTHER FINANCING SOURCES(USES)</u></b>			
Operating Transfers In	900,000	-	900,000
<b><u>NET OTHER FINANCING SOURCES (USES)</u></b>	<b><u>900,000</u></b>	<b><u>-</u></b>	<b><u>900,000</u></b>
Net Changes in Fund Balance	607,650	78,055	685,705
<b><u>FUND BALANCE - BEGINNING OF YEAR</u></b>	<b><u>2,076,071</u></b>	<b><u>4,656</u></b>	<b><u>2,080,727</u></b>
<b><u>FUND BALANCE - END OF YEAR</u></b>	<b><u>2,683,721</u></b>	<b><u>82,711</u></b>	<b><u>2,766,432</u></b>

**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, 2017**  
(all amounts are in dollars)

	<u>BUDGETED AMOUNTS</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
Investment Earnings	12,650	12,650	23,170	10,520
<b>TOTAL REVENUES</b>	<u>12,650</u>	<u>12,650</u>	<u>23,170</u>	<u>10,520</u>
<b>EXPENDITURES:</b>				
Capital Outlay	2,802,650	2,802,650	315,520	2,487,130
<b>TOTAL EXPENDITURES</b>	<u>2,802,650</u>	<u>2,802,650</u>	<u>315,520</u>	<u>2,487,130</u>
Excess of Revenues Over (Under) Expenditures	(2,790,000)	(2,790,000)	(292,350)	2,497,650
<b>OTHER FINANCING SOURCES(USES)</b>				
Operating Transfers In	900,000	900,000	900,000	-
<b>NET OTHER FINANCING SOURCES (USES)</b>	<u>900,000</u>	<u>900,000</u>	<u>900,000</u>	<u>-</u>
Net Changes in Fund Balance	(1,890,000)	(1,890,000)	607,650	2,497,650
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>1,890,000</u>	<u>1,890,000</u>	<u>2,076,071</u>	<u>186,071</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>-</u>	<u>-</u>	<u>2,683,721</u>	<u>2,683,721</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, 2017**  
(all amounts are in dollars)

	<u>BUDGETED AMOUNTS</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
Federal Revenues	1,970,000	1,970,000	270,909	(1,699,091)
Investment Earnings	200	200	513	313
Contributions and Donations	2,008,470	2,008,470	72,449	(1,936,021)
<b>TOTAL REVENUES</b>	<u>3,978,670</u>	<u>3,978,670</u>	<u>343,871</u>	<u>(3,634,799)</u>
<b>EXPENDITURES:</b>				
Capital Outlay	5,508,670	5,508,670	265,816	5,242,854
<b>TOTAL EXPENDITURES</b>	<u>5,508,670</u>	<u>5,508,670</u>	<u>265,816</u>	<u>5,242,854</u>
Excess of Revenues Over (Under) Expenditures	(1,530,000)	(1,530,000)	78,055	1,608,055
<b>OTHER FINANCING SOURCES (USES)</b>				
Loan Proceeds	1,500,000	1,500,000	-	(1,500,000)
<b>NET OTHER FINANCING SOURCES (USES)</b>	<u>1,500,000</u>	<u>1,500,000</u>	<u>-</u>	<u>(1,500,000)</u>
Net Changes in Fund Balance	(30,000)	(30,000)	78,055	108,055
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>30,000</u>	<u>30,000</u>	<u>4,656</u>	<u>(25,344)</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>-</u>	<u>-</u>	<u>82,711</u>	<u>82,711</u>

**AGENCY FUNDS**

**Wasco County, Oregon**  
**Schedule of Changes in Assets and Liabilities**  
**Agency Funds**  
**For the year ended June 30, 2017**  
 (all amounts are in dollars)

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
<b><u>ASSETS:</u></b>				
Cash with Treasurer	1,094,739	26,818,576	26,707,830	1,205,484
Taxes Receivable	<u>1,797,448</u>	<u>26,473,175</u>	<u>26,522,883</u>	<u>1,747,740</u>
<b><u>TOTAL ASSETS</u></b>	<b><u>2,892,187</u></b>	<b><u>53,291,751</u></b>	<b><u>53,230,714</u></b>	<b><u>2,953,223</u></b>
<b><u>LIABILITIES:</u></b>				
Due to Other Governments	<u>2,892,187</u>	<u>26,818,576</u>	<u>26,707,830</u>	<u>2,953,223</u>
<b><u>TOTAL LIABILITIES</u></b>	<b><u>2,892,187</u></b>	<b><u>26,818,576</u></b>	<b><u>26,707,830</u></b>	<b><u>2,953,223</u></b>

**OTHER SCHEDULES**

**Wasco County, Oregon**  
**Schedule of Accountability of Elected Officials**  
**For the year ended June 30, 2017**  
(all amounts are in dollars)

	<u>County Treasurer</u>	<u>County Clerk</u>	<u>County Sheriff</u>	<u>Assessor/Tax Collector</u>
Beginning Balance	27,371,316	200	200	150
Receipts	49,311,784	327,374	2,231,563	720,507
Disbursements	<u>(47,202,704)</u>	<u>(327,374)</u>	<u>(2,231,563)</u>	<u>(720,507)</u>
Ending Balance	<u><u>29,480,396</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, 2017**  
(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>
CIS	16PWASC	49,709,433	Property/Mobile Equip	89,069	7/1/2017
CIS	16BWASC	Per Property	Boiler/Machinery	-	7/1/2017
CIS	16LWASC	10,000,000	General & Auto Liability	103,209	7/1/2017
NUFIC	16ECWASC	200,000	Excess Crime	775	7/1/2017
Environmental Ins	STP-107726	1,000,000	Pollution Liability	4,903	6/7/2017
<u>Public Official Bonds</u>					
Ohio Casualty	3153510	20,000	Sheriff	100	12/31/2017
Ohio Casualty	601076797	5,000	Assessor	100	12/31/2017
Ohio Casualty	2930631	10,000	Fair Board	145	1/1/2018
Old Republic	W150235420	30,000	Clerk	100	1/3/2018
Old Republic	YPO0268634	100,000	Treasurer	375	12/21/2017

**Wasco County, Oregon**  
**Schedule of Expenditure of Federal Awards**  
**For the year ended June 30, 2017**  
(all amounts are in dollars)

FEDERAL GRANTOR/PASS- THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL CFDA* NUMBER	PROGRAM OR AWARD AMOUNT RECEIVED	PROGRAM OR AWARD AMOUNT EXPENDED
<b><u>U.S. DEPARTMENT OF AGRICULTURE:</u></b>			
<i>Direct from U.S. Forest Service:</i>			
Water and Waste Disposal Systems for Rural Communities	10.760	90,000	90,000
<i>Passed through Oregon Department of Admin. Services:</i>			
Schools and Roads - Grants to States	10.665	151,814	151,814
<b><u>TOTAL U.S. DEPARTMENT OF AGRICULTURE</u></b>		<u>241,814</u>	<u>241,814</u>
<b><u>U.S. DEPARTMENT OF DEFENSE:</u></b>			
<i>Passed through Oregon Department of Administrative Services:</i>			
Flood Control Leases	12.112	349	349
<b><u>TOTAL U.S. DEPARTMENT OF DEFENSE</u></b>		<u>349</u>	<u>349</u>
<b><u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:</u></b>			
<i>Passed through Oregon Department of Administrative Services:</i>			
Community Development Block Grants	14.228	270,909	265,816
<b><u>TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u></b>		<u>270,909</u>	<u>265,816</u>
<b><u>U.S. DEPARTMENT OF THE INTERIOR:</u></b>			
<i>Passed through Oregon Department of Administrative Services:</i>			
Non-Sale Disposals of Mineral Materials	15.214	782	782
Distribution of Receipts to States and Local Governments-Taylor Grazing	15.227	3,916	3,916
<b><u>TOTAL U.S. DEPARTMENT OF INTERIOR</u></b>		<u>4,698</u>	<u>4,698</u>
<b><u>U.S. DEPARTMENT OF JUSTICE:</u></b>			
<i>Direct from Office of Justice Programs:</i>			
Bulletproof Vest Partnership Program	16.607	347	347
<i>Passed through Oregon Commission on Children and Families:</i>			
Juvenile Justice and Delinquency Prevention - Allocation to States	16.540	33,284	33,284
<i>Passed through Oregon Department of Justice:</i>			
Crime Victim Assistance	16.575	64,650	64,650
<b><u>TOTAL U.S. DEPARTMENT OF JUSTICE</u></b>		<u>98,280</u>	<u>98,280</u>
<b><u>U.S. DEPARTMENT OF TRANSPORTATION:</u></b>			
<i>Passed through Oregon Department of Transportation:</i>			
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	103,752	103,752
<b><u>TOTAL U.S. DEPARTMENT OF TRANSPORTATION</u></b>		<u>103,752</u>	<u>103,752</u>
<b><u>U.S. DEPARTMENT OF HEALTH AND HUMAN RESOURCES:</u></b>			
<i>Passed through Oregon Commission on Children and Families:</i>			
Substance Abuse and Mental Health Services	93.243	3,875	3,875
<i>Passed through Oregon Department of Administrative Services:</i>			
Child Support Enforcement	93.563	52,206	52,206
<b><u>TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN RESOURCES</u></b>		<u>56,081</u>	<u>56,081</u>
<b><u>U.S. DEPARTMENT OF HOMELAND SECURITY:</u></b>			
<i>Passed through Oregon State Police:</i>			
Emergency Management Performance Grants	97.042	30,587	30,587
State Homeland Security Program	97.073	83,002	83,002
<b><u>TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY</u></b>		<u>113,589</u>	<u>113,589</u>
<b><u>TOTAL FEDERAL AWARDS</u></b>		<u>889,472</u>	<u>884,379</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, 2017**

**NOTE 1 – Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of Wasco County, Oregon under programs of the federal government for the year ended June 30, 2017. The information in this SEFA 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). Because the SEFA presents only a selected portion of the operations of the County, it is not intended to, and does not, present the financial position or changes in net assets of the County.

**NOTE 2 – Summary of Significant Accounting Policies**

Expenditures reported in the SEFA are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the SEFA represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

**NOTE 3 – Indirect Cost Rate**

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

**NOTE 4 – Subrecipients**

No amounts were provided to subrecipients.



**Wasco County, Oregon**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2017**

**Section 1**

Financial Statements:

Summary of Auditor's Results

- |    |  |             |
|----|--|-------------|
| 1. | Type of auditor's report issued:   | Unqualified |
| 2. | Internal controls over financial reporting:                                      |             |
|    | a. Material weaknesses identified?   | Yes         |
|    | b. Significant deficiencies identified not considered to be material weaknesses? | Yes         |
| 3. | Noncompliance material to financial statements noted?                            | Yes         |

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? | No                                  |
| 4. | Identification of major programs:   |                                     |
|    | 10.665  | School and Roads - Grants to States |
|    | 14.228  | Community Development Block Grant   |
| 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

**2017-1** *Material Weakness in Internal Control – Review Process – Trial Balance*

**Criteria:** The trial balance provided for preparation of the financial statements should be complete and accurate.

**Condition:** The trial balance provided for financial statement preparation was materially misstated.

**Effect:** The original trail balance for 2016-17 was materially misstated across most funds and account balances, including taxes receivable, cash, deferred revenue, accounts receivable, and accounts payable accounts, among others.

**Cause:** The County does not have a process in place to review the trial balance for accuracy and completeness during the year or at year end.

**Recommendation:** Establish and implement review procedures for all accounts at year end.

**Responsible Official's Response:** The accounts are being reviewed on a monthly basis starting in FY18. Monthly reconciliation of accounts payable, accounts receivable, taxes receivable, tax revenue, and tax disbursements are being performed. In addition, financial statements are compiled, reviewed, and analyzed then presented to the Board of Commissioners monthly with a detailed review of accounts and potential issues.

### **2017-2** *Material Weakness in Internal Control – Budget Process*

**Criteria:** The County is required to follow Oregon Minimum Standards including Oregon Budget Law.

**Condition:** The County was in violation of Oregon Minimum Standards, specifically Oregon Budget Law.

**Effect:** There were seven specific violations of Oregon Budget Law. Excess of actual revenues over actual expenditures in the second preceding year did not equal the beginning balance in the first preceding year in the budget document. The 2017-18 approved budget was not in agreement with the published approved budget. The 2016-17 budget change resolution 17-001 was not noted in the minutes. Expenditures exceeded appropriations as indicated in Note 2A to the financial statements and one fund had a deficit fund balance. The General Fund June 30, 2017 unappropriated ending fund balance as stated in the original budget does not agree with the amount in the County's general ledger. Budgeted Transfers In did not equal budgeted Transfers Out. Reserve Funds 321-327: had inconsistencies in the 2016-17 appropriations.

**Cause:** The County does not have a process in place to review all steps of the budget process. Nor did they have a process in place to regularly review the trial balance in comparison to the budgeted numbers for possible over expenditures.

**Recommendation:** Establish and implement review procedures for all aspects of the budget process for compliance with Oregon Minimum Standards including regularly reviewing the trial balance for possible over expenditure so that it may be remedied before the over expenditure occurs.

**Responsible Official's Response:** Starting in fiscal year 2018 several changes were made to the budget process, even before the findings were issued. The budget is built inside the financial system to reduce manual entry errors; the appropriation is by the resolution at the fund-department level (this would have prevented several of the fund over-budget issues). Financial reports are reviewed for budgetary compliance on a monthly basis and presented to the commissioners (this addresses the remaining over-budget issues). The reports also specifically show all transfers budgeted and completed to confirm Transfers In equal Transfers out. The negative fund balance is currently positive and will remain that way. The budget resolution shows both budgeted resources and expenses to ensure the budget is balanced. The budget presented is vetted against the system at each step of the way in the budgeting process to ensure published budgeted amounts match to presented budgeted amounts and the budget is balanced. The word "Reserve" has been removed from capital outlay line descriptions, a capital outlay accounts was in the correct area of the general ledger, but due to the description saying reserve, this could be construed as a misclassified contingency or unappropriated fund so this confusion of terms has been removed. Also, starting in fiscal year 2018 no budget changes are done, even with a signed resolution, until it is verified to be in the meeting minutes. Finance staff has attended the local budget law training provided by the Oregon Department of Revenue. This will continue as refresher training.

### **2017-3** *Material Weakness in Internal Control – Accounts Payable*

**Criteria:** Payables should be accrued for any 2016-17 fiscal year expenses not yet paid. Payables should not be recorded in the Agency funds as these funds do not record expenditures.

**Condition:** A material 2016-17 expenditure was not accrued in Fund 208 and payables were accrued in some Agency Funds.

**Effect:** Accounts payable was understated in Fund 208 and overstated in the Agency Funds.

**Cause:** Staff does not have a full understanding of when to accrue payables.

**Recommendation:** Train staff regarding proper application of accounts payable principles. Implement a process to regularly compare the Accounts Payable subledger to the General Ledger.

**Responsible Official's Response:** Staff has been reinstructed on the handling of Agency Funds, not just on process, but on the reasons behind the processes. Staff conducts a daily meeting to ensure communication from the Finance Director, Finance Manager, and the staff is occurring regularly and processes are being consistently applied. The single AP accrual missed should not have been. Staff will focus on double checking in the future, especially on the pass through type amounts from Fund 208.

#### **2017-4** *Material Weakness in Internal Control – Workers Compensation, Payroll Reports*

**Criteria:** Workers compensation should be accrued for 2016-17 based on amounts deducted and payable from employee checks. Payroll reports should be filed timely and accurately.

**Condition:** Workers compensation was not properly posted and payroll reports were not filed accurately.

**Effect:** Workers compensation payable was materially overstated and the 4<sup>th</sup> quarter 2016 Oregon quarterly OQ report was filed incorrectly. The incorrect OQ was identified during audit procedures and was not corrected until 2018.

**Cause:** There are no controls in place for review of payroll and related accruals or filing of payroll reports.

**Recommendation:** Train staff regarding proper posting of workers compensation expense/accrual. Implement a process to regularly review the payroll reports before they are filed and review payroll related accruals for accuracy.

**Responsible Official's Response:** The OQ report was corrected for the quarter referenced and new processes are documented and in place. Currently the Finance Manager creates the OQ and 941 reports by comparing the financial system generated reports to actual deposits, payroll liabilities, and other payroll reports available in the financial system. The reports are compared to each other and tracked on an ongoing basis. The Finance Director reviews the work on the reports before submittal.

#### **2017-5** *Material Weakness in Internal Control – Receivables*

**Criteria:** Receivables should be accrued for 2016-17 revenue not received by June 30, 2017.

**Condition:** Revenue for the 2017-2018 year was incorrectly accrued as a receivable at June 30, 2017.

**Effect:** Accounts Receivable was materially overstated.

**Cause:** Staff does not have a full understanding of when to accrue receivables.

**Recommendation:** Train staff regarding proper application of accounts receivable principles. Implement a process to regularly compare the Accounts Receivable subledgers to the General Ledger.

**Responsible Official's Response:** Finance has implemented a monthly reconciliation of the AR accounts, trained staff in the proper handling of Agency funds, and staff meets daily to discuss possible timing and accrual issues. Accrual of revenue is one of the major issues discussed and all Finance staff is part of the discussion so that the direction and interpretation are consistent.

#### **2017-6** *Material Weakness in Internal Control – Tax Receipts and related accounts. Repeat Finding (2016-1 and 2015-4)*

**Criteria:** Tax receipts and taxes receivable as recorded by the Assessor's office should reconcile to the general ledger.

**Condition:** Tax receipts and taxes receivable for the 2016-17 fiscal year in the unadjusted trial balance did not agree with the amounts reported by the Assessor's office.

**Effect:** The unadjusted trial balance for 2016-17 overstated tax receipts in the governmental and fiduciary funds and overstated deferred revenue.

**Cause:** No controls were implemented to reconcile the Assessors software to the general ledger. Some entries were not entered and some were duplicated.

**Recommendation:** Implement monthly reconciliation procedures for tax related accounts and educate staff responsible for those procedures.

**Responsible Official's Response:** The Finance Director has implemented a monthly reconciliation of the Ascend to Eden tax receivable balances and appropriate staff members have been trained.

**2017-7** *Material Weakness in Internal Control – Allocation of Payment in Lieu of Taxes (PILT)*

**Criteria:** PILT should be allocated to appropriate funds.

**Condition:** PILT was recorded incorrectly and not distributed to the taxing districts as required.

**Effect:** PILT was only recorded in the General Fund, therefore was understated in the Agency funds and overstated in the General Fund. As a result, cash in the General Fund was overstated and cash in the Agency funds was understated. The local taxing districts did not receive the payments required.

**Cause:** Staff does not have a full understanding of how to post PILT.

**Recommendation:** Train staff regarding the proper posting of PILT. Implement review procedures to be sure PILT is properly allocated in the future.

**Responsible Official's Response:** Staff has been instructed on PILT and how to process. Distributions will be in the next check run after received. Additionally, during the staff meeting each morning, part of the discussion is on receipts so PILT is also addressed there. Finance has created a tax revenue reconciliation and PILT is addressed in this reconciliation. Further, the cash reconciliation for Eden to Ascend for Agency funds will highlight if a distribution has not been done.

**2017-8** *Material Weakness in Internal Control – Bank Reconciliations – Repeat Finding (2016-2 and 2015-3)*

**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. The bank reconciliations were also inaccurate and given to us multiple times with mistakes.

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

**Cause:** The County did not follow existing policies and procedures designed to ensure timely and correct reconciliations of the bank accounts.

**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:** An outside consultant has been brought in to assist with the bank reconciliations. Part of addressing this weakness is to change the accounting structure, currently four accounts all use the same cash account in the financial system. This will be changed and will simplify the reconciliations. The reconciliations will transition from the consultant to Finance staff during this simplification. Reconciliations are being presented monthly by the Finance Director to the Treasurer and Administrative Officer and a summary of reconciliations performed and

reviewed is included in the monthly financial report to the Board of County Commissioners.

**2017-9** *Material Weakness in Internal Control – Override of Controls*

**Criteria:** The '999' cash control accounts were in place as a way to track cash and be able to tie the bank reconciliations to the General Ledger.

**Condition:** At some point during the year, the Finance department stopped using these control accounts without establishing compensating controls.

**Effect:** There was no longer a way for the bank reconciliations of individual bank accounts to be tied to the General Ledger.

**Cause:** Staff did not have a full understanding of how or why the 999 controls accounts were used.

**Recommendation:** If the County wishes to no longer use this control, other controls should be implemented to take its place.

**Responsible Official's Response:** Finance is separating the cash accounts to separate general ledger accounts; one account per bank account. This will simplify the reconciliations and eliminate the purpose of the '999' accounts.

**2017-10** *Material Weakness in Internal Control – QLife Joint Venture*

**Criteria:** Investments in joint ventures should be included in the Government Wide financial statements and disclosed in the notes.

**Condition:** The County's investment in QLife has not been included in the Government Wide financial statements and disclosed in the notes.

**Effect:** This resulted in a restatement of beginning Net Position of 1,258,128.

**Cause:** Staff was not aware that investments in joint ventures are accounted for using the equity method. There is no process in place for review of the notes to the financial statements in order to ensure all necessary disclosures are included.

**Recommendation:** Implement a process to review the notes to the financial statements to ensure all required disclosures are included.

**Responsible Official's Response:** Staff have been educated regarding the requirements to report joint ventures. QLife will be reported in the Government Wide audit statements and notes going forward.

**2017-11** *Significant Deficiency in Internal Control – Transfers*

**Criteria:** Transfers In should equal Transfers Out.

**Condition:** Transfers In did not equal Transfers Out in the unadjusted trial balance.

**Effect:** A transfer for \$65,400 was incorrectly posted as capital expenditures, thus materially overstating expenditures.

**Cause:** No controls were in place to review transfers.

**Recommendation:** The County should implement controls to review transfers for proper posting and to verify that they are in agreement.

**Responsible Official's Response:** The monthly financial reports presented to the Board of County Commissioners contain a report specifically for transfers to shows Transfers In equal Transfers Out. This is done as a reconciliation monthly and as part of the monthly reconciliation review with the Treasurer and Administrative Officer.

**Section 3**

Federal Award Findings and Questioned Costs – Major Federal Programs

None

**Section 4**

Summary Schedule of Prior Audit Findings

**2016-1** *Material Weakness in Internal Control – Tax Receipts and related accounts – See 2017-6*

**2016-2** *Material Weakness in Internal Control – Bank Reconciliations – See 2017-8*

**2016-3** *Allocation of Title III Revenue – Corrected*

**OTHER REQUIRED REPORTS**



**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, 2017, 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 February 20, 2018.

Internal Control over Financial Reporting

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

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

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses. **2017-1 through 2017-10.**

*A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and questioned costs to be a significant deficiency; **2017-11.**



Compliance and Other Matters

As part of obtaining reasonable assurance about whether Wasco County's financial statements are free from 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 **2017-2**.

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  
February 20, 2018



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## **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, 2017. 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 federal statutes, regulations, and the terms and conditions of its federal awards 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, 2017.

### 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  
February 20, 2018



**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, 2017, and have issued our report thereon dated February 20, 2018. 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 from 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 in the budget document.

- 2) The 2017-18 approved budget was not in agreement with the published approved budget.
- 3) The 2016-17 budget change resolution 17-001 was not noted in the minutes.
- 4) Expenditures exceeded appropriations as indicated in Note 2A to the financial statements and one fund had a deficit fund balance.
- 5) The General Fund June 30, 2017 unappropriated ending fund balance as stated in the original budget does not agree with the amount in the County's general ledger.
- 6) Budgeted Transfers In did not equal budgeted Transfers Out.
- 7) Reserve Funds 321-327: There are inconsistencies with the 2016-17 appropriations.

#### **Internal Control over Financial Reporting**

In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control. In a separate communication dated February 20, 2018 we reported to management our findings related to control deficiencies.

#### **Restriction on Use**

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  
February 20, 2018

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