



McMinnville, Oregon
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2014

This page intentionally left blank

YAMHILL COUNTY

OFFICERS AND MEMBERS OF THE GOVERNING BODY

For the Year Ended June 30, 2014

<u>Commissioners</u>	<u>Term Expires December 31,</u>
Katherine George 15195 NE Ribbon Ridge Road Newberg, OR 97132	2014
Mary Starrett 35775 NE Smith Road Newberg, OR 97132	2018
Allen Springer 1910 NE Springer Ct McMinnville, OR 97128	2016

Other Elected Officials

Scott Maytubby, Assessor
Brian Van Bergen, Clerk
Brad Berry, District Attorney
Jack Crabtree, Sheriff
Mike Green, Treasurer

County Administrator

Laura Tschabold

County Address

535 NE 5th St
McMinnville, OR 97128

This page intentionally left blank

YAMHILL COUNTY

TABLE OF CONTENTS
For the Year Ended June 30, 2014

	<u>Page</u>
INDEPENDENT AUDITOR’S REPORT	A - C
MANAGEMENT’S DISCUSSION AND ANALYSIS	i - viii
BASIC FINANCIAL STATEMENTS	
Government-wide Financial Statements:	
Statement of Net Position	1
Statement of Activities	2
Fund Financial Statements:	
Governmental Funds	
Balance Sheet	3
Statement of Revenues, Expenditures and Changes in Fund Balances	4
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	5
Statements of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual:	
General	6 – 9
Road	10
Health and Human Services	11, 12
Solid Waste	13
Proprietary Funds	
Statement of Net Position	14
Statement of Revenues, Expenses and Changes in Net Position.....	15
Statement of Cash Flows	16
Fiduciary Funds	
Statement of Net Position	17
Notes to Basic Financial Statements	18 - 43
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES	
General Funds	
Combining Balance Sheet	44
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	45
Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	
O&C Reserve.....	46
Landfill License Agreement	47
Capital Improvement Fund Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	48, 49
Nonmajor Governmental Funds	
Combining Balance Sheet	50
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	51
Special Revenue Funds	
Combining Balance Sheet	52, 53
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	54, 55
Capital Projects Funds	
Combining Balance Sheet	56
Combining Statement of Revenues, Expenses and Changes in Fund Balances.....	57

TABLE OF CONTENTS (Continued)

	<u>Page</u>
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES	
(Continued)	
Nonmajor Governmental Funds (continued)	
Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	
Special Revenue Funds	
Community Corrections	58, 59
County Clerk’s Records	60
Dog Control	61
Law Library	62
County School	63
County Fair	64
911 Emergency System	65
Economic Development	66
Corner Restoration.....	67
Title III.....	68
Yamhill Emergency Communications District	69
Extension Service District	70
Habitat Conservation	71
Capital Projects Funds	
Bicycle and Footpath.....	72
Systems Development	73
Enterprise Fund	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	
Cove Orchard Service District.....	74
Internal Service Funds	
Combining Statement of Net Position.....	75
Combining Statement of Revenues, Expenses and Changes in Net Position	76
Combining Statement of Cash Flows	77
Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	
Telecommunications.....	78
Self-Insurance.....	79
Motor Vehicle Replacement.....	80
Agency Funds Statement of Changes in Assets and Liabilities	81
Schedule of Cash Receipts for Elected Officials.....	82
INDEPENDENT AUDITOR'S REPORT REQUIRED BY	
OREGON STATE REGULATIONS.....	83, 84
GRANT COMPLIANCE – SINGLE AUDIT	
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	85, 86
Independent Auditor’s Report on Compliance For Each Major Program and on Internal Control Over Compliance Required by OMB Circular A-133.....	87 - 89
Schedule of Findings and Questioned Costs	90 – 93
Summary Schedule of Prior Audit Findings	94 – 96
Schedule of Expenditures of Federal Awards	97, 98
Note to Schedule of Expenditures of Federal Awards	99



INDEPENDENT AUDITOR'S REPORT

Board of County Commissioners
YAMHILL COUNTY
McMinnville, Oregon

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of **YAMHILL COUNTY** as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

INDEPENDENT AUDITOR'S REPORT (Continued)

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of **YAMHILL COUNTY**, as of June 30, 2014, the respective changes in financial position, and, where applicable, cash flows thereof, and the budgetary comparisons for the General, Road, Health and Human Services, and Solid Waste Funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other information

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

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

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 December 26, 2014 on our consideration of **YAMHILL 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 the County's internal control over financial reporting and compliance.

INDEPENDENT AUDITOR'S REPORT (Continued)

Other Reporting Required by Oregon State Regulations

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated December 26, 2014, on our consideration of **YAMHILL COUNTY**'s 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.

Boldt Carlisle + Smith
Certified Public Accountants
Salem, Oregon
December 26, 2014

By:

A handwritten signature in black ink, appearing to read 'Bradley G. Bingenheimer', is written over a faint, illegible stamp or background.

Bradley G. Bingenheimer, Member

This page intentionally left blank

MANAGEMENT'S DISCUSSION AND ANALYSIS

This page intentionally left blank

YAMHILL COUNTY

Management's Discussion and Analysis For the Year Ended June 30, 2014

As management of Yamhill County, we offer readers of Yamhill County's financial statements this narrative overview and analysis of the financial activities of Yamhill County for the fiscal year ended June 30, 2014.

Financial Highlights

- The assets of Yamhill County exceeded its liabilities at the close of the most recent fiscal year by \$173,299,938 (*net position*). Of this amount, \$12,985,394 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- As of the close of the fiscal year, Yamhill County's governmental funds reported combined ending fund balances of \$25,366,636, an increase of \$2,592,770 from the prior year.
- At the end of the current fiscal year, unassigned fund balance of the general fund was \$9,116,111, or 35.5 % of total general fund expenditures. This is down from the 37% in the prior fiscal year.
- Yamhill County's total long-term obligations decreased by \$882,284 during the current fiscal year. The County made its first scheduled annual payment in the amount of \$50,000 the Full Faith and Credit bonds and restructured the remaining bonds due in 2014 through 2026 as an interfund loan at a lower interest rate. See note 7 on page 36.

Overview of the Financial Statements

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

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

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

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

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

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

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

Management's Discussion and Analysis (Continued)

Overview of the Financial Statements (continued)

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

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

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

Yamhill County maintains 26 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General, Road, Health and Human Services, Solid Waste and the Capital Improvement Fund, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided elsewhere in this report.

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

The governmental fund financial statements can be found on pages 3 – 13 of this report.

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

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

The proprietary fund financial statements can be found on pages 14-16 of this report.

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

The basic fiduciary fund financial statements can be found on 17 of this report.

Management’s Discussion and Analysis (Continued)

Overview of the Financial Statements (continued)

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found pages 18-43 of this report. The County has also adopted an updated Governmental Fund classification structure as required under GASB 54. Details of this reporting standard can be found in Note 1 paragraph N, on page 25.

Other information. The combining statements referred to earlier in connection with non-major governmental funds and internal service funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 44-81 of this report.

Government-wide Financial Analysis (Statement of Net Position)

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. In the case of Yamhill County, assets exceeded liabilities by \$173,299,938 at the close of the most recent fiscal year.

By far the largest portion of Yamhill County’s net position (79.6%) reflects its investment in capital assets (e.g., land, buildings, infrastructure, machinery and equipment); less any related debt used to acquire those assets that is still outstanding. Yamhill County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Yamhill County’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

	Yamhill County’s Net Position					
	Governmental Activities		Business-Type Activities		Totals	
	2014	2013	2014	2013	2014	2013
Assets						
Current and other assets	\$ 37,404,190	\$ 33,182,844	\$ 113,898	\$ 107,466	\$ 37,518,088	\$ 33,290,310
Capital assets	<u>146,165,696</u>	<u>151,104,151</u>	<u>79,103</u>	<u>80,222</u>	<u>146,244,799</u>	<u>151,184,373</u>
Total assets	<u>183,569,886</u>	<u>184,286,995</u>	<u>193,001</u>	<u>187,688</u>	<u>183,762,887</u>	<u>184,474,683</u>
Liabilities						
Long-term liabilities outstanding	3,445,866	4,234,927	-	-	3,445,866	4,234,927
Other liabilities	<u>7,016,198</u>	<u>6,881,704</u>	<u>885</u>	<u>1,196</u>	<u>7,017,083</u>	<u>6,882,900</u>
Total liabilities	<u>10,462,064</u>	<u>11,116,631</u>	<u>885</u>	<u>1,196</u>	<u>10,462,949</u>	<u>11,117,827</u>
Net assets						
Invested in capital assets, net						
of related debt	145,097,373	149,198,055	79,103	80,222	145,176,476	149,278,277
Restricted	15,138,068	12,205,274	-	-	15,138,068	12,205,274
Unrestricted	<u>12,872,381</u>	<u>11,767,035</u>	<u>113,013</u>	<u>106,270</u>	<u>12,985,394</u>	<u>11,873,305</u>
Total net position	<u>\$ 173,107,822</u>	<u>\$ 173,170,364</u>	<u>\$ 192,116</u>	<u>\$ 186,492</u>	<u>\$ 173,299,938</u>	<u>\$ 173,356,856</u>

A portion of Yamhill County’s governmental activities net position of \$173,107,822 represents resources that are subject to some restrictions on how they may be used. The remaining balance of *unrestricted net position* \$12,872,381 (7.44% of the total) may be used to meet the government’s ongoing obligations to citizens and creditors.

Management's Discussion and Analysis (Continued)

Government-wide Financial Analysis (Statement of Net Position)

Governmental activities. Governmental activities decreased Yamhill County's net position by \$62,542.

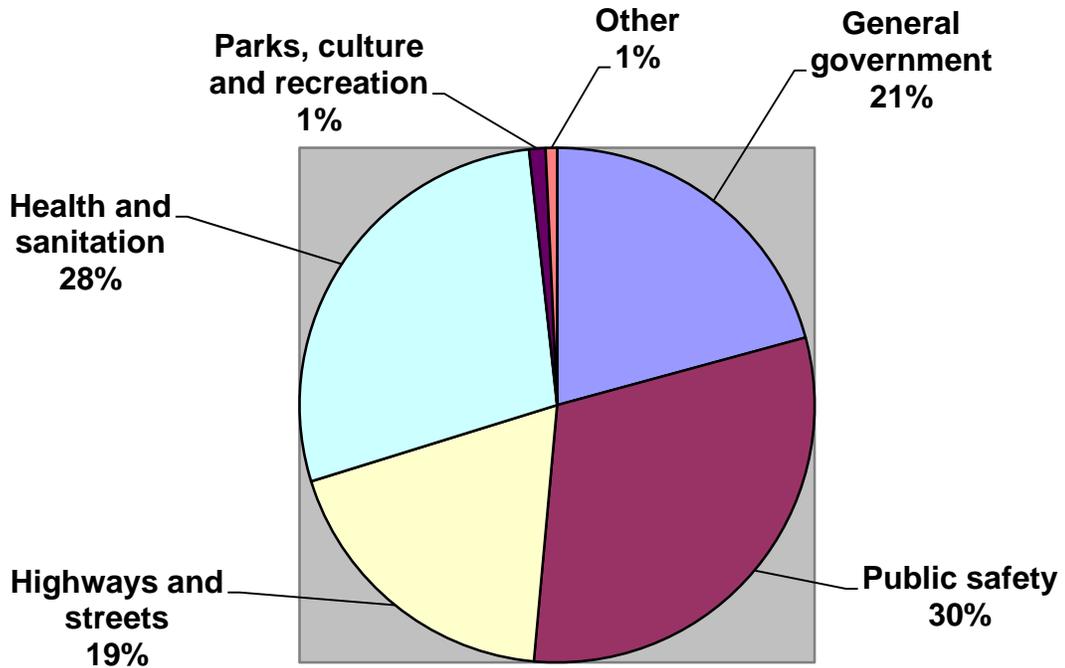
Yamhill County's Changes in Net Position

	Governmental Activities		Business-Type Activities		Totals	
	2014	2013	2014	2013	2014	2013
Revenues						
Program revenues:						
Charges for services	\$ 20,301,905	\$ 16,470,246	\$ 48,634	\$ 49,036	\$ 20,350,539	\$ 16,519,282
Operating grants and contributions	22,617,194	18,391,358	-	-	22,617,194	18,391,358
Capital grants and contributions	-	6,691	-	-	-	6,691
General revenues:						
Property taxes	18,822,848	18,251,517			18,822,848	18,251,517
Investment earnings	167,070	132,913	546	393	167,616	133,306
Gain (loss) on sale of assets	(205,697)	(433,290)	-	-	(205,697)	(433,290)
Miscellaneous	955,516	1,073,758	230	254	955,746	1,074,012
Total revenues	<u>62,658,836</u>	<u>53,893,193</u>	<u>49,410</u>	<u>49,683</u>	<u>62,708,246</u>	<u>53,942,876</u>
Expenses						
Governmental activities:						
General government	13,023,341	14,961,317	-	-	13,023,341	14,961,317
Public safety	19,241,367	15,950,089	-	-	19,241,367	15,950,089
Highways and streets	11,773,977	13,005,391	-	-	11,773,977	13,005,391
Health and sanitation	17,592,139	16,058,668	-	-	17,592,139	16,058,668
Parks, cultural and recreation	644,333	655,749	-	-	644,333	655,749
Education	414,268	347,532	-	-	414,268	347,532
Interest on long-term obligations	32,174	47,432	-	-	32,174	47,432
Sewer	-	-	43,565	41,313	43,565	41,313
Total expenses	<u>62,721,599</u>	<u>61,026,178</u>	<u>43,565</u>	<u>41,313</u>	<u>62,765,164</u>	<u>61,067,491</u>
Increase (decrease) in net assets						
before transfers	(62,763)	(7,132,985)	5,845	8,370	(56,918)	(7,124,615)
Transfers	221	54	(221)	(54)	-	-
Change in net assets	(62,542)	(7,132,931)	5,624	8,316	(56,918)	(7,124,615)
Net assets at beginning of year	<u>173,170,364</u>	<u>180,303,295</u>	<u>186,492</u>	<u>178,176</u>	<u>173,356,856</u>	<u>180,481,471</u>
Net assets at end of year	<u>\$ 173,107,822</u>	<u>\$ 173,170,364</u>	<u>\$ 192,116</u>	<u>\$ 186,492</u>	<u>\$ 173,299,938</u>	<u>\$ 173,356,856</u>

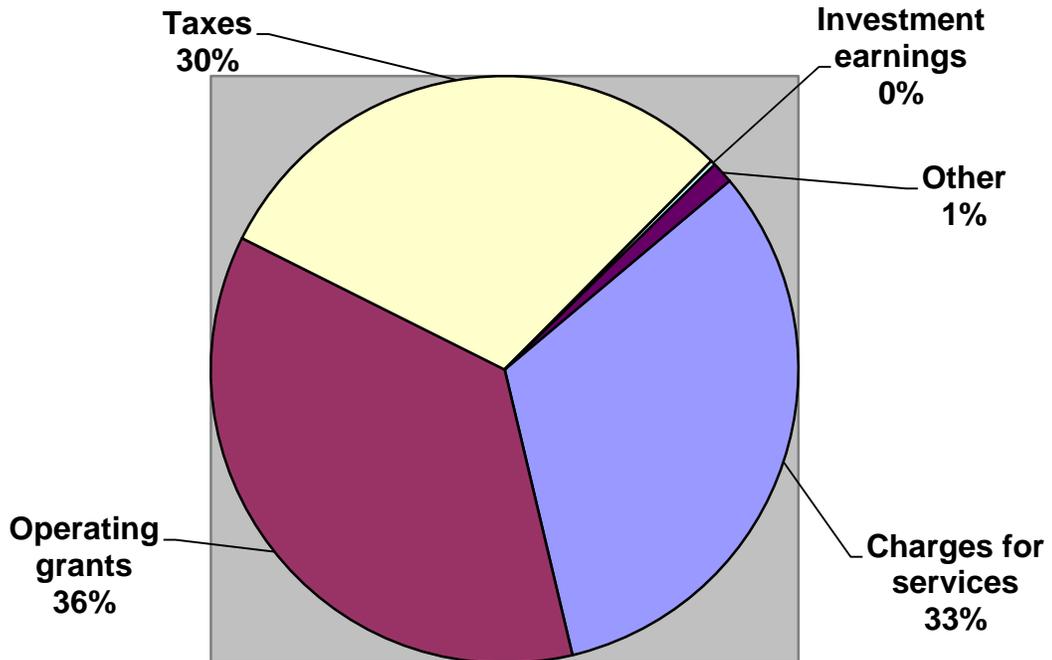
Management's Discussion and Analysis (Continued)

Government-wide Financial Analysis (Statement of Net Position) (continued)

Expenses by Function - Governmental Activities



Governmental Activities Revenue



Management's Discussion and Analysis (Continued)

Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, Yamhill County's governmental funds reported combined ending fund balances of \$25,366,636, an increase of \$2,592,770 in comparison with the prior year. \$9,104,802 of the total amount constitutes the unassigned fund balance, which is available for spending at the County's discretion. The remainder of fund balance is restricted to indicate that it is not available for new spending because it has already been committed.

The General Fund is the chief operating fund of Yamhill County. At the end of the current fiscal year, the fund balance of the general fund was \$9,714,317, an increase of \$921,892 over the previous year.

The Road Fund is dedicated to the maintenance and construction of roads within the County and has a fund balance of \$3,238,593 an increase of \$935,878. The fund balance includes an amount, \$188,650, for inventory which is not available to spend.

The Health and Human Services Fund provides health service to the residents of the County and has a fund balance of \$4,504,674 as of June 30, 2014, an increase of \$675,510 from the prior year.

The Solid Waste Fund ended the year with fund balance of \$3,807,267, a decrease of 93,842 from the previous year.

The non-major special revenue funds consist of various programs which have dedicated revenues either as fees for services or other sources. The combined fund balances of these programs are \$2,895,139 which has increased \$416,741 from the previous year.

General Fund Budgetary Highlights

There were no significant changes to the original and final budgets in the General Fund. Expenditures were \$28,060,229 or 11.5% less than budgeted. This can be contributed to budgeting for grants applied for, but not received and conservative budgeting by many of the County's department heads and managers. This also includes \$876,956 which was budgeted for contingencies which remained unspent at year end.

Management’s Discussion and Analysis (Continued)

Capital Assets and Debt Administration

Capital assets. Yamhill County’s investment in capital assets for its governmental and business-type activities as June 30, 2014 amounts to \$146,244,799 (net of accumulated depreciation). This investment in capital assets includes land, buildings and systems, improvements, machinery and equipment, park facilities, roads, bridges and culverts. The total decrease in Yamhill County’s investment in capital assets for the current fiscal year was \$4,939,574. The County built a new Transit Center and acquired 2 new houses to be used by Health and Human Services. They also purchased several vehicles including 6 new buses for the Transit program.

Yamhill County’s Capital Assets (Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Capital assets not being depreciated	\$ 49,381,290	\$ 49,381,290	\$ 78,356	\$ 78,356	\$ 49,459,646	\$ 49,459,646
Building	12,974,151	12,023,054	-	-	12,974,151	12,023,054
Machinery and equipment	5,543,230	5,352,773	747	1,866	5,543,977	5,354,639
Infrastructure	<u>78,267,025</u>	<u>84,347,034</u>	<u>-</u>	<u>-</u>	<u>78,267,025</u>	<u>84,347,034</u>
Total	<u>\$ 146,165,696</u>	<u>\$ 151,104,151</u>	<u>\$ 79,103</u>	<u>\$ 80,222</u>	<u>\$ 146,244,799</u>	<u>\$ 151,184,373</u>

Additional information on Yamhill County’s fixed assets can be found in Note 4 on pages 31 and 32 of this report.

Long-term debt. As noted earlier, Yamhill County approved an interfund loan to pay off the Full Faith and Credit bonds which had maturity dates through 2026 in order to reduce their interest expense. Additional long-term obligations include Oregon Economic and Community Development Department loans (\$1,068,303); landfill liability (\$3,391,747), and accumulated compensated absences (\$1,331,916).

Yamhill County’s Outstanding Debt General Obligation and Revenue Bonds

	2014	2013
Full Faith and Credit Bonds	<u>\$ -</u>	<u>\$ 750,000</u>

Additional information on Yamhill County’s long-term debt can be found in Note 5 on pages 33 and 34 of this report.

Management's Discussion and Analysis (Continued)

Economic Factors and Next Year's Budgets and Rates

Unemployment rates continue to fall. In August 2014, the unemployment rate for Yamhill County was 6.5 percent, down from 7.6 percent in the same month in 2013. This was below the state's unemployment rate of 7.1 percent and slightly above the national average of 6.1 percent.

Businesses in the county include a steel rolling mill, a large baked-goods plant, a major dental equipment manufacturer and a cooperative creamery. There are several large national chain stores in the county, but overall the community takes pride in supporting local businesses.

Wineries continue to be a big tourism draw in addition to other tourist related businesses - restaurants, bed and breakfasts, tasting rooms and small specialty shops. The Allison Inn, located in Newberg, has become a destination place for some visitors interested in wine tourism. The county is also home to an aircraft museum whose major attraction is Howard Hughes' Spruce Goose. The completion of a water park adjacent to the air museum has added another stop for tourists.

In addition to a decrease in the unemployment rate, there are other signs of improvement in the economy. The Yamhill County Planning Department reported continued positive growth for 2013-14 and the first quarter of 14-15 with an approximate 12% increase in permit activity.

Request for Information

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

BASIC FINANCIAL STATEMENTS

This page intentionally left blank

YAMHILL COUNTY

STATEMENT OF NET POSITION

June 30, 2014

	Governmental Activities	Business-type Activities	Totals
	<hr/>	<hr/>	<hr/>
<u>ASSETS</u>			
Cash and investments	\$ 31,857,473	\$ 94,885	\$ 31,952,358
Receivables	5,348,176	19,013	5,367,189
Inventory	188,650	-	188,650
Prepaid items	9,891	-	9,891
Capital assets:			
Land, right-of-way, and gravel roads	49,381,290	78,356	49,459,646
Other capital assets, net	96,784,406	747	96,785,153
	<hr/>	<hr/>	<hr/>
TOTAL ASSETS	183,569,886	193,001	183,762,887
	<hr/>	<hr/>	<hr/>
<u>LIABILITIES</u>			
Accounts payable and accrued expenses	1,505,319	289	1,505,608
Payroll and related liabilities	1,783,566	596	1,784,162
Unearned revenue	49,137	-	49,137
Deposits payable	34,412	-	34,412
Bond premium, net	33,750	-	33,750
Long-term obligations:			
Due within one year	2,346,100	-	2,346,100
Due in more than one year	4,709,780	-	4,709,780
	<hr/>	<hr/>	<hr/>
TOTAL LIABILITIES	10,462,064	885	10,462,949
	<hr/>	<hr/>	<hr/>
<u>NET POSITION</u>			
Net investment in capital assets	145,097,373	79,103	145,176,476
Restricted for:			
Highways and streets	3,257,009	-	3,257,009
Schools and education	126,131	-	126,131
Health services	8,968,890	-	8,968,890
Grants	79,301	-	79,301
Public safety	1,576,559	-	1,576,559
Capital projects	404,814	-	404,814
Other purposes	725,364	-	725,364
Unrestricted	12,872,381	113,013	12,985,394
	<hr/>	<hr/>	<hr/>
TOTAL NET POSITION	\$ 173,107,822	\$ 192,116	\$ 173,299,938
	<hr/>	<hr/>	<hr/>

See accompanying notes

YAMHILL COUNTY

**STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2014**

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Totals
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	
Governmental activities						
General government	\$ 13,023,341	\$ 4,469,247	\$ 5,219,587	\$ (3,334,507)		\$ (3,334,507)
Public safety	19,241,367	2,269,561	3,719,707	(13,252,099)		(13,252,099)
Highways and streets	11,773,977	208,088	6,368,217	(5,197,672)		(5,197,672)
Health and sanitation	17,592,139	12,960,631	7,153,012	2,521,504		2,521,504
Parks, culture and recreation	644,333	394,378	101,275	(148,680)		(148,680)
Education	414,268	-	55,396	(358,872)		(358,872)
Interest on long-term obligations	32,174	-	-	(32,174)		(32,174)
TOTAL GOVERNMENTAL ACTIVITIES	62,721,599	20,301,905	22,617,194	(19,802,500)		(19,802,500)
Business-type activities						
Sewer	43,565	48,634	-		\$ 5,069	5,069
Totals	\$ 62,765,164	\$ 20,350,539	\$ 22,617,194	(19,802,500)	5,069	(19,797,431)
General revenues						
Taxes				18,822,848	-	18,822,848
Franchise and miscellaneous taxes				28,289	-	28,289
Investment earnings				167,070	546	167,616
Miscellaneous				927,227	230	927,457
(Loss) on sale of capital assets				(205,697)	-	(205,697)
Transfers				221	(221)	-
TOTAL GENERAL REVENUES AND TRANSFERS				19,739,958	555	19,740,513
CHANGES IN NET POSITION				(62,542)	5,624	(56,918)
NET POSITION - BEGINNING				173,170,364	186,492	173,356,856
NET POSITION - ENDING				\$ 173,107,822	\$ 192,116	\$ 173,299,938

See accompanying notes

YAMHILL COUNTY

**BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2014**

	General	Road	Health and Human Services	Solid Waste	Capital Improvement	Total Nonmajor Funds	Total Governmental Funds
<u>ASSETS</u>							
Cash and investments	\$ 9,144,227	\$ 2,872,067	\$ 5,071,988	\$ 3,144,166	\$ 2,485,845	\$ 3,087,836	\$ 25,806,129
Receivables	3,266,044	445,195	1,328,748	93,582	56,956	122,868	5,313,393
Inventory	-	188,650	-	-	-	-	188,650
Prepaid items	3,944	-	-	-	-	5,947	9,891
Advances to other funds	-	-	-	616,884	-	-	616,884
TOTAL ASSETS	<u>\$ 12,414,215</u>	<u>\$ 3,505,912</u>	<u>\$ 6,400,736</u>	<u>\$ 3,854,632</u>	<u>\$ 2,542,801</u>	<u>\$ 3,216,651</u>	<u>\$ 31,934,947</u>
<u>LIABILITIES</u>							
Accounts payable	\$ 409,518	\$ 151,454	\$ 626,038	\$ 33,186	\$ 47,220	\$ 63,888	\$ 1,331,304
Payroll and related liabilities	881,310	102,465	613,075	14,179	16,420	148,430	1,775,879
Deposits	13,464	13,400	-	-	-	7,548	34,412
Advances from other funds	-	-	-	-	1,260,515	39,033	1,299,548
TOTAL LIABILITIES	<u>1,304,292</u>	<u>267,319</u>	<u>1,239,113</u>	<u>47,365</u>	<u>1,324,155</u>	<u>258,899</u>	<u>4,441,143</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>							
Unavailable revenue	1,395,606	-	656,949	-	12,000	62,613	2,127,168
<u>FUND BALANCES</u>							
Nonspendable	3,944	188,650	-	-	-	5,947	198,541
Restricted	-	3,049,943	4,504,674	3,807,267	-	2,900,501	14,262,385
Assigned	594,262	-	-	-	1,206,646	-	1,800,908
Unassigned	9,116,111	-	-	-	-	(11,309)	9,104,802
TOTAL FUND BALANCES	<u>9,714,317</u>	<u>3,238,593</u>	<u>4,504,674</u>	<u>3,807,267</u>	<u>1,206,646</u>	<u>2,895,139</u>	<u>25,366,636</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 12,414,215</u>	<u>\$ 3,505,912</u>	<u>\$ 6,400,736</u>	<u>\$ 3,854,632</u>	<u>\$ 2,542,801</u>	<u>\$ 3,216,651</u>	
<i>Amounts reported for governmental activities in the statement of net position are different because:</i>							
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.							146,165,696
Other long-term assets are not available to pay for current-period expenditures and therefore are reported as unavailable in the funds.							2,078,031
The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position					\$ 6,570,758		
Plus: compensated absences of the internal service fund included below					<u>16,331</u>		6,587,089
The net post-employment benefits obligation is reported in the statement of net position but is not reported in the funds							(1,263,914)
Some liabilities, including compensated absences, capital leases payable and bonds payable, are not due and payable in the current period and therefore are not reported in the funds.							<u>(5,791,966)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES							<u>\$ 173,107,822</u>

See accompanying notes

YAMHILL COUNTY

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2014**

	General	Road	Health and Human Services	Solid Waste	Capital Improvement	Total Nonmajor Funds	Total Governmental Funds
REVENUES							
Property taxes	\$ 18,230,254	\$ -	\$ -	\$ -	\$ -	\$ 316,681	\$ 18,546,935
Miscellaneous taxes	18,869	-	-	-	-	9,420	28,289
Licenses, permits and fees	823,942	59,349	271,130	-	-	222,438	1,376,859
Intergovernmental	5,670,270	6,368,217	6,501,157	-	26,776	3,579,193	22,145,613
Charges for services	4,345,673	148,739	11,627,190	1,031,603	289,177	978,501	18,420,883
Fines and forfeitures	419,955	-	30,708	-	-	16,854	467,517
Interest	59,613	12,948	18,624	19,579	11,366	18,205	140,335
Other	361,456	39,265	97,078	3,055	6,552	242,100	749,506
TOTAL REVENUES	29,930,032	6,628,518	18,545,887	1,054,237	333,871	5,383,392	61,875,937
EXPENDITURES							
Current							
General government	8,207,567	-	-	-	1,022,493	331,952	9,562,012
Public safety	15,685,809	-	-	-	38,368	3,392,445	19,116,622
Parks, culture, and recreation	179,131	-	-	-	-	440,576	619,707
Highways and streets	-	3,957,997	-	-	-	123	3,958,120
Health and welfare	87,249	-	16,996,119	468,098	-	-	17,551,466
Education	-	-	-	-	-	79,316	79,316
Capital outlay	1,524,263	1,455,577	622,626	-	629,567	360,238	4,592,271
Debt service	-	-	-	-	872,217	-	872,217
TOTAL EXPENDITURES	25,684,019	5,413,574	17,618,745	468,098	2,562,645	4,604,650	56,351,731
Excess (deficiency) of revenues over expenditures	4,246,013	1,214,944	927,142	586,139	(2,228,774)	778,742	5,524,206
OTHER FINANCING SOURCES (USES)							
Transfers in	2,010,421	492,744	1,840,638	3,506	2,098,262	600,585	7,046,156
Transfers out	(5,334,542)	(771,810)	(2,092,270)	(683,487)	(132,897)	(962,586)	(9,977,592)
TOTAL OTHER FINANCING SOURCES (USES)	(3,324,121)	(279,066)	(251,632)	(679,981)	1,965,365	(362,001)	(2,931,436)
Net change in fund balances	921,892	935,878	675,510	(93,842)	(263,409)	416,741	2,592,770
Fund balances at beginning of year	8,792,425	2,302,715	3,829,164	3,901,109	1,470,055	2,478,398	22,773,866
Fund balances at end of year	<u>\$ 9,714,317</u>	<u>\$ 3,238,593</u>	<u>\$ 4,504,674</u>	<u>\$ 3,807,267</u>	<u>\$ 1,206,646</u>	<u>\$ 2,895,139</u>	<u>\$ 25,366,636</u>

See accompanying notes

YAMHILL COUNTY

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2014**

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS		\$ 2,592,770
<i>Amounts reported for governmental activities in the Statement of Activities are different because of the following:</i>		
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. The difference between these two amounts is:		
Capitalized expenditures	\$ 4,094,825	
Depreciation	<u>(8,827,583)</u>	(4,732,758)
The net effect of transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.		
		(205,697)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds as follows:		
Property taxes	66,405	
Charges for services	(6,141)	
Other	<u>651,733</u>	711,997
The change in net other post-employment benefits is reported as additional expenses in the statement of activities		
		(136,602)
The issuance of long-term obligations provides current financial resources to governmental funds, while repayment of the principal of long-term obligations consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.		
Amortization of bond premium		2,250
Principal payments		877,670
Some expenses reported in the government wide statements do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds		
Compensated absences		7,498
Net income of internal service funds after eliminating transfers and income reported above		<u>820,330</u>
CHANGES IN NET POSITION OF GOVERNMENTAL ACTIVITIES		<u><u>\$ (62,542)</u></u>

See accompanying notes

YAMHILL COUNTY

**GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2014**

	Budget		Actual	Variance
	Original	Final		
REVENUES				
Property taxes	\$ 17,355,571	\$ 17,355,571	\$ 18,230,254	\$ 874,683
Miscellaneous taxes	15,000	15,000	18,869	3,869
Licenses and permits	638,992	638,992	823,942	184,950
Intergovernmental	6,691,825	6,691,825	5,489,685	(1,202,140)
Charges for services	4,466,857	5,066,857	5,798,827	731,970
Fines and forfeitures	313,811	313,811	419,955	106,144
Interest earnings	35,000	35,000	55,433	20,433
Other	273,107	273,107	361,456	88,349
TOTAL REVENUES	<u>29,790,163</u>	<u>30,390,163</u>	<u>31,198,421</u>	<u>808,258</u>
EXPENDITURES				
Administrative Services				
Personnel services	923,964	923,964	888,060	35,904
Materials and services	81,229	81,229	62,144	19,085
Total Administrative Services	<u>1,005,193</u>	<u>1,005,193</u>	<u>950,204</u>	<u>54,989</u>
Assessor				
Personnel services	1,521,840	1,521,840	1,313,961	207,879
Materials and services	256,542	256,542	189,867	66,675
Total Assessor	<u>1,778,382</u>	<u>1,778,382</u>	<u>1,503,828</u>	<u>274,554</u>
Board of Commissioners				
Personnel services	439,560	439,560	413,723	25,837
Materials and services	66,822	66,822	60,495	6,327
Total Board of Commissioners	<u>506,382</u>	<u>506,382</u>	<u>474,218</u>	<u>32,164</u>
Clerk				
Personnel services	446,792	446,792	422,584	24,208
Materials and services	283,060	283,060	251,421	31,639
Capital outlay	21,175	21,175	14,582	6,593
Total Clerk	<u>751,027</u>	<u>751,027</u>	<u>688,587</u>	<u>62,440</u>
Information Systems				
Personnel services	917,332	917,332	895,016	22,316
Materials and services	327,166	327,166	264,048	63,118
Capital outlay	96,500	96,500	85,027	11,473
Total Information Systems	<u>1,340,998</u>	<u>1,340,998</u>	<u>1,244,091</u>	<u>96,907</u>

Continued on next page

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

	Budget		Actual	Variance
	Original	Final		
EXPENDITURES (Continued)				
District Attorney				
Personnel services	\$ 1,816,042	\$ 1,816,042	\$ 1,760,091	\$ 55,951
Materials and services	291,639	291,639	269,058	22,581
Capital outlay	15,000	15,000	-	15,000
Total District Attorney	<u>2,122,681</u>	<u>2,122,681</u>	<u>2,029,149</u>	<u>93,532</u>
Planning				
Personnel services	1,068,108	1,068,108	953,551	114,557
Materials and services	324,112	324,112	330,617	(6,505)
Total Planning	<u>1,392,220</u>	<u>1,392,220</u>	<u>1,284,168</u>	<u>108,052</u>
Surveyor				
Personnel services	55,448	55,448	32,494	22,954
Materials and services	8,584	8,584	11,137	(2,553)
Total Surveyor	<u>64,032</u>	<u>64,032</u>	<u>43,631</u>	<u>20,401</u>
Support Enforcement				
Personnel services	400,021	400,021	400,100	(79)
Materials and services	38,528	38,528	26,157	12,371
Total Support Enforcement	<u>438,549</u>	<u>438,549</u>	<u>426,257</u>	<u>12,292</u>
Treasurer				
Personnel services	27,359	27,359	26,860	499
Materials and services	5,626	5,626	3,557	2,069
Total Treasurer	<u>32,985</u>	<u>32,985</u>	<u>30,417</u>	<u>2,568</u>
County Counsel				
Personnel services	377,022	377,022	349,963	27,059
Materials and services	59,186	59,186	27,084	32,102
Total County Counsel	<u>436,208</u>	<u>436,208</u>	<u>377,047</u>	<u>59,161</u>
Transportation				
Personnel services	88,179	88,179	88,326	(147)
Materials and services	1,786,876	1,786,876	1,835,376	(48,500)
Capital outlay	1,962,400	1,962,400	1,383,466	578,934
Total Transportation	<u>3,837,455</u>	<u>3,837,455</u>	<u>3,307,168</u>	<u>530,287</u>

Continued on next page

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

	Budget		Actual	Variance
	Original	Final		
EXPENDITURES (Continued)				
Non-departmental				
Materials and services	\$ 674,891	\$ 674,891	\$ 612,927	\$ 61,964
Emergency Management				
Personnel services	156,270	156,270	140,185	16,085
Materials and services	214,638	214,638	65,168	149,470
Capital outlay	16,984	16,984	16,984	-
Total Emergency Management	387,892	387,892	222,337	165,555
Jail				
Personnel services	3,836,170	3,836,170	3,651,854	184,316
Materials and services	884,557	884,557	816,658	67,899
Total Jail	4,720,727	4,720,727	4,468,512	252,215
Marine				
Personnel services	83,744	83,744	62,727	21,017
Materials and services	45,064	45,064	28,677	16,387
Total Marine	128,808	128,808	91,404	37,404
Sheriff				
Personnel services	4,808,733	4,808,733	4,400,616	408,117
Materials and services	758,410	1,358,410	1,767,133	(408,723)
Capital outlay	-	-	7,791	(7,791)
Total Sheriff	5,567,143	6,167,143	6,175,540	(8,397)
911/Dispatch Services				
Materials and services	584,543	584,543	576,031	8,512
Mediation Services				
Materials and services	91,501	101,501	100,469	1,032
Narcotics Investigation				
Personnel services	23,108	23,108	17,579	5,529
Materials and services	56,658	56,658	34,226	22,432
Capital outlay	20,000	20,000	10,084	9,916
Total Narcotics Investigation	99,766	99,766	61,889	37,877

Continued on next page

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

	Budget		Actual	Variance
	Original	Final		
EXPENDITURES (Continued)				
Juvenile Department				
Personnel services	\$ 1,398,987	\$ 1,398,987	\$ 1,276,698	\$ 122,289
Materials and services	<u>149,738</u>	<u>149,738</u>	<u>111,146</u>	<u>38,592</u>
Total Juvenile Department	<u>1,548,725</u>	<u>1,548,725</u>	<u>1,387,844</u>	<u>160,881</u>
Juvenile Detention				
Personnel services	1,564,007	1,564,007	1,382,238	181,769
Materials and services	241,629	241,629	157,469	84,160
Capital outlay	<u>5,000</u>	<u>5,000</u>	<u>6,329</u>	<u>(1,329)</u>
Total Juvenile Detention	<u>1,810,636</u>	<u>1,810,636</u>	<u>1,546,036</u>	<u>264,600</u>
Parks				
Personnel services	138,444	138,444	131,520	6,924
Materials and services	<u>497,645</u>	<u>497,645</u>	<u>81,260</u>	<u>416,385</u>
Total Parks	<u>636,089</u>	<u>636,089</u>	<u>212,780</u>	<u>423,309</u>
Courthouse Security				
Personnel services	218,988	256,748	237,611	19,137
Materials and services	<u>9,913</u>	<u>9,913</u>	<u>8,084</u>	<u>1,829</u>
Total Courthouse Security	<u>228,901</u>	<u>266,661</u>	<u>245,695</u>	<u>20,966</u>
Contingency	<u>937,403</u>	<u>876,956</u>	<u>-</u>	<u>876,956</u>
TOTAL EXPENDITURES	<u>31,123,137</u>	<u>31,710,450</u>	<u>28,060,229</u>	<u>3,650,221</u>
Excess (deficiency) of revenues over expenditures	<u>(1,332,974)</u>	<u>(1,320,287)</u>	<u>3,138,192</u>	<u>4,458,479</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	89,000	89,000	89,000	-
Transfers out	<u>(2,729,066)</u>	<u>(2,750,600)</u>	<u>(2,750,585)</u>	<u>15</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(2,640,066)</u>	<u>(2,661,600)</u>	<u>(2,661,585)</u>	<u>15</u>
Net change in fund balance	(3,973,040)	(3,981,887)	476,607	4,458,494
Fund balance at beginning of year	<u>6,312,382</u>	<u>6,321,229</u>	<u>8,071,009</u>	<u>1,749,780</u>
Fund balance at end of year	<u>\$ 2,339,342</u>	<u>\$ 2,339,342</u>	<u>\$ 8,547,616</u>	<u>\$ 6,208,274</u>

See accompanying notes

YAMHILL COUNTY

**ROAD FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2014**

	Budget		Actual	Variance
	Original	Final		
REVENUES				
Licenses and permits	\$ 48,286	\$ 48,286	\$ 59,349	\$ 11,063
Intergovernmental	5,986,498	5,986,498	6,368,217	381,719
Charges for services	650,464	650,464	629,518	(20,946)
Interest earnings	4,500	4,500	12,948	8,448
Other	54,345	54,345	51,230	(3,115)
TOTAL REVENUES	<u>6,744,093</u>	<u>6,744,093</u>	<u>7,121,262</u>	<u>377,169</u>
EXPENDITURES				
Motor Vehicle				
Personnel services	567,601	567,601	562,311	5,290
Materials and services	1,033,335	1,033,335	863,505	169,830
Total Motor Vehicle	<u>1,600,936</u>	<u>1,600,936</u>	<u>1,425,816</u>	<u>175,120</u>
Engineering				
Personnel services	177,948	177,948	152,858	25,090
Materials and services	55,196	55,196	40,632	14,564
Total Engineering	<u>233,144</u>	<u>233,144</u>	<u>193,490</u>	<u>39,654</u>
Road				
Personnel services	1,710,933	1,710,933	1,488,281	222,652
Materials and services	2,094,380	2,094,380	1,622,220	472,160
Capital outlay	2,266,000	2,266,000	1,455,577	810,423
Total Road	<u>6,071,313</u>	<u>6,071,313</u>	<u>4,566,078</u>	<u>1,505,235</u>
Contingency	618,463	618,463	-	618,463
TOTAL EXPENDITURES	<u>8,523,856</u>	<u>8,523,856</u>	<u>6,185,384</u>	<u>2,338,472</u>
Net change in fund balance	(1,779,763)	(1,779,763)	935,878	2,715,641
Fund balance at beginning of year	1,899,763	1,899,763	2,302,715	402,952
Fund balance at end of year	<u>\$ 120,000</u>	<u>\$ 120,000</u>	<u>\$ 3,238,593</u>	<u>\$ 3,118,593</u>

See accompanying notes

YAMHILL COUNTY

**HEALTH AND HUMAN SERVICES FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2014**

	Budget		Actual	Variance
	Original	Final		
REVENUES				
Licenses and permits	\$ 301,838	\$ 301,838	\$ 271,130	\$ (30,708)
Intergovernmental	6,937,397	6,937,397	6,501,157	(436,240)
Charges for services	10,882,637	10,882,637	11,868,372	985,735
Fines and penalties	42,660	42,660	30,708	(11,952)
Interest earnings	16,483	16,483	18,624	2,141
Other	93,489	93,489	97,078	3,589
TOTAL REVENUES	<u>18,274,504</u>	<u>18,274,504</u>	<u>18,787,069</u>	<u>512,565</u>
EXPENDITURES				
Community Health				
Personnel services	1,826,248	1,826,248	1,803,455	22,793
Materials and services	1,144,021	1,144,021	1,368,909	(224,888)
Capital outlay	1,636	1,636	1,419	217
Total Community Health	<u>2,971,905</u>	<u>2,971,905</u>	<u>3,173,783</u>	<u>(201,878)</u>
Developmentally Disabled				
Personnel services	989,625	989,625	963,668	25,957
Materials and services	1,064,388	1,064,388	1,150,118	(85,730)
Capital outlay	913	913	808	105
Total Developmentally Disabled	<u>2,054,926</u>	<u>2,054,926</u>	<u>2,114,594</u>	<u>(59,668)</u>
Mental Health				
Materials and services	-	-	4,403	(4,403)
Abacus				
Personnel services	1,822,983	1,822,983	1,742,284	80,699
Materials and services	494,993	494,993	527,532	(32,539)
Capital outlay	1,929	1,929	1,708	221
Total Abacus	<u>2,319,905</u>	<u>2,319,905</u>	<u>2,271,524</u>	<u>48,381</u>

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

	Budget		Actual	Variance
	Original	Final		
EXPENDITURES (Continued)				
Family and Youth				
Personnel services	\$ 2,858,259	\$ 2,858,259	\$ 2,813,297	\$ 44,962
Materials and services	609,890	609,890	620,473	(10,583)
Capital outlay	<u>2,726</u>	<u>2,726</u>	<u>2,414</u>	<u>312</u>
Total Family and Youth	<u>3,470,875</u>	<u>3,470,875</u>	<u>3,436,184</u>	<u>34,691</u>
HHS Central Services				
Personnel services	30,034	30,034	49,523	(19,489)
Materials and services	2,514,527	2,514,527	820,135	1,694,392
Capital outlay	<u>230,027</u>	<u>230,027</u>	<u>557,873</u>	<u>(327,846)</u>
Total HHS Central Services	<u>2,774,588</u>	<u>2,774,588</u>	<u>1,427,531</u>	<u>1,347,057</u>
Enhanced Care Facility				
Personnel services	1,459,353	1,459,353	1,449,253	10,100
Materials and services	193,119	193,119	194,134	(1,015)
Capital outlay	<u>45,390</u>	<u>45,390</u>	<u>54,969</u>	<u>(9,579)</u>
Total Enhanced Care Facility	<u>1,697,862</u>	<u>1,697,862</u>	<u>1,698,356</u>	<u>(494)</u>
Adult Behavioral Health				
Personnel services	4,290,485	4,290,485	4,101,703	188,782
Materials and services	1,739,175	1,739,175	1,479,502	259,673
Capital outlay	<u>3,879</u>	<u>3,879</u>	<u>3,435</u>	<u>444</u>
Total Adult Behavioral Health	<u>6,033,539</u>	<u>6,033,539</u>	<u>5,584,640</u>	<u>448,899</u>
TOTAL EXPENDITURES	<u>21,323,600</u>	<u>21,323,600</u>	<u>19,711,015</u>	<u>1,612,585</u>
Excess (deficiency) of revenues over expenditures	(3,049,096)	(3,049,096)	(923,946)	2,125,150
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>1,672,661</u>	<u>1,672,661</u>	<u>1,599,456</u>	<u>(73,205)</u>
Net change in fund balance	(1,376,435)	(1,376,435)	675,510	2,051,945
Fund balance at beginning of year	<u>3,168,829</u>	<u>3,168,829</u>	<u>3,829,164</u>	<u>660,335</u>
Fund balance at end of year	<u>\$ 1,792,394</u>	<u>\$ 1,792,394</u>	<u>\$ 4,504,674</u>	<u>\$ 2,712,280</u>

See accompanying notes

YAMHILL COUNTY

SOLID WASTE FUND

**STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2014**

	Budget		Actual	Variance
	Original	Final		
REVENUES				
Charges for services	\$ 1,137,606	\$ 1,137,606	\$ 1,031,603	\$ (106,003)
Interest earnings	11,000	14,506	23,085	8,579
Other	2,700	2,700	3,055	355
TOTAL REVENUES	<u>1,151,306</u>	<u>1,154,812</u>	<u>1,057,743</u>	<u>(97,069)</u>
EXPENDITURES				
Personnel services	276,288	276,288	307,480	(31,192)
Materials and services	1,328,803	1,328,803	286,838	1,041,965
Contingency	2,700,000	2,086,622	-	2,086,622
TOTAL EXPENDITURES	<u>4,305,091</u>	<u>3,691,713</u>	<u>594,318</u>	<u>3,097,395</u>
Excess (deficiency) of revenues over expenditures	<u>(3,153,785)</u>	<u>(2,536,901)</u>	<u>463,425</u>	<u>3,000,326</u>
OTHER FINANCING SOURCES (USES)				
Repayments on interfund loans	-	84,021	84,021	-
Interfund loans	-	(700,905)	(700,905)	-
Transfers out	(557,267)	(557,267)	(557,267)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(557,267)</u>	<u>(1,174,151)</u>	<u>(1,174,151)</u>	<u>-</u>
Net change in fund balance	(3,711,052)	(3,711,052)	(710,726)	3,000,326
Fund balance at beginning of year	<u>3,711,052</u>	<u>3,711,052</u>	<u>3,901,109</u>	<u>190,057</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,190,383</u>	<u>\$ 3,190,383</u>

See accompanying notes

YAMHILL COUNTY

**STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 June 30, 2014**

	Business-type Activities	Governmental Activities
	Cove Orchard Sewer	Internal Service Funds
<u>ASSETS</u>		
Current assets		
Cash and investments	\$ 94,885	\$ 6,051,344
Receivables	19,013	34,783
Due from other funds	-	682,664
	<hr/>	<hr/>
Total current assets	113,898	6,768,791
Capital assets		
Land	78,356	-
Other capital assets, net	747	-
	<hr/>	<hr/>
Total capital assets, net	79,103	-
	<hr/>	<hr/>
TOTAL ASSETS	193,001	6,768,791
	<hr/>	<hr/>
<u>LIABILITIES</u>		
Accounts payable and accrued expenses	289	174,015
Payroll and related liabilities	596	7,687
Compensated absences payable	-	16,331
	<hr/>	<hr/>
TOTAL LIABILITIES	885	198,033
	<hr/>	<hr/>
<u>NET POSITION</u>		
Net investment in capital assets	79,103	-
Unrestricted	113,013	6,570,758
	<hr/>	<hr/>
TOTAL NET POSITION	\$ 192,116	\$ 6,570,758
	<hr/> <hr/>	<hr/> <hr/>

See accompanying notes

YAMHILL COUNTY

**STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Year Ended June 30, 2014**

	Business-type Activities <u>Cove Orchard Sewer</u>	Governmental Activities <u>Internal Service Funds</u>
OPERATING REVENUES		
Charges for services	\$ 48,634	\$ 72,010
Other	<u>230</u>	<u>177,854</u>
TOTAL OPERATING REVENUES	<u>48,864</u>	<u>249,864</u>
OPERATING EXPENSES		
Personnel services	5,640	346,952
Materials and services	36,806	1,534,480
Depreciation	<u>1,119</u>	<u>-</u>
TOTAL OPERATING EXPENSES	<u>43,565</u>	<u>1,881,432</u>
Operating income (loss)	5,299	(1,631,568)
NONOPERATING REVENUES		
Investment earnings	<u>546</u>	<u>26,735</u>
Income (loss) before transfers	5,845	(1,604,833)
Transfers in	-	3,223,324
Transfers out	<u>(221)</u>	<u>(798,161)</u>
Change in net position	5,624	820,330
Net position - beginning	<u>186,492</u>	<u>5,750,428</u>
Net position - ending	<u>\$ 192,116</u>	<u>\$ 6,570,758</u>

See accompanying notes

YAMHILL COUNTY

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2014**

	Business-type Activities <u>Cove Orchard Sewer</u>	Governmental Activities <u>Internal Service Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 47,739	\$ -
Receipts from interfund services provided	-	70,828
Other receipts	230	178,103
Payments to suppliers of goods or services	(37,077)	(1,397,223)
Payments to employees for services	<u>(5,680)</u>	<u>(350,940)</u>
Net cash provided by (used in) operating activities	<u>5,212</u>	<u>(1,499,232)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Repayments of advances from other funds	-	(6,794)
Repayments of advances to other funds	-	93,874
Transfers in	-	3,223,324
Transfers out	<u>(221)</u>	<u>(291,667)</u>
Net cash provided by (used in) operating activities	<u>(221)</u>	<u>3,018,737</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of capital assets	-	<u>(506,494)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on investments	<u>546</u>	<u>26,735</u>
Net increase in cash and cash equivalents	5,537	1,039,746
Cash and cash equivalents - beginning of year	<u>89,348</u>	<u>5,011,598</u>
Cash and cash equivalents - end of year	<u>\$ 94,885</u>	<u>\$ 6,051,344</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities		
Operating income (loss)	\$ 5,299	\$ (1,631,568)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities		
Depreciation	1,119	-
(Increase) decrease in assets:		
Receivables	(895)	(933)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	(271)	137,257
Payroll and related liabilities	(40)	(6,872)
Compensated absences payable	<u>-</u>	<u>2,884</u>
Net cash provided by (used in) operating activities	<u>\$ 5,212</u>	<u>\$ (1,499,232)</u>
SUPPLEMENTAL DISCLOSURE OF NONCASH TRANSACTIONS		
Transfers out	<u>\$ -</u>	<u>\$ (506,494)</u>

See accompanying notes

YAMHILL COUNTY

STATEMENT OF NET POSITION

June 30, 2014

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash and investments	\$ 1,396,637
Property taxes receivable	<u>8,403,954</u>
 TOTAL ASSETS	 <u><u>\$ 9,800,591</u></u>
 <u>LIABILITIES</u>	
Intergovernmental payables	\$ 9,764,608
Amounts held in trust	<u>35,983</u>
 TOTAL LIABILITIES	 <u><u>\$ 9,800,591</u></u>

See accompanying notes

YAMHILL COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2014

1. Summary of significant accounting policies

A. The reporting entity

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

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

Special Revenue funds:

Yamhill County Extension Service District (Extension)

Yamhill Emergency Communications District (Emergency Communications)

Enterprise fund:

Cove Orchard Sewer Service District (Cove Orchard Sewer)

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

The County formed the Yamhill County Hospital Authority (Authority). The Authority only issues conduit debt for health facilities and the County has no assets or liabilities recorded for the Authority. See Note 6.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

1. Summary of significant accounting policies (continued)

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. *Governmental activities* are supported by taxes and intergovernmental revenues.

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

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

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

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

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

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

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

1. Summary of significant accounting policies (continued)

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

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

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

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

The County reports the following major governmental funds:

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

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

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

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

Capital Improvement - accounts for revenues and expenditures associated with purchases and replacement of major capital items and the repair and remodeling of facilities.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

1. Summary of significant accounting policies (continued)

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

The County reports the following major proprietary funds:

Cove Orchard Sewer – accounts for the operating of the sewer system.

Additionally, the County reports the following fund types:

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

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

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

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

D. Budget policies and budgetary control

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

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

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

1. Summary of significant accounting policies (continued)

D. Budget policies and budgetary control (continued)

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

Budget amounts may be revised since the original budget amounts were adopted. The County Commissioners authorize all appropriation transfers and supplemental budget appropriations.

E. Risk management

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

F. Cash and cash equivalents

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

G. Property taxes

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

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

Under state law, county governments are responsible for extending authorized property tax levies, computing tax rates, billing and collecting all property taxes, and making periodic remittances of collections to entities levying taxes. Real and personal property taxes are levied upon all taxable property within the County and become a lien against the property as of July 1 of each year.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

1. Summary of significant accounting policies (continued)

H. Grants and entitlements

Federal and state grants and state shared revenues are recorded as revenue in all fund types as earned.

I. Other receivables

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

J. Inventories

Inventories are valued at the lower of cost (first-in, first-out method) or market. Inventories consist of expendable supplies held for consumption.

K. Capital assets

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

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

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

Capital assets are depreciated using the straight-line method over estimated useful lives as follows:

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

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

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

1. Summary of significant accounting policies (continued)

L. Long-term obligations

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

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

M. Solid waste landfill post-closure care liabilities

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

The County has recorded a liability for the estimated cost of landfill post-closure care. This estimated liability was the total permit and worst-case scenario costs as estimated by the May 2009 Parametrix analysis reduced by the actual costs incurred in each fiscal year. The County has a \$10 million insurance policy which provides coverage for bodily injury, property damage, and remediation costs for pre-existing and new pollution incidents reported during the current policy period of March 29, 2011 to 2016. The County accounts for the costs of maintaining the closed landfills in the Solid Waste Fund.

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

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

1. Summary of significant accounting policies (continued)

N. Equity

i. Government-wide and proprietary fund financial statements

Equity is classified as net position and displayed in 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 improvements of those assets.

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

Unrestricted net position – All other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

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

ii. Governmental fund type fund balance reporting

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

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

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

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

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

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

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

1. Summary of significant accounting policies (continued)

N. Equity (continued)

ii. Governmental fund type fund balance reporting (continued)

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

O. Compensated absences

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

P. Use of estimates

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

2. Deposits and investments

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

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

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

2. Deposits and investments (continued)

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

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

As of June 30, 2014, the County had the following investments:

	Standard and Poor's Ratings	Maturities	Fair Value	Carrying Amount
State Treasurer's Investment Pool	N/A	N/A	\$ 28,045,009	\$ 28,045,009
Merck & Co. Inc. New NT	AA	N/A	175,000	175,000
Apple Inc. NT	AA+	N/A	200,000	200,000
U.S. Government Agency	AA+	Various	3,760,000	<u>3,752,291</u>
				<u>\$ 32,172,300</u>

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

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

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

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

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

2. Deposits and investments (continued)

Custodial Credit Risk - Deposits. This is the risk that in the event of a bank failure, the County's deposits may not be returned. The Federal Depository Insurance Corporation (FDIC) provides insurance for the County's deposits with financial institutions up to \$250,000 each for the aggregate of all non-interest bearing accounts and the aggregate of all interest bearing accounts at each institution. Deposits in excess of FDIC coverage with institutions participating in the Oregon Public Funds Collateralization Program are collateralized with securities held by the Federal Home Loan Bank of Seattle in the name of the institution. As of June 30, 2014, \$1,060,342 of the County's bank balances were exposed to custodial credit risk as they were collateralized with securities held by the pledging financial institution's agent but not in the County's name.

A. The County's deposits and investments at June 30, 2014 are as follows:

Total investments	\$ 32,172,300
Cash on hand	10,600
Cash with fiscal agent	76,026
Deposits with financial institutions	<u>1,090,069</u>
Total deposits and investments	<u>\$ 33,348,995</u>

B. Cash and investments by fund:

<u>Governmental activities/funds</u>	
General	\$ 9,144,227
Road	2,872,067
Health and Human Services	5,071,988
Solid Waste	3,144,166
Capital Improvement	2,485,845
Nonmajor	<u>3,087,836</u>
Total governmental funds	25,806,129
Internal Service funds	<u>6,051,344</u>
Total governmental activities	31,857,473
<u>Business-type activities/Proprietary fund</u>	
Cove Orchard Sewer	94,885
<u>Fiduciary fund</u>	
Agency	<u>1,396,637</u>
Total cash and investments	<u>\$ 33,348,995</u>

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

3. Receivables

A. The County's receivables at June 30, 2014 are as follows:

	General	Road	Health and Human Services	Solid Waste	Capital Improvement	Other Governmental Funds	Total Governmental Funds
Property taxes	\$ 1,736,828	\$ -	\$ -	\$ -	\$ -	\$ 31,313	\$ 1,768,141
Grants	615,562	-	656,949	-	-	-	1,272,511
Accounts	913,654	445,195	671,799	93,582	56,956	91,555	2,272,741
	<u>\$ 3,266,044</u>	<u>\$ 445,195</u>	<u>\$ 1,328,748</u>	<u>\$ 93,582</u>	<u>\$ 56,956</u>	<u>\$ 122,868</u>	<u>\$ 5,313,393</u>

	Internal Service Funds	Total Governmental Activities	Business Activities/ Proprietary fund Cove Orchard Sewer	Fiduciary Agency Fund	Totals
Property taxes	\$ -	\$ 1,768,141	\$ -	\$ 8,403,954	\$ 10,172,095
Grants	-	1,272,511	-	-	1,272,511
Accounts	34,783	2,272,741	19,013	-	2,326,537
	<u>\$ 34,783</u>	<u>\$ 5,313,393</u>	<u>\$ 19,013</u>	<u>\$ 8,403,954</u>	<u>\$ 13,771,143</u>

B. Property taxes

i. Collection procedures

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

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

3. Receivables (continued)

B. Property taxes (continued)

ii. Transactions

	Balances July 1, 2013	Current Levy	Adjustments	Net Interest (Discounts)	Collections	Balances June 30, 2014
2013-14	\$ -	\$ 107,002,071	\$ 114,324	\$ (2,645,790)	\$ (99,979,089)	\$ 4,491,516
2012-13	4,863,318	-	(218,080)	151,625	(2,245,542)	2,551,321
2011-12	2,219,775	-	(15,189)	155,541	(945,239)	1,414,888
2010-11	1,443,834	-	(43,604)	196,476	(802,558)	794,148
2009-10	740,449	-	(32,624)	90,427	(320,187)	478,065
2008-09	161,643	-	(23,748)	13,442	(37,034)	114,303
Prior	488,248	-	(85,812)	69,083	(143,665)	327,854
	<u>\$9,917,267</u>	<u>\$ 107,002,071</u>	<u>\$ (304,733)</u>	<u>\$ (1,969,196)</u>	<u>\$ (104,473,314)</u>	<u>\$ 10,172,095</u>

iii. Ensuing year's levies

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

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

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

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

4. Capital assets

A. Capital asset activity for the governmental activities for the year ended June 30, 2014 was as follows:

	Balances July 1, 2013	Additions	Deletions	Balances June 30, 2014
Capital assets, not being depreciated:				
Land	\$ 2,649,034	\$ -	\$ -	\$ 2,649,034
Right of way	27,583,456	-	-	27,583,456
Gravel roads	<u>19,148,800</u>	<u>-</u>	<u>-</u>	<u>19,148,800</u>
Total capital assets, not being depreciated	<u>49,381,290</u>	<u>-</u>	<u>-</u>	<u>49,381,290</u>
Capital assets being depreciated:				
Buildings	18,425,591	1,589,915	(182,525)	19,832,981
Machinery and equipment	16,970,885	1,527,401	(202,287)	18,295,999
Infrastructure	<u>361,694,343</u>	<u>977,509</u>	<u>-</u>	<u>362,671,852</u>
Total capital assets being depreciated	<u>397,090,819</u>	<u>4,094,825</u>	<u>(384,812)</u>	<u>400,800,832</u>
Less accumulated depreciation for:				
Buildings	6,402,537	456,293	-	6,858,830
Machinery and equipment	11,618,112	1,313,772	(179,115)	12,752,769
Infrastructure	<u>277,347,309</u>	<u>7,057,518</u>	<u>-</u>	<u>284,404,827</u>
Total accumulated depreciation	<u>295,367,958</u>	<u>8,827,583</u>	<u>(179,115)</u>	<u>304,016,426</u>
Total capital assets being depreciated, net	<u>101,722,861</u>	<u>(4,732,758)</u>	<u>(205,697)</u>	<u>96,784,406</u>
Governmental activities capital assets, net	<u>\$ 151,104,151</u>	<u>\$ (4,732,758)</u>	<u>\$ (205,697)</u>	<u>\$ 146,165,696</u>

B. Depreciation expense was charged to governmental activities functions/programs as follows:

General government	\$ 1,541,707
Public safety	72,657
Highways and streets	7,157,595
Health and sanitation	32,963
Parks, culture and recreation	<u>22,661</u>
Total depreciation expense- governmental activities	<u>\$ 8,827,583</u>

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

4. Capital assets (continued)

C. Capital asset activity for the business-type activities for the year ended June 30, 2014 was as follows:

	Balances <u>June 30, 2013</u>	Additions	Balances <u>June 30, 2014</u>
Capital assets, not being depreciated			
Land	\$ 78,356	\$ -	\$ 78,356
Capital assets, being depreciated			
Buildings and equipment	963,173	-	963,173
Less accumulated depreciation for:			
Buildings and equipment	<u>(961,307)</u>	<u>(1,119)</u>	<u>(962,426)</u>
Total capital assets, being depreciated, net	<u>1,866</u>	<u>(1,119)</u>	<u>747</u>
Total capital assets	<u>\$ 80,222</u>	<u>\$ (1,119)</u>	<u>\$ 79,103</u>

D. Depreciation expense charged to the sewer business-type activity amounted to \$1,119 for the year ended June 30, 2014.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

5. Long-term obligations

A. Transactions for governmental activities for the year ended June 30, 2014 were as follows:

	Outstanding July 1, 2013	Additions	Reductions	Outstanding June 30, 2014	Balances Due Within One Year
Full Faith and Credit Bond original amount \$1,750,000; interest rates of 2.0 percent to 4.7 percent					
Principal	\$ 750,000	\$ -	\$ 750,000	\$ -	
Interest	-	22,717	22,717	-	
	<u>750,000</u>	<u>22,717</u>	<u>772,717</u>	<u>-</u>	
Loan - Oregon Economic and Community Development Department (OECD), original commitment \$1,000,000; interest at 2.61 percent					
Principal	1,117,176		48,873	1,068,303	\$ 54,184
Interest	-	50,627	50,627	-	
	<u>1,117,176</u>	<u>50,627</u>	<u>99,500</u>	<u>1,068,303</u>	
Capital Lease - Key Gov't Finance Inc. for hardware and software, interest at 4.107 percent					
Principal	38,920	-	38,920	-	
Interest	-	1,203	1,203	-	
	<u>38,920</u>	<u>1,203</u>	<u>40,123</u>	<u>-</u>	
Landfill post-closure care liabilities	<u>3,431,624</u>	<u>-</u>	<u>39,877</u>	<u>3,391,747</u>	960,000
Net other post employment benefits	<u>1,127,312</u>	<u>136,602</u>	<u>-</u>	<u>1,263,914</u>	
Vested compensated absences	<u>1,336,530</u>	<u>1,331,916</u>	<u>1,336,530</u>	<u>1,331,916</u>	<u>1,331,916</u>
Principal	7,801,562	1,468,518	2,214,200	7,055,880	<u>\$ 2,346,100</u>
Interest	-	74,547	74,547	-	
	<u>\$ 7,801,562</u>	<u>\$ 1,393,971</u>	<u>\$ 2,288,747</u>	<u>\$ 7,055,880</u>	

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

5. Long-term obligations (continued)

B. The future maturities of governmental activities long-term obligations outstanding as of June 30, 2014 is as follows:

Fiscal Year	Loan OECD	
	Principal	Interest
2015	\$ 54,184	\$ 48,917
2016	54,551	46,749
2017	54,933	44,567
2018	60,331	42,370
2019	60,744	39,957
2017-21	346,281	157,498
2022-26	<u>437,279</u>	<u>66,637</u>
	<u>\$ 1,068,303</u>	<u>\$ 446,695</u>

C. The landfill post-closure care liability represents the total permit and worst-case scenario costs of the Whitson and Newberg landfills per the May 2009 analysis by Parametrix less actual costs paid in this fiscal year of \$39,877. Future maturities have not been established but the County has budgeted \$960,000 to be retired in the 2014-15 fiscal year. However, future costs paid are subject to change due to inflation, deflation, changes in technology or changes to applicable laws or regulations.

D. On July 1, 2013, the Oregon Department of Transportation approved borrowing by the County in the amount of \$10,366,640 to finance its portion of the project costs for the Newberg-Dundee Bypass. The loan has an interest rate of 2.26 percent and is scheduled for repayment in full by January 25, 2036. At June 30, 2014, none of the loan had been drawn down by the County.

6. Conduit debt

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

On October 24, 2007, the Yamhill County Hospital Authority (Authority) issued variable rate demand series 2007 bonds in the amount of \$23,620,000. The proceeds were assigned to Friendsview Manor dba Friendsview Retirement Community, an Oregon non-profit organization and were used to fully defease previously issued bonds, finance improvements, remodel and expand the continuing care retirement facility, and to pay the costs associated with issuance of the bonds. The bonds do not constitute a debt or liability of the Authority or Yamhill County. The Authority has no taxing power.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

6. Conduit debt (continued)

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

- finance the costs of construction, additions, renovations, improvements and equipping of the University's new residence hall and the Herbert Hoover Academic Building,
- improvements to parking areas and athletic facilities,
- acquisition of property contiguous to the Newberg Campus and capital improvements thereto,
- improvements to educational and educational support facilities located on the Newberg Campus, and
- provide funds sufficient to pay maturing principal and interest on the 1997 series A bonds when due beginning October 1, 2005, and redeem all remaining principal amounts on the 1997 Series A bonds on March 1, 2007.

In July 2012, the County issued tax-exempt series 2012A and 2012B bonds to fully refund the series 2005 bonds. The bonds were assigned to George Fox University. The outstanding amounts for Series 2012A and Series 2012B issues at June 30, 2014 are \$19,510,000 and \$4,005,000 respectively.

7. Interfund balances and transfers

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

Fund	Transfers	
	In	Out
General	\$ 2,010,421	\$ 5,334,542
Road	492,744	771,810
Health and Human Services	1,840,638	2,092,270
Solid Waste	3,506	683,487
Capital Improvement	2,098,262	132,897
Nonmajor funds	600,585	962,586
Governmental activities - non-cash	506,494	-
Cove Orchard Sewer	-	221
Internal Service funds	3,223,324	291,667
Internal Service funds - non-cash	-	506,494
	<u>\$ 10,775,974</u>	<u>\$ 10,775,974</u>

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

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

7. Interfund balances and transfers (continued)

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

Advances to other funds	Advances from other funds		
	Capital Improvement	Nonmajor funds	Totals
Solid Waste	\$ 616,884	\$ -	\$ 616,884
Internal Service	643,631	39,033	682,664
Total	\$ 1,260,515	\$ 39,033	\$ 1,299,548

The Solid Waste Fund made advances to the Capital Improvement Fund to redeem the full faith and credit bond. The outstanding amount of the advance at June 30, 2014 is \$616,884.

The Self-Insurance Fund (Internal Service) has outstanding advances totaling \$682,664 as follows:

- Capital Improvement Fund
 - Acquire real property; remaining balance \$510,572
 - Purchase a chiller; remaining balance \$133,059
- Fair Fund
 - Remaining balance \$39,033

8. Unavailable revenue

Resources owned by the County, which are measurable but unavailable in the governmental funds, consist of the following:

	General	Health and Human Services	Capital Improvement	Nonmajor Funds	Totals
Property taxes	\$ 1,395,606	\$ -	\$ -	\$ 25,476	\$ 1,421,082
Grants	-	656,949	-	-	656,949
Prepaid items	-	-	12,000	37,137	49,137
Total	\$ 1,395,606	\$ 656,949	\$ 12,000	\$ 62,613	\$ 2,127,168

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

9. Retirement plan

Plan Description - The County contributes to two pension plans administered by the Oregon Public Employees Retirement System (PERS). The Oregon Public Employees Retirement Fund (OPERF) applies to the District's contribution for qualifying employees who were hired before August 29, 2003, and is a cost-sharing multiple-employer defined benefit pension plan. The Oregon Public Service Retirement Plan (OPSRP) is a hybrid successor plan to the OPERF and consists of two programs: The Pension Program, the defined benefit portion of the plan, applies to qualifying District employees hired after August 29, 2003, and to inactive employees who return to employment following a six-month or greater break in service. Benefits are calculated by a formula for members who attain normal retirement age. The formula takes into account final average salary and years of service. Beginning January 1, 2004, all PERS member contributions go into the Individual Account Program (IAP), the defined contribution portion of the plan. PERS members retain their existing PERS accounts, but any future member contributions are deposited into the member's IAP, not the member's PERS account.

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

Funding Policy - Members of PERS are required to contribute 6.00% of their salary covered under the plan, which is invested in the OPSRP Individual Account Program. The contribution requirements for plan members are established by ORS Chapter 238 and may be amended by an act of the Oregon Legislature.

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

For employees hired before August 29, 2003 – 9.45 percent
For employees hired after August 29, 2003:
 Police and fire – 5.78 percent
 All other employees – 3.05 percent

Annual Pension Cost - The County's contributions to PERS for the years ending June 30, 2012, 2013, and 2014 were \$2,783,672, \$2,851,103 and \$2,866,943 respectively, which equaled the required contribution for the year.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

10. Other post-employment benefits

Plan description and benefits provided

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

Membership

The County's membership in the plan at August 1, 2012 consisted of the following:

Active employees	314
Retirees, spouses or dependents	<u>13</u>
Total	<u>327</u>

Funding policy and contributions

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

For retirees	\$ 571
For spouses of retirees	577

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

Annual OPEB cost and net OPEB Obligation

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

Normal cost	\$ 140,590
Amortization of UAAL	<u>207,826</u>
Annual required contribution	<u>\$ 348,416</u>

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

10. Other post-employment benefits (continued)

The net OPEB obligation as of June 30, 2014 was calculated as follows:

Annual required contribution	\$ 348,416
Interest on prior year Net OPEB	39,456
Adjustment to ARC	(135,549)
Contributions made	<u>(115,721)</u>
Increase in net OPEB obligation	136,602
Net OPEB obligation at beginning of year	<u>1,127,312</u>
Net OPEB obligation at end of year	<u>\$1,263,914</u>

The County's annual OPEB cost, percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation as of June 30, 2014 is as follows:

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Annual</u> <u>OPEB Cost</u>	<u>Percentage of</u> <u>Annual OPEB</u> <u>Cost Contributed</u>	<u>Net OPEB</u> <u>Obligation</u>
2014	\$ 252,323	45.86%	\$ 1,263,914
2013	254,518	40.12%	1,127,312
2012	244,297	38.30%	974,918

Funded status and funding progress

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

<u>Valuation</u> <u>Date</u>	<u>Assets</u>	<u>Actuarial</u> <u>Accrued</u> <u>Liability</u>	<u>Unfunded</u> <u>Accrued</u> <u>Liability</u>	<u>Funded</u> <u>Ratio</u>	<u>Covered</u> <u>Payroll</u>	<u>UAL/</u> <u>Payroll</u>
August 1, 2012	\$ --	\$ 1,674,753	\$ 1,674,753	0%	21,801,224	7.7%
August 1, 2010	--	1,671,079	1,671,079	0%	21,694,412	7.7%

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

10. Other post-employment benefits (continued)

Actuarial methods and assumptions

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

In the August 1, 2012 actuarial valuation, the projected unit credit actuarial cost method was used to determine contribution levels comprised of normal cost and amortization payments. The actuarial assumptions included a 3.5 percent rate for discounting future liabilities, a payroll growth rate of 3.75 percent per year, annual premium rate increases from 7.25 percent in 2012 to 5.5 percent in 2053, and participation rate of 55 percent of future retirees electing coverage under the plan. The unfunded actuarial accrued liability is being amortized using a level dollar amount over an open period of 10 years.

11. Contingency – sick leave

Portions of amounts accumulated at any point in time can be expected to be redeemed before termination of employment; however, such redemptions cannot be reasonably estimated. As of June 30, 2014, employees of the County had accumulated 5,374 days of sick leave.

12. Litigation

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

13. Net position restricted through enabling legislation

Net position restricted due to enabling legislation as of June 30, 2014 is \$4,146,433 for the following purposes:

Highways and streets	\$ 3,257,009
Public safety	174,273
Capital projects	404,814
Other purposes	310,337

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

14. Governmental fund balances

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

Fund balances:	<u>General</u>	<u>Road</u>	<u>Health and Human Services</u>	<u>Solid Waste</u>	<u>Capital Improvement</u>	<u>Total Nonmajor Funds</u>	<u>Total</u>
Nonspendable							
Inventory	\$ -	\$ 188,650	\$ -	\$ -	\$ -	\$ -	\$ 188,650
Prepaid items	3,944	-	-	-	-	5,947	9,891
Restricted for:							
Highways and streets	-	3,049,943	-	-	-	18,416	3,068,359
Schools and education	-	-	-	-	-	102,244	102,244
Health services	-	-	4,504,674	3,807,267	-	-	8,311,941
Grants	-	-	-	-	-	79,301	79,301
Public safety	-	-	-	-	-	1,572,520	1,572,520
Capital projects	-	-	-	-	-	404,814	404,814
Other purposes	-	-	-	-	-	723,206	723,206
Assigned for:							
Capital projects	-	-	-	-	1,206,646	-	1,206,646
Landfill costs	594,262	-	-	-	-	-	594,262
Unassigned:	<u>9,116,111</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(11,309)</u>	<u>9,104,802</u>
Total fund balances	<u>\$ 9,714,317</u>	<u>\$ 3,238,593</u>	<u>\$ 4,504,674</u>	<u>\$ 3,807,267</u>	<u>\$ 1,206,646</u>	<u>\$ 2,895,139</u>	<u>\$ 25,366,636</u>

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

15. Budgetary perspective differences

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

	General	Road	Health and Human Services	Solid Waste
Revenues				
Total fund revenues - budgetary basis	\$ 31,198,421	\$ 7,121,262	\$ 18,787,069	\$ 1,057,743
Revenues of separately budgeted funds which are included in the fund on the governmental fund financial statements:				
O&C Reserve	183,419	-	-	-
Landfill License Agreement	1,346	-	-	-
Certain items are classified as revenues on the budgetary basis and are shown as other financing sources on the governmental fund financial statements	<u>(1,453,154)</u>	<u>(492,744)</u>	<u>(241,182)</u>	<u>(3,506)</u>
Total revenues reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	<u>\$ 29,930,032</u>	<u>\$ 6,628,518</u>	<u>\$ 18,545,887</u>	<u>\$ 1,054,237</u>
Expenditures				
Total fund expenditures - budgetary basis	\$ 28,060,229	\$ 6,185,384	\$ 19,711,015	\$ 594,318
Expenditures of separately budgeted funds which are included in the fund on the governmental fund financial statements:				
Landfill License Agreement	87,249	-	-	-
Certain items are classified as expenditures on the budgetary basis and are shown as other financing (uses) on the governmental fund financial statements	<u>(2,463,459)</u>	<u>(771,810)</u>	<u>(2,092,270)</u>	<u>(126,220)</u>
Total expenditures reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	<u>\$ 25,684,019</u>	<u>\$ 5,413,574</u>	<u>\$ 17,618,745</u>	<u>\$ 468,098</u>
Other financing sources (uses)				
Total fund other financing sources (uses) - budgetary basis	\$ (2,661,585)	\$ -	\$ 1,599,456	\$ (1,174,151)
Other financing sources (uses) of separately budgeted funds which are included in the fund on the governmental fund financial statements:				
O&C Reserve	(118,297)	-	-	-
Landfill License Agreement	466,066	-	-	-
Certain items are classified as revenues/expenditures on the budgetary basis and are shown as other financing sources (uses) on the governmental fund financial statements	<u>(1,010,305)</u>	<u>(279,066)</u>	<u>(1,851,088)</u>	<u>(122,714)</u>
Interfund loans are recorded as balance sheet activity on the fund financial statements. Loans made are budgeted and recorded as other financing uses. Loan payments received are budgeted and recorded as other financing sources.	<u>-</u>	<u>-</u>	<u>-</u>	<u>616,884</u>
Total other financing sources (uses) reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	<u>\$ (3,324,121)</u>	<u>\$ (279,066)</u>	<u>\$ (251,632)</u>	<u>\$ (679,981)</u>

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

15. Budgetary perspective differences (continued)

	<u>General</u>	<u>Road</u>	<u>Health and Human Services</u>	<u>Solid Waste</u>
Beginning fund balance				
Beginning fund balance - budgetary basis	\$ 8,071,009	\$ 2,302,715	\$ 3,829,164	\$ 3,901,109
Beginning fund balance of separately budgeted funds which are included in the fund on the governmental fund financial statements				
O&C Reserve	507,317	-	-	-
Landfill License Agreement	214,099	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total beginning fund balance reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	<u>\$ 8,792,425</u>	<u>\$ 2,302,715</u>	<u>\$ 3,829,164</u>	<u>\$ 3,901,109</u>
Ending fund balance				
Ending fund balance - budgetary basis	\$ 8,547,616	\$ 3,238,593	\$ 4,504,674	\$ 3,190,383
Ending fund balance of separately budgeted funds which are included in the fund on the governmental fund financial statements				
O&C Reserve	572,439	-	-	-
Landfill License Agreement	594,262	-	-	-
Interfund loans are recorded on the fund financial statements but are budgeted as proceeds from interfund loans and debt service expenditures on the budgetary basis	-	-	-	616,884
	<hr/>	<hr/>	<hr/>	<hr/>
Total ending fund balance reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	<u>\$ 9,714,317</u>	<u>\$ 3,238,593</u>	<u>\$ 4,504,674</u>	<u>\$ 3,807,267</u>

16. Expenditures in excess of appropriations

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

Expenditures in excess of appropriations occurred as follows:

<u>Fund/Category</u>	<u>Appropriation</u>	<u>Actual</u>	<u>Variance</u>
General			
Sheriff	\$ 6,167,143	\$ 6,175,540	\$ (8,397)

This page intentionally left blank

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

YAMHILL COUNTY
COMBINING BALANCE SHEET
GENERAL FUNDS
June 30, 2014

	General	O&C Reserve	Landfill License Agreement	Totals
<u>ASSETS</u>				
Cash and investments	\$ 7,956,542	\$ 572,439	\$ 615,246	\$ 9,144,227
Receivables	3,266,044	-	-	3,266,044
Prepaid items	3,944	-	-	3,944
TOTAL ASSETS	<u>\$ 11,226,530</u>	<u>\$ 572,439</u>	<u>\$ 615,246</u>	<u>\$ 12,414,215</u>
<u>LIABILITIES</u>				
Account payable	\$ 388,534	\$ -	\$ 20,984	\$ 409,518
Payroll and related liabilities	881,310	-	-	881,310
Deposits	13,464	-	-	13,464
TOTAL LIABILITIES	<u>1,283,308</u>	<u>-</u>	<u>20,984</u>	<u>1,304,292</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Unavailable revenue	1,395,606	-	-	1,395,606
<u>FUND BALANCES</u>				
Nonspendable	3,944	-	-	3,944
Assigned	-	-	594,262	594,262
Unassigned	8,543,672	572,439	-	9,116,111
TOTAL FUND BALANCES	<u>8,547,616</u>	<u>572,439</u>	<u>594,262</u>	<u>9,714,317</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 11,226,530</u>	<u>\$ 572,439</u>	<u>\$ 615,246</u>	<u>\$ 12,414,215</u>

YAMHILL COUNTY

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GENERAL FUNDS
For the Year Ended June 30, 2014**

	General	O&C Reserve	Landfill License Agreement	Totals
REVENUES				
Property taxes	\$ 18,230,254	\$ -	\$ -	\$ 18,230,254
Miscellaneous taxes	18,869	-	-	18,869
Licenses, permits and fees	823,942	-	-	823,942
Intergovernmental	5,489,685	180,585	-	5,670,270
Charges for services	4,345,673	-	-	4,345,673
Fines and forfeitures	419,955	-	-	419,955
Interest	55,433	2,834	1,346	59,613
Other	361,456	-	-	361,456
TOTAL REVENUES	<u>29,745,267</u>	<u>183,419</u>	<u>1,346</u>	<u>29,930,032</u>
EXPENDITURES				
Current				
General government	8,207,567	-	-	8,207,567
Public safety	15,685,809	-	-	15,685,809
Parks, culture, and recreation	179,131	-	-	179,131
Health and welfare	-	-	87,249	87,249
Capital outlay	1,524,263	-	-	1,524,263
TOTAL EXPENDITURES	<u>25,596,770</u>	<u>-</u>	<u>87,249</u>	<u>25,684,019</u>
Excess (deficiency) of revenues over expenditures	<u>4,148,497</u>	<u>183,419</u>	<u>(85,903)</u>	<u>4,246,013</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,542,154	-	468,267	2,010,421
Transfers out	<u>(5,214,044)</u>	<u>(118,297)</u>	<u>(2,201)</u>	<u>(5,334,542)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(3,671,890)</u>	<u>(118,297)</u>	<u>466,066</u>	<u>(3,324,121)</u>
Net change in fund balances	476,607	65,122	380,163	921,892
Fund balances at beginning of year	<u>8,071,009</u>	<u>507,317</u>	<u>214,099</u>	<u>8,792,425</u>
Fund balances at end of year	<u>\$ 8,547,616</u>	<u>\$ 572,439</u>	<u>\$ 594,262</u>	<u>\$ 9,714,317</u>

YAMHILL COUNTY

**O&C RESERVE - GENERAL FUND
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 For the Year Ended June 30, 2014**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Intergovernmental	\$ -	\$ 180,585	\$ 180,585
Interest	<u>1,545</u>	<u>2,834</u>	<u>1,289</u>
TOTAL REVENUES	1,545	183,419	181,874
EXPENDITURES			
Materials and services	<u>428,337</u>	<u>-</u>	<u>428,337</u>
Excess (deficiency) of revenues over expenditures	(426,792)	183,419	610,211
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(118,297)</u>	<u>(118,297)</u>	<u>-</u>
Net change in fund balance	(545,089)	65,122	610,211
Fund balance at beginning of year	<u>545,089</u>	<u>507,317</u>	<u>(37,772)</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 572,439</u>	<u>\$ 572,439</u>

YAMHILL COUNTY

**LANDFILL LICENSE AGREEMENT - GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2014**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Interest	\$ -	\$ 1,346	\$ 1,346
EXPENDITURES			
Materials and services	<u>547,366</u>	<u>89,450</u>	<u>457,916</u>
Excess (deficiency) of revenues over expenditures	<u>(547,366)</u>	<u>(88,104)</u>	<u>459,262</u>
OTHER FINANCING SOURCES (USES)			
Transfer in	468,267	468,267	-
Transfers out	<u>(35,000)</u>	<u>-</u>	<u>35,000</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>433,267</u>	<u>468,267</u>	<u>35,000</u>
Net change in fund balance	(114,099)	380,163	494,262
Fund balance at beginning of year	<u>214,099</u>	<u>214,099</u>	<u>-</u>
Fund balance at end of year	<u>\$ 100,000</u>	<u>\$ 594,262</u>	<u>\$ 494,262</u>

YAMHILL COUNTY

**CAPITAL IMPROVEMENT (MAJOR FUND)
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2014**

	Budget		Actual	Variance
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 26,776	\$ 26,776
Charges for services	1,608,817	1,608,817	1,695,367	86,550
Interest earnings	2,500	2,500	11,366	8,866
Other	<u>208,593</u>	<u>208,593</u>	<u>215,132</u>	<u>6,539</u>
TOTAL REVENUES	<u>1,819,910</u>	<u>1,819,910</u>	<u>1,948,641</u>	<u>128,731</u>
EXPENDITURES				
Facilities Maintenance				
Personnel services	510,913	510,913	420,933	89,980
Materials and services	630,456	630,456	510,398	120,058
Capital outlay	<u>28,589</u>	<u>28,589</u>	<u>-</u>	<u>28,589</u>
Total Facilities Maintenance	<u>1,169,958</u>	<u>1,169,958</u>	<u>931,331</u>	<u>238,627</u>
Information Systems				
Materials and services	285,525	285,525	139,640	145,885
Capital outlay	<u>-</u>	<u>-</u>	<u>82,146</u>	<u>(82,146)</u>
Total Information Systems	<u>285,525</u>	<u>285,525</u>	<u>221,786</u>	<u>63,739</u>
Capital Improvement				
Personnel services	13,800	13,800	14,105	(305)
Materials and services	119,669	119,669	63,017	56,652
Capital outlay	<u>359,894</u>	<u>375,928</u>	<u>307,542</u>	<u>68,386</u>
Total Capital Improvement	<u>493,363</u>	<u>509,397</u>	<u>384,664</u>	<u>124,733</u>
Maintenance Reserve				
Capital outlay	<u>141,080</u>	<u>141,080</u>	<u>-</u>	<u>141,080</u>
Jail				
Materials and services	102,879	102,879	38,368	64,511
Capital outlay	<u>150,000</u>	<u>150,000</u>	<u>26,657</u>	<u>123,343</u>
Total Jail	<u>252,879</u>	<u>252,879</u>	<u>65,025</u>	<u>187,854</u>
Software Reserve				
Capital outlay	<u>821,186</u>	<u>821,186</u>	<u>213,222</u>	<u>607,964</u>
Debt service	<u>185,025</u>	<u>798,403</u>	<u>872,217</u>	<u>(73,814)</u>
TOTAL EXPENDITURES	<u>3,349,016</u>	<u>3,978,428</u>	<u>2,688,245</u>	<u>1,290,183</u>
Excess (deficiency) of revenues over expenditures	<u>(1,529,106)</u>	<u>(2,158,518)</u>	<u>(739,604)</u>	<u>1,418,914</u>

Continued on next page

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

	Budget		Actual	Variance
	Original	Final		
OTHER FINANCING SOURCES (USES)				
Interfund loans	\$ -	\$ 700,905	\$ 700,905	\$ -
Transfers in	467,458	483,492	483,492	-
Repayments on interfund loans	(77,732)	(161,753)	(161,895)	(142)
Interest on interfund loans	(4,215)	(7,721)	(7,297)	424
TOTAL OTHER FINANCING SOURCES (USES)	<u>385,511</u>	<u>1,014,923</u>	<u>1,015,205</u>	<u>282</u>
Net change in fund balance	(1,143,595)	(1,143,595)	275,601	1,419,196
Fund balance at beginning of year	<u>1,483,715</u>	<u>1,483,715</u>	<u>2,191,560</u>	<u>707,845</u>
Fund balance at end of year	<u>\$ 340,120</u>	<u>\$ 340,120</u>	2,467,161	<u>\$ 2,127,041</u>
Reconciliation to generally accepted accounting principles				
Advances from other funds			<u>(1,260,515)</u>	
Fund balance at end of year			<u>\$ 1,206,646</u>	

YAMHILL COUNTY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2014

	Special Revenue	Capital Projects	Totals
<u>ASSETS</u>			
Cash and investments	\$ 2,684,787	\$ 403,049	\$ 3,087,836
Receivables	118,428	4,440	122,868
Prepaid items	5,947	-	5,947
 TOTAL ASSETS	 \$ 2,809,162	 \$ 407,489	 \$ 3,216,651
<u>LIABILITIES</u>			
Accounts payable	\$ 61,213	\$ 2,675	\$ 63,888
Payroll and related liabilities	148,430	-	148,430
Deposits	7,548	-	7,548
Advances from other funds	39,033	-	39,033
 TOTAL LIABILITIES	 256,224	 2,675	 258,899
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Unavailable revenue	62,613	-	62,613
<u>FUND BALANCES</u>			
Nonspendable	5,947	-	5,947
Restricted	2,495,687	404,814	2,900,501
Unassigned	(11,309)	-	(11,309)
 TOTAL FUND BALANCES	 2,490,325	 404,814	 2,895,139
 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	 \$ 2,809,162	 \$ 407,489	 \$ 3,216,651

YAMHILL COUNTY

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2014**

	Special Revenue	Capital Projects	Totals
	<u> </u>	<u> </u>	<u> </u>
REVENUES			
Property taxes	\$ 316,681	\$ -	\$ 316,681
Miscellaneous taxes	9,420	-	9,420
Licenses, permits and fees	222,438	-	222,438
Intergovernmental	3,521,198	57,995	3,579,193
Charges for services	935,319	43,182	978,501
Fines and forfeitures	16,854	-	16,854
Interest	15,939	2,266	18,205
Other	<u>242,100</u>	<u>-</u>	<u>242,100</u>
TOTAL REVENUES	<u>5,279,949</u>	<u>103,443</u>	<u>5,383,392</u>
EXPENDITURES			
Current			
General government	331,952	-	331,952
Public safety	3,392,445	-	3,392,445
Parks, culture, and recreation	409,345	31,231	440,576
Highways and streets	-	123	123
Education	79,316	-	79,316
Capital outlay	<u>359,068</u>	<u>1,170</u>	<u>360,238</u>
TOTAL EXPENDITURES	<u>4,572,126</u>	<u>32,524</u>	<u>4,604,650</u>
Excess (deficiency) of revenues over expenditures	<u>707,823</u>	<u>70,919</u>	<u>778,742</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	600,585	-	600,585
Transfers out	<u>(919,429)</u>	<u>(43,157)</u>	<u>(962,586)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(318,844)</u>	<u>(43,157)</u>	<u>(362,001)</u>
Net change in fund balances	388,979	27,762	416,741
Fund balances at beginning of year	<u>2,101,346</u>	<u>377,052</u>	<u>2,478,398</u>
Fund balances at end of year	<u>\$ 2,490,325</u>	<u>\$ 404,814</u>	<u>\$ 2,895,139</u>

YAMHILL COUNTY
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
June 30, 2014

	Community Corrections	County Clerk's Records	Dog Control	Law Library	County Fair
<u>ASSETS</u>					
Cash and investments	\$ 1,460,970	\$ 134,803	\$ 173,022	\$ (4,321)	\$ 81,855
Receivables	81,961	-	-	-	-
Prepaid items	2,450	-	-	-	3,497
TOTAL ASSETS	<u>\$ 1,545,381</u>	<u>\$ 134,803</u>	<u>\$ 173,022</u>	<u>\$ (4,321)</u>	<u>\$ 85,352</u>
<u>LIABILITIES</u>					
Accounts payable	\$ 24,949	\$ 68	\$ 4,065	\$ 5,280	\$ 5,687
Payroll and related liabilities	127,758	254	14,811	369	1,337
Deposits	-	-	4,619	-	-
Advances from other funds	-	-	-	-	39,033
TOTAL LIABILITIES	<u>152,707</u>	<u>322</u>	<u>23,495</u>	<u>5,649</u>	<u>46,057</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Unavailable revenue	-	-	-	-	37,137
<u>FUND BALANCES</u>					
Nonspendable	2,450	-	-	-	3,497
Restricted	1,390,224	134,481	149,527	-	-
Unassigned	-	-	-	(9,970)	(1,339)
TOTAL FUND BALANCES	<u>1,392,674</u>	<u>134,481</u>	<u>149,527</u>	<u>(9,970)</u>	<u>2,158</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 1,545,381</u>	<u>\$ 134,803</u>	<u>\$ 173,022</u>	<u>\$ (4,321)</u>	<u>\$ 85,352</u>

911 Emergency System	Economic Development	Corner Restoration	Title III	Emergency Communications	Extension	Habitat Conservation	Totals
\$ 24,746	\$ 424,848	\$ 186,461	\$ 79,311	\$ 8,089	\$ 96,414	\$ 18,589	\$ 2,684,787
-	-	1,286	-	1,523	29,790	3,868	118,428
-	-	-	-	-	-	-	5,947
<u>\$ 24,746</u>	<u>\$ 424,848</u>	<u>\$ 187,747</u>	<u>\$ 79,311</u>	<u>\$ 9,612</u>	<u>\$ 126,204</u>	<u>\$ 22,457</u>	<u>\$ 2,809,162</u>
\$ -	\$ 11,979	\$ 6,028	\$ 10	\$ -	\$ 73	\$ 3,074	\$ 61,213
-	-	2,934	-	-	-	967	148,430
-	-	2,929	-	-	-	-	7,548
-	-	-	-	-	-	-	39,033
-	11,979	11,891	10	-	73	4,041	256,224
-	-	-	-	1,589	23,887	-	62,613
-	-	-	-	-	-	-	5,947
24,746	412,869	175,856	79,301	8,023	102,244	18,416	2,495,687
-	-	-	-	-	-	-	(11,309)
<u>24,746</u>	<u>412,869</u>	<u>175,856</u>	<u>79,301</u>	<u>8,023</u>	<u>102,244</u>	<u>18,416</u>	<u>2,490,325</u>
<u>\$ 24,746</u>	<u>\$ 424,848</u>	<u>\$ 187,747</u>	<u>\$ 79,311</u>	<u>\$ 9,612</u>	<u>\$ 126,204</u>	<u>\$ 22,457</u>	<u>\$ 2,809,162</u>

YAMHILL COUNTY

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended June 30, 2014**

	Community Corrections	County Clerk's Records	Dog Control	Law Library	County School	County Fair
REVENUES						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous taxes	-	-	-	-	9,420	-
Licenses, permits and fees	-	-	222,438	-	-	-
Intergovernmental	3,098,863	-	-	-	55,396	50,964
Charges for services	412,348	11,751	20,735	68,434	-	357,337
Fines and forfeitures	-	-	14,477	2,377	-	-
Interest	8,765	816	1,121	43	161	-
Other	145,033	-	49,472	-	-	47,595
TOTAL REVENUES	<u>3,665,009</u>	<u>12,567</u>	<u>308,243</u>	<u>70,854</u>	<u>64,977</u>	<u>455,896</u>
EXPENDITURES						
Current						
General government	-	14,834	-	73,087	-	-
Public safety	3,078,724	-	313,721	-	-	-
Parks, culture, and recreation	-	-	-	-	-	378,441
Education	-	-	-	-	79,316	-
Capital outlay	9,443	12,473	-	-	-	2,200
TOTAL EXPENDITURES	<u>3,088,167</u>	<u>27,307</u>	<u>313,721</u>	<u>73,087</u>	<u>79,316</u>	<u>380,641</u>
Excess (deficiency) of revenues over expenditures	<u>576,842</u>	<u>(14,740)</u>	<u>(5,478)</u>	<u>(2,233)</u>	<u>(14,339)</u>	<u>75,255</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	527,951	-	-	-	-	57,125
Transfers out	(675,467)	(116)	(39,369)	(9,907)	-	(88,222)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(147,516)</u>	<u>(116)</u>	<u>(39,369)</u>	<u>(9,907)</u>	<u>-</u>	<u>(31,097)</u>
Net change in fund balances	429,326	(14,856)	(44,847)	(12,140)	(14,339)	44,158
Fund balances at beginning of year	963,348	149,337	194,374	2,170	14,339	(42,000)
Fund balances at end of year	<u>\$ 1,392,674</u>	<u>\$ 134,481</u>	<u>\$ 149,527</u>	<u>\$ (9,970)</u>	<u>\$ -</u>	<u>\$ 2,158</u>

911							
Emergency System	Economic Development	Corner Restoration	Title III	Emergency Communications	Extension	Habitat Conservation	Totals
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 316,681	\$ -	\$ 316,681
-	-	-	-	-	-	-	9,420
-	-	-	-	-	-	-	222,438
-	265,664	-	-	-	-	50,311	3,521,198
-	-	64,714	-	-	-	-	935,319
-	-	-	-	-	-	-	16,854
151	2,293	1,110	468	-	931	80	15,939
-	-	-	-	-	-	-	242,100
<u>151</u>	<u>267,957</u>	<u>65,824</u>	<u>468</u>	<u>-</u>	<u>317,612</u>	<u>50,391</u>	<u>5,279,949</u>
-	166,573	76,858	600	-	-	-	331,952
-	-	-	-	-	-	-	3,392,445
-	-	-	-	-	-	30,904	409,345
-	-	-	-	-	-	-	79,316
-	-	-	-	-	334,952	-	359,068
<u>-</u>	<u>166,573</u>	<u>76,858</u>	<u>600</u>	<u>-</u>	<u>334,952</u>	<u>30,904</u>	<u>4,572,126</u>
<u>151</u>	<u>101,384</u>	<u>(11,034)</u>	<u>(132)</u>	<u>-</u>	<u>(17,340)</u>	<u>19,487</u>	<u>707,823</u>
-	10,000	884	-	-	-	4,625	600,585
-	(70,922)	(15,418)	(5,254)	-	(471)	(14,283)	(919,429)
<u>-</u>	<u>(60,922)</u>	<u>(14,534)</u>	<u>(5,254)</u>	<u>-</u>	<u>(471)</u>	<u>(9,658)</u>	<u>(318,844)</u>
151	40,462	(25,568)	(5,386)	-	(17,811)	9,829	388,979
<u>24,595</u>	<u>372,407</u>	<u>201,424</u>	<u>84,687</u>	<u>8,023</u>	<u>120,055</u>	<u>8,587</u>	<u>2,101,346</u>
<u>\$ 24,746</u>	<u>\$ 412,869</u>	<u>\$ 175,856</u>	<u>\$ 79,301</u>	<u>\$ 8,023</u>	<u>\$ 102,244</u>	<u>\$ 18,416</u>	<u>\$ 2,490,325</u>

YAMHILL COUNTY

COMBINING BALANCE SHEET
CAPITAL PROJECTS FUNDS
June 30, 2014

	Bicycle and Footpath	Systems Development	Totals
<u>ASSETS</u>			
Cash and investments	\$ 293,349	\$ 109,700	\$ 403,049
Receivables	4,440	-	4,440
TOTAL ASSETS	<u>\$ 297,789</u>	<u>\$ 109,700</u>	<u>\$ 407,489</u>
<u>LIABILITIES</u>			
Accounts payable	\$ 2	\$ 2,673	\$ 2,675
<u>FUND BALANCES</u>			
Restricted for capital projects	<u>297,787</u>	<u>107,027</u>	<u>404,814</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 297,789</u>	<u>\$ 109,700</u>	<u>\$ 407,489</u>

YAMHILL COUNTY

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
CAPITAL PROJECTS FUNDS
For the Year Ended June 30, 2014**

	Bicycle and Footpath	Systems Development	Totals
REVENUES			
Intergovernmental	\$ 57,995	\$ -	\$ 57,995
Charges for services	-	43,182	43,182
Interest	<u>1,678</u>	<u>588</u>	<u>2,266</u>
TOTAL REVENUES	<u>59,673</u>	<u>43,770</u>	<u>103,443</u>
EXPENDITURES			
Current			
Culture and recreation	-	31,231	31,231
Highways and streets	123	-	123
Capital outlay	<u>-</u>	<u>1,170</u>	<u>1,170</u>
TOTAL EXPENDITURES	<u>123</u>	<u>32,401</u>	<u>32,524</u>
Excess (deficiency) of revenues over expenditures	59,550	11,369	70,919
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(42,154)</u>	<u>(1,003)</u>	<u>(43,157)</u>
Net change in fund balances	17,396	10,366	27,762
Fund balances at beginning of year	<u>280,391</u>	<u>96,661</u>	<u>377,052</u>
Fund balances at end of year	<u>\$ 297,787</u>	<u>\$ 107,027</u>	<u>\$ 404,814</u>

YAMHILL COUNTY

**COMMUNITY CORRECTIONS - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2014**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Intergovernmental	\$ 2,858,156	\$ 3,098,863	\$ 240,707
Charges for services	443,870	414,101	(29,769)
Interest earnings	4,000	8,765	4,765
Other	<u>31,000</u>	<u>145,033</u>	<u>114,033</u>
TOTAL REVENUES	<u>3,337,026</u>	<u>3,666,762</u>	<u>329,736</u>
EXPENDITURES			
Jail			
Personnel services	123,051	126,235	(3,184)
Materials and services	141,321	110,205	31,116
Capital outlay	<u>-</u>	<u>9,443</u>	<u>(9,443)</u>
Total Jail	<u>264,372</u>	<u>245,883</u>	<u>18,489</u>
Community Corrections			
Personnel services	207,477	190,671	16,806
Materials and services	<u>16,005</u>	<u>14,201</u>	<u>1,804</u>
Total Community Corrections	<u>223,482</u>	<u>204,872</u>	<u>18,610</u>
State Enhancement			
Personnel services	1,864,604	1,719,495	145,109
Materials and services	656,797	574,245	82,552
Capital outlay	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Total State Enhancement	<u>2,526,401</u>	<u>2,293,740</u>	<u>232,661</u>
Work Release			
Personnel services	270,099	245,088	25,011
Materials and services	<u>54,627</u>	<u>49,596</u>	<u>5,031</u>
Total Work Release	<u>324,726</u>	<u>294,684</u>	<u>30,042</u>

Continued on next page

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

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES (continued)			
Senate Bill 1145			
Personnel services	\$ 143,680	\$ 140,646	\$ 3,034
Materials and services	<u>125,931</u>	<u>88,968</u>	<u>36,963</u>
Total Senate Bill 1145	<u>269,611</u>	<u>229,614</u>	<u>39,997</u>
Jail Facilities Maintenance			
Personnel services	247,126	211,507	35,619
Materials and services	<u>316,379</u>	<u>283,334</u>	<u>33,045</u>
Total Jail Facilities Maintenance	<u>563,505</u>	<u>494,841</u>	<u>68,664</u>
TOTAL EXPENDITURES	<u>4,172,097</u>	<u>3,763,634</u>	<u>408,463</u>
Excess (deficiency) of revenues over expenditures	(835,071)	(96,872)	738,199
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>521,977</u>	<u>526,198</u>	<u>4,221</u>
Net change in fund balance	(313,094)	429,326	742,420
Fund balance at beginning of year	<u>697,108</u>	<u>963,348</u>	<u>266,240</u>
Fund balance at end of year	<u>\$ 384,014</u>	<u>\$ 1,392,674</u>	<u>\$ 1,008,660</u>

YAMHILL COUNTY

**COUNTY CLERK'S RECORDS - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2014**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Charges for services	\$ 16,860	\$ 11,751	\$ (5,109)
Interest	<u>680</u>	<u>816</u>	<u>136</u>
TOTAL REVENUES	<u>17,540</u>	<u>12,567</u>	<u>(4,973)</u>
EXPENDITURES			
Personnel services	21,927	2,759	19,168
Materials and services	36,355	12,191	24,164
Capital outlay	<u>5,000</u>	<u>12,473</u>	<u>(7,473)</u>
TOTAL EXPENDITURES	<u>63,282</u>	<u>27,423</u>	<u>35,859</u>
Net change in fund balance	(45,742)	(14,856)	30,886
Fund balance at beginning of year	<u>158,754</u>	<u>149,337</u>	<u>(9,417)</u>
 Fund balance at end of year	 <u>\$ 113,012</u>	 <u>\$ 134,481</u>	 <u>\$ 21,469</u>

YAMHILL COUNTY

**DOG CONTROL - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2014**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Licenses and permits	\$ 241,300	\$ 222,438	\$ (18,862)
Charges for services	17,460	20,735	3,275
Fines and penalties	12,000	14,477	2,477
Interest	1,000	1,121	121
Miscellaneous	<u>44,000</u>	<u>49,472</u>	<u>5,472</u>
 TOTAL REVENUES	 <u>315,760</u>	 <u>308,243</u>	 <u>(7,517)</u>
 EXPENDITURES			
Personnel services	332,625	264,228	68,397
Materials and services	<u>101,107</u>	<u>84,237</u>	<u>16,870</u>
 TOTAL EXPENDITURES	 <u>433,732</u>	 <u>348,465</u>	 <u>85,267</u>
 Excess (deficiency) of revenues over expenditures	 (117,972)	 (40,222)	 77,750
 OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(4,625)</u>	<u>(4,625)</u>	<u>-</u>
 Net change in fund balance	 (122,597)	 (44,847)	 77,750
Fund balance at beginning of year	<u>159,797</u>	<u>194,374</u>	<u>34,577</u>
 Fund balance at end of year	 <u>\$ 37,200</u>	 <u>\$ 149,527</u>	 <u>\$ 112,327</u>

YAMHILL COUNTY

**LAW LIBRARY - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2014**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Charges for services	\$ 75,000	\$ 68,434	\$ (6,566)
Fines and penalties	-	2,377	2,377
Interest	<u>250</u>	<u>43</u>	<u>(207)</u>
TOTAL REVENUES	<u>75,250</u>	<u>70,854</u>	<u>(4,396)</u>
EXPENDITURES			
Personnel services	15,817	12,149	3,668
Materials and services	71,595	70,845	750
Contingency	<u>12,838</u>	<u>-</u>	<u>12,838</u>
TOTAL EXPENDITURES	<u>100,250</u>	<u>82,994</u>	<u>17,256</u>
Net change in fund balance	(25,000)	(12,140)	12,860
Fund balance at beginning of year	<u>25,000</u>	<u>2,170</u>	<u>(22,830)</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ (9,970)</u>	<u>\$ (9,970)</u>

YAMHILL COUNTY

**COUNTY SCHOOL - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2014**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Miscellaneous taxes	\$ 8,000	\$ 9,420	\$ 1,420
Intergovernmental	39,721	55,396	15,675
Interest	<u>-</u>	<u>161</u>	<u>161</u>
TOTAL REVENUES	47,721	64,977	17,256
EXPENDITURES			
Materials and services	<u>82,721</u>	<u>79,316</u>	<u>3,405</u>
Excess (deficiency) of revenues over expenditures	(35,000)	(14,339)	20,661
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>35,000</u>	<u>-</u>	<u>(35,000)</u>
Net change in fund balance	-	(14,339)	(14,339)
Fund balance at beginning of year	<u>-</u>	<u>14,339</u>	<u>14,339</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

YAMHILL COUNTY

**COUNTY FAIR - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2014**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Intergovernmental	\$ 48,000	\$ 50,964	\$ 2,964
Charges for services	344,525	361,962	17,437
Interest	50	-	(50)
Other	<u>84,382</u>	<u>47,595</u>	<u>(36,787)</u>
TOTAL REVENUES	<u>476,957</u>	<u>460,521</u>	<u>(16,436)</u>
EXPENDITURES			
County Fair			
Materials and services	<u>233,543</u>	<u>225,377</u>	<u>8,166</u>
Fair Event Center			
Personnel services	68,895	65,067	3,828
Materials and services	208,600	175,978	32,622
Capital outlay	<u>10,801</u>	<u>2,200</u>	<u>8,601</u>
Total Fair Event Center	<u>288,296</u>	<u>243,245</u>	<u>45,051</u>
Contingency	<u>3,280</u>	<u>-</u>	<u>3,280</u>
TOTAL EXPENDITURES	<u>525,119</u>	<u>468,622</u>	<u>56,497</u>
Excess (deficiency) of revenues over expenditures	<u>(48,162)</u>	<u>(8,101)</u>	<u>40,061</u>
OTHER FINANCING SOURCES (USES)			
Interfund loans	-	6,794	6,794
Transfers in	52,500	52,500	-
Repayments on interfund loans	(17,048)	(16,000)	1,048
Interest on interfund loans	<u>(241)</u>	<u>(241)</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES	<u>35,211</u>	<u>43,053</u>	<u>7,842</u>
Net change in fund balance	(12,951)	34,952	47,903
Fund balance at beginning of year	<u>12,951</u>	<u>6,239</u>	<u>(6,712)</u>
Fund balance at end of year	<u>\$ -</u>	41,191	<u>\$ 41,191</u>
Reconciliation to generally accepted accounting principles			
Advances from other funds		<u>(39,033)</u>	
Fund balance at end of year		<u>\$ 2,158</u>	

YAMHILL COUNTY

**911 EMERGENCY SYSTEM - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2014**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Interest	<u>\$ -</u>	<u>\$ 151</u>	<u>\$ 151</u>
Net change in fund balance	-	151	151
Fund balance at beginning of year	<u>-</u>	<u>24,595</u>	<u>24,595</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 24,746</u>	<u>\$ 24,746</u>

YAMHILL COUNTY

**ECONOMIC DEVELOPMENT - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2014**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Intergovernmental	\$ 250,000	\$ 265,664	\$ 15,664
Interest	<u>-</u>	<u>2,293</u>	<u>2,293</u>
TOTAL REVENUES	<u>250,000</u>	<u>267,957</u>	<u>17,957</u>
EXPENDITURES			
Materials and services	612,808	237,495	375,313
Debt service	<u>15,000</u>	<u>-</u>	<u>15,000</u>
TOTAL EXPENDITURES	<u>627,808</u>	<u>237,495</u>	<u>390,313</u>
Excess (deficiency) of revenues over expenditures	(377,808)	30,462	408,270
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Net change in fund balance	(367,808)	40,462	408,270
Fund balance at beginning of year	<u>367,808</u>	<u>372,407</u>	<u>4,599</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 412,869</u>	<u>\$ 412,869</u>

YAMHILL COUNTY

**CORNER RESTORATION - SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 For the Year Ended June 30, 2014**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Charges for services	\$ 74,000	\$ 65,598	\$ (8,402)
Interest	<u>530</u>	<u>1,110</u>	<u>580</u>
TOTAL REVENUES	<u>74,530</u>	<u>66,708</u>	<u>(7,822)</u>
EXPENDITURES			
Personnel services	55,448	76,695	(21,247)
Materials and services	<u>73,589</u>	<u>15,581</u>	<u>58,008</u>
TOTAL EXPENDITURES	<u>129,037</u>	<u>92,276</u>	<u>36,761</u>
Net change in fund balance	(54,507)	(25,568)	28,939
Fund balance at beginning of year	<u>177,795</u>	<u>201,424</u>	<u>23,629</u>
Fund balance at end of year	<u>\$ 123,288</u>	<u>\$ 175,856</u>	<u>\$ 52,568</u>

YAMHILL COUNTY

**TITLE III - SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 For the Year Ended June 30, 2014**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Intergovernmental	\$ 70,000	\$ -	\$ (70,000)
Interest	<u>50</u>	<u>468</u>	<u>418</u>
 TOTAL REVENUES	 70,050	 468	 (69,582)
 EXPENDITURES			
Materials and services	<u>101,050</u>	<u>5,854</u>	<u>95,196</u>
 Net change in fund balance	 (31,000)	 (5,386)	 25,614
Fund balance at beginning of year	<u>31,000</u>	<u>84,687</u>	<u>53,687</u>
 Fund balance at end of year	 <u>\$ -</u>	 <u>\$ 79,301</u>	 <u>\$ 79,301</u>

YAMHILL COUNTY

**EMERGENCY COMMUNICATIONS - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGE IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2014**

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

YAMHILL COUNTY

**EXTENSION - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2014**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Property taxes	\$ 322,844	\$ 316,681	\$ (6,163)
Interest	<u>715</u>	<u>931</u>	<u>216</u>
TOTAL REVENUES	<u>323,559</u>	<u>317,612</u>	<u>(5,947)</u>
EXPENDITURES			
Materials and services	332,844	335,423	(2,579)
Contingency	<u>15,000</u>	<u>-</u>	<u>15,000</u>
TOTAL EXPENDITURES	<u>347,844</u>	<u>335,423</u>	<u>12,421</u>
Net change in fund balance	(24,285)	(17,811)	6,474
Fund balance at beginning of year	<u>110,000</u>	<u>120,055</u>	<u>10,055</u>
Fund balance at end of year	<u>\$ 85,715</u>	<u>\$ 102,244</u>	<u>\$ 16,529</u>

YAMHILL COUNTY

**HABITAT CONSERVATION - SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 For the Year Ended June 30, 2014**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Intergovernmental	\$ 48,560	\$ 50,311	\$ 1,751
Charges for services	-	125	125
Other	-	80	80
	<u>48,560</u>	<u>50,516</u>	<u>1,956</u>
TOTAL REVENUES			
	<u>48,560</u>	<u>50,516</u>	<u>1,956</u>
EXPENDITURES			
Personnel services	24,545	21,634	2,911
Materials and services	23,515	23,553	(38)
	<u>48,060</u>	<u>45,187</u>	<u>2,873</u>
TOTAL EXPENDITURES			
	<u>48,060</u>	<u>45,187</u>	<u>2,873</u>
Excess (deficiency) of revenues over expenditures	500	5,329	4,829
OTHER FINANCING SOURCES (USES)			
Transfers in	4,500	4,500	-
	<u>4,500</u>	<u>4,500</u>	<u>-</u>
Net change in fund balance	5,000	9,829	4,829
Fund balance at beginning of year	-	8,587	8,587
	<u>-</u>	<u>8,587</u>	<u>8,587</u>
Fund balance at end of year	<u>\$ 5,000</u>	<u>\$ 18,416</u>	<u>\$ 13,416</u>

YAMHILL COUNTY

**BICYCLE AND FOOTPATH - CAPITAL PROJECTS FUND
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 For the Year Ended June 30, 2014**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Intergovernmental	\$ 55,512	\$ 57,995	\$ 2,483
Interest	<u>1,000</u>	<u>1,678</u>	<u>678</u>
TOTAL REVENUES	<u>56,512</u>	<u>59,673</u>	<u>3,161</u>
EXPENDITURES			
Materials and services	47,769	42,277	5,492
Contingency	<u>259,309</u>	<u>-</u>	<u>259,309</u>
TOTAL EXPENDITURES	<u>307,078</u>	<u>42,277</u>	<u>264,801</u>
Net change in fund balance	(250,566)	17,396	267,962
Fund balance at beginning of year	<u>250,566</u>	<u>280,391</u>	<u>29,825</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 297,787</u>	<u>\$ 297,787</u>

YAMHILL COUNTY

**SYSTEMS DEVELOPMENT - CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2014**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Charges for services	\$ 39,500	\$ 43,182	\$ 3,682
Interest	<u>400</u>	<u>588</u>	<u>188</u>
 TOTAL REVENUES	 <u>39,900</u>	 <u>43,770</u>	 <u>3,870</u>
 EXPENDITURES			
Non-departmental			
Materials and services	2,009	1,959	50
County Fair			
Capital outlay	10,500	1,170	9,330
Parks			
Materials and services	25,500	30,275	(4,775)
Parks System Development			
Capital outlay	<u>94,754</u>	<u>-</u>	<u>94,754</u>
 TOTAL EXPENDITURES	 <u>132,763</u>	 <u>33,404</u>	 <u>99,359</u>
 Net change in fund balance	 (92,863)	 10,366	 103,229
Fund balance at beginning of year	<u>96,054</u>	<u>96,661</u>	<u>607</u>
 Fund balance at end of year	 <u>\$ 3,191</u>	 <u>\$ 107,027</u>	 <u>\$ 103,836</u>

YAMHILL COUNTY

**COVE ORCHARD SEWER - ENTERPRISE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2014**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Charges for services	\$ 46,800	\$ 47,739	\$ 939
Interest	-	546	546
Miscellaneous	-	230	230
	<u>46,800</u>	<u>48,515</u>	<u>1,715</u>
TOTAL REVENUES			
EXPENDITURES			
Personnel services	6,161	5,861	300
Materials and services	47,660	36,806	10,854
Capital outlay	3,000	-	3,000
Contingency	83,099	-	83,099
	<u>139,920</u>	<u>42,667</u>	<u>97,253</u>
TOTAL EXPENDITURES			
Net change in fund balance	(93,120)	5,848	98,968
Fund balance at beginning of year	<u>93,120</u>	<u>88,152</u>	<u>(4,968)</u>
Fund balance at end of year	<u>\$ -</u>	94,000	<u>\$ 94,000</u>
Reconciliation to generally accepted accounting principles			
Receivables		19,013	
Capital assets, net		<u>79,103</u>	
Net position at end of year		<u>\$ 192,116</u>	

YAMHILL COUNTY

**COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
June 30, 2014**

	<u>Telecommunications</u>	<u>Self-Insurance</u>	<u>Motor Vehicle Replacement</u>	<u>Totals</u>
<u>ASSETS</u>				
Cash and investments	\$ 728,448	\$ 3,030,019	\$ 2,292,877	\$ 6,051,344
Receivables	9,325	25,416	42	34,783
Advances to other funds	<u>-</u>	<u>682,664</u>	<u>-</u>	<u>682,664</u>
 TOTAL ASSETS	 <u>737,773</u>	 <u>3,738,099</u>	 <u>2,292,919</u>	 <u>6,768,791</u>
<u>LIABILITIES</u>				
Accounts payable and accrued expenditures	12,506	6,107	155,402	174,015
Payroll and related liabilities	6,925	762	-	7,687
Compensated absences	<u>13,298</u>	<u>3,033</u>	<u>-</u>	<u>16,331</u>
 TOTAL LIABILITIES	 <u>32,729</u>	 <u>9,902</u>	 <u>155,402</u>	 <u>198,033</u>
<u>NET POSITION</u>				
Unrestricted	<u>\$ 705,044</u>	<u>\$ 3,728,197</u>	<u>\$ 2,137,517</u>	<u>\$ 6,570,758</u>

YAMHILL COUNTY

**COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2014**

	<u>Telecommunications</u>	<u>Self-Insurance</u>	<u>Motor Vehicle Replacement</u>	<u>Totals</u>
OPERATING REVENUES				
Charges for services	\$ -	\$ 65,818	\$ 6,192	\$ 72,010
Other	<u>127,171</u>	<u>7,079</u>	<u>43,604</u>	<u>177,854</u>
TOTAL OPERATING REVENUES	<u>127,171</u>	<u>72,897</u>	<u>49,796</u>	<u>249,864</u>
OPERATING EXPENSES				
Personnel services	164,151	182,801	-	346,952
Materials and services	<u>222,469</u>	<u>1,284,164</u>	<u>27,847</u>	<u>1,534,480</u>
TOTAL OPERATING EXPENSES	<u>386,620</u>	<u>1,466,965</u>	<u>27,847</u>	<u>1,881,432</u>
Operating income (loss)	(259,449)	(1,394,068)	21,949	(1,631,568)
NONOPERATING REVENUES				
Investment earnings	<u>3,720</u>	<u>11,412</u>	<u>11,603</u>	<u>26,735</u>
Income (loss) before transfers	(255,729)	(1,382,656)	33,552	(1,604,833)
Transfers in	331,188	2,228,279	663,857	3,223,324
Transfers out	<u>(28,590)</u>	<u>(214,565)</u>	<u>(555,006)</u>	<u>(798,161)</u>
Change in net position	46,869	631,058	142,403	820,330
Net position-beginning of year	<u>658,175</u>	<u>3,097,139</u>	<u>1,995,114</u>	<u>5,750,428</u>
Net position-end of year	<u>\$ 705,044</u>	<u>\$ 3,728,197</u>	<u>\$ 2,137,517</u>	<u>\$ 6,570,758</u>

YAMHILL COUNTY

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2014**

	<u>Telecommunications</u>	<u>Self-Insurance</u>	<u>Motor Vehicle Replacement</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from interfund services provided	\$ -	\$ 64,636	\$ 6,192	\$ 70,828
Other receipts from services provided	127,462	7,079	43,562	178,103
Payments to suppliers of goods or services	(212,152)	(1,311,627)	126,556	(1,397,223)
Payments to employees for services	<u>(161,486)</u>	<u>(189,454)</u>	<u>-</u>	<u>(350,940)</u>
Net cash provided by (used in) operating activities	<u>(246,176)</u>	<u>(1,429,366)</u>	<u>176,310</u>	<u>(1,499,232)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Repayments of advances from other funds	-	(6,794)	-	(6,794)
Repayments of advances to other funds	-	93,874	-	93,874
Transfers in	331,188	2,228,279	663,857	3,223,324
Transfers out	<u>(28,590)</u>	<u>(214,565)</u>	<u>(48,512)</u>	<u>(291,667)</u>
Net cash provided by noncapital financing activities	<u>302,598</u>	<u>2,100,794</u>	<u>615,345</u>	<u>3,018,737</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of capital assets	<u>-</u>	<u>-</u>	<u>(506,494)</u>	<u>(506,494)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on investments	<u>3,720</u>	<u>11,412</u>	<u>11,603</u>	<u>26,735</u>
Net increase in cash and cash equivalents	60,142	682,840	296,764	1,039,746
Cash and cash equivalents-beginning of year	<u>668,306</u>	<u>2,347,179</u>	<u>1,996,113</u>	<u>5,011,598</u>
Cash and cash equivalents-end of year	<u>\$ 728,448</u>	<u>\$ 3,030,019</u>	<u>\$ 2,292,877</u>	<u>\$ 6,051,344</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities				
Operating income (loss)	\$ (259,449)	\$ (1,394,068)	\$ 21,949	\$ (1,631,568)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities				
(Increase) decrease in assets:				
Receivables	291	(1,182)	(42)	(933)
Increase (decrease) in liabilities:				
Accounts payable and accrued expenditures	10,317	(27,463)	154,403	137,257
Payroll and related liabilities	140	(7,012)	-	(6,872)
Compensated absences	<u>2,525</u>	<u>359</u>	<u>-</u>	<u>2,884</u>
Net cash provided by (used in) operating activities	<u>\$ (246,176)</u>	<u>\$ (1,429,366)</u>	<u>\$ 176,310</u>	<u>\$ (1,499,232)</u>
SUPPLEMENTAL DISCLOSURE OF NONCASH TRANSACTIONS				
Transfers out	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (506,494)</u>	<u>\$ (506,494)</u>

YAMHILL COUNTY

**TELECOMMUNICATIONS - INTERNAL SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2014**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Interest	\$ 1,800	\$ 3,720	\$ 1,920
Other	<u>107,155</u>	<u>127,171</u>	<u>20,016</u>
TOTAL REVENUES	<u>108,955</u>	<u>130,891</u>	<u>21,936</u>
EXPENDITURES			
Personnel services	160,399	168,121	(7,722)
Materials and services	316,670	238,164	78,506
Capital outlay	<u>565,000</u>	<u>6,400</u>	<u>558,600</u>
TOTAL EXPENDITURES	<u>1,042,069</u>	<u>412,685</u>	<u>629,384</u>
Excess (deficiency) of revenues over expenditures	(933,114)	(281,794)	651,320
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>333,114</u>	<u>331,188</u>	<u>(1,926)</u>
Net change in fund balance	(600,000)	49,394	649,394
Fund balance at beginning of year	<u>600,000</u>	<u>668,948</u>	<u>68,948</u>
Fund balance at end of year	<u>\$ -</u>	718,342	<u>\$ 718,342</u>
Reconciliation to generally accepted accounting principles			
Compensated absences		<u>(13,298)</u>	
Net position at end of year		<u>\$ 705,044</u>	

YAMHILL COUNTY

**SELF-INSURANCE - INTERNAL SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2014**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Charges for services	\$ 1,780,494	\$ 2,358,399	\$ 577,905
Interest	7,441	11,653	4,212
Other	<u>8,000</u>	<u>7,079</u>	<u>(921)</u>
TOTAL REVENUES	<u>1,795,935</u>	<u>2,377,131</u>	<u>581,196</u>
EXPENDITURES			
Personnel services	198,747	241,912	(43,165)
Materials and services	2,552,319	1,425,928	1,126,391
Contingency	<u>1,859</u>	<u>-</u>	<u>1,859</u>
TOTAL EXPENDITURES	<u>2,752,925</u>	<u>1,667,840</u>	<u>1,085,085</u>
Excess (deficiency) of revenues over expenditures	<u>(956,990)</u>	<u>709,291</u>	<u>1,666,281</u>
OTHER FINANCING SOURCES (USES)			
Repayments of interfund loans	16,000	16,000	-
Interfund loans	-	(6,794)	(6,794)
Transfers out	<u>(600,000)</u>	<u>-</u>	<u>600,000</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(584,000)</u>	<u>9,206</u>	<u>593,206</u>
Net change in fund balance	(1,540,990)	718,497	2,259,487
Fund balance at beginning of year	<u>3,248,791</u>	<u>2,330,069</u>	<u>(918,722)</u>
Fund balance at end of year	<u>\$ 1,707,801</u>	3,048,566	<u>\$ 1,340,765</u>
Reconciliation to generally accepted accounting principles			
Advances to other funds		682,664	
Compensated absences		<u>(3,033)</u>	
Net position at end of year		<u>\$ 3,728,197</u>	

YAMHILL COUNTY

**MOTOR VEHICLE REPLACEMENT - INTERNAL SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2014**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Charges for services	\$ 704,077	\$ 670,049	\$ (34,028)
Interest	9,000	11,603	2,603
Other	<u>25,900</u>	<u>43,604</u>	<u>17,704</u>
TOTAL REVENUES	<u>738,977</u>	<u>725,256</u>	<u>(13,721)</u>
EXPENDITURES			
Materials and services	142,817	99,589	43,228
Capital outlay	833,850	483,264	350,586
Contingency	<u>145,000</u>	<u>-</u>	<u>145,000</u>
TOTAL EXPENDITURES	<u>1,121,667</u>	<u>582,853</u>	<u>538,814</u>
Net change in fund balance	(382,690)	142,403	525,093
Fund balance at beginning of year	<u>1,689,977</u>	<u>1,995,114</u>	<u>305,137</u>
Fund balance at end of year	<u>\$ 1,307,287</u>	<u>\$ 2,137,517</u>	<u>\$ 830,230</u>

YAMHILL COUNTY

AGENCY FUNDS

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

For the Year Ended June 30, 2014

Agency Fund	Balance July 01, 2013	Additions	Deductions	Balance June 30, 2014
<u>Unsegregated Tax and Interest</u>				
Assets				
Cash and investments	\$ 1,644,200	\$ 105,487,259	\$ 106,006,319	\$ 1,125,140
Property taxes receivable	<u>8,199,904</u>	<u>107,002,071</u>	<u>106,798,021</u>	<u>8,403,954</u>
Total assets	<u>\$ 9,844,104</u>	<u>\$ 212,489,330</u>	<u>\$ 212,804,340</u>	<u>\$ 9,529,094</u>
Liabilities				
Intergovernmental payables	<u>\$ 9,844,104</u>	<u>\$ 192,515,001</u>	<u>\$ 192,830,011</u>	<u>\$ 9,529,094</u>
<u>Holding Trust</u>				
Assets				
Cash and investments	<u>\$ 96,273</u>	<u>\$ 17,510</u>	<u>\$ 77,800</u>	<u>\$ 35,983</u>
Liabilities				
Amounts held in trust	<u>\$ 96,273</u>	<u>\$ 17,510</u>	<u>\$ 77,800</u>	<u>\$ 35,983</u>
<u>Assessment and Mapping</u>				
Assets				
Cash and investments	<u>\$ 226,422</u>	<u>\$ 763,816</u>	<u>\$ 754,724</u>	<u>\$ 235,514</u>
Liabilities				
Intergovernmental payables	<u>\$ 226,422</u>	<u>\$ 1,518,565</u>	<u>\$ 1,509,473</u>	<u>\$ 235,514</u>
<u>Total-All Agency Funds</u>				
Assets				
Cash and investments	\$ 1,966,895	\$ 106,268,585	\$ 106,838,843	\$ 1,396,637
Property taxes receivable	<u>8,199,904</u>	<u>107,002,071</u>	<u>106,798,021</u>	<u>8,403,954</u>
Total assets	<u>\$ 10,166,799</u>	<u>\$ 213,270,656</u>	<u>\$ 213,636,864</u>	<u>\$ 9,800,591</u>
Liabilities				
Intergovernmental payables	\$ 10,070,526	\$ 194,033,566	\$ 194,339,484	\$ 9,764,608
Amounts held in trust	<u>96,273</u>	<u>17,510</u>	<u>77,800</u>	<u>35,983</u>
Total liabilities	<u>\$ 10,166,799</u>	<u>\$ 194,051,076</u>	<u>\$ 194,417,284</u>	<u>\$ 9,800,591</u>

YAMHILL COUNTY

SCHEDULE OF ACCOUNTABILITY FOR INDEPENDENTLY ELECTED OFFICIALS For the Year Ended June 30, 2014

Official	Classification of Cash and Cash Equivalents									
	Total Cash and Cash Equivalents July 1, 2013	Cash Receipts	Cash Disbursements and Refunds	Turned to Treasurer	Total Cash and Cash Equivalents June 30, 2014	Cash on Hand	Checking	Unsegregated Tax Accts	Local Govt Pool and Other Investments	Total
Assessor	\$ 350	\$ 493,339	\$ -	\$ 493,339	\$ 350	\$ 350	\$ -	\$ -	\$ -	\$ 350
Clerk	1,100	516,008	-	\$ 516,008	1,100	1,100	-	-	-	1,100
Commissioners	4,800	103,118	-	\$ 103,118	4,800	4,800	-	-	-	4,800
District Attorney	1,000	626,765	-	\$ 626,765	1,000	1,000	-	-	-	1,000
Sheriff	1,010	3,517,763	-	\$ 3,517,763	1,010	1,010	-	-	-	1,010
Treasurer	<u>30,481,506</u>	<u>56,329,112</u>	<u>53,469,883</u>	<u>-</u>	<u>33,340,735</u>	<u>2,340</u>	<u>40,955</u>	<u>1,125,140</u>	<u>32,172,300</u>	<u>33,340,735</u>
	<u>\$ 30,489,766</u>	<u>\$ 61,586,106</u>	<u>\$ 53,469,883</u>	<u>\$ 5,256,994</u>	<u>\$ 33,348,995</u>	<u>\$ 10,600</u>	<u>\$ 40,955</u>	<u>\$ 1,125,140</u>	<u>\$ 32,172,300</u>	<u>\$ 33,348,995</u>

**INDEPENDENT AUDITOR'S REPORT REQUIRED BY
OREGON STATE REGULATIONS**

This page intentionally left blank



INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS

Board of County Commissioners
YAMHILL COUNTY
McMinnville, Oregon

We have audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of YAMHILL COUNTY as of and for the year ended June 30, 2014, and have issued our report thereon dated December 26, 2014.

Compliance

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

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

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

**INDEPENDENT AUDITOR'S REPORT REQUIRED BY
OREGON STATE REGULATIONS (Continued)**

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

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

<u>Fund/Category</u>	<u>Appropriation</u>	<u>Actual</u>	<u>Variance</u>
General			
Sheriff	\$ 6,167,143	\$ 6,175,540	\$ (8,397)
Capital Improvement			
Debt service	798,403	872,217	(73,814)
Extension Service District			
Materials and services	332,844	335,423	(2,579)

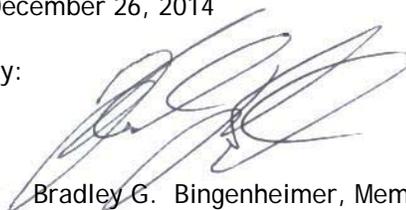
OAR 162-10-0230 Internal Control

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting 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 the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control. Significant deficiencies and material weaknesses in internal controls were communicated separately in a letter issued to management.

Restriction on Use

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

Boldt Carlisle + Smith
 Certified Public Accountants
 Salem, Oregon
 December 26, 2014

By: 
 Bradley G. Bingenheimer, Member

GRANT COMPLIANCE – SINGLE AUDIT

This page intentionally left blank



**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**

Board of County Commissioners
YAMHILL COUNTY
McMinnville, Oregon

We have audited, in accordance with the 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 business-type activities, each major fund, and the aggregate remaining fund information of YAMHILL COUNTY, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated December 26, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. 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.

Our consideration of internal control 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We consider the deficiency described in the accompany schedule of findings and questioned costs as item 2014-1 to be a significant deficiency.

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 (Continued)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Yamhill County's Response to Findings

The County's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements 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.

Boldt Carlisle & Smith

Boldt Carlisle + Smith
Certified Public Accountants
Salem, Oregon
December 26, 2014



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

Board of County Commissioners
YAMHILL COUNTY
Yamhill, Oregon

Report on Compliance for Each Major Federal Program

We have audited the County's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have direct and material effect on each of the County's major federal programs for the year ended June 30, 2014. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the County'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 auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY OMB CIRCULAR A-133 (Continued)**

***Basis for Qualified Opinion on CFDA 20.509 Formula Grants for Other Than Urbanized Areas and
CFDA 20.513 Capital Assistance Program for Elderly Persons and Persons with Disabilities***

As described in the accompanying schedule of findings and questioned costs, YAMHILL COUNTY did not comply with requirements regarding CFDA 20.509 Formula Grants for Other Than Urbanized Areas and 20.513 Capital Assistance Program for Elderly Persons and Persons with Disabilities as described in finding numbers 2014-2 for allowable costs. Compliance with such requirements is necessary, in our opinion, for YAMHILL COUNTY to comply with the requirements applicable to these programs.

***Qualified Opinion on CFDA 20.509 Formula Grants for Other Than Urbanized Areas and CFDA
20.513 Capital Assistance Program for Elderly Persons and Persons with Disabilities***

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, the County, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on CFDA 20.509 Formula Grants for Other Than Urbanized Areas and 20.513 Capital Assistance Program for Elderly Persons and Persons with Disabilities for the year ended June 30, 2014.

Other Matters

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

Report on Internal Control Over Compliance

Management of YAMHILL COUNTY, 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 the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified a deficiency in internal control over compliance that we consider to be a material weakness.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY OMB CIRCULAR A-133 (Continued)

Report on Internal Control Over Compliance (continued)

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2014-3 to be a material weakness.

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 compliance 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.

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

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

Boldt Carlisle & Smith

Boldt Carlisle + Smith
Certified Public Accountants
Salem, Oregon
December 26, 2014

This page intentionally left blank

YAMHILL COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2014

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued:	Unmodified
Internal control over financial reporting:	
♦ Material weakness(es) identified?	No
♦ Significant deficiency(ies) identified?	Yes
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major federal programs:	
♦ Material weakness(es) identified?	Yes
♦ Significant deficiency(ies) identified?	None reported
Type of auditor’s report issued on compliance for major federal programs:	Qualified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?	Yes
Identification of major federal programs:	

CFDA Number(s)

Name of Federal Program or Cluster

20.509	Formula Grants for Other Than Urbanized Areas
20.513	Transit Services Programs Cluster
	Capital Assistance Program for Elderly Persons and Persons with Disabilities
93.563	Child Support Enforcement

Dollar threshold used to distinguish between type A and type B programs:	\$300,000
Auditee qualified as low-risk auditee?	No

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

Section II – Financial Statement Findings

Significant Deficiencies:

2014-1 Preparation of the Financial Statements

- Criteria: The preparation of the financial statements is the responsibility of management. Management is also responsible for designing and implementing internal controls over the preparation of the financial statements.
- Condition: The auditor has prepared the financial statements (a nonattest service) on behalf of management. Therefore, management has not designed or implemented internal controls over the preparation of the financial statements. Management has identified the Finance Director as having suitable skills, knowledge or experience to accept responsibility for the financial statements.
- Cause: Management has performed a cost-benefit analysis and determined it is most efficient to have the auditors prepare the financial statements in conjunction with the audit of the financial statements.
- Effect: Management believes there are no negative effects, or potentially negative effects, on the financial statements.
- Response: Management has determined that it is not cost effective to correct this deficiency in internal controls.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

Section III – Federal Award Findings and Questioned Costs

2014-02

U.S. Department of Transportation – Federal Transit Administration
Oregon Department of Transportation agreements No. 29269 and 29310

20.509 Formula Grants for Other Than Urbanized Areas

20.513 Capital Assistance Program for Elderly Persons and Persons with Disabilities

Criteria: OMB Circular A-87 states: “To be allowable under Federal awards, costs must meet the following criteria...be adequately documented.” Additionally, the grant agreements with the Oregon Department of Transportation states: “Recipient shall retain proper and complete books of record and account and maintain all fiscal records related to this Agreement and the Project in accordance with generally accepted accounting principles.”

Condition: The County did not maintain documentation to support the amounts claimed for reimbursement under the grants.

Questioned

Costs: 20.509 \$815,852; 20.513 \$441,765 which represent the total amount of reimbursements received under ODOT agreements 29269 and 29310.

Perspective: The costs claimed under the grant consist predominately of payments to an outside contractor for the operation of the transit system. Total payment to the contractor, before reduction for fare box receipts, were \$1,260,986 during the year.

Effect: Costs claimed for reimbursement under the grants could be determined to be unallowable due to documentation not being maintained.

Recommendation:

The County should maintain detail documentation of the costs claimed for reimbursement under each grant.

Views of

Management: The County will begin to maintain documentation of the costs charged to each of the Federal programs.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

Section III – Federal Award Findings and Questioned Costs

2014-03

U.S. Department of Transportation – Federal Transit Administration
Oregon Department of Transportation agreements No. 28542, 29269 and 29310

20.509 Formula Grants for Other Than Urbanized Areas

20.513 Capital Assistance Program for Elderly Persons and Persons with Disabilities

Criteria: OMB Circular A-133 §.300 states: “The auditee shall: (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs.”

Condition: The County did not design and implement internal controls over allowable costs charged to the grants as there is no supervisory review and approval process for the costs claimed for reimbursement.

Questioned

Costs: 20.509 \$815,852; 20.513 \$826,049 which represent the total amount of reimbursements received under the grants.

Perspective: The costs claimed under the grant consist predominately of payments to an outside contractor for the operation of the transit system and the purchase of new buses. Total payment to the contractor, before reduction for fare box receipts, were \$1,260,986 during the year and new bus purchases totaled \$443,526.

Effect: Unallowable costs could be claimed for reimbursement under the grants.

Recommendation:

The County should design and implement internal controls whereby one person prepares the documentation of the costs to be claimed for reimbursement and another person reviews that documentation before it is submitted to the Oregon Department of Transportation.

Views of

Management: The County will initiate a process to review and approve the costs charged to the programs before they are submitted to the Oregon Department of Transportation for reimbursement.

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended June 30, 2014**

2013-03

U.S. Department of Transportation – Federal Transit Administration
Oregon Department of Transportation agreements No. 27737, 28423, 28424

20.509 Formula Grants for Other Than Urbanized Areas

Transit Services Programs Cluster

20.513 Capital Assistance Program for Elderly Persons and Persons with Disabilities

20.516 Job Access – Reverse Commute Program

Criteria: OMB Circular A-87 states: “To be allowable under Federal awards, costs must meet the following criteria...be adequately documented.” Additionally, the grant agreements with the Oregon Department of Transportation states: “Recipient shall retain proper and complete books of record and account and maintain all fiscal records related to this Agreement and the Project in accordance with generally accepted accounting principles.”

Condition: The County did not maintain documentation to support the amounts claimed for reimbursement under the grants.

Questioned

Costs: 20.509 \$666,862; 20.513 \$304,064; 20.516 \$38,335 which represent the total amount of reimbursements received under the grants.

Perspective: The costs claimed under the grant consist predominately of payments to an outside contractor for the operation of the transit system. Total payment to the contractor, before reduction for fare box receipts, were \$1,231,706 during the year.

Effect: Costs claimed for reimbursement under the grants could be determined to be unallowable due to documentation not being maintained.

Recommendation:

The County should maintain detail documentation of the costs claimed for reimbursement under each grant.

Views of

Management: The County will begin to maintain documentation of the costs charged to each of the Federal programs.

Status: The County has not yet implemented a corrective action plan that maintains documentation of costs claimed under the grants.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS (Continued)

2013-04

U.S. Department of Transportation – Federal Transit Administration
Oregon Department of Transportation agreements No. 27737, 28423, 28424
Transit Services Programs Cluster

- 20.513 Capital Assistance Program for Elderly Persons and Persons with Disabilities
- 20.516 Job Access – Reverse Commute Program

Criteria: OMB Circular A-133 §.300 states: “The auditee shall: (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs.”

Condition: The County did not design and implement internal controls over allowable costs charged to the grants as there is no supervisory review and approval process for the costs claimed for reimbursement.

Questioned

Costs: 20.509 \$666,862; 20.513 \$304,064; 20.516 \$38,335 which represent the total amount of reimbursements received under the grants.

Perspective: The costs claimed under the grant consist predominately of payments to an outside contractor for the operation of the transit system. Total payment to the contractor, before reduction for fare box receipts, were \$1,231,706 during the year.

Effect: Unallowable costs could be claimed for reimbursement under the grants.

Recommendation:

The County should design and implement internal controls whereby one person prepares the documentation of the costs to be claimed for reimbursement and another person reviews that documentation before it is submitted to the Oregon Department of Transportation.

Views of

Management: The County will initiate a process to review and approve the costs charged to the programs before they are submitted to the Oregon Department of Transportation for reimbursement.

Status: The County has not yet implemented a corrective action plan that implements internal controls over the costs claimed under the grants.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS (Continued)

2013-05

U.S. Department of Transportation – Federal Transit Administration

Transit Services Programs Cluster

20.513 Capital Assistance Program for Elderly Persons and Persons with Disabilities

20.516 Job Access – Reverse Commute Program

Criteria: The grant agreements with the Oregon Department of Transportation states: “Reports are due to State, Public Transit Division...no later than forty-five (45) days after the last day of each quarter.”

Condition: The reports for the quarters ended September 30, 2012, December 31, 2012 and March 31, 2013 were filed more than 45 days after quarter end.

Questioned

Costs: None

Perspective: The Oregon Department of Transportation reimbursed the County for the costs claimed even though the reports were filed late.

Effect: Reimbursements claimed under the grant could be denied.

Recommendation:

The County should develop systems to allow for the timely reporting of costs.

Views of

Management: The County will develop a system to track the submission of reports to the Oregon Department of Transportation on a timely basis.

Status: The County submitted all reports in a timely manner for the year ended June 30, 2014.

YAMHILL COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2014

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
<i>Department of Agriculture</i>			
Food and Nutrition Service			
<i>Passed through Oregon State Health Division</i>			
School Breakfast Program	10.553		\$ 10,610
National School Lunch Program	10.555		16,585
Forest Service			
<i>Passed through Oregon Department of Administrative Services</i>			
Schools and Roads - Grants to States	10.665		<u>221,584</u>
Total Department of Agriculture			<u>248,779</u>
<i>Department of the Interior</i>			
Bureau of Land Management			
Payments in Lieu of Taxes	15.226		24,108
Distribution of Receipts to State and Local Governments	15.227		<u>240,585</u>
Total Department of the Interior			<u>264,693</u>
<i>Department of Justice</i>			
Office of Juvenile Justice and Delinquency Prevention			
<i>Passed through Oregon State Criminal Justice Services Division</i>			
Juvenile Accountability Block Grant	16.523		4,625
Office of Victims of Crime			
<i>Passed through Oregon State Criminal Justice Division</i>			
Crime Victims Assistance	16.575	VOCA	37,102
Bureau of Justice Assistance			
Drug Court Discretionary Grant Program	16.585	2012-DC-BX-0047	120,928
<i>Passed through Oregon State Criminal Justice Division</i>			
Edward Byrne Memorial Justice Assistance Grant Program	16.738		52,900
Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/ Grants to States and Territories	16.803	M5736-12JAG	<u>16,866</u>
Total Department of Justice			<u>232,421</u>
<i>Department of Transportation</i>			
Federal Transit Administration			
<i>Passed through Oregon Department of Transportation</i>			
Formula Grants for Other Than Urbanized Areas	20.509	29269 28542	802,162 <u>13,690</u>
Subtotal Formula Grants for Other Than Urbanized Areas			<u>815,852</u>
Capital Assistance Program for Elderly Persons and Persons with Disabilities	20.513	28542 29310	384,284 <u>441,765</u>
Subtotal Capital Assistance Program for Elderly Persons and Persons with Disabilities			<u>826,049</u>
Total Department of Transportation			<u>1,641,901</u>
<i>Environmental Protection Agency</i>			
Office of Water			
<i>Passed through Oregon Department of Human Services</i>			
State Public Water System Supervision	66.432		15,667
Capitalization Grants for Drinking Water State Revolving Funds	66.468		<u>7,703</u>
Total Environmental Protection Agency			<u>23,370</u>

Continued on next page

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
<i>Department of Health and Human Services</i>			
Office of the Secretary			
Medical Reserve Corps Small Grant Program	93.008		\$ 2,563
Office of Population Affairs			
<i>Passed through Oregon Department of Human Services and Oregon Health Authority</i>			
Family Planning Services	93.217		33,150
Administration for Children and Families			
<i>Passed through Oregon Commission on Children and Families</i>			
Promoting Safe and Stable Families	93.556		24,470
Social Services Block Grant	93.667		77,515
<i>Passed through Oregon State Adult and Family Services Division</i>			
Child Support Enforcement	93.563		306,128
Centers for Medicare and Medicaid Services			
<i>Passed through Oregon Commission on Children and Families</i>			
Medical Assistance Program	93.778		4,869
Centers for Disease Control and Prevention			
<i>Passed through Oregon Health Authority</i>			
Environmental Public Health and Emergency Response			
Centers for Disease Control and Prevention -			
Investigations and Technical Assistance	93.283		4,124
Public Health Emergency Preparedness	93.069		111,550
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116		823
Health Resources and Services Administration			
<i>Passed through Multnomah County</i>			
HIV Emergency Relief Project Grants	93.914		23,312
<i>Passed through Oregon Department of Human Services Service Division</i>			
National Bioterrorism Hospital Preparedness Program	93.889		3,855
Maternal and Child Health Services Block Grant	93.994		71,121
Substance Abuse and Mental Health Services Administration			
<i>Passed through Oregon Health Authority</i>			
Substance Abuse and Mental Health Services -			
Projects of Regional and National Significance	93.243		135,300
<i>Passed through Oregon Department of Human Services Service Division</i>			
Block Grants for Community Mental Health Services	93.958		100,891
Block Grants for Prevention and Treatment of Substance Abuse	93.959		260,120
Total Department of Health and Human Services			<u>1,159,791</u>
<i>Federal Surplus Property Program</i>			
<i>Passed through Oregon Department of Administrative Services</i>			
Donation of Federal Surplus Personal Property	39.003		<u>17,619</u>
<i>Social Security Administration</i>			
Social Security - Work Incentives - Planning and Assistance Program	96.008		<u>4,800</u>
<i>Department of Homeland Security</i>			
<i>Passed through Oregon State Police Office of Emergency Management</i>			
Emergency Management Performance Grants	97.042		142,508
Citizens Corp	97.053		3,892
State Homeland Security Grant	97.073		<u>30,535</u>
Total Department of Homeland Security			<u>176,935</u>
Total Expenditures of Federal Awards			<u>\$ 3,770,309</u>

See accompanying notes

YAMHILL COUNTY

NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 30, 2014

Basis of Presentation

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