

COLUMBIA COUNTY
COLUMBIA COUNTY, OREGON

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2011



12700 SW 72nd Ave.
Tigard, OR 97223

COLUMBIA COUNTY, OREGON

ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2011

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COLUMBIA COUNTY, OREGON

Board of Commissioners

<u>Name and Address</u>	<u>Term Expires</u>
Anthony Hyde, Chair	January 2013
Henry Heimuller	January 2014
Earl Fisher	January 2013

Elected Officials

<u>Name</u>	<u>Position</u>	<u>Term Expires</u>
Sue Martin	County Assessor	January 2015
Betty Huser	County Clerk	January 2015
Steve Atchison	County District Attorney	January 2015
Jeff Dickerson	County Sheriff	January 2013
Ruth Baker	County Treasurer	January 2013
Wally Thompson	Justice of the Peace	January 2013

Board Members receive mail at the County address listed below:

230 Strand Street, St. Helens, Oregon 97051

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COLUMBIA COUNTY, OREGON

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PAULY, ROGERS AND CO., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

-
- 12700 SW 72ND AVENUE • TIGARD, OREGON 97223
 - (503) 620-2632 • FAX (503) 684-7523

December 16, 2011

County Commissioners
Columbia County
St Helens, Oregon

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Columbia County, Oregon (County), as of and for the year ended June 30, 2011, which collectively comprise the basic financial statements as listed in the table of contents. These financial statements are the responsibility of management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Columbia County, Oregon, as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our reports dated December 16, 2011 on our consideration of the internal control over financial reporting and our tests of compliance with certain provisions of laws, regulations, contracts and grants. Those reports are an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis and Required Supplementary Information on Page 51, as listed on the table of contents is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of expressing opinions on the financial statements that collectively comprise the basic financial statements. The accompanying supplementary information, which includes the combining and individual nonmajor fund financial statements and additional schedules as listed in the Table of Contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards, as listed in the table of contents, 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 not a required part of the basic financial statements. The Supplementary Information and the Schedule of Expenditures of Federal Awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The Schedule of Expenditures – General Fund by Department, on page 79 and Schedule of Accountability of Elected Officials on page 81, as listed in the table of contents, are presented as supplementary schedules, and are not a required part of the basic financial statements. We have applied certain limited procedures, which consisted principally of inquiries of management about this supplementary information. However, we did not audit the information and do not express an opinion on it.

Pauly, Rogers and Co., P.C.
PAULY, ROGERS AND CO., P.C.

Columbia County, Oregon
Management's Discussion and Analysis
For the Year Ended June 30, 2011

As management of Columbia County, we offer readers of the County's financial statements this narrative overview and analysis of the County's financial activities for the fiscal year ended June 30, 2011. We encourage readers to consider the information presented here in conjunction with the financial statements.

Financial Highlights

- The assets of Columbia County exceeded its liabilities at the close of the most recent fiscal year by \$45,742,552 (*net assets*). Of this amount, \$2,371,432 (*unrestricted*) may be used to meet the government's ongoing obligations to citizens and creditors. This represents a decrease of almost \$1.5 million relative last FY unrestricted dollars (adjusted downwards from the previous year's report to reflect the appropriate categorization of prepaid pension and non-general fund assets as restricted).
- The County's total net assets decreased overall by \$5,564,024. Sixty-one percent of the decline is due to depreciation of capital assets, a requirement of GAAP to be shown as an expense in all funds. Reductions in unrestricted and restricted assets made up 27% and 12% of the total decline respectively in net assets.
- As of the close of the current fiscal year, Columbia County's governmental funds reported combined ending fund balances of \$8,698,842, a decrease from last year of 14%. Half of the total decline of \$1.4 million is found in the Road Fund, which saw its ending fund balance go from \$1.2 million last year to less than \$500,000.
- At the end of the current fiscal year, fund balance for the general fund is \$4,985,073, smaller by 5% relative to last fiscal year. \$3.02 million of the fund balance is categorized as unassigned, down from \$4.26 million in FY10, a drop of almost one third. The total fund balance is equivalent to 30% of current FY expenses, proportionally flat relative last FY.

Overview of the Financial Statements

The discussion and analysis are intended to serve as introductions to Columbia County's basic financial statements which are comprised of three components:

1. Government-wide financial statements
2. Fund financial statements
3. Notes to the financial statements

This report contains required supplementary information and other supplementary information in addition to the basic financial statements themselves.

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

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

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

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (government activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of Columbia County include general government, public safety, roads and bridges, economic development, health and welfare, and culture and recreation. The Waste Transfer Station is the only business-type activity of the County.

The government-wide financial statements include not only the County itself (known as the primary government), but also the legally separate Meadowview Lighting District; the Urban Renewal Agency, the Columbia County Development Agency (CCDA); and the 4-H & Extension Service District. Though legally separate, the CCDA, Lighting District and the 4-H Extension Service District's governing body is identical to the County's and the County is financially accountable. Because the services of these entities are exclusively for the benefit of the County, their financial data are included as blended component units. Complete financial statements for the CCDA and for the 4-H & Extension Service District may be obtained at the Office of the Finance Director, 230 Strand Street, St. Helens, Oregon 97051-0010.

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. Columbia 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 Columbia County can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

A change in financial reporting was implemented this fiscal year as required by the Government Accounting Standards Board (pronouncement 54) which provides a more detailed breakdown of ending fund balances. Ending fund balance is now expressed in the categories of nonspendable (prepaid expenditure and inventory), restricted (determined by law or contractual terms), committed (reserved by the governing body for a specific purpose), assigned (reserved by Budget Committee or Finance Director for specific purpose) and unassigned (unrestricted funds).

This new reporting structure presumes that proprietary and special revenue funds' ending fund balances will never have unassigned balances as their assets are all restricted for the special purpose of the respective fund.

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 resource, as well as on balances of spendable resources 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 County's near term financial decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and change in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Columbia County maintains twenty individual funds that combine to make up governmental activity. Information is presented separately in the governmental fund balance sheet and in the government fund statement of revenues, expenditures, and changes in fund balances for the general fund, three special revenue funds (Roads, Direct Pass Through Grants and Unmet Needs Vernonia Flood Recovery Funds), with the data from the other sixteen governmental funds combined into a single, aggregated presentation (Other Governmental). Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The County adopts an annual appropriated budget for all funds. A budgetary comparison statement has been provided to demonstrate compliance with the budget.

Proprietary fund Since the opening of the Waste Transfer Station in 2006, the County maintains an *enterprise* fund. Enterprise funds are used to report the same functions presented as *business-type* activities in the government-wide financial statements. The County uses this fund to account for all activity related to the transfer station.

Fiduciary funds Fiduciary funds are used to account for resources held for the benefit of parties outside the County government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support County programs.

Notes to the Basic 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.

Required supplementary information Columbia County adopts an annual appropriated budget for its governmental funds. A budgetary comparison statement has been provided for each major fund to demonstrate compliance with this budget.

Other supplementary 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 for major funds.

Government-wide Financial Analysis

As noted previously, these statements represent the County’s financial status using the full accrual method, the manner in which businesses and non-profits present their financial statements. The current year under analysis is FY11 (July 2010 to June 2011).

Net Assets Generally, net assets serve over time as a useful indicator of a government’s financial position. The County’s assets exceeded liabilities by \$45,742,552 at the close of the current fiscal year and \$51,306,573 at the close of the prior fiscal year. More than half of the decline is attributable to the depreciation of infrastructure assets without appropriate ability to renew this infrastructure, such as the road system, due to the lack of replacement funds. Unrestricted and, to a lesser extent, restricted net asset levels made up the balance of the decline.

The largest portion of Columbia County’s net assets (72% percent) reflects its investment in capital assets (e.g. infrastructure, land, buildings, machinery and equipment). Columbia County uses these capital assets to provide services to citizens. These assets are *not* available for future spending.

At the end of the current fiscal year, the County is able to report positive, though declining, balances in all three categories of net assets, both for the governments as a whole, as well as for its separate governmental and business-type activities.

Columbia County's Net Assets	Governmental	Governmental	Business-	Business-	Total	Total
	Activities	Activities	Type	Type		
	2011	2010*	2011	2010*	2011	2010
Current & Other Assets	11,095,892	12,507,628	352,284	549,236	11,448,176	13,056,864
Net Pension Asset & Bond Cost	5,542,376	5,882,534	-	-	5,542,376	5,882,534
Capital Assets	53,717,349	57,268,399	4,762,450	4,905,299	58,479,799	62,173,698
Total Assets	70,355,617	75,658,561	5,114,734	5,454,535	75,470,351	81,113,096
Current Liabilities	2,288,499	2,344,141	300,890	301,698	2,589,389	2,645,839
Long-term Outstanding Liabilities	23,216,794	23,116,406	3,921,617	4,044,275	27,138,411	27,160,681
Total Liabilities	25,505,293	25,460,547	4,222,507	4,345,973	29,727,800	29,806,520
Capital Asset Investment, Net of Related Debt	32,186,193	35,580,094	840,833	861,024	33,027,026	36,441,118
Restricted Net Assets	10,292,700	10,764,559	51,394	247,538	10,344,094	11,012,097
Unrestricted Net Assets	2,371,432	3,853,361			2,371,432	3,853,361
Total Net Assets	44,850,325	50,198,014	892,227	1,108,562	45,742,552	51,306,576

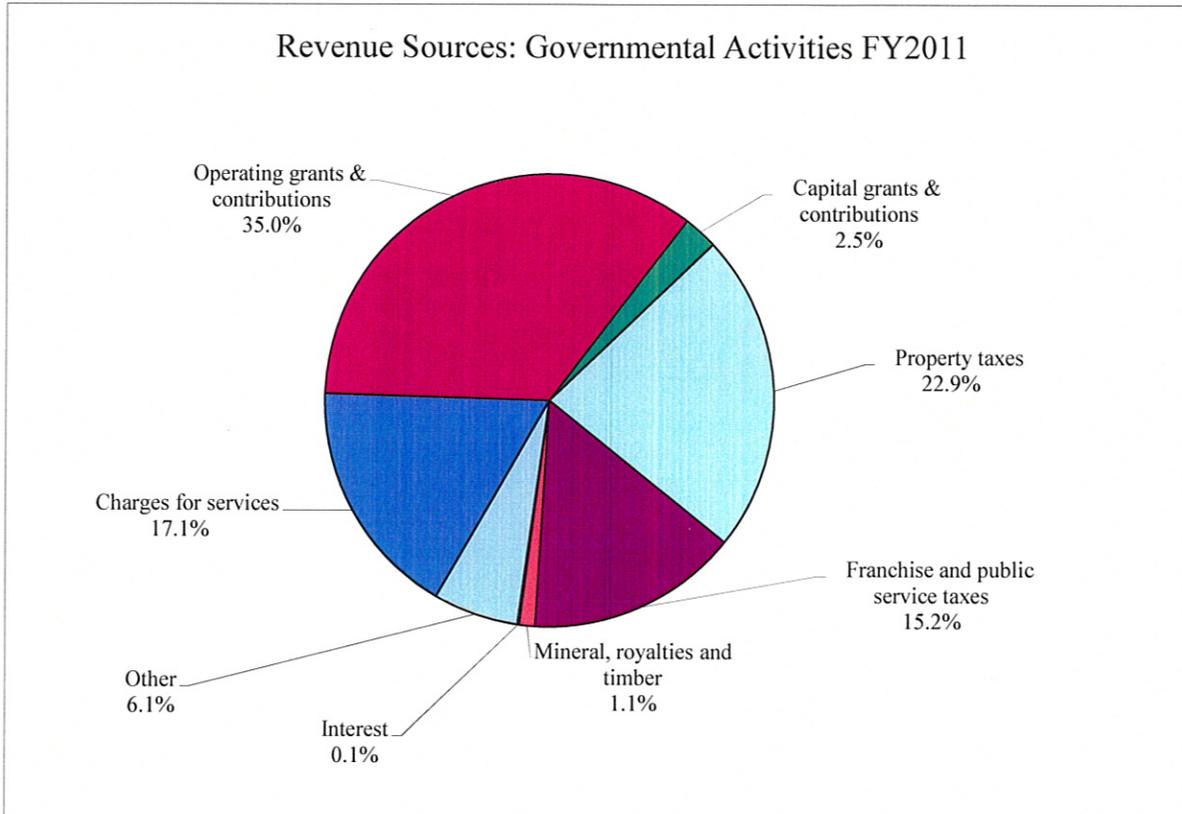
* Net Asset reporting updated to reflect consistency in categorizing prepaid pension costs and non-general fund assets as restricted.

Statement of Activities The table below details government-wide activities in the Revenue and Expense Statement perspective:

Statement of Activities

	Governmental Activities		Business-Type Activities		Business-Type Activities		Total Change Incr/(Decr)	%age Change
	2011	2010	2011	2010	2011	2010		
Revenue								
Charges for Services	5,465,265	5,386,042	2,323,926	2,029,076	7,789,191	7,415,118	374,073	5.04%
Operating Grants and Contributions	11,159,429	9,846,392			11,159,429	9,846,392	1,313,037	13.34%
Capital Grants and Contributions	789,698	1,637,139			789,698	1,637,139	(847,441)	-51.76%
Property Taxes	7,295,383	6,525,283			7,295,383	6,525,283	770,100	11.80%
Franchise and Public Service Taxes	4,851,641	4,295,580			4,851,641	4,295,580	556,061	12.94%
Mineral, Royalties and Timber Rev	363,532	203,337			363,532	203,337	160,195	78.78%
Unrestricted Investment Earnings	45,099	69,805	1,293	3,078	46,392	72,883	(26,491)	-36.35%
Other Revenue	1,964,901	1,406,812			1,964,901	1,406,812	558,089	39.67%
Transfers	(9,414)		9,414		-	-	-	
Total Revenues	31,925,534	29,370,390	2,334,633	2,032,154	34,260,167	31,402,544	2,857,623	9.10%
Expenses								
General Government	5,204,982	9,515,950			5,204,982	9,515,950	(4,310,968)	-45.30%
Roads and Bridges	8,668,276	5,786,981			8,668,276	5,786,981	2,881,295	49.79%
Public Safety	11,409,493	10,043,049			11,409,493	10,043,049	1,366,444	13.61%
Health and Welfare	7,661,353	4,729,646			7,661,353	4,729,646	2,931,707	61.99%
Culture and Recreation	1,348,600	1,343,153			1,348,600	1,343,153	5,447	0.41%
Economic Development	1,706,262	3,227,811			1,706,262	3,227,811	(1,521,549)	-47.14%
Interest on Long-term Debt	1,278,588	1,654,028			1,278,588	1,654,028	(375,440)	-22.70%
Business-Type Activity			2,550,968	2,266,472	2,550,968	2,266,472	284,496	12.55%
Total Expenses	37,277,554	36,300,618	2,550,968	2,266,472	39,828,522	38,567,090	1,261,432	3.27%
Change in Net Assets	(5,352,020)	(6,930,228)	(216,335)	(234,318)	(5,568,355)	(7,164,546)	1,596,191	-22.28%
Prior Period Adjustment	4,331	369,248			4,331		4,331	
Net Assets, Beginning of Period	50,198,014	56,758,994	1,108,562	1,342,880	51,306,576	58,101,874	(6,795,298)	-11.70%
Net Assets, End of Period	44,850,325	50,198,014	892,227	1,108,562	45,742,552	50,937,328	(5,194,776)	-10.20%

FY2010-11 Revenue Relative last fiscal year, revenue increased by over 9%, or almost \$3 million. The pie graph shows governmental activities by revenue source while the table below it gives a comparison of revenue trends over time. While the County has come off the low of the previous fiscal year, it has not regained the revenue level of FY2008-09 (this period includes months when the economic downturn was most acute in the summer and fall of 2008).



Governmental Activities Revenue Comparison

Program revenues	FY2010-11		FY2009-10		FY2008-09	
Charges for services	5,465,265	17%	5,386,042	18.3%	6,543,481	20%
Operating grants & contributions	11,159,429	35%	9,846,392	33.5%	8,619,550	26%
Capital grants & contributions	789,698	2%	1,637,139	5.6%	6,739,839	20%
Property taxes	7,295,383	23%	6,525,283	22.2%	6,665,185	20%
Franchise and public service taxes	4,851,641	15%	4,295,580	14.6%	3,355,667	10%
Mineral, royalties and timber	363,532	1%	203,337	0.7%	224,968	1%
Interest	45,099	0%	69,805	0.2%	249,663	1%
Other	1,955,487	6%	1,406,812	4.8%	1,123,943	3%
Total revenues	31,925,534	100%	29,370,390	100%	33,522,296	100%

Despite year over year growth in jail bed revenue, charges for services remain significantly lower than previous fiscal years, reflecting the on-going impact of the struggling economy in general and the drop off in new housing development in particular.

Growth in operating grants and contributions, property taxes, and franchise and public services

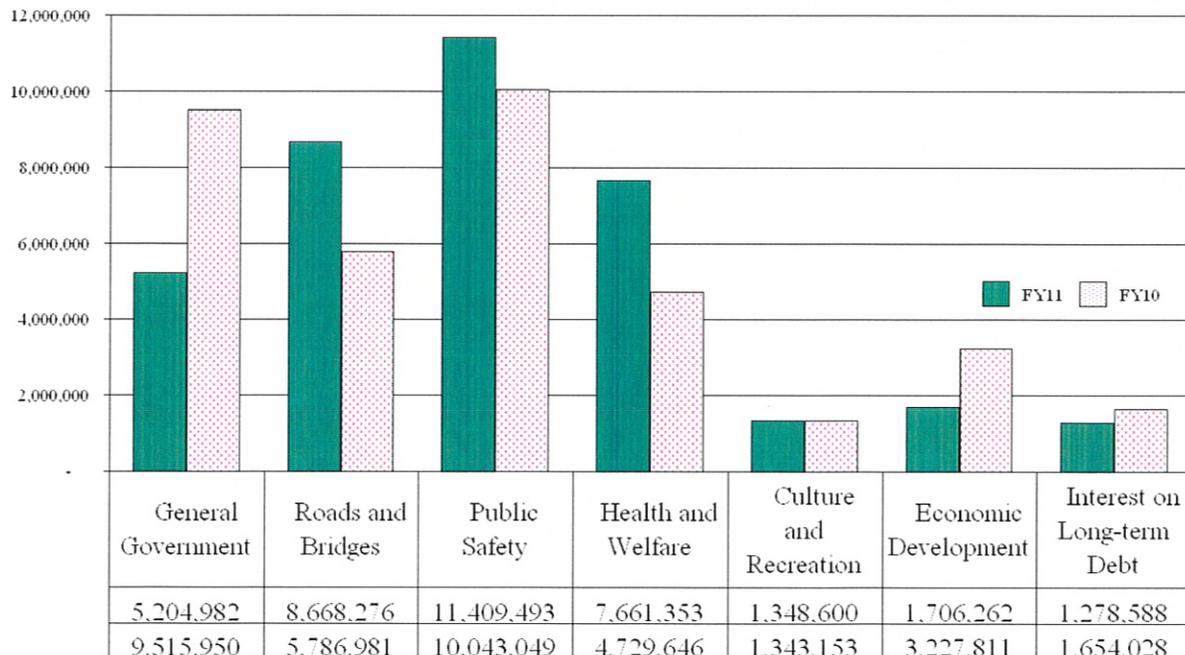
taxes have offset the significant drop off of capital grants and contributions. Swings in annual grant totals is predictable given that large projects are not on-going activities but they begin (Vernonia flood recovery) and end (Port Westward infrastructure investment).

While property tax is typically a stable funding source for a government, Columbia County’s government-wide picture includes the CCDA, the urban renewal district which conducts infrastructure development in Port Westward. Urban renewal districts are subject to annual swings in property tax receipts due to how tax increment revenue is calculated and the existence of tax payers with enterprise zone tax exemptions within them. This volatility is seen over the last year, when the CCDA went from \$70,000 to \$470,000 in property tax revenue, accounting for more than half of the year over year property tax increase on the government-wide Statement of Activities.

Finally, \$700,000 of the FY11 “other” revenue category was in the form of loan proceeds funding much needed energy efficiency improvements in the County Courthouse which will result in significant energy cost savings going forward. The entire project, the majority of which has received federal grant funding, has a 13-year payback period.

FY2010-11 Expenses The chart below graphs the County’s expenses by public services activities. Three – Roads and Bridges, Public Safety and Health and Welfare – experienced increases relative last year whereas the remaining four were flat or experienced declines in expenditure levels.

Expenses by Governmental Activity FY 2010-2011



The \$3 million jump in Roads is attributable a change in how depreciation is allocated to public services activities in order to align depreciation to the actual use of the assets as opposed to annual expenditure proportions as had been done in prior years. Because the majority of County capital assets are roads and bridges infrastructure, the depreciation expense to this activity is significantly larger than that of any other.

Public Safety increased primarily due to a recategorization of some functions– the District Attorney’s Office, Justice Court and Firing Range were moved from General Government to Public Safety. Expenditures relative last year’s levels were also affected in an upward direction by increased cost in running the jail and a downward direction by a lower depreciation cost.

Health and Welfare increased dramatically due to over \$3 million spent on Vernonia Flood Recovery projects in the current fiscal year. These are one-time, significant costs which will be reflected in the County’s financial statements for the next few years as the recovery projects are finalized in that community.

The primary drivers of the decline in General Government relative last year are the above mentioned depreciation methodology change (approximately \$1.1 million) and functional recategorization with Public Safety (approximately \$2.25 million).

Culture and Recreation was essentially flat over the last two fiscal years while Economic Development decreased by almost half over the last year due to end of significant expenditures in Port Westward in FY10. Long term debt interest payments went down due to a deferred interest payment program associated with Port Westward capital investments.

Fund Financial Statement Analysis

Because the County calibrates its goal for unrestricted ending fund balance to the Government Financial Officer Association’s (GFOA) recommendation of two months of operating costs as a minimum, it is instructive to look at comparative year over year expenditures by the two operating cost categories: Personnel and Materials and Services. Upward pressure was evident in both areas with Personnel up 8.8% and Materials and Services up 10.5%.

County-wide Operational Cost Comparison	FY2010-11	FY2009-10	Total Change	%age change
Personnel Costs	14,746,603	13,550,016	1,196,587	8.83%
Materials and Services	20,302,777	18,374,099	1,928,678	10.50%

When focusing on annual revenue vs expenditure, the net revenue for the County has been negative for the last three fiscal years. The County has spent more than it received in each of these years. While this is not the first time this has happened, and this phenomenon can often be explained by grants timing (expenses are incurred in one fiscal year and the reimbursement revenue comes in a later year), we know that drawing further downwards on the ending fund balance is not a sustainable practice.

Governmental Revenue and Expenditure	FY2010-11	FY2009-10	FY2008-09	FY2007-08	FY2006-07	FY2005-06
Revenue	35,032,571	32,132,707	35,353,206	37,707,970	42,327,364	34,019,957
Expenditure	<u>36,439,165</u>	<u>33,476,958</u>	<u>36,028,781</u>	<u>35,914,541</u>	<u>43,378,358</u>	<u>32,321,561</u>
Net Revenue	(1,406,594)	(1,344,251)	(675,575)	1,793,429	(1,050,994)	1,698,396
Prior Period Adjustment	4,331	(164,639)				
Beginning Fund Balance	<u>10,092,105</u>	<u>11,600,995</u>	<u>12,276,570</u>	<u>10,483,141</u>	<u>11,534,135</u>	<u>9,835,739</u>
Ending Fund Balance	8,689,842	10,092,105	11,600,995	12,276,570	10,483,141	11,534,135

Business-type Activities

In FY11, the Transfer Station experienced a reduction in revenue and tonnage compared to FY10. However, the number of franchised loads increased, most likely due to an increase in residents/businesses participating in the curbside collection services. The reduced tonnage of waste processed at the Transfer Station is likely related to a combination of the continued poor economic conditions in the County and the increased rate of recycling by Columbia County residents and businesses. Columbia County again surpassed its 32% recycling goal in FY11, recycling approximately 35% of all waste by weight. Participation increased by approximately 20% in FY11 over last fiscal year by Columbia County residents in the County's Household Hazardous Waste (HHW) drop off program. This increase may be explained by a combination of the implementation of the Paint Product Stewardship Program and increased knowledge of the County's HHW program.

As previously approved by the Board of Commissioners, a 3% CPI increase was made to tipping fees effective on July 1st.

Budgetary Highlights

The General Fund is the chief operating fund of the County. At the end of the current fiscal year unassigned fund balance in the General Fund was \$3,023,196, an amount which exceeds by 15% the two month operating expense goal for unrestricted ending fund balance based on FY11 actual Personnel plus Materials and Services expenditures. This result was achieved through the continuing efforts to contain costs in the face of ongoing economic difficulties and revenue uncertainty in future years; the Board, department managers and staff at large have brought the fund balance in \$135,000 higher than the expected unrestricted beginning balance included in the FY12 budget.

One of the measures taken to reduce general fund costs was a furlough program for the year. Four unpaid furlough days were agreed to by most county workers funded by general fund dollars (down from eight the previous fiscal year). Elected Officials and department managers took an equivalent salary cut. At the Sheriff's office, where the 24/7 nature of its operations make furloughs a counter productive cost cutting tool, layoffs were implemented during the course of the year.

Amendments to the original budget for the general fund were necessary to adjust for technical expenditure classification reasons as well as to add dollars to the public safety budget given an uptick in their budgeted revenue stream from the US Marshals for housing federal prisoners in the Columbia County Jail. The Sheriff's office also made the prudent choice of reserving \$400,000 of the increased federal prison housing revenue for use in future years to offset personnel and capital investment needs instead of spending it all in the current year. Finally, an amendment to accurately reflect the expenditure category of the newly hired economic development director's scope of work was required, shifting dollars from materials and services to personnel.

Capital Asset and Debt Administration

Capital Assets Columbia County's investment in capital assets for its governmental activities as of June 30, 2011, amounts to \$58,479,798 (net of accumulated depreciation). This investment in capital assets includes land, buildings, infrastructure, machinery and equipment.

Net capital assets declined by 6% for the County during the year. Additions were made in the amount of less than 1% of the FY11 asset total. Among the additions and improvements to County infrastructure are the following:

- replacement of the Elk Creek culvert at milepost 3 on Scappoose – Vernonia Road,
- JP West Bridge in Scappoose re-opened to two-way traffic,
- Pebble Creek and Coon Creek Bridges repaired.

Columbia County Capital Assets (Net of Depreciation)	Governmental Activities 2011	Governmental Activities 2010	Business-Type 2011	Business-Type 2010	Total 2011	Total 2010
Land and land improvements	6,189,899	6,189,899	637,483	637,483	6,827,382	6,827,382
Construction in progress	10,355,080	9,537,656			10,355,080	9,537,656
Buildings	13,491,140	13,870,074	4,074,767	4,196,473	17,565,907	18,066,547
Infrastructure	21,836,443	25,665,724			21,836,443	25,665,724
Furniture and equipment	1,844,786	2,005,046	50,200	71,342	1,894,986	2,076,388
	<u>53,717,348</u>	<u>57,268,399</u>	<u>4,762,450</u>	<u>4,905,298</u>	<u>58,479,798</u>	<u>62,173,697</u>

Long-term debt At the end of the current fiscal year, Columbia County had total long-term debt outstanding of \$27,138,411 while in the prior year the balance was \$27,160,682, a decline of 0.8%. As was mentioned earlier, one new loan was added to the County debt picture.

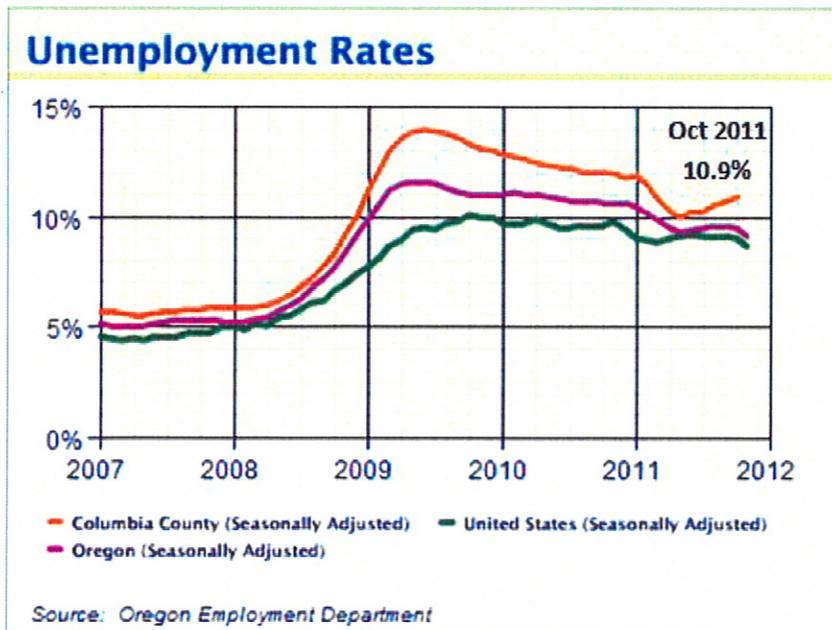
Columbia County's Outstanding Debt

	2011	2010	Total Change	%age change
General Obligation Bonds Refunded 2006, Prem & def cha	6,725,000	7,530,000	(805,000)	-10.69%
Limited Tax Bond - PERS UAL Bond	7,869,091	7,966,094	(97,003)	-1.22%
Road Improvement Bond - Rainier	294,887	307,218	(12,331)	-4.01%
Long Term Notes-OECDD-business type activity	3,921,617	4,044,276	(122,659)	-3.03%
Note-City of St Helens, Transitional Housing	82,403	86,518	(4,115)	-4.76%
Note - Knife River	50,682	51,582	(900)	-1.74%
Note - Energy Efficiency Courthouse	713,000		713,000	100.00%
Compensated Absences	1,185,655	1,049,082	136,573	13.02%
Net OPEB obligation	499,983	379,019	120,964	31.92%
Port Westward SPWF Loan	5,796,093	5,746,893	49,200	0.86%
Total	27,138,411	27,160,682	(22,271)	-0.08%

Key Economic Factors and Budget Information for the Future

A third full year of economic stress across the country was present and its impact was felt in Columbia County during the FY11. Unfortunately, there are few bright spots looking forward beyond the commitment of County Elected Officials and staff to make the very best use of the scarce resources available to it to provide the mandated and needed services due the residents of Columbia County.

Economic Factors While Columbia County's unemployment rate is off its high during the recession, in October 2011 County residents experienced a relatively high rate of 10.9%, higher



than the national average by 2.3% for the same month. Compared to the other counties in Oregon our October 2011 rate is in the bottom half of range of 6.5% to 15.8% (10.2% median unemployment rate).

The impact of the continuing employment levels in Columbia County is eroding its medium household income level as well as pushing up poverty levels in the County between 2008 and 2010. Columbia

County has data that is better than the national and state wide numbers in these categories but as the economic downturn as continued, Columbia County's poverty levels and household income have worsened at a steeper rate than they have at the national or state level. Staggeringly, over 18% of all children under age 18 in the County are living poverty and 18.6% more residents of all ages in Columbia County were in poverty in 2010 than in 2008. Median household income in the County eroded from 2008 to 2010, dropping 11.9% from \$57,600 to \$50,700. This data intuitively tells us that our community needs more support from the public sector than it did in the recent past.

Poverty and Median Household Income	CY2010	CY2009	CY2008	2008 to 2010
All Ages in Poverty - US	15.3%	14.3%	13.2%	15.9%
All Ages in Poverty - Oregon	15.8%	14.3%	13.5%	17.0%
All Ages in Poverty - Columbia County	13.4%	11.9%	11.3%	18.6%
Under Age 18 in Poverty - US	21.6%	20.0%	18.2%	18.7%
Under Age 18 in Poverty - Oregon	21.7%	19.4%	17.8%	21.9%
Under Age 18 in Poverty - Columbia County	18.2%	16.2%	14.7%	23.8%
Mediam Household Income - US	50,046	50,221	52,029	-3.8%
Mediam Household Income - Oregon	46,536	48,325	50,165	-7.2%
Mediam Household Income - Columbia Cou	50,707	55,920	57,568	-11.9%

Source: US Census Bureau Small Area Income and Poverty Estimates

Declines in residential property values have begun to show up in property tax collections for Columbia County. In FY12, residential property tax values are shifting away from tax bills based on the assessed value, which increases a maximum of 3% per year, to market value. Property taxes are calculated on the lesser of the two values and prior to FY12, the lesser number for residential property was almost always the assessed value.

Budget Information Concerns about declining revenues and increased costs remain in FY12 and beyond. Near term uncertainty regarding property tax revenue levels is being driven by recent court decisions to value business property taxes at lower rates than have been expected by the Oregon Department of Revenue. It is possible that this trend will continue, making the prediction of property tax revenue for all local governments, including Columbia County, that much more difficult with significant downside risk if future budgets are based on past property tax revenue trends.

Columbia County Secure Rural Schools (O&C Counties) Funding

	FY2011-12*	FY2010-11	FY2009-10	FY2008-09	FY2007-08
Title I (unrestricted)	652,111	1,483,931	1,646,553	1,829,504	2,028,610
Title III (restricted)	53,703	122,206	135,599	150,665	239,853
Total SRS Act	705,815	1,606,137	1,782,152	1,980,169	2,268,463
Unrestricted General Fund**	8,763,742	9,393,854	9,522,145	10,538,431	11,333,689
Proportion Unrestricted Contr	8.05%	15.80%	17.29%	17.36%	17.90%

* FY2011-12 is budgeted expectation with adjustments to reflect known decrease in expected SRS and property tax receipts.

** Reflects unrestricted revenues which excludes departmental fees collected that cover cost of services as well as all restricted revenue

Prior years data is slightly different than that presented in FY2009-10 financials in order to reflect consistent definition over time.

FY12 is the final year of the current Secure Rural Schools (SRS) funding from the federal government. This revenue stream is and has been the single most significant source of unrestricted County dollars after property tax. At this time no replacement funding has been secured beyond FY13; we are hopeful Congress will act to continue funding at some level but amounts and time period is unclear.

Currently, Columbia County is aware of two unrestricted general fund revenue streams which will come in less than their respective FY12 budget levels. In the time between appropriating the budget in June 2011 and finalizing the property tax rolls in October 2011, a three percent revenue decline is recommended by the Assessor due to the residential property shift described above (approximately \$150,000). In addition, Oregon counties got notice on the last day of FY10 that expected SRS disbursements would be lower than previously estimated; for Columbia County this means a drop of over \$150,000 from the appropriated budget level.

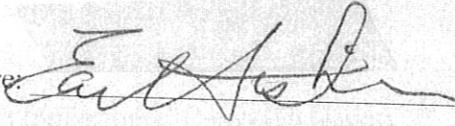
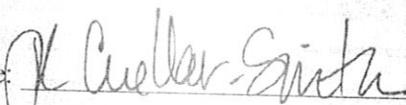
Finally, the Oregon Revenue Forecast for the 2011-2013 biennium budget continues on a negative track with the December 2011 forecast even weaker than that of September 2011. The State will address the budget gap which will likely result in cost cutting that may or may not have a direct impact on state-supported County service delivery levels.

On the cost side, specifically for the FY12 year, 26 furlough days (or the equivalent in 10% wage reductions for Elected Officials and department managers) were budgeted for most County staff funded by the general fund. Open positions in general fund departments due to retirement or resignation will not be filled in FY12. Again, Sheriff department staff were not furloughed due to the nature of its operation and the Sheriff is implementing other cost cutting measures including additional staffing level reductions.

Finally, as was noted earlier, it is not sustainable to spend more than comes in over multiple consecutive years. The FY12 budget is balanced by continuing to use the prior year's fund balance as it contemplates over \$2 million more in planned expenditures than revenues received in the year. Given that the FY12 budget already includes significant staffing and other cost cutting elements, the budget process for FY13 and beyond will be more challenging than ever.

Request for information. This financial report is designed to provide a general overview of Columbia County's finances for all those with an interest 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 Office of the Finance Director, 230 Strand Street, St. Helens, OR 97051.

Signature:  Signature: 
Commissioner, Columbia County 12/21/11 Director, Finance and Taxation

COLUMBIA COUNTY, OREGON

BASIC FINANCIAL STATEMENTS

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COLUMBIA COUNTY, OREGON

STATEMENT OF NET ASSETS

June 30, 2011

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 8,111,254	\$ 111,349	\$ 8,222,603
Receivables:			
Accounts receivable	57,677	236,712	294,389
Property taxes receivable	739,096	-	739,096
Due from other governments	1,813,355	-	1,813,355
Special assessments receivable	2,607	-	2,607
Due from Agency funds	22,514	-	22,514
Prepays	247,911	4,223	252,134
Inventories	101,478	-	101,478
Total current assets	<u>11,095,892</u>	<u>352,284</u>	<u>11,448,176</u>
Noncurrent assets:			
Net pension asset	5,542,376	-	5,542,376
Capital Assets:			
Nondepreciable	16,544,979	-	16,544,979
Depreciable, net	37,172,370	4,762,450	41,934,820
Total noncurrent assets	<u>59,259,725</u>	<u>4,762,450</u>	<u>64,022,175</u>
Total Assets	<u>70,355,617</u>	<u>5,114,734</u>	<u>75,470,351</u>
LIABILITIES			
Current liabilities:			
Accounts payable and payroll liabilities	1,604,133	187,196	1,791,329
Interest payable	621,444	113,694	735,138
Unearned Revenue	-	-	-
Deposits	62,922	-	62,922
Total current liabilities	<u>2,288,499</u>	<u>300,890</u>	<u>2,589,389</u>
Noncurrent liabilities:			
Accrued Compensated Absences	1,185,655	-	1,185,655
Net OPEB obligation	499,983	-	499,983
Current portion of long-term obligations	1,006,585	128,756	1,135,341
Noncurrent portion of long-term obligations	20,524,571	3,792,861	24,317,432
Total noncurrent liabilities	<u>23,216,794</u>	<u>3,921,617</u>	<u>27,138,411</u>
Total Liabilities	<u>25,505,293</u>	<u>4,222,507</u>	<u>29,727,800</u>
NET ASSETS			
Invested in Capital Assets, net of related debt	32,186,193	840,833	33,027,026
Restricted for Prepaid Pension	5,542,376	-	5,542,376
Restricted for Debt Service	-	-	-
Restricted for System Development	706,245	-	706,245
Restricted for Other Purposes	4,044,079	51,394	4,095,473
Unrestricted	2,371,432	-	2,371,432
Total Net Assets	<u>\$ 44,850,325</u>	<u>\$ 892,227</u>	<u>\$ 45,742,552</u>

The accompanying notes are an integral part of this statement.

COLUMBIA COUNTY, OREGON

**STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2011**

	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Functions/Programs				
Governmental Activities				
General government	\$ 5,204,982	1,388,924	2,479,314	574,176
Roads and bridges	8,668,276	331,006	-	87,724
Public safety	11,409,493	2,529,396	1,427,880	-
Health and welfare	7,661,353	-	6,852,544	-
Culture and recreation	1,348,600	178,217	270,086	127,798
Economic development	1,706,262	1,037,722	129,605	-
Interest on long-term debt	1,278,588	-	-	-
Total governmental activities	37,277,554	5,465,265	11,159,429	789,698
Business-Type Activities				
Transfer station	2,550,968	2,323,926	-	-
Total Business-Type Activities	2,550,968	2,323,926	-	-
Total Primary Government	\$ 39,828,522	\$ 7,789,191	\$ 11,159,429	\$ 789,698

General Revenues

- Property taxes
- Franchise taxes and other taxes
- Intergovernmental
- Fines, fees
- Mineral royalties and timber
- Interest and investment earnings
- Gain (loss) on disposal of assets
- Transfers
- Miscellaneous income

Total General Revenues and Transfers

Change in Net Assets

Prior Period Adjustment

Net Assets - beginning of year

Net Assets - end of year

The accompanying notes are an integral part of this statement.

**Net Revenue (Expenses) and
Changes in Net Assets**

Governmental Activities	Business-Type Activities	Total
\$ (762,568)	\$ -	\$ (762,568)
(8,249,546)	-	(8,249,546)
(7,452,217)	-	(7,452,217)
(808,809)	-	(808,809)
(772,499)	-	(772,499)
(538,935)	-	(538,935)
<u>(1,278,588)</u>	<u>-</u>	<u>(1,278,588)</u>
(19,863,162)	-	(19,863,162)
-	(227,042)	(227,042)
-	(227,042)	(227,042)
<u>(19,863,162)</u>	<u>(227,042)</u>	<u>(20,090,204)</u>
7,295,383	-	7,295,383
402,868	-	402,868
4,448,773	-	4,448,773
1,549,018	-	1,549,018
363,532	-	363,532
45,099	1,293	46,392
5,006	-	5,006
(9,414)	9,414	-
<u>410,877</u>	<u>-</u>	<u>410,877</u>
<u>14,511,142</u>	<u>10,707</u>	<u>14,521,849</u>
(5,352,020)	(216,335)	(5,568,355)
4,331	-	4,331
<u>50,198,014</u>	<u>1,108,562</u>	<u>51,306,576</u>
<u>\$ 44,850,325</u>	<u>\$ 892,227</u>	<u>\$ 45,742,552</u>

The accompanying notes are an integral part of this statement.

COLUMBIA COUNTY, OREGON

**BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2011**

	GENERAL FUND	ROAD FUND	DIRECT PASS THROUGH GRANT FUND	UN MET NEEDS FUND	OTHER GOVERNMENTAL	TOTAL
ASSETS:						
Cash and cash equivalents	\$ 4,593,840	\$ 301,754	\$ 220,295	\$ 696,719	\$ 2,298,645	\$ 8,111,254
Receivables						
Accounts receivable	22,876	-	-	0	34,801	57,677
Property taxes receivable	562,392	-	-	-	176,704	739,096
Due from other governments	791,913	280,937	170,038	24,434	546,033	1,813,355
Special assessments receivable	-	2,607	-	-	-	2,607
Prepays	182,209	36,523	-	-	29,179	247,911
Due from agency funds	22,514	-	-	-	-	22,514
Inventories	-	101,478	-	-	-	101,478
Total assets	\$ 6,175,744	\$ 723,299	\$ 390,333	\$ 721,153	\$ 3,085,363	\$ 11,095,892
LIABILITIES AND FUND BALANCES:						
Liabilities:						
Accounts Payable	\$ 566,782	\$ 230,897	\$ 170,038	\$ 68,203	\$ 496,460	\$ 1,532,380
Other Liabilities	-	-	-	42,250	29,502	71,752
Deposits and bail	61,597	-	-	-	1,325	62,922
Deferred revenue	562,292	-	-	-	176,704	738,996
Total liabilities	1,190,671	230,897	170,038	110,453	703,992	2,406,051
Fund balances:						
Nonspendable	182,209	138,001	-	-	29,179	349,389
Restricted	1,162,920	354,401	220,295	610,700	2,402,008	4,750,324
Committed	616,775	-	-	-	-	616,775
Assigned	-	-	-	-	-	-
Unassigned	3,023,169	-	-	-	(49,816)	2,973,353
Total fund balances	4,985,073	492,402	220,295	610,700	2,381,371	8,689,842
Total liabilities and fund balances	\$ 6,175,744	\$ 723,299	\$ 390,333	\$ 721,153	\$ 3,085,363	\$ 11,095,892

The accompanying notes are an integral part of this statement.

COLUMBIA COUNTY, OREGON

**RECONCILIATION OF BALANCE SHEET OF GOVERNMENTAL FUNDS
TO STATEMENT OF NET ASSETS**

June 30, 2011

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets.

Fund Balances-Governmental Funds \$ 8,689,842

The cost of capital assets (land, buildings, improvements, machinery and equipment, infrastructure, and construction in progress) is reported as an expenditure in governmental funds. The statement of net assets includes those capital assets among the assets of the County as a whole.

Governmental Capital Assets	\$ 281,629,088	
Less Accumulated Depreciation	<u>(227,911,739)</u>	
		53,717,349

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

Accrued Compensated Absences	\$ (1,185,655)	
Interest Payable	(621,444)	
Bonds Payable	(14,594,091)	
Notes Payable	<u>(6,937,065)</u>	
		(23,338,255)

The net OPEB obligation is not reported as a liability in the governmental funds. (499,983)

Deferred Revenue represents amounts that were not available to fund current expenditures and therefore are not reported in the governmental funds. 738,996

The unamortized portion of prepaid pension cost, bond premiums and bond issuance costs is not available to pay for current period expenditures, and therefore is not reported in the governmental funds.

Prepaid Pension Asset		<u>5,542,376</u>
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Total Net Assets	<u>\$ 44,850,325</u>	
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The accompanying notes are an integral part of this statement.

COLUMBIA COUNTY, OREGON

**STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2011**

	GENERAL FUND	ROAD FUND	DIRECT PASS THROUGH GRANT FUND	UNMET NEEDS FUND	OTHER GOVERNMENTAL	TOTAL
REVENUES						
Property taxes	\$ 5,447,633	\$ -	\$ -	\$ -	\$ 1,802,073	\$ 7,249,706
Public service taxes	328,778	-	-	-	-	328,778
Intergovernmental	3,345,866	3,034,458	3,135,214	3,644,048	3,746,833	16,906,419
Charges for Services	3,814,792	-	-	-	-	3,814,792
Licenses and permits	68,804	32,499	-	-	-	101,303
Fines, fees and forfeitures	-	310,076	-	-	1,926,582	2,236,658
Franchise fees	74,090	-	-	-	-	74,090
Interest on investments	27,286	1,377	-	611	15,825	45,099
Mineral royalties and timber	136,663	-	-	-	-	136,663
Payments in lieu of taxes	26,498	-	-	-	-	26,498
Administrative allocation reimbursement	2,400,703	-	-	-	-	2,400,703
Miscellaneous	1,258,874	39,389	-	34,590	370,924	1,703,777
Total revenues	16,929,987	3,417,799	3,135,214	3,679,249	7,862,237	35,024,486
EXPENDITURES						
Current:						
General government	4,701,755	-	-	-	2,021,649	6,723,404
Roads and bridges	-	4,391,843	-	-	-	4,391,843
Public safety	9,099,992	-	-	-	1,673,861	10,773,853
Health and welfare	162,807	-	2,919,031	3,934,386	565,975	7,582,199
Culture and recreation	-	-	-	-	1,189,309	1,189,309
Economic development	1,493,920	-	-	-	-	1,493,920
Capital outlay	604,610	148,725	-	-	1,332,872	2,086,207
Debt service	638,430	-	-	-	1,560,000	2,198,430
Total expenditures	16,701,514	4,540,568	2,919,031	3,934,386	8,343,666	36,439,165
Excess of Revenues Over (Under) Expenditures	228,473	(1,122,769)	216,183	(255,137)	(481,429)	(1,414,679)
Other Financing Sources, (Uses)						
Sale of Assets	-	-	-	-	17,500	17,500
Transfer to Business-Type Fund	(9,414)	-	-	-	-	(9,414)
Transfers In	565,657	407,296	-	-	455,947	1,428,901
Transfers Out	(1,063,194)	-	-	-	(365,707)	(1,428,901)
Total Other Financing Sources, (Uses)	(506,951)	407,296	-	-	107,740	8,085
Net Change in Fund Balance	(278,479)	(715,473)	216,183	(255,137)	(373,688)	(1,406,594)
Prior Period Adjustment	-	-	-	-	4,331	4,331
FUND BALANCE - BEGINNING	5,263,552	1,207,875	4,112	865,837	2,750,729	10,092,105
FUND BALANCE - ENDING	\$ 4,985,073	\$ 492,402	\$ 220,295	\$ 610,700	\$ 2,381,372	\$ 8,689,842

The accompanying notes are an integral part of this statement.

COLUMBIA COUNTY, OREGON

**RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS - TO
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2011**

Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balance and the government-wide statement of activities

Excess of Revenues over Expenditures \$ (1,406,594)

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital Asset additions	\$	1,757,854	
Gain/loss on disposal of assets		(12,494)	
Less current year depreciation		<u>(5,296,410)</u>	
			(3,551,050)

In the Statement of Activities, the contributions to the Post Retirement Health Benefits Program in excess of the actuarially determined contribution amount increased the net OPEB obligation. In the governmental funds, the entire contribution is recognized as an expenditure. This is the amount by which the net OPEB obligation is increased. (120,964)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.

Change in deferred revenue 45,677

Repayment of long-term debt is an expenditure in the governmental funds, however repayment reduces long-term liabilities in the statement of net assets.

Change in Accrued Compensated Absences	\$	(136,573)	
Change in Interest Payable		493	
New Debt Issuance		(713,000)	
Change in Bonds Payable		902,003	
Change in Notes Payable		(31,854)	
Change in Leases Payable		<u>-</u>	
			21,069

Payment for PERS UAL is recorded as an other financing use in the Governmental funds. The Government-wide statements record the prepaid pension asset. (340,158)

Change in Net Assets \$ (5,352,020)

The accompanying notes are an integral part of this statement.

COLUMBIA COUNTY, OREGON

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
June 30, 2011

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS
	TRANSFER STATION FUND
ASSETS	
Cash and cash equivalents	\$ 111,349
Accounts receivable, net	236,712
Prepays	4,223
Total current assets	<u>352,284</u>
Capital assets, net	<u>4,762,450</u>
Total assets	<u>\$ 5,114,734</u>
LIABILITIES	
Accounts payable	\$ 187,196
Interest payable	113,694
Current portion of long-term obligations	128,756
Total current liabilities	<u>429,646</u>
Non current portion of long term liabilities	<u>3,792,861</u>
Total liabilities	<u>4,222,507</u>
Net Assets	
Invested in Capital Assets, net of related debt	840,833
Unrestricted	51,394
Total net assets	<u>892,227</u>
Total liabilities and net assets	<u>\$ 5,114,734</u>

The accompanying notes are an integral part of this statement.

COLUMBIA COUNTY, OREGON

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
For the Year Ended June 30, 2011

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS
	TRANSFER STATION FUND
OPERATING REVENUES	
Tipping fees	\$ 2,303,720
Miscellaneous	20,206
Total operating revenues	<u>2,323,926</u>
OPERATING EXPENSES	
Payroll cost	291,591
Operating expenses	1,918,684
Depreciation	142,850
Total operating expenses	<u>2,353,125</u>
Income, (Loss) From Operations	(29,199)
NON-OPERATING REVENUES (EXPENSES)	
Interest income	1,293
Transfers In	9,414
Interest expense	(197,843)
Total non-operating Revenues	<u>(187,136)</u>
Change in Net Assets	(216,335)
Beginning Net Assets	<u>1,108,562</u>
Ending Net Assets	<u>\$ 892,227</u>

The accompanying notes are an integral part of this statement.

COLUMBIA COUNTY, OREGON

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
For the Year Ended June 30, 2011

	BUSINESS-TYPE ACTIVITIES- ENTERPRISE FUNDS
	TRANSFER STATION FUND
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers	\$ 2,279,832
Cash paid to employees and others for salaries and benefits	(1,916,691)
Cash paid to suppliers and others	(291,591)
	<hr/>
Net cash provided (used) by operating activities	71,550
	<hr/>
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES	
Intergovernmental	9,414
	<hr/>
Net Cash Provided (Used) by Noncapital and Related Financing Activities	9,414
	<hr/>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase of capital assets	-
Loan payments	(122,659)
Interest expense	(201,001)
	<hr/>
Net cash provided (used) by capital and related financing activities	(323,660)
	<hr/>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	1,293
	<hr/>
Net cash provided by investing activities	1,293
	<hr/>
Net change in cash and cash equivalents	(241,403)
	<hr/>
CASH AND CASH EQUIVALENTS - BEGINNING	352,752
	<hr/>
CASH AND CASH EQUIVALENTS - ENDING	\$ 111,349
	<hr/> <hr/>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities	
Operating Income (loss)	\$ (29,199)
Adjustments to Reconcile Operating Income (loss) to net	
Depreciation/Amortization	142,850
(Increase), Decrease in Accounts Receivable	(44,094)
Increase, (Decrease) in Accounts Payable/Accrued Liabilities	2,351
(Increase), Decrease in Prepaid Expenses	(358)
	<hr/>
Net cash provided (used) by operating activities	\$ 71,550
	<hr/> <hr/>

The accompanying notes are an integral part of this statement.

COLUMBIA COUNTY, OREGON
FIDUCIARY FUNDS
STATEMENT OF NET ASSETS
June 30, 2011

	<u>AGENCY FUNDS</u>
ASSETS	
Cash and cash equivalents	\$ 2,298,451
Property tax receivable	5,569,512
Other assets	<u>5,481</u>
Total assets	<u>\$ 7,873,444</u>
LIABILITIES	
Due to other governments	<u>\$ 7,873,444</u>
Total liabilities	<u>\$ 7,873,444</u>

The accompanying notes are an integral part of this statement.

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COLUMBIA COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

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COLUMBIA COUNTY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2011

(1) Summary of Significant Accounting Policies

A. Description of Reporting Entity

The County was incorporated in 1854 under the name of "Columbia County." County voters elect the Management, composed of a three-member Board of Commissioners. Other elected officials providing services for the County include Sheriff, Clerk, Assessor, Treasurer, Surveyor, District Attorney, and Justice of the Peace.

Columbia County is a primary government. A primary government is a financial reporting entity, which has a separately elected governing body, is legally separate, and is fiscally independent of other state and local governments. As required by GAAP, these financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities are, in substance, part of the County's operations and so data from these units are combined with data of the primary government. Discretely presented component units, on the other hand, are reported in a separate column in the combined financial statement to emphasize it is legally separate from the government. The County has no discretely presented component units and has three blended component units described below. The blended component units are reported as special revenue funds.

Blended Component Units

Meadowview Service District - The District provides street lighting for the Meadowview District. The County Board of Commissioners is the governing board for the District.

Columbia County 4-H & Extension Service District - The District provides educational services primarily in agriculture and home economics for County residents. In addition, the District oversees the 4-H program. The County Board of Commissioners is the governing board for the District.

Columbia County Development Agency Fund - The Agency was formed to plan, direct, and manage the Port Westward Urban Renewal Agency. The County Board has been appointed governing body of the Agency.

Complete financial statements for each component unit may be obtained at the Office of the Finance Director, 230 Strand Street, St. Helens, Oregon 97051-0100.

B. Government-Wide and Fund Financial Statements

Government-Wide Statements

The statement of net assets and the statement of activities display information about the County as a whole. These statements include all the financial activities, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. The statement of activities presents a comparison between direct expenses and program revenues for each function of the governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities.

COLUMBIA COUNTY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2011

B. Government-Wide and Fund Financial Statements (continued)

Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements

These statements display information at the individual fund level. Each fund is considered to be a separate accounting entity. Funds are classified and summarized as governmental, proprietary, or fiduciary. Major individual governmental funds are reported as separate columns in the fund financial statements. The County reports the following major governmental funds: General Fund, Road Fund, Direct Pass-Through Grant Fund, and the Unmet Needs Fund. Non-major funds are consolidated into a single column in the financial section of the basic financial statements and are detailed in the supplemental information.

GOVERNMENTAL FUNDS

General Fund

This fund accounts for the financial resources of the County that are not accounted for in any other fund. Principal sources of revenue are property taxes, franchise fees, grants, and state shared revenues. Primary expenditures are for public safety, corrections, judicial, economic development, and general administration.

Special Revenue Funds

These funds account for revenues derived from specific taxes or other earmarked revenue sources, including state gas tax and state revenue sharing entitlements, which are legally restricted to expenditures for specified purposes. Funds included in this fund category are:

Road Fund

This fund was established as a requirement of ORS 366.542(4). Monies received from the State of Oregon (State Highway funds, gasoline tax apportionment and grants) and Columbia County general fund are the major sources of revenue. These monies are to be used for the construction and expansion, operations and maintenance, repair and preservation of County roads, streets and bridges.

Direct Pass Through Grant Fund

This fund was set up to receive, control and disburse funds that the County receives for other entities under contract with the State of Oregon. The County has an oversight and fiduciary responsibility to the State.

County Unmet Needs Fund

This fund was established solely by donations from the public for the Columbia County victims of the flood of December 2007. It currently also includes all related grant funded recovery efforts as the Unmet Needs Committee makes recommendations to the Board of Commissioners regarding these activities as well. The Board of Commissioners has assumed supervisory responsibility for the actions of the board of the Unmet Needs Committee.

COLUMBIA COUNTY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2011

B. Government-Wide and Fund Financial Statements (continued)

Additionally, there are the following non-major funds:

Special Revenue Funds

Fair Board Fund

This fund was established as a requirement of ORS 565-325. This fund receives monies from state lottery, rentals and concessions. Admission fees from the county fair augment these revenues. The fair board is charged with the responsibility to maintain, repair and preserve the county fair grounds and buildings and support agriculture-oriented programs such as the 4-H and hold one annual county fair.

Children and Youth Services Fund

This fund was established to account for the activities of the commission for children and families program for the County according to ORS 417.760. The fund receives its revenue from state programs and grants.

Animal Control Fund

This fund was created under the authority of ORS 433.390. Monies are received from dog fees and animal control services. These revenues are to be used for the administration of the program and animal control in the County.

Corner Preservation Fund

The Public Land Corner Preservation Fund was established under County Ordinance No. 89-16. Revenues are derived from fees charged by the County Clerk when recording instruments under ORS 205.130(2) and ORS 203.148. These fees were established to pay expenses incurred in the establishment and maintenance of corners of government survey under ORS 209.070 (5 and 6).

Inmate Benefits Expense Fund

This fund was established to account for profits generated from products and services sold and supplied to inmates of the County jail. These revenues are to be used exclusively in a manner benefiting the population of the jail.

Courthouse Security Fund

This fund accounts for revenues received from cities and courts that are a percentage of fines paid to the cities and courts. The disbursement of the funds is determined by the courthouse security committee, which is made up of the presiding Judge, Sheriff, Jail manager, Commissioner and manager of building services.

Community Corrections Fund

This fund was established under the Senate Bill 1145 and 156 in 1995 to account for the activities of the adult parole and probation program for the County. The fund receives its revenue from state programs and from supervision fees.

Law Library Fund

This fund was established under authority of ORS 9.840 and 9.850. Revenues are received per schedule detailed in ORS 21.350 from the state court administrator. The revenue is to be used exclusively to maintain a law library at the county seat, and be available for use by litigants and attorneys without additional fees.

Footpath and Bicycle Trail Fund

This fund was established to provide for the operations and capital improvement needs of the County's bike paths. Revenue and other financing sources consist primarily of one percent of the County's state gasoline tax.

COLUMBIA COUNTY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2011

B. Government-Wide and Fund Financial Statements (continued)

CC Rider Transportation Fund

The Columbia County Rider Transportation Fund was established to provide transportation for Columbia County citizens. It is funded by state and federal grants and by local public entities' support. Additional revenue is generated by rider fares and Medicaid payment for senior transportation.

County Park Fund

This fund was created by County ordinance No 94-9 in December 1994. It was established to operate and maintain and expand the County Park system. The fund receives monies from the State Highway Fund, from grants, and logging revenue from County forests.

Building Services Fund

Per ORS 455.210.3C, building fee revenue can only be used for the operations of the building department. In order to accommodate this requirement, the building services fees and expenses are tracked in a stand-alone fund.

Additionally, a budgetary comparison schedule is presented for the following blended component units, which are considered to be nonmajor governmental funds:

Meadowview Service District Fund

This fund is the general fund for this special district. Under ORS 451.490, a local option tax is assessed against the property owners in this lighting district. Revenues received from this local option tax are used to pay the utilities for the street lights and the administration of this fund. The Board of Commissioners is the governing body of this special district.

4-H Extension Service District Fund

The Columbia County 4-H & Extension Service District was formed in May of 1988 under provisions of the ORS 451 and provides agricultural education and other services to County residents. This fund serves to collect the revenue for the district and to distribute the revenue to and for the administration of the district, which is supervised by the Oregon State University agricultural division. The Board of Commissioners is the governing body of the service district.

Development Agency Fund

This fund was established to account for the revenues and expenditures of the Urban Renewal District. The fund receives its revenues from tax increments, interest, loan proceeds, and royalties.

COLUMBIA COUNTY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2011

B. Government-Wide and Fund Financial Statements (continued)

DEBT SERVICE FUNDS

These funds are used to account for revenues and expenditures related to the servicing of general long-term debt.

Jail Bond Fund

This fund is used to accumulate tax revenue received from a special tax levy, which was approved by Columbia County's voters as ballot measure 5-49 on November 3, 1998. This bond levy is assessed to all County property owners. Monies received from this bond levy are used for the retirement of principal and interest on the Jail General Obligation Fund.

PROPRIETARY FUNDS

These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The intent of the governing body is that the cost of providing the services to the general public on a continuing basis be financed primarily through user charges. Funds included in this category are:

County Transfer Station Fund

This fund accounts for the operations of the County's Transfer Station facility in which the County has a long term intergovernmental agreement with its Cities to process all waste generated in the County. The fund receives its revenues primarily from tipping fees.

FIDUCIARY FUNDS

Fiduciary Funds reporting focuses on net assets and changes in net assets. The fiduciary category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds. Fiduciary funds are used to account for assets the County holds in a trustee capacity or as an agent for individuals, private organizations, other governments, and other funds. The County's only fiduciary funds are agency funds. Agency funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations. The agency funds of the County are:

Inmate Commissary Fund

In FY11, this fund's activities are no longer split between a special revenue and a fiduciary fund class but are moved in their entirety to the special revenue fund.

Treasurer Fund

This fund accounts for assets held by the County Treasurer for the benefit of other districts and governments in the County.

C. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe which transactions are recorded with the various financial statements. Basis of accounting refers to when transactions are recorded regardless of the measurement focus.

The government-wide financial statements are reported using the economic resources measurement focus and the full accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

COLUMBIA COUNTY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2011

C. Measurement Focus and Basis of Accounting (continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and 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 County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, long-term compensated absences are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the County.

A deferred revenue liability arises in the Governmental Funds Balance Sheet when potential revenue does not meet both the measurable and available criteria for recognition in the current period. This unavailable deferred revenue consists primarily of uncollected property taxes and assessments not deemed available to finance operations of the current period. In the government-wide Statement of Net Assets, with a full accrual basis of accounting, revenue must be recognized as soon as it is earned regardless of its availability. Thus, the liability created on Governmental Fund Balance Sheet for unavailable deferred revenue is eliminated. Note that deferred revenues also arise outside the scope of measurement focus and bases of accounting, such as when the County receives resources before it has a legal claim to them. For instance, when grant monies are received prior to the incurrence of qualifying expenditures.

Similar to the way its revenues are recorded, governmental funds only record those expenditures that affect current financial resources. Principal and interest on general long-term debt are recorded as fund liabilities only when due, or when amounts have been accumulated in the debt service fund for payments to be made early in the following year. Vested compensated absences are recorded as expenditures only to the extent that they are expected to be liquidated with expendable financial resources. In the government-wide financial statements, however, with a full accrual basis of accounting, all expenditures affecting the economic resource status of the government must be recognized. Thus, the expense and related accrued liability for long term portions of debt and compensated absences must be included.

Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements, reconciliation is necessary to explain the adjustments needed to transform the fund based financial statements into the governmental column of the government-wide presentation. This reconciliation is part of the financial statements.

Proprietary funds distinguish operating revenues and expenses from non-operating 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 of the Transfer Station Fund are charges to customers for services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses and overhead, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

COLUMBIA COUNTY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2011

C. Measurement Focus and Basis of Accounting (continued)

The proprietary financial statements have incorporated all applicable Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the Committee on accounting procedures issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

D. Cash, Cash Equivalents, and Investments

The cash and investments reported on the balance sheet include petty cash, deposits with financial institutions, and the investment in the Local Government Investment Pool. Assets whose use is restricted to specific purposes by state statute are segregated on the balance sheet.

E. Receivables

Receivables are recorded on the combined balance sheet in accordance with the policies enumerated in paragraph C above. Management believes that any uncollectible accounts included in the receivable balances are not significant, and therefore no provision for uncollectible accounts has been made.

F. Supply Inventories and Prepays

Inventories are valued at cost using first-in/first-out (FIFO) method. Since the consumption method is used, costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased. Prepaid services are accounted for in the same manner.

G. Capital Assets and Depreciation

Capital assets include property, plant, equipment, and infrastructure assets (e.g. roads, quarries, etc.). Capital assets are reported in the government-wide financial statements. In the governmental funds statements, capital assets are charged to expenditures as purchased.

Capital assets are recorded at historical cost, or estimated historical cost if actual cost is not available. Donated fixed assets are recorded at their estimated fair market value at the time received.

Capital assets are defined by the County as assets with an initial, individual cost of \$5,000 or more, and having useful lives extending beyond a single reporting period. Additions or improvements and other capital outlays that significantly extend the useful life of an asset, or that significantly increase the capacity of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Depreciation of exhaustible assets is recorded as an allocated expense in the Statement of Activities with accumulated depreciation reflected in the Statement of Net Assets and is provided on the straight-line basis over the following estimated useful lives:

<u>ASSET</u>	<u>YEARS</u>
Buildings & Improvements	7 - 50
Infrastructure	20 - 40
Equipment	5 - 10

COLUMBIA COUNTY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2011

G. Capital Assets and Depreciation (continued)

Monthly depreciation is taken in the year the assets are acquired or retired. Gains or losses from sales or retirements of capital assets are included in operations of the current period.

H. Interfund Transactions

Amounts reported in the fund financial statements as due to/due from other funds are eliminated in the government-wide statement of net assets, except for the net residual amounts due between governmental and fiduciary funds.

Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers.

I. Long-Term Debt

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Assets. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are treated as period costs in the year of issue and are shown as other financial uses.

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 debt service expenditures.

J. Compensated Absences

All vacation pay is accrued when incurred in the government-wide statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. No liability is recorded for non-vesting accumulating rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulating sick leave benefits that is estimated will be taken as "terminal leave" prior to retirement.

Funds used to liquidate accrued compensated absences included the general fund, road fund, county park fund, community corrections fund, fair board fund, children and family services fund, animal control fund, corner preservation fund, 4H extension service fund, CC Rider fund, building services fund, and transfer station fund.

K. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires that management make estimates and assumptions which affect the reporting amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimated.

COLUMBIA COUNTY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2011

L. Net Assets

Net assets comprise the various net earnings from operations, nonoperating revenues, expenses and contributions of capital. Net assets are classified in the following three categories:

Invested in capital assets, net of related debt – consists of all capital assets, net of accumulated depreciation and reduced by any outstanding balances of any bonds or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted – consists of external constraints placed on asset use by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation. A portion of Net Assets is restricted for Debt Service and for System Development.

Unrestricted net assets – consists of all other assets that are not included in the other categories previously mentioned.

M. Use of Restricted Resources

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

(2) Stewardship, Compliance, and Accountability

A. Budget Requirements, Compliance, and Accountability

A budget is required to be prepared and legally adopted for each fund in accordance with Oregon Local Budget Law. The budget is prepared using the modified accrual basis of accounting. The budgeting process begins by appointing Budget Committee members in early fall. Budget recommendations are developed by management through 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 budget is adopted, appropriations are made and the tax levy is declared no later than June 30.

The County budgets for all funds, except the Fiduciary Funds. Governmental Funds are budgeted on the modified accrual basis of accounting. The board order or resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations. Total expenditures by department for the General Fund, and personal services, materials and services, capital outlay and debt service for all other funds, are the levels of control established by the board order or resolution.

Unexpected additional resources may be added to the budget through the use of a supplemental budget and appropriation resolution. Supplemental budgets less than 10% of the fund's original budget may be adopted by the Board of Commissioners at a regular meeting. A supplemental budget greater than 10% of the fund's original budget requires hearings before the public, publication in newspapers and approval by the Board. Original and supplemental budgets may be modified by the use of appropriation transfers between the levels of control (major function levels). Such transfers require approval by the Board. Budget amounts shown in the basic financial statements include the original budget amounts, plus appropriation transfers and appropriation increases. Appropriations lapse at the end of each fiscal year.

COLUMBIA COUNTY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
 June 30, 2011

A. Budget Requirements, Compliance, and Accountability (continued)

The County adopted resolutions for appropriation transfers which adjusted the fiscal year 2010-2011 original budget.

Expenditures of the various funds were within authorized appropriations, except in the following funds: General Fund Economic Development exceeded appropriations by \$1,185,088, General Fund Transfers Out exceeded appropriations by \$240,924, Road Fund Materials and Services exceeded appropriations by \$389,427, Fair Board Fund Materials and Services exceeded appropriations by \$13,094, Courthouse Security Fund Materials and Services exceeded appropriations by \$421, CC Rider Transportation Fund Materials and Services exceeded appropriations by \$13,010, Transfer Station Fund Materials and Services exceeded appropriations by \$61,281 and the Meadowview Service District Fund Materials and Services exceeded appropriations by \$25.

There are no differences, other than those noted in the section above, between the budgetary basis and GAAP basis of accounting.

(3) Cash and Cash Equivalents

Cash management policies are governed by state statutes. A cash pool is maintained that is available for use by all funds. Each fund type's portion of this pool is reported on the combined balance sheet as Cash and Cash Equivalents. Cash and Investments (recorded at cost) consisted of:

Deposits with Financial Institutions:

Cash on hand	\$	3,093
Deposits with financial institutions		562,192
Cash with Oregon State University		27,651
Escrow Accounts		606,644
Investments		9,321,474
Total Cash and Investments	\$	<u>10,521,054</u>
Government-wide Financial Statements	\$	8,222,603
Fiduciary Funds Financial Statements		2,298,451
Total Cash and Investments	\$	<u>10,521,054</u>

DEPOSITS - Deposits with financial institutions include bank demand deposits. Oregon Revised Statutes require deposits to be adequately covered by federal depository insurance or deposited at an approved depository as identified by the Treasury.

COLUMBIA COUNTY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2011

(3) Cash and Cash Equivalents (continued)

Credit Risk – In the case of deposits, this is the risk that in the event of a bank failure, the County’s deposits may not be returned to it. The County does not have a deposit policy for custodial credit risk. Bank deposits at June 30, 2011 were \$1,110,455, \$571,153 of which were covered by FDIC, and the rest were held at an approved depository as identified by Oregon State Treasury.

INVESTMENTS - State statutes authorize investment primarily in general obligations of the U.S. Government and its agencies, certain bonded obligations of Oregon municipalities, bank repurchase agreements, bankers’ acceptances, certain commercial papers and the State Treasurer’s Investment Pool, among others. Investments are valued at fair value as required by GASB 31. At June 30, 2011, fair value in the State Treasurer’s Local Governmental Investment Pool approximates the value of the pool shares at June 30, 2011.

As of June 30, 2011, the following investments and maturities are reported:

Investment Type	Fair Value	Investment Maturities (in months)		
		Less than 3	3-17	18-59
State Treasurer's Investment Pool	\$ 9,321,474	\$ 9,321,474	\$ -	\$ -
Total	\$ 9,321,474	\$ 9,321,474	\$ -	\$ -

The State Treasurer’s Local Government Investment Pool (LGIP), is a cash and investment pool available for use by all state funds and local governments and is maintained by the State Treasurer. The LGIP is an open-ended, no-load diversified portfolio offered to eligible participants, including any municipality, political subdivision, or public corporation of the state. Currently, there are more than 1,500 participants in the Pool. Local government pooled assets are reported as an Investment Trust Fund in Oregon’s Comprehensive Annual Financial Report. The Oregon Short-Term Fund Board, established by the Oregon Legislature, advises the Oregon Investment Council and the Oregon State Treasury in the management and investments of the LGIP. The State of Oregon LGIP is not registered with the U.S. Securities and Exchange Commission as an investment company. The Oregon Revised Statutes and the Oregon Investment Council govern the Pool’s investment policies. The State Treasurer is the investment officer of the Pool and it is responsible for all funds in the Pool. These funds must be invested and the investments managed, as a prudent investor would, exercising reasonable care, skill and caution. Investments in the fund are further governed by portfolio guidelines issued by the Oregon Short-Term Funds Board, which establish diversification percentages and specify the types and maturities of investments. The Oregon Audits Division of the Secretary of State’s Office audits the Pool annually.

A. Interest Rate Risk

Oregon Revised Statutes require investments to not exceed a maturity of 18 months, except when the local government has adopted a written investment policy that was submitted to and reviewed by the OSTFB. There are no investments that have a maturity date beyond three months.

COLUMBIA COUNTY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
 June 30, 2011

3) Cash and Cash Equivalents (continued)

B. Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty to a transaction, the value of the investment will not be able to be recovered by collateral securities that are in the possession of an outside party. The County has no investments subject to this risk. There is no formal investment policy for investment custodial credit risk.

C. Concentration of Credit Risk

To avoid incurring unreasonable risks inherent to over-investing in specific instruments or in individual financial institutions, the LGIP investment policy sets maximum limits on the percentage of the portfolio that can be invested in any one type of security. At June 30, 2011, there was compliance with all percentage restrictions. Amounts in the State Treasurer's Local Government Investment Pool are not required by law to be collateralized.

(4) Property Taxes

Columbia County makes assessments of property value, and levies and collects the taxes for the County and all other taxing districts within the County. Assessments of property values are as of January 1. Taxes levied are a lien on the properties as of July 1 of each year. Taxes are due November 15 and a 3% discount is allowed for payment at this time. Uncollected taxes, including delinquent amounts, are deemed to be substantially collectible or recoverable through liens.

(5) Interfund Transfers

A. Interfund Transfers

Interfund transfers are used to pay administrative services provided by the general fund, provide funds for debt service, and contribute to the cost of capital projects. Transfers to and from other funds at June 30, 2011, are as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 565,657	\$ 1,072,608
Proprietary Fund	9,414	-
Road Fund	407,296	-
Non-major Governmental Funds	<u>455,947</u>	<u>365,707</u>
Total All Funds	<u>\$ 1,438,315</u>	<u>\$ 1,438,315</u>

COLUMBIA COUNTY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2011

(6) Capital Assets

Capital asset activity for governmental activities for the year ended June 30, 2011 is as follows:

	Restated*			
	Beginning Balance	Increases	Decreases	Ending Balance
Non-depreciable:				
Land	\$ 5,971,199	\$ -	\$ -	\$ 5,971,199
4-H Land	218,700	-	-	218,700
Construction in Progress	9,537,656	823,924	(6,500)	10,355,080
Non-depreciable capital assets	<u>15,727,555</u>	<u>823,924</u>	<u>(6,500)</u>	<u>16,544,979</u>
Depreciable:				
Buildings & Improvements	20,896,661	172,076	-	21,068,737
4-H Buildings & Improvements	355,586	-	-	355,586
4-H Equipment	58,020	8,663	(58,020)	8,663
Infrastructure	235,179,875	305,278	-	235,485,153
Equipment	7,794,636	454,413	(83,080)	8,165,969
Depreciable Capital Assets	<u>264,284,778</u>	<u>940,430</u>	<u>(141,100)</u>	<u>265,084,108</u>
Accumulated Depreciation:				
Buildings & Improvements	(7,324,086)	(543,898)	-	(7,867,984)
4-H Buildings & Improvements	(58,087)	(7,112)	-	(65,199)
4-H Equipment	(48,567)	(1,733)	48,567	(1,733)
Infrastructure	(209,514,151)	(4,134,559)	-	(213,648,710)
Equipment	(5,799,044)	(609,108)	80,039	(6,328,113)
Total Accumulated Depreciation	<u>(222,743,935)</u>	<u>(5,296,410)</u>	<u>128,606</u>	<u>(227,911,739)</u>
Net Depreciable Capital Assets	<u>41,540,844</u>	<u>(4,355,980)</u>	<u>(12,494)</u>	<u>37,172,370</u>
Net Capital Assets	<u>\$ 57,268,399</u>	<u>\$ (3,532,056)</u>	<u>\$ (18,994)</u>	<u>\$ 53,717,349</u>

Depreciation expense for governmental activities is charged to functions as follows:

General Government	\$ 186,852
Highway and Street	4,230,584
Public Safety	523,166
Culture and Recreation	146,875
Health and Welfare	-
Economic Development	208,933
Total Governmental Activities Depreciation	<u>\$ 5,296,410</u>

COLUMBIA COUNTY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2011

(6) Capital Assets (continued)

Business Type	Beginning Balance	Increases	Decreases	Ending Balance
Non-depreciable:				
Land	\$ 637,483	\$ -	\$ -	\$ 637,483
Non-depreciable capital assets	<u>637,483</u>	<u>-</u>	<u>-</u>	<u>637,483</u>
Depreciable:				
Buildings & Improvements	4,803,279	-	-	4,803,279
Equipment	<u>160,850</u>	<u>-</u>	<u>-</u>	<u>160,850</u>
Depreciable Capital Assets	<u>4,964,129</u>	<u>-</u>	<u>-</u>	<u>4,964,129</u>
Accumulated Depreciation:				
Buildings & Improvements	(606,806)	(121,706)	-	(728,512)
Equipment	<u>(89,508)</u>	<u>(21,142)</u>	<u>-</u>	<u>(110,650)</u>
Total Accumulated Depreciation	<u>(696,314)</u>	<u>(142,848)</u>	<u>-</u>	<u>(839,162)</u>
Net Depreciable Capital Assets	<u>4,267,815</u>	<u>(142,848)</u>	<u>-</u>	<u>4,124,967</u>
Net Capital Assets	<u>\$ 4,905,298</u>	<u>\$ (142,848)</u>	<u>\$ -</u>	<u>\$ 4,762,450</u>

(7) Other Assets

There is a prepaid pension asset of \$5,542,376 as of June 30, 2011, associated with the Pension Bond as described in Note 8. The pension asset is being amortized over the life of the bond.

COLUMBIA COUNTY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2011

(8) Long-term Debt

Governmental Activities

A. Changes in long-term liabilities

Long-term liability activity of the governmental funds for the year ended June 30, 2011 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds Payable	\$ 15,496,094	\$ -	\$ (902,002)	\$ 14,594,091	\$ 950,293
Notes Payable	<u>6,192,211</u>	<u>762,200</u>	<u>(17,346)</u>	<u>6,937,065</u>	<u>56,292</u>
Total	21,688,305	762,200	(919,348)	21,531,156	1,006,585
Leases Payable	-	-	-	-	-
Accrued Compensated Absences	1,049,082	1,185,655	(1,049,082)	1,185,655	-
Net OPEB obligation	379,019	120,964	-	499,983	-
Total Debt	<u>\$ 23,116,406</u>	<u>\$ 2,068,819</u>	<u>\$ (1,968,430)</u>	<u>\$ 23,216,794</u>	<u>\$ 1,006,585</u>

B. Advanced Refunding

On November 21, 2006, the County advance refunded a portion of the Series 1999 General Obligation Bonds by issuing \$8,365,000 General Obligation Refunding Bonds. These resources were used to purchase U.S. government securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt services payments of the refunded debt. As a result, the refunded portion of the obligations is considered defeased and the liability has been removed from the governmental activities column from the statement of net assets. The reacquisition price exceeded the net carrying amount of the old debt by \$120,000. The deferred loss is being netted and amortized over the life of the new debt, which is equal to the life of the refunded debt. This advance refunding was undertaken to reduce total debt service payments over the next 12 years by \$383,560 and resulted in an economic gain of \$312,046.

C. Notes Payable

On April 20, 2011, the County received proceeds of \$713,000 loan from US Bank in order to pay for energy efficiency renovations at the County Courthouse building. The loan has an annual interest rate of 3.75% and a ten year term which may be paid off early without penalty after April 20, 2014. The project is expected to substantially reduce the electric and gas utility needs and cost in the Courthouse.

\$ 713,000

COLUMBIA COUNTY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2011

C. Notes Payable (continued)

The City of St. Helens loaned \$100,000 to Columbia County for a joint housing project between the Community Action Team (CAT) and Columbia County Community Corrections (CCCC). This housing project will benefit people in transition from detention. CAT and CCCC located grants and this loan to build affordable housing for these citizens. The loan will be repaid over the next twenty years from rent revenue. \$ 82,403

On May 31, 2006, the County entered into a license agreement with Morse Bros. Inc., DBA Knife River, to lease land owned by Knife River to construct a firing range on that site. This license agreement was amended on May 1, 2008. According to the amendment the County owes Knife River \$53,199 to be amortized over the life of the lease, until April 30, 2028. 50,682

On April 12, 2000, the County received a loan in the amount of \$410,000 from the Oregon Economic Development Special Public Works Fund (SPWF) for the West Rainier project. The loan carries a 5.25% interest rate over 25 years. 294,887

Since April 27, 2004, the County has received proceeds in the amount of \$5,894,818 from the Oregon Economic Development Special Public Works Fund (SPWF) on a note for road construction to be repaid from tax increment financing. 5,796,093

Total notes payable \$ 6,937,065

Annual debt service requirements to maturity for notes payable are as follows:

Year Ending June 30	Principal	Interest	Total Payment
2012	\$ (211,534)	\$ 314,077	\$ 102,543
2013	756,834	327,567	1,084,401
2014	593,116	292,816	885,932
2015	321,210	266,342	587,552
2016	335,717	253,548	589,265
2017-2021	1,932,181	1,053,059	2,985,240
2022-2026	1,948,335	620,095	2,568,430
2027-2031	1,261,206	125,075	1,386,281
Total	<u>\$ 6,937,065</u>	<u>\$ 3,252,579</u>	<u>\$ 10,189,644</u>

COLUMBIA COUNTY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2011

D. Bonds Payable:

In March 2002, the County issued Limited Tax Pension Obligations, Series 2002A and Series 2002B totaling \$4,394,484. The Series 2002 A are deferred interest obligations, while the Series 2002B are current interest obligations. The 2002A Obligations were issued as deferred interest obligations, with interest payable only at maturity, and compounded semiannually at June 1 and December 1. The 2002B obligations were issued as current interest obligations, with interest payable on December 1 of each year until maturity or earlier prepayment. The bonds carry interest rates varying from 2.0 to 7.41% with an average yield of about 7%. Interest rates are set at different levels throughout the life of the bond. On September 23, 2005, the County issued additional Limited Tax Pension Obligations in the amount of \$3,860,000 with interest rates varying from 4.79 to 5%. Interest rates are set at different levels throughout the life of the bond. These series 2005 bonds were issued as current interest obligations, with interest payable on June 1 and December 1 of each year until maturity. The proceeds from these limited tax bonds were used to finance the estimated unfunded actuarial liability with the Oregon Public Employees Retirement System (PERS).

7,869,091

On November 30, 2006, Columbia County advance refunded a portion of the 1999 General Obligation Bonds. General Obligation Refunding Bonds, Series 2006 were issued in the amount of \$8,365,000 with interest rate varying from 4.0 to 4.25%. Interest rates are set at different levels throughout the life of the bond. Interest is payable on June 1 and December 1 of each year until maturity. These resources were used to purchase U.S. government securities that were placed in irrevocable trust for the purpose of generating resources for all future debt services payments on the refunded debt. As a result, the refunded portion of the obligations is considered defeased and the liability has been removed from the governmental activities column from the statement of net assets.

6,725,000

Total Bonds Payable

\$14,594,091

Annual debt service requirements to maturity for bonds payable are as follows:

Year Ending June 30	Principal	Interest	Total Payment
2012	\$ 950,292	\$ 755,204	\$ 1,705,496
2013	1,012,915	731,231	1,744,146
2014	1,064,907	705,811	1,770,718
2015	1,122,372	682,781	1,805,153
2016	1,189,236	657,858	1,847,094
2017-2021	3,699,369	2,710,651	6,410,020
2022-2026	3,940,000	1,255,740	5,195,740
2027-2031	1,615,000	130,438	1,745,438
Total	<u>\$ 14,594,091</u>	<u>\$ 7,629,714</u>	<u>\$ 22,223,805</u>

COLUMBIA COUNTY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2011

E. Leases

At the end of fiscal year 2010-11, the County had no capital leases.

Business-type Activities

A. Changes in long-term liabilities

Long-term liability activity for the year ended June 30, 2011, was as follows:

Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
\$ 4,044,275	\$ -	\$ (122,658)	\$ 3,921,617	\$ 128,756
<u>\$ 4,044,275</u>	<u>\$ -</u>	<u>\$ (122,658)</u>	<u>\$ 3,921,617</u>	<u>\$ 128,756</u>

B. Note Payable

On March 17, 2004, the County received financing in the amount of \$4,435,000 at 4.97% from the Oregon Economic and Community Development Department for the construction of a new solid waste transfer station. Annual principal and interest payments of \$323,660 are due for the next 25 years. 3,921,617

Total note payable \$ 3,921,617

The annual debt service requirement to maturity for the note payable is as follows:

Year Ending June 30	Principal	Interest	Total Payment
2012	\$ 128,756	\$ 194,904	\$ 323,660
2013	135,155	188,505	323,660
2014	141,872	181,788	323,660
2015	148,923	174,737	323,660
2016	156,325	167,335	323,660
2017-2021	906,179	712,121	1,618,300
2022-2026	1,154,888	463,412	1,618,300
2027-2031	1,149,519	146,381	1,295,900
Total	<u>\$ 3,921,617</u>	<u>\$ 2,229,183</u>	<u>\$ 6,150,800</u>

COLUMBIA COUNTY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2011

(9) Pension Plan

A. 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 County's contribution for qualifying employees who were hired before August 29, 2003, and is a cost-sharing multiple-employer defined benefit pension plan. The Oregon Public Service Retirement Plan (OPSRP) is a hybrid successor plan to the OPERF and consists of two programs: The Pension Program, the defined benefit portion of the plan, applies to qualifying County 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.

B. 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; this is paid by the County. The County is required by ORS 238.225 to contribute at an actuarially determined rate for the qualifying employees under the OPERF plan, and a general service rate for the qualifying employees under the OPSRP plan. The OPERF rate for the year ended June 30, 2011, was 4.94%. The OPSRP rates in effect for the year ended June 30, 2011, were 2.83% for general employees and 5.54% for police and fire employees. The annual pension cost was \$2,037,564, which includes the County's pension bond assessment of \$572,116. The contribution requirements for plan members are established by ORS Chapter 238 and may be amended by an act of the Oregon Legislature.

Oregon General Obligation Pension Bonds were issued to fund the States' share of the Unfunded Actuarial Liability and \$2 billion was delivered to PERS. Over the next 24 years the State will be obligated to make the principal and interest payments on the pension obligation bonds. All benefiting agencies are charged the same rate to pay this debt service. The County paid \$572,116 in pension bond assessment during the fiscal year ending June 30, 2011.

COLUMBIA COUNTY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
 June 30, 2011

C. Annual Pension Cost

Contribution information for the years ended June 30, 2011, 2010, and 2009 is as follows:

Fiscal Year Ended	Annual Pension Cost (ARC)	% of APC Contributed	Net Pension Obligation
6/30/2011	\$ 2,037,564	100%	\$ *
6/30/2010	\$ 1,930,863	100%	\$ 8,866,185
6/30/2009	\$ 1,712,777	100%	\$ 8,051,393

* Actuarial reports not available for fiscal year ended 6/30/11

(10) Other Post Employment Benefits

The County implemented Governmental Accounting Standards Board Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions* in fiscal year ended June 30, 2011. Other postemployment benefits, OPEB, include postemployment healthcare and other forms of postemployment benefits that are provided separately from the pension plan. This Statement establishes standards for the measurement, recognition, and display of OPEB expenditures and related liabilities, note disclosures, and if applicable, required supplementary information (RSI) in the financial reports.

Post Employment Health Insurance Subsidy

Plan Description – The County operates a single-employer retiree benefit plan that provides postemployment health, dental, and vision insurance benefits to eligible employees and their spouses. There are active and retired members in the plan. Benefits and eligibility for members are established through the collective bargaining agreements.

The post-retirement healthcare plan was established in accordance with Oregon Revised Statutes (ORS) 243.303. ORS stipulated that for the purpose of establishing healthcare premiums, the rate must be based on all plan members, including both active employees and retirees. The difference between retiree claims cost, which because of the effect of age is generally higher in comparison to all plan members, and the amount of retiree healthcare premiums, represents the implicit employer contribution. The County did not establish an irrevocable trust (or equivalent arrangement) to account for the plan.

Funding Policy – The benefits from this program are paid by the retired employees on a self-pay basis and the required contribution is based on projected pay-as-you go financing requirements. There is no obligation to fund these benefits in advance.

Annual Pension Cost and Net Pension Obligation - The annual other postemployment benefit cost is calculated based on the annual required contribution of the employer (ARC), and amount actuarially determined in accordance within the parameter of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

COLUMBIA COUNTY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2011

(10) Other Post Employment Benefits (Continued)

The following table shows the components of the net pension obligation (NPO) at the end of the year:

	2010	2011
Annual required contribution (ARC)	\$ 226,042	\$ 239,859
Interest on net pension obligation	11,155	17,056
Adjustment to annual required contribution	<u>(17,497)</u>	<u>(26,754)</u>
Annual pension cost	219,700	230,161
Estimated implicit benefit payments	<u>(88,565)</u>	<u>(109,197)</u>
Increase in net pension obligation (NPO)	131,135	120,964
NPO (Asset) at beginning of year	<u>247,884</u>	<u>379,019</u>
NPO (Asset) at end of year	<u><u>\$ 379,019</u></u>	<u><u>\$ 499,983</u></u>

The following table shows historical Annual OPEB cost and net OPEB obligation.

Fiscal Year	Annual OPEB cost	Percentage of annual OPEB cost contributed	Net OPEB Obligation
2011	\$ 230,161	47.0%	\$ 499,983
2010	\$ 219,700	40.0%	\$ 379,019
2009	\$ 372,509	33.0%	\$ 247,884

Actuarial Methods and Assumptions – The annual required contribution (ARC) for the current year was determined as part of the November 10, 2011 actuarial valuation using the projected unit credit cost method. The objective of this method is to fund each participant’s benefits under the plans as they accrue. The unfunded accrued liability is amortized over an open period of 15 years as a percentage of payroll. The actuarial assumptions included (a) a rate of return on investment of present and future assets of 4.00% compounded annually and a payroll growth rate of 3.75%, (b) a 65% assumption of participants who elect self-pay retiree medical coverage and 35% for women and 70% for men assumption of participants who elect coverage at retirement who also elect spouse coverage until the spouse reaches age 65; (c) health care costs would increase at 8 percent inflation for the current year, 7 percent in the second year, 6.5% in the third year, 6.0% for the 4th through 14th year, 5.5% for the 15th through 29th year, and 5.0 % thereafter, which is consistent with expectations for long-term health care cost inflation. The demographic assumptions regarding retirement, mortality, and turnover are based on Oregon PERS valuation assumptions as of December 31, 2009.

COLUMBIA COUNTY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2011

(10) Other Post Employment Benefits (Continued)

Funding Status and Funding Progress – As of August 1, 2010, the most recent actuarial valuation date, the plan was zero percent funded. The actuarial accrued liability for benefits was \$1,358,863, and the actuarial value of assets was zero, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,358,863. The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

(11) Risk Management

The County is exposed to various risks of loss related to: torts, theft, damage or destruction of assets, errors and omissions, injuries to employees, and natural disasters. Except for unemployment compensation, the County purchases commercial insurance to minimize its exposure to these risks. There has been no significant reduction in commercial insurance coverage from fiscal year 2010 to 2011. Workers compensation claims are insured through incurred loss retrospective policies. Settled claims have not exceeded this commercial coverage for any of the past three years.

(12) Litigation

Management of the County believes that the total amount of liability, if any, which may arise from claims and lawsuits pending against Columbia County beyond that, which is covered by insurance, would not have a material effect of the County's financial statement.

(13) Contingencies

A number of federally assisted grant programs are participated in. These programs are subject to program compliance audits by the grantors or their representatives. Compliance with grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although such amounts are expected by management to be immaterial.

(14) Commitments

The Columbia County Development Agency has pledged tax increment revenues to repay a loan from OECDI incurred by the Port of St. Helens to build a water intake and discharge system in the plan area. The loan is a construction loan and has not been finalized. The loan has a 25 year term, 5% interest, with a maximum amount of \$8,668,500. Through fiscal year 2013, payments will be interest only; subsequent years will include interest and principal payments. If the net increment revenues are insufficient to pay the full amount of accrued interest on the loan, the balance will be carried forward.

(15) Deficit Fund Balance

The Jail Bond Debt Service Fund had a deficit fund balance of \$49,816 as of June 30, 2011. This deficit is expected to be eliminated in 2011-12 by prudent management of finances and the budget.

(16) Prior Period Adjustment

There was a prior period adjustment made to correct an error in the prior year for the 4-H component unit. Beginning fund balance and net assets were adjusted by \$4,331.

COLUMBIA COUNTY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2011

(17) Subsequent Event

In April 2011, Columbia County voters chose to dissolve the Columbia Health District taxing district. As of July 1, 2011, the Columbia County Board of Commissioners became trustees of the taxing district and will oversee the dissolution process.

In July 2011, Columbia County received \$10,956,688 from Oregon Emergency Management/FEMA in order to pay 75% of closing costs on the purchase of the Vernonia School and 75% of the demolition of those buildings damaged by flooding in the federally declared natural disaster of December 2007.

(18) Arbitration

AFSCME Local 1442, the County's largest bargaining unit, which represents its general service employees, has filed for arbitration under the Public Employees Collective Bargaining Act. AFSCME claims that the County did not have the authority to implement 26 unpaid furlough days during fiscal year 2011-2012 for its Local members. Arbitration is scheduled for January 5, 2012.

(19) Fund Balance

In March 2009, the GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund-type Definitions*. The objective of this statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund-type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed on the use of the resources reported in governmental funds. Under this standard, the fund balance classifications of reserved, designated, and unreserved/undesignated were replaced with five new classifications – nonspendable, restricted, committed, assigned, and unassigned.

- Nonspendable fund balance represents amounts that are not in a spendable form. The nonspendable fund balance represents inventories and prepaid items.
- Restricted fund balance represents amounts that are legally restricted by outside parties for a specific purpose (such as debt covenants, grant requirements, donor requirements, or other governments) or are restricted by law (constitutionally or by enabling legislation).
- Committed fund balance represents funds formally set aside by the governing body for a particular purpose. The use of committed funds would be approved by resolution.
- Assigned fund balance represents amounts that are constrained by the expressed intent to use resources for specific purposes that do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the governing body or by an official to whom that authority has been given by the governing body.
- Unassigned fund balance is the residual classification of the General Fund. Only the General Fund may report a positive unassigned fund balance. Other governmental funds would report any negative residual fund balance as unassigned.

COLUMBIA COUNTY, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2011

(19) Fund Balance (Continued)

The governing body has approved the following order of spending regarding fund balance categories: Restricted resources are spent first when both restricted and unrestricted (committed, assigned or unassigned) resources are available for expenditures. When unrestricted resources are spent, the order of spending is committed (if applicable), assigned (if applicable) and unassigned.

The specific purposes for each of the categories of fund balance as of June 30, 2011 are as follows:

Fund Balances:	GENERAL FUND	ROAD FUND	DIRECT	UN MET	NONMAJOR FUNDS	TOTAL
			PASS THROUGH GRANT FUND	NEEDS FUND		
<u>Nonspendable:</u>						
Prepaid & Inventory	\$ 182,209	\$ 138,001	\$ -	\$ -	\$ 29,179	\$ 349,389
<u>Restricted:</u>						
Debt Funded Projects	686,181	-	-	-	-	686,181
Grants	275,787	-	220,295	610,700	-	1,106,782
SDC Roads	-	278,444	-	-	540,380	818,824
SDC Parks	-	-	-	-	69,252	69,252
Inmate Benefits	-	-	-	-	56,983	56,983
Corner Preservation	-	-	-	-	396,412	396,412
Courthouse Security	-	-	-	-	68,363	68,363
Law Library	-	-	-	-	143,160	143,160
Development Agency	-	-	-	-	363,950	363,950
4-H Extension Services	-	-	-	-	360,029	360,029
Other	200,952	75,957	-	-	403,479	680,388
	1,162,920	354,401	220,295	610,700	2,402,008	4,750,324
<u>Committed to:</u>						
CCSO	400,000	-	-	-	-	400,000
Fair Facilities	166,775	-	-	-	-	166,775
Technology	30,000	-	-	-	-	30,000
Roof Reserve	20,000	-	-	-	-	20,000
	616,775	-	-	-	-	616,775
Unassigned:	3,023,169	-	-	-	(49,816)	2,973,353
Total Fund Balances	\$ 4,985,073	\$ 492,402	\$ 220,295	\$ 610,700	\$ 2,381,371	\$ 8,689,842

COLUMBIA COUNTY, OREGON

REQUIRED SUPPLEMENTAL INFORMATION

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COLUMBIA COUNTY, OREGON

POST EMPLOYMENT HEALTH INSURANCE SUBSIDY

SCHEDULE OF FUNDING PROGRESS

June 30, 2011

	(a)	(b)	(b) - (a)	(a/b)	(c)	((b-a)/c)
Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
8/1/2010	\$ -	\$ 1,358,863	\$ 1,358,863	0%	\$ n/a	n/a
8/1/2008	-	1,452,130	1,452,130	0%	9,090,754	16%
8/1/2006		2,094,851	2,094,851	0%	8,667,204	24%

COLUMBIA COUNTY, OREGON

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET - BUDGETARY BASIS
For the Year Ended June 30, 2011

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Property Taxes	\$ 5,352,217	\$ 5,352,217	\$ 5,447,633	\$ 95,416
Public Services Taxes	377,000	377,000	328,778	(48,222)
Grants	3,744,397	3,744,397	3,345,866	(398,531)
Charges for Services	3,314,364	3,314,364	3,814,792	500,428
Licenses and Permits	81,270	81,270	68,804	(12,466)
Franchise Fees	80,000	80,000	74,090	(5,910)
Interest on Investments	33,010	33,010	27,286	(5,724)
Mineral Royalties & Timber Revenue	1,761,899	1,761,899	136,663	(1,625,236)
Payments in lieu of taxes	-	-	26,498	26,498
Administrative Allocation Reimbursement	2,029,105	2,029,105	2,400,703	371,598
Miscellaneous	767,907	767,907	1,258,874	490,967
Total revenue	<u>17,541,169</u>	<u>17,541,169</u>	<u>16,929,987</u>	<u>(611,182)</u>
EXPENDITURES				
General government	5,908,855	5,997,755 (1)	4,256,262	1,741,493
Public safety	9,071,931	9,634,432 (1)	9,099,992	534,439
Health and welfare	162,807	162,807 (1)	162,807	-
Economic development	303,833	308,832 (1)	1,493,920	(1,185,088)
Reserve Additions	50,000	450,000 (1)	445,493	4,507
Capital Outlay	1,256,300	2,168,300 (1)	604,610	1,563,690
Debt Service	579,158	638,458 (1)	638,430	28
Contingency	1,250,000	1,091,700 (1)	-	1,091,700
Total Expenditures	<u>18,582,884</u>	<u>20,452,284</u>	<u>16,701,514</u>	<u>3,750,769</u>
Excess of Revenues Over (Under) Expenditures	(1,041,715)	(2,911,115)	228,473	3,139,587
Other Financing Sources (Uses)				
Sale of assets	12,000	12,000	-	(12,000)
Transfers In	405,700	405,700	565,657	159,957
Transfers Out	(565,584)	(831,684) (1)	(1,072,608)	(240,924)
Total Other Financing Sources (Uses)	<u>(147,884)</u>	<u>(413,984)</u>	<u>(506,951)</u>	<u>(92,967)</u>
Net Change in Fund Balance	(1,189,599)	(3,325,099)	(278,479)	3,046,620
FUND BALANCE - BEGINNING OF YEAR	<u>4,725,100</u>	<u>4,725,100</u>	<u>5,263,552</u>	<u>538,452</u>
FUND BALANCE - END OF YEAR	<u>\$ 3,535,501</u>	<u>\$ 1,400,001</u>	<u>\$ 4,985,073</u>	<u>\$ 3,585,072</u>

(1) Appropriation Level

COLUMBIA COUNTY, OREGON

ROAD FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET - BUDGETARY BASIS
For the Year Ended June 30, 2011

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET</u>
REVENUES				
Grants	\$ 75,000	\$ 75,000	\$ 87,724	\$ 12,724
State revenue sharing	3,247,000	3,247,000	2,946,734	(300,266)
Interest on investments	3,000	3,000	1,377	(1,623)
Licenses and permits	40,000	40,000	32,499	(7,501)
Fines and fees	320,000	320,000	310,076	(9,924)
Sale of materials	-	-	20,246	20,246
Miscellaneous	51,000.00	51,000.00	19,143	(31,857)
Total revenue	<u>3,736,000</u>	<u>3,736,000</u>	<u>3,417,799</u>	<u>(318,201)</u>
EXPENDITURES				
Personal services	2,120,176	2,220,176 (1)	2,106,019	114,157
Materials and services	2,028,897	1,896,397 (1)	2,285,824	(389,427)
Capital outlay	191,500	224,000 (1)	148,725	75,275
Contingency	820,407	820,407 (1)	-	820,407
Total expenditures	<u>5,160,980</u>	<u>5,160,980</u>	<u>4,540,568</u>	<u>620,412</u>
Excess of Revenues Over (Under) Expenditures	(1,424,980)	(1,424,980)	(1,122,769)	302,211
Other Financing Sources (Uses)				
Transfers in	<u>340,980.00</u>	<u>340,980</u>	<u>407,296</u>	<u>66,316</u>
Net Change in Fund Balance	(1,084,000)	(1,084,000)	(715,473)	368,527
FUND BALANCE - BEGINNING	<u>1,084,000</u>	<u>1,084,000</u>	<u>1,207,875</u>	<u>123,875</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 492,402</u>	<u>\$ 492,402</u>

(1) Appropriation Level

COLUMBIA COUNTY, OREGON

**DIRECT PASS-THROUGH GRANT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET- BUDGETARY BASIS
For the Year Ended June 30, 2011**

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
REVENUES				
State mental health	\$ 4,000,000	\$ 4,000,000	\$ 3,135,214	\$ (864,786)
Economic Development Distric	-	-	-	-
Total revenues	<u>4,000,000</u>	<u>4,000,000</u>	<u>3,135,214</u>	<u>(864,786)</u>
EXPENDITURES				
Material and service:	<u>4,000,000</u>	<u>4,000,000 (1)</u>	<u>2,919,031</u>	<u>1,080,969</u>
Total expenditures	<u>4,000,000</u>	<u>4,000,000</u>	<u>2,919,031</u>	<u>1,080,969</u>
Net Change in Fund Balance	-	-	216,183	216,183
FUND BALANCE - BEGINNING	-	-	<u>4,112</u>	<u>4,112</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 220,295</u>	<u>\$ 220,295</u>

(1) Appropriation Leve

COLUMBIA COUNTY, OREGON

UNMET NEEDS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET- BUDGETARY BASIS
For the Year Ended June 30, 2011

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
REVENUES				
Interest on investments	\$ 50	\$ 50	\$ 611	\$ 561
FEMA & CDBG Grants	16,530,000	16,530,000	3,644,048	(12,885,952)
Contributions	<u>500</u>	<u>500</u>	<u>34,590</u>	<u>34,090</u>
Total revenue	<u>16,530,550</u>	<u>16,530,550</u>	<u>3,679,249</u>	<u>(12,851,301)</u>
EXPENDITURES				
Materials and Service:	16,553,250	16,553,250 (1)	3,934,386	12,618,864
Contingencies	<u>77,300</u>	<u>77,300 (1)</u>	<u>-</u>	<u>77,300</u>
Total expenditures	<u>16,630,550</u>	<u>16,630,550</u>	<u>3,934,386</u>	<u>12,696,164</u>
Net Change in Fund Balance	(100,000)	(100,000)	(255,137)	(155,137)
FUND BALANCE - BEGINNING	<u>100,000</u>	<u>100,000</u>	<u>865,837</u>	<u>765,837</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 610,700</u>	<u>\$ 610,700</u>

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COLUMBIA COUNTY, OREGON

SUPPLEMENTAL INFORMATION

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COLUMBIA COUNTY, OREGON

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2011

	TOTAL NON-MAJOR SPECIAL REVENUE FUNDS	JAIL BOND DEBT SERVICE FUND	TOTAL
ASSETS			
Cash and investment	\$ 2,348,461	\$ (49,816)	\$ 2,298,645
Property taxes receivable	61,861	114,843	176,704
Accounts receivable	34,801	-	34,801
Due from other Governments	546,033	-	546,033
Capital Assets, net of depreciation	-	-	-
Prepays	29,179	-	29,179
	<u>3,020,336</u>	<u>(49,816)</u>	<u>2,970,520</u>
Total assets	<u>\$ 3,020,336</u>	<u>\$ 65,027</u>	<u>\$ 3,085,363</u>
LIABILITIES AND FUND BALANCES:			
LIABILITIES			
Accounts payable	\$ 496,460	\$ -	\$ 496,460
Payroll Liabilities	29,502	-	29,502
Deferred Revenue	61,861	114,843	176,704
Deposits	1,325	-	1,325
	<u>589,149</u>	<u>114,843</u>	<u>703,992</u>
Total liabilities	<u>589,149</u>	<u>114,843</u>	<u>703,992</u>
FUND BALANCES			
Nonspendable	29,179	-	29,179
Restricted	2,402,008	-	2,402,008
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	(49,816)	(49,816)
	<u>2,431,187</u>	<u>(49,816)</u>	<u>2,381,371</u>
Total fund balances	<u>2,431,187</u>	<u>(49,816)</u>	<u>2,381,371</u>
Total liabilities and fund balance	<u>\$ 3,020,336</u>	<u>\$ 65,027</u>	<u>\$ 3,085,363</u>

COLUMBIA COUNTY, OREGON

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2011

	TOTAL NON-MAJOR SPECIAL REVENUE FUNDS	JAIL BOND DEBT SERVICE FUND	TOTAL
REVENUES			
Property taxes	\$ 692,897	\$ 1,109,176	\$ 1,802,073
Interest on investments	13,957	1,868	15,825
Miscellaneous	370,924	-	370,924
Intergovernmental	3,746,833	-	3,746,833
Fines and fees	1,926,582	-	1,926,582
	<u>6,751,193</u>	<u>1,111,044</u>	<u>7,862,237</u>
EXPENDITURES			
General governmental	2,021,649	-	2,021,649
Roads and bridges	-	-	-
Public safety	1,673,861	-	1,673,861
Health and welfare	565,975	-	565,975
Culture and recreation	1,189,309	-	1,189,309
Economic development	-	-	-
Debt service	452,612	1,107,388	1,560,000
Capital outlay	1,332,872	-	1,332,872
	<u>7,236,278</u>	<u>1,107,388</u>	<u>8,343,666</u>
Excess of Revenues Over (Under) Expenditures	(485,085)	3,656	(481,429)
Other Financing Sources (Uses)			
Sale of asset	17,500	-	17,500
Transfers in	455,947	-	455,947
Transfers out	(365,707)	-	(365,707)
	<u>107,740</u>	<u>-</u>	<u>107,740</u>
Net Change in Fund Balance	(377,344)	3,656	(373,688)
Prior Period Adjustmen	4,331	-	4,331
FUND BALANCE - BEGINNING	<u>2,804,201</u>	<u>(53,472)</u>	<u>2,750,729</u>
FUND BALANCE - ENDING	<u>\$ 2,431,187</u>	<u>\$ (49,816)</u>	<u>\$ 2,381,372</u>

COLUMBIA COUNTY, OREGON

**COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS**

June 30, 2011

	FAIR BOARD FUND	CHILDREN & YOUTH SERVICES FUND	ANIMAL CONTROL FUND*	CORNER PRESERVATION FUND
ASSETS				
Cash and investments	\$ 35,901	\$ 79,108	\$ -	\$ 396,484
Property taxes receivable	-	-	-	-
Accounts receivable and deposits	-	-	-	-
Due from other governments	-	23,014	-	-
Capital Assets, net of depreciation	-	-	-	-
Prepays	2,226	584	-	1,262
Total assets	<u>\$ 38,127</u>	<u>\$ 102,707</u>	<u>\$ -</u>	<u>\$ 397,745</u>
LIABILITIES AND FUND BALANCES:				
LIABILITIES				
Accounts payable	\$ 35,839	\$ 23,365	\$ -	\$ 72
Other Liabilities	-	-	-	-
Deferred Revenue	-	-	-	-
Deposits	-	-	-	-
Total liabilities	<u>35,839</u>	<u>23,365</u>	<u>-</u>	<u>72</u>
FUND BALANCES				
Nonspendable	2,226	584	-	1,262
Restricted	62	78,758	-	396,412
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total fund balance	<u>2,288</u>	<u>79,342</u>	<u>-</u>	<u>397,673</u>
Total liabilities and fund balances	<u>\$ 38,127</u>	<u>\$ 102,707</u>	<u>\$ -</u>	<u>\$ 397,745</u>

* Animal Control Fund closes in FY11; program absorbed into Sheriff's Office

INMATE BENEFIT EXPENSES FUND	COURTHOUSE SECURITY FUND	COMMUNITY CORRECTIONS FUND	LAW LIBRARY FUND	FOOTPATH & BICYCLE TRAIL FUND	CC RIDER TRANS- PORTATION FUND	COUNTY PARK FUND
\$ 86,370	\$ 68,363	\$ 472,119	\$ 143,160	\$ 261,440	\$ (117,106)	\$ 177,713
-	-	-	-	-	-	-
3,532	-	300	-	-	29,481	1,488
-	-	300	-	2,819	458,618	61,282
-	-	-	-	-	-	-
644	-	13,454	2,088	-	-	1,767
<u>\$ 90,546</u>	<u>\$ 68,363</u>	<u>\$ 486,173</u>	<u>\$ 145,248</u>	<u>\$ 264,259</u>	<u>\$ 370,993</u>	<u>\$ 242,250</u>
\$ 3,417	\$ -	\$ 12,720	\$ -	\$ -	\$ 370,993	\$ 27,082
29,502	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	1,325
<u>32,919</u>	<u>-</u>	<u>12,720</u>	<u>-</u>	<u>-</u>	<u>370,993</u>	<u>28,407</u>
644	-	13,454	2,088	-	-	1,767
56,983	68,363	459,999	143,160	264,259	-	212,076
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>57,627</u>	<u>68,363</u>	<u>473,453</u>	<u>145,248</u>	<u>264,259</u>	<u>-</u>	<u>213,843</u>
<u>\$ 90,546</u>	<u>\$ 68,363</u>	<u>\$ 486,173</u>	<u>\$ 145,248</u>	<u>\$ 264,259</u>	<u>\$ 370,993</u>	<u>\$ 242,250</u>

BUILDING SERVICES FUND	MEADOWVIEW SERVICE DISTRICT FUND	COLUMBIA COUNTY DEVELOPMENT AGENCY	4-H EXTENSION SERVICE DISTRICT FUND	TOTAL
\$ 11,511	\$ 2,698	\$ 366,650	\$ 364,051	\$ 2,348,461
-	-	39,030	22,831	61,861
-	-	-	-	34,801
-	-	-	-	546,033
-	-	-	-	-
4,558	-	1,162	1,435	29,179
<u>\$ 16,068</u>	<u>\$ 2,698</u>	<u>\$ 406,842</u>	<u>\$ 388,317</u>	<u>\$ 3,020,336</u>
\$ 16,068	\$ 183	\$ 2,700	\$ 4,022	\$ 496,460
-	-	-	-	29,502
-	-	39,030	22,831	61,861
-	-	-	-	1,325
<u>16,068</u>	<u>183</u>	<u>41,730</u>	<u>26,853</u>	<u>589,149</u>
4,558	-	1,162	1,435	29,179
(4,558)	2,515	363,950	360,029	2,402,008
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>2,515</u>	<u>365,112</u>	<u>361,464</u>	<u>2,431,187</u>
<u>\$ 16,068</u>	<u>\$ 2,698</u>	<u>\$ 406,842</u>	<u>\$ 388,317</u>	<u>\$ 3,020,336</u>

COLUMBIA COUNTY, OREGON

**SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
For the Year Ended June 30, 2011**

	FAIR BOARD FUND	CHILDREN & YOUTH SERVICES FUND	ANIMAL CONTROL FUND	CORNER PRESERVATION FUND
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Interest on investments	(116)	886	(169)	2,240
Miscellaneous	20,550	-	17,974	-
Intergovernmental	68,416	525,574	-	-
Fines and fees	294,333	-	152,139	84,447
Total revenues	<u>383,183</u>	<u>526,460</u>	<u>169,944</u>	<u>86,687</u>
EXPENDITURES				
General governmental	-	-	-	145,056
Roads and bridges	-	-	-	-
Public safety	-	-	229,366	-
Health and welfare	-	565,975	-	-
Culture and recreation	469,233	-	-	-
Economic development	-	-	-	-
Debt Service	-	-	-	-
Capital outlay	39,145	-	-	-
Total expenditures	<u>508,378</u>	<u>565,975</u>	<u>229,366</u>	<u>145,056</u>
Excess of Revenues Over (Under) Expenditures	(125,195)	(39,515)	(59,422)	(58,369)
Other Financing Sources (Uses):				
Sale of asset	-	-	-	-
Transfers In	119,613	-	51,636	-
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>119,613</u>	<u>-</u>	<u>51,636</u>	<u>-</u>
Net Change in Fund Balance	(5,582)	(39,515)	(7,786)	(58,369)
Prior Period Adjustments	-	-	-	-
FUND BALANCE - BEGINNING OF YEAR	<u>7,870</u>	<u>118,857</u>	<u>7,786</u>	<u>456,043</u>
FUND BALANCE - END OF YEAR	<u>\$ 2,288</u>	<u>\$ 79,342</u>	<u>\$ -</u>	<u>\$ 397,674</u>

INMATE BENEFIT EXPENSE FUND	COURTHOUSE SECURITY FUND	COMMUNITY CORRECTIONS FUND	LAW LIBRARY FUND	FOOTPATH & BICYCLE TRAIL FUND	CC RIDER TRANS- PORTATION
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
332	451	3,949	686	1,282	(1,468)
-	-	6,076	-	-	154,618
-	-	1,420,235	-	29,765	1,337,628
208,802	32,900	183,645	53,533	-	292,283
209,134	33,351	1,613,905	54,219	31,047	1,783,061
-	-	-	-	-	1,326,163
-	-	-	-	-	-
189,011	5,521	1,249,963	-	-	-
-	-	-	-	-	-
-	-	-	25,795	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	464	-	796,612
189,011	5,521	1,249,963	26,259	-	2,122,775
20,123	27,831	363,942	27,960	31,047	(339,714)
-	-	-	-	-	17,500
-	-	-	-	-	265,278
-	(42,000)	(323,707)	-	-	-
-	(42,000)	(323,707)	-	-	282,778
20,123	(14,169)	40,235	27,960	31,047	(56,936)
-	-	-	-	-	-
37,504	82,532	433,217	117,288	233,212	56,936
<u>\$ 57,627</u>	<u>\$ 68,363</u>	<u>\$ 473,453</u>	<u>\$ 145,248</u>	<u>\$ 264,259</u>	<u>\$ -</u>

COUNTY PARK FUND	BUILDING SERVICES FUND	MEADOWVIEW SERVICE DISTRICT FUND	COLUMBIA COUNTY DEVELOPMENT AGENCY	4-H EXTENSION SERVICE DISTRICT FUND	TOTAL
\$ -	\$ -	\$ 3,471	\$ 468,803	\$ 220,623	\$ 692,897
1,570	7	15	2,170	2,122	13,957
158,729	-	37	-	12,940	370,924
365,215	-	-	-	-	3,746,833
178,217	436,786	-	9,497	-	1,926,582
<u>703,731</u>	<u>436,793</u>	<u>3,523</u>	<u>480,470</u>	<u>235,685</u>	<u>6,751,193</u>
-	506,831	3,395	40,204	-	2,021,649
-	-	-	-	-	-
-	-	-	-	-	1,673,861
-	-	-	-	-	565,975
484,372	-	-	-	209,909	1,189,309
-	-	-	-	-	-
-	-	-	452,612	-	452,612
485,726	-	-	-	10,925	1,332,872
<u>970,098</u>	<u>506,831</u>	<u>3,395</u>	<u>492,816</u>	<u>220,834</u>	<u>7,236,278</u>
(266,367)	(70,038)	128	(12,346)	14,851	(485,085)
-	-	-	-	-	17,500
-	19,420	-	-	-	455,947
-	-	-	-	-	(365,707)
<u>-</u>	<u>19,420</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>107,740</u>
(266,367)	(50,618)	128	(12,346)	14,851	(377,344)
-	-	-	-	4,331	4,331
480,210	50,618	2,387	377,458	342,282	2,804,201
<u>\$ 213,843</u>	<u>\$ -</u>	<u>\$ 2,515</u>	<u>\$ 365,112</u>	<u>\$ 361,464</u>	<u>\$ 2,431,187</u>

COLUMBIA COUNTY, OREGON

FAIR BOARD FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET - BUDGETARY BASIS
For the Year Ended June 30, 2011

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET</u>
REVENUES				
State revenue sharing - lottery	\$ 36,048	\$ 36,048	\$ 36,031	\$ (17)
Interest on investments	-	-	(116)	(116)
Miscellaneous	48,000	48,000	20,550	(27,450)
Grants	100,000	100,000	32,385	(67,615)
Fines and fees	304,000	304,000	294,333	(9,667)
	<u>488,048</u>	<u>488,048</u>	<u>383,183</u>	<u>(104,865)</u>
Total revenue				
EXPENDITURES				
Personal services	95,355	96,855 (1)	94,446	2,409
Materials and Services	337,693	361,693 (1)	374,787	(13,094)
Capital Outlay	100,000	74,500 (1)	39,145	35,355
Contingency	-	- (1)	-	-
	<u>533,048</u>	<u>533,048</u>	<u>508,378</u>	<u>24,670</u>
Total expenditures				
Excess of Revenues Over (Under) Expenditures	(45,000)	(45,000)	(125,195)	(80,195)
Other Financing Sources (Uses)				
Transfers in	45,000	45,000	119,613	74,613
	<u>45,000</u>	<u>45,000</u>	<u>119,613</u>	<u>74,613</u>
Net Change in Fund Balance	-	-	(5,582)	(5,582)
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>7,870</u>	<u>7,870</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,288</u>	<u>\$ 2,288</u>

(1) Appropriation Level

COLUMBIA COUNTY, OREGON

**CHILDREN AND YOUTH SERVICES FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET- BUDGETARY BASIS
For the Year Ended June 30, 2011**

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
REVENUES				
Grants	\$ 1,245,000	\$ 1,245,000	\$ 525,574	\$ (719,426)
Interest on investments	500	500	886	386
Total revenues	<u>1,245,500</u>	<u>1,245,500</u>	<u>526,460</u>	<u>(719,040)</u>
EXPENDITURES				
Personal services	110,680	121,680 (1)	120,958	722
Materials and services	1,130,546	1,119,546 (1)	445,017	674,529
Contingency	74,274	74,274 (1)	-	74,274
Total expenditures	<u>1,315,500</u>	<u>1,315,500</u>	<u>565,975</u>	<u>749,525</u>
Net Change in Fund Balance	(70,000)	(70,000)	(39,515)	30,485
FUND BALANCE - BEGINNING	<u>70,000</u>	<u>70,000</u>	<u>118,857</u>	<u>48,857</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 79,342</u>	<u>\$ 79,342</u>

(1) Appropriation Level

COLUMBIA COUNTY, OREGON

**ANIMAL CONTROL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET- BUDGETARY BASIS
For the Year Ended June 30, 2011**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET
REVENUES				
Interest on investments	\$ 200	\$ 200	\$ (169)	\$ (369)
Donations	12,000	12,000	10,881	(1,119)
Miscellaneous	6,000	6,000	7,093	1,093
Fees, fines and permits	166,221	166,221	152,139	(14,082)
	-	-	-	-
Total Revenues	<u>184,421</u>	<u>184,421</u>	<u>169,944</u>	<u>(14,477)</u>
EXPENDITURES				
Personal services	132,027	133,027 (1)	132,144	883
Materials and services	86,798	100,798 (1)	97,222	3,576
Capital Outlay	-	- (1)	-	-
Total expenditures	<u>218,825</u>	<u>233,825</u>	<u>229,366</u>	<u>4,459</u>
Excess of Revenues Over (Under) Expenditures	(34,404)	(49,404)	(59,422)	(10,018)
Other Financing Sources (Uses)				
Transfers in	8,904	23,904	51,636	27,732
Total Other Financing Sources (Uses)	<u>8,904</u>	<u>23,904</u>	<u>51,636</u>	<u>27,732</u>
Net Change in Fund Balance	(25,500)	(25,500)	(7,786)	17,714
FUND BALANCE - BEGINNING OF YEAR	<u>25,500</u>	<u>25,500</u>	<u>7,786</u>	<u>(17,714)</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(1) Appropriation Level

COLUMBIA COUNTY, OREGON

CORNER PRESERVATION FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET- BUDGETARY BASIS
For the Year Ended June 30, 2011

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
REVENUES				
Interest on investments	\$ 12,000	\$ 12,000	\$ 2,240	\$ (9,760)
Fines and fees	<u>96,000</u>	<u>96,000</u>	<u>84,447</u>	<u>(11,553)</u>
Total revenues	<u>108,000</u>	<u>108,000</u>	<u>86,687</u>	<u>(21,313)</u>
EXPENDITURES				
Personal services	130,652	134,152 (1)	130,987	3,165
Materials and services	287,880	284,380 (1)	14,069	270,311
Contingency	<u>159,468</u>	<u>159,468 (1)</u>	<u>-</u>	<u>159,468</u>
Total expenditures	<u>578,000</u>	<u>578,000</u>	<u>145,056</u>	<u>432,944</u>
Net Change in Fund Balance	(470,000)	(470,000)	(58,369)	411,631
FUND BALANCE - BEGINNING	<u>470,000</u>	<u>470,000</u>	<u>456,043</u>	<u>(13,957)</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 397,674</u>	<u>\$ 397,674</u>

(1) Appropriation Level

COLUMBIA COUNTY, OREGON

INMATE BENEFIT EXPENSE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET- BUDGETARY BASIS
For the Year Ended June 30, 2011

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
REVENUES				
Interest on investments	\$ 2,000	\$ 2,000	\$ 332	\$ (1,668)
Fines and fees	<u>178,000</u>	<u>218,000</u>	<u>208,802</u>	<u>(9,198)</u>
Total revenues	<u>180,000</u>	<u>220,000</u>	<u>209,134</u>	<u>(10,866)</u>
EXPENDITURES				
Personal services	27,672	27,672 (1)	10,421	17,251
Materials and services	165,600	205,600 (1)	178,591	27,009
Contingency	<u>6,728</u>	<u>6,728 (1)</u>	<u>-</u>	<u>6,728</u>
Total expenditures	<u>200,000</u>	<u>240,000</u>	<u>189,011</u>	<u>50,989</u>
Net Change in Fund Balance	(20,000)	(20,000)	20,123	40,123
FUND BALANCE - BEGINNING	<u>20,000</u>	<u>20,000</u>	<u>37,504</u>	<u>17,504</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 57,627</u>	<u>\$ 57,627</u>

(1) Appropriation Level

COLUMBIA COUNTY, OREGON

COURTHOUSE SECURITY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET- BUDGETARY BASIS
For the Year Ended June 30, 2011

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
REVENUES				
Interest on investments	\$ 500	\$ 500	\$ 451	\$ (49)
Fees	<u>33,600</u>	<u>33,600</u>	<u>32,900</u>	<u>(700)</u>
Total revenues	<u>34,100</u>	<u>34,100</u>	<u>33,351</u>	<u>(749)</u>
EXPENDITURES				
Contingency	40,500	40,500 (1)	-	40,500
Materials and Services	5,100	5,100 (1)	5,521	(421)
Capital outlay	<u>25,000</u>	<u>25,000 (1)</u>	<u>-</u>	<u>25,000</u>
Total expenditures	<u>70,600</u>	<u>70,600</u>	<u>5,521</u>	<u>65,079</u>
Excess of Revenues Over (Under) Expenditures	(36,500)	(36,500)	27,831	64,331
Other Financing Sources (Uses)				
Transfers Out	<u>(42,000)</u>	<u>(42,000) (1)</u>	<u>(42,000)</u>	<u>-</u>
Net Change in Fund Balance	(78,500)	(78,500)	(14,169)	64,331
FUND BALANCE - BEGINNING	<u>78,500</u>	<u>78,500</u>	<u>82,532</u>	<u>4,032</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 68,363</u>	<u>\$ 68,363</u>

(1) Appropriation Level

COLUMBIA COUNTY, OREGON

**COMMUNITY CORRECTIONS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET- BUDGETARY BASIS
For the Year Ended June 30, 2011**

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
REVENUES				
Grant	\$ 1,436,452	\$ 1,436,452	\$ 1,420,235	\$ (16,217)
Interest on investment	3,000	3,000	3,949	949
Miscellaneous	63,483	63,483	6,076	(57,407)
Fines and fees	220,000	220,000	183,645	(36,355)
Total revenues	<u>1,722,935</u>	<u>1,722,935</u>	<u>1,613,905</u>	<u>(109,030)</u>
EXPENDITURES				
Personal services	1,109,301	1,109,301 (1)	995,241	114,060
Materials and services	424,015	424,015 (1)	248,041	175,974
Debt service	6,680	6,680 (1)	6,680	-
Contingency	138,239	138,239 (1)	-	138,239
Total expenditures	<u>1,678,235</u>	<u>1,678,235</u>	<u>1,249,963</u>	<u>428,272</u>
Excess of Revenues Over (Under) Expenditures	44,700	44,700	363,942	319,242
Other Financing Sources (Uses)				
Transfers out	<u>(344,700)</u>	<u>(344,700) (1)</u>	<u>(323,707)</u>	<u>20,993</u>
Total other financing sources (uses)	<u>(344,700)</u>	<u>(344,700)</u>	<u>(323,707)</u>	<u>20,993</u>
Net Change in Fund Balance	(300,000)	(300,000)	40,235	340,235
FUND BALANCE - BEGINNING	<u>300,000</u>	<u>300,000</u>	<u>433,217</u>	<u>133,217</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 473,453</u>	<u>\$ 473,453</u>

(1) Appropriation Level

COLUMBIA COUNTY, OREGON

LAW LIBRARY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET- BUDGETARY BASIS
For the Year Ended June 30, 2011

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
REVENUES				
Interest on investments	\$ 500	\$ 500	\$ 686	\$ 186
Fees, fines, and permits	<u>50,000</u>	<u>50,000</u>	<u>53,533</u>	<u>3,533</u>
Total revenues	<u>50,500</u>	<u>50,500</u>	<u>54,219</u>	<u>3,719</u>
EXPENDITURES				
Materials and services	64,768	64,768 (1)	25,795	38,973
Capital outlay	25,000	25,000 (1)	464	24,536
Contingency	<u>20,732</u>	<u>20,732 (1)</u>	<u>-</u>	<u>20,732</u>
Total expenditures	<u>110,500</u>	<u>110,500</u>	<u>26,259</u>	<u>84,241</u>
Net Change in Fund Balance	(60,000)	(60,000)	27,960	87,960
FUND BALANCE - BEGINNING	<u>60,000</u>	<u>60,000</u>	<u>117,288</u>	<u>57,288</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 145,248</u>	<u>\$ 145,248</u>

(1) Appropriation Level

COLUMBIA COUNTY, OREGON

**FOOTPATH AND BICYCLE TRAIL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET- BUDGETARY BASIS
For the Year Ended June 30, 2011**

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
REVENUES				
State revenue sharing	\$ 33,000	\$ 33,000	\$ 29,765	\$ (3,235)
Interest on investment	-	-	1,282	1,282
Total revenues	<u>33,000</u>	<u>33,000</u>	<u>31,047</u>	<u>(1,953)</u>
EXPENDITURES				
Capital outlay	<u>238,000</u>	<u>238,000 (1)</u>	<u>-</u>	<u>238,000</u>
Total expenditures	<u>238,000</u>	<u>238,000</u>	<u>-</u>	<u>238,000</u>
Excess of Revenues Over (Under) Expenditures	(205,000)	(205,000)	31,047	236,047
Other Financing Sources (Uses)				
Transfers out	<u>(25,000)</u>	<u>(25,000) (1)</u>	<u>-</u>	<u>25,000</u>
Net Change in Fund Balance	(230,000)	(230,000)	31,047	261,047
FUND BALANCE - BEGINNING	<u>230,000</u>	<u>230,000</u>	<u>233,212</u>	<u>3,212</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 264,259</u>	<u>\$ 264,259</u>

(1) Appropriation Level

COLUMBIA COUNTY, OREGON

**CC RIDER TRANSPORTATION FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET- BUDGETARY BASIS
For the Year Ended June 30, 2011**

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
REVENUES				
Interest on investments	\$ -	\$ -	\$ (1,468)	\$ (1,468)
Contributions	114,050	114,050	154,618	40,568
Grants	2,876,189	2,876,189	1,297,097	(1,579,092)
Fare Revenue	300,000	300,000	292,283	(7,717)
Miscellaneous	343,824	343,824	40,531	(303,293)
Total revenue	<u>3,634,063</u>	<u>3,634,063</u>	<u>1,783,061</u>	<u>(1,851,002)</u>
EXPENDITURES				
Personal services	89,930	89,930 (1)	69,038	20,892
Materials and Services	1,094,115	1,244,115 (1)	1,257,125	(13,010)
Capital outlay	2,337,042	2,187,042 (1)	796,612	1,390,430
Contingency	147,976	147,976 (1)	-	147,976
Total expenditures	<u>3,669,063</u>	<u>3,669,063</u>	<u>2,122,775</u>	<u>1,546,288</u>
Excess of Revenues Over (Under) Expenditures	(35,000)	(35,000)	(339,714)	(304,714)
Other Financing Sources (Uses)				
Sale of asset	3,000	3,000	17,500	14,500
Transfers In	30,000	30,000	265,278	235,278
Total other financing sources (uses)	<u>33,000</u>	<u>33,000</u>	<u>282,778</u>	<u>249,778</u>
Net Change in Fund Balance	(2,000)	(2,000)	(56,936)	(54,936)
FUND BALANCE - BEGINNING	<u>2,000</u>	<u>2,000</u>	<u>56,936</u>	<u>54,936</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(1) Appropriation Level

COLUMBIA COUNTY, OREGON

COUNTY PARK FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET- BUDGETARY BASIS
For the Year Ended June 30, 2011

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
REVENUES				
Grants	\$ 524,700	\$ 524,700	\$ 270,086	\$ (254,614)
State revenue sharing	90,000	90,000	95,129	5,129
Interest on investments	2,500	2,500	1,570	(930)
Donations	50,800	50,800	127,798	76,998
Miscellaneous	29,500	29,500	30,931	1,431
Fines and fees	<u>152,500</u>	<u>152,500</u>	<u>178,217</u>	<u>25,717</u>
Total revenues	<u>850,000</u>	<u>850,000</u>	<u>703,731</u>	<u>(146,269)</u>
EXPENDITURES				
Personal services	207,792	207,792 (1)	193,953	13,839
Material and services	305,073	305,073 (1)	290,419	14,654
Capital outlay	543,000	543,000 (1)	485,726	57,274
Contingency	<u>90,755</u>	<u>90,755 (1)</u>	<u>-</u>	<u>90,755</u>
Total expenditures	<u>1,146,620</u>	<u>1,146,620</u>	<u>970,098</u>	<u>176,522</u>
Excess of Revenues				
Over (Under) Expenditures	(296,620)	(296,620)	(266,367)	30,253
Other Financing Sources (Uses)				
Transfers in	<u>25,000</u>	<u>25,000</u>	<u>-</u>	<u>(25,000)</u>
Net Change in Fund Balance	(271,620)	(271,620)	(266,367)	5,253
FUND BALANCE - BEGINNING	<u>390,000</u>	<u>390,000</u>	<u>480,210</u>	<u>90,210</u>
FUND BALANCE - ENDING	<u>\$ 118,380</u>	<u>\$ 118,380</u>	<u>\$ 213,843</u>	<u>\$ 95,463</u>

(1) Appropriation Level

COLUMBIA COUNTY, OREGON

BUILDING SERVICES FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET- BUDGETARY BASIS
For the Year Ended June 30, 2011

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
REVENUES				
Interest on investments	\$ 2,000	\$ 2,000	\$ 7	\$ (1,993)
Fees, fines, and permits	<u>702,000</u>	<u>702,000</u>	<u>436,786</u>	<u>(265,214)</u>
Total revenues	<u>704,000</u>	<u>704,000</u>	<u>436,793</u>	<u>(267,207)</u>
EXPENDITURES				
Personal services	525,769	525,769 (1)	433,022	92,747
Materials and services	103,400	103,400 (1)	73,809	29,591
Capital outlay	1,000	1,000 (1)		1,000
Contingency	<u>222,469</u>	<u>222,469 (1)</u>	<u>-</u>	<u>222,469</u>
Total expenditures	<u>852,638</u>	<u>852,638</u>	<u>506,831</u>	<u>345,807</u>
Excess of Revenues				
Over (Under) Expenditures	(148,638)	(148,638)	(70,038)	78,600
Other Financing Sources (Uses)				
Transfers in	<u>-</u>	<u>-</u>	<u>19,420</u>	<u>19,420</u>
Net Change in Fund Balance	(148,638)	(148,638)	(50,618)	98,020
FUND BALANCE - BEGINNING	<u>248,638</u>	<u>248,638</u>	<u>50,618</u>	<u>(198,020)</u>
	-			
FUND BALANCE - ENDING	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ -</u>	<u>\$ (100,000)</u>

(1) Appropriation Level

COLUMBIA COUNTY, OREGON

JAIL BOND FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET- BUDGETARY BASIS
For the Year Ended June 30, 2011

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
REVENUES				
Property taxes	\$ 1,115,388	\$ 1,115,388	\$ 1,109,176	\$ (6,212)
Interest on investments	2,000	2,000	1,868	(132)
Total revenues	<u>1,117,388</u>	<u>1,117,388</u>	<u>1,111,044</u>	<u>(6,344)</u>
EXPENDITURES				
Debt service:				
Principal	815,000	815,000	805,000	10,000
Interest	302,388	302,388	302,388	-
Total expenditures	<u>1,117,388</u>	<u>1,117,388 (1)</u>	<u>1,107,388</u>	<u>10,000</u>
Net Change in Fund Balance	-	-	3,656	3,656
FUND BALANCE - BEGINNING	<u>-</u>	<u>-</u>	<u>(53,472)</u>	<u>(53,472)</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (49,816)</u>	<u>\$ (49,816)</u>

(1) Appropriation Level

COLUMBIA COUNTY, OREGON

**COLUMBIA COUNTY DEVELOPMENT AGENCY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET- BUDGETARY BASIS
For the Year Ended June 30, 2011**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET
REVENUES				
Property tax	\$ 444,000	\$ 444,000	\$ 468,803	\$ 24,803
Interest	2,020	2,020	2,170	150
Forest, Land, Sales & Royalties	-	-	9,497	9,497
Total revenues	<u>446,020</u>	<u>446,020</u>	<u>480,470</u>	<u>34,450</u>
EXPENDITURES				
Debt Service	454,815	454,815 (1)	452,612	2,203
Materials and services	150,000	150,000 (1)	40,204	109,796
Contingency	327,205	327,205 (1)	-	327,205
Total expenditures	<u>932,020</u>	<u>932,020</u>	<u>492,816</u>	<u>439,204</u>
Net Change in Fund Balance	(486,000)	(486,000)	(12,346)	473,654
FUND BALANCE - BEGINNING OF YEAR	<u>586,000</u>	<u>586,000</u>	<u>377,458</u>	<u>(208,542)</u>
FUND BALANCE - END OF YEAR	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ 365,112</u>	<u>\$ 265,112</u>

(1) Appropriation Level

COLUMBIA COUNTY, OREGON

4-H EXTENSION SERVICE DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET- BUDGETARY BASIS
For the Year Ended June 30, 2011

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET
REVENUES				
Property tax	\$ 208,353	\$ 208,353	\$ 220,623	\$ 12,270
Interest	4,000	4,000	2,122	(1,878)
Miscellaneous	7,000	7,000	12,940	5,940
Total revenues	219,353	219,353	235,685	16,332
EXPENDITURES				
Personal services	140,000	140,000 (1)	104,904	35,096
Materials and services	117,000	117,000 (1)	105,005	11,995
Capital outlay	21,500	21,500 (1)	10,925	10,575
Contingency	150,853	150,853 (1)	-	150,853
Total expenditures	429,353	429,353	220,834	208,519
Net Change in Fund Balance	(210,000)	(210,000)	14,851	224,851
FUND BALANCE - BEGINNING OF YEAR	220,000	220,000	342,282	122,282
PRIOR PERIOD ADJUSTMENT	-	-	4,331	4,331
FUND BALANCE - END OF YEAR	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ 361,464</u>	<u>\$ 351,464</u>

(1) Appropriation Level

COLUMBIA COUNTY, OREGON

MEADOWVIEW SERVICE DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET- BUDGETARY BASIS
For the Year Ended June 30, 2011

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET
REVENUES				
Property tax	\$ 3,595	\$ 3,595	\$ 3,471	\$ (124)
Interest	15	15	15	-
Miscellaneous	10	10	37	27
Total revenues	3,620	3,620	3,523	(97)
EXPENDITURES				
Materials and services	3,120	3,370 (1)	3,395	(25)
Contingency	2,000	1,750 (1)	-	1,750
Total expenditures	5,120	5,120	3,395	1,725
Excess of Revenues Over (Under) Expenditures	(1,500)	(1,500)	128	1,628
Other Financing Sources (Uses)				
Transfers out	-	- (1)	-	-
Net Change in Fund Balance	(1,500)	(1,500)	128	1,628
FUND BALANCE - BEGINNING OF YEAR	2,300	2,300	2,387	87
FUND BALANCE - END OF YEAR	\$ 800	\$ 800	\$ 2,515	\$ 1,715

(1) Appropriation Level

COLUMBIA COUNTY, OREGON

**TRANSFER STATION FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET- BUDGETARY BASIS
For the Year Ended June 30, 2011**

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
REVENUES				
Tipping fees	\$ 2,646,488	\$ 2,646,488	\$ 2,303,720	\$ (342,768)
Interest	500	500	1,293	793
Miscellaneous	15,400	15,400	20,206	4,806
Total revenues	<u>2,662,388</u>	<u>2,662,388</u>	<u>2,325,219</u>	<u>(337,169)</u>
EXPENDITURES				
Personal Services	301,542	301,542 (1)	291,591	9,951
Materials and Services	1,852,779	1,852,779 (1)	1,914,060	(61,281)
Capital outlay	307,500	307,500 (1)	4,624	302,876
Debt service	323,660	323,660 (1)	320,502	3,158
Contingencies	122,005	122,005 (1)	-	122,005
Total expenditures	<u>2,907,486</u>	<u>2,907,486</u>	<u>2,530,777</u>	<u>376,709</u>
Excess of Revenues Over (Under) Expenditures	(245,098)	(245,098)	(205,558)	39,540
Other Financing Sources (Uses)				
Transfers In	-	-	9,414	9,414
Net Change in Fund Balance	(245,098)	(245,098)	(196,144)	48,954
FUND BALANCE - BEGINNING	<u>245,098</u>	<u>245,098</u>	<u>247,538</u>	<u>2,440</u>
FUND BALANCE - ENDING	<u>\$ -</u>	<u>\$ -</u>	51,394	<u>\$ 51,394</u>

(1) Appropriation Level

Reconciliation to Ending Net Assets:

Add Capital Assets	4,762,450
Deduct Long Term Debt	(3,921,617)
Deduct Interest Payable	<u>0</u>
Net Assets	<u>\$ 892,227</u>

COLUMBIA COUNTY, OREGON
FIDUCIARY FUNDS
COMBINING STATEMENT OF NET ASSETS
June 30, 2011

	TREASURER FUND
ASSETS	
Cash and cash equivalents	\$ 2,298,451
Property tax receivable	5,569,512
Other assets	<u>5,481</u>
Total assets	<u>\$ 7,873,444</u>
LIABILITIES	
Payable to inmates	\$ -
Due to other governments	<u>7,873,444</u>
Total liabilities	<u>\$ 7,873,444</u>

COLUMBIA COUNTY, OREGON
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
For the Fiscal Year Ended June 30, 2011

	Balance June 30, 2010	Additions	Deletions	Balance June 30, 2011
Inmate Commission Fund				
Assets				
Cash	\$ 20,476	\$	\$ 20,476	\$ -
Liabilities				
Payable to Inmates	\$ 20,476	\$ -	\$ 20,476	\$ -
Treasurer Fund				
Assets				
Cash	\$ 894,953	\$ 57,835,083	\$ 56,431,585	\$ 2,298,451
Property taxes receivable	3,728,573	56,429,814	54,588,875	5,569,512
Other Assets	494,463	-	494,463	-
Accounts Receivable	-	5,481	-	5,481
Total assets	<u>\$ 5,117,989</u>	<u>\$ 114,270,378</u>	<u>\$ 111,514,923</u>	<u>\$ 7,873,444</u>
Liabilities				
Due to other governments	5,117,989	114,270,378	111,514,923	7,873,444
Total liabilities	<u>5,117,989</u>	<u>114,270,378</u>	<u>111,514,923</u>	<u>7,873,444</u>
Total - All Agency Funds				
Assets				
Cash	\$ 915,429	\$ 57,835,083	\$ 56,452,061	\$ 2,298,451
Property taxes receivable	3,728,573	56,429,814	54,588,875	5,569,512
Other assets	494,463	5,481	494,463	5,481
Total assets	<u>\$ 5,138,465</u>	<u>\$ 114,270,378</u>	<u>\$ 111,535,399</u>	<u>\$ 7,873,444</u>
Liabilities				
Payable to inmates	\$ 20,476	\$ -	\$ 20,476	\$ -
Due to other governments	5,117,989	114,270,378	111,514,923	7,873,444
Total liabilities	<u>\$ 5,138,465</u>	<u>\$ 114,270,378</u>	<u>\$ 111,535,399</u>	<u>\$ 7,873,444</u>

*In FY10, the Inmate Commissary Fund was divided into one part fiduciary and the other special revenue. Going forward, this fund is most properly reflected as a special revenue fund in its entirety.

COLUMBIA COUNTY, OREGON

**GENERAL FUND BY DEPARTMENT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET- BUDGETARY BASIS
For the Year Ended June 30, 2011**

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET</u>
Expenditures				
Board of Commissioners:				
Personal services	\$ 365,757	\$ 375,757	\$ 367,487	\$ 8,270
Materials and services	109,071	109,071	110,400	(1,329)
Total Board of Commissioners	<u>474,828</u>	<u>484,828</u>	<u>477,887</u>	<u>6,941</u>
Assessor's Office:				
Personal service	1,098,119	1,098,119	1,051,105	47,014
Materials and services	221,980	218,480	208,839	9,641
Capital outlay	82,200	82,200	59,840	22,360
Transfer	19,000	19,000	19,000	-
Total Assessor's Office	<u>1,421,299</u>	<u>1,417,799</u>	<u>1,338,784</u>	<u>79,015</u>
Tax Office				
Personal services	116,549	116,549	105,754	10,795
Materials and services	91,242	76,242	77,320	(1,078)
Capital outlay	-	18,500	18,376	124
Total Tax Collector	<u>207,791</u>	<u>211,291</u>	<u>201,450</u>	<u>9,841</u>
Clerk's Office:				
Personal services	199,937	199,937	171,681	28,256
Materials and services	88,119	88,119	77,033	11,086
Capital outlay	19,000	19,000	212	18,788
Total Clerk's Office	<u>307,056</u>	<u>307,056</u>	<u>248,926</u>	<u>58,130</u>
Elections:				
Personal services	90,433	91,933	87,033	4,900
Materials and services	140,349	138,349	111,743	26,606
Capital outlay	6,300	81,800	6,749	75,051
Total Elections	<u>237,082</u>	<u>312,082</u>	<u>205,525</u>	<u>106,557</u>
Sheriff's Office:				
Personal services	1,618,813	1,651,813	1,612,334	39,479
Materials and services	466,783	576,783	447,413	129,370
Capital outlay	25,000	104,500	179,940	(75,440)
Transfers	-	80,000	76,636	3,364
Total Sheriff's Office	<u>2,110,595</u>	<u>2,413,096</u>	<u>2,316,323</u>	<u>96,773</u>

County Jail:				
Personal services	2,571,746	2,698,746	2,576,243	122,503
Materials and services	1,423,314	1,630,314	1,584,995	45,319
Capital outlay	7,000	170,500	147,970	22,530
Reserve addition (contingency)	-	400,000	400,000	-
Total County Jail	<u>4,002,060</u>	<u>4,899,560</u>	<u>4,709,208</u>	<u>190,352</u>
Economic Development Office:				
Personal service	96,076	196,076	196,174	(98)
Materials and services	207,756	112,756	130,373	(17,617)
Transfer Out	45,000	45,000	45,000	-
Total Economic Development	<u>348,833</u>	<u>353,832</u>	<u>371,547</u>	<u>(17,715)</u>
County Surveyor:				
Personal service	78,698	80,698	78,270	2,428
Materials and services	36,539	34,539	27,539	7,000
Total County Surveyor	<u>115,237</u>	<u>115,237</u>	<u>105,809</u>	<u>9,428</u>
District Attorney:				
Personal service	987,302	999,802	983,124	16,679
Material and services	204,635	204,635	205,435	(800)
Total District Attorney	<u>1,191,937</u>	<u>1,204,437</u>	<u>1,188,558</u>	<u>15,879</u>
Justice Court - Clatskanie/Vernonia:				
Personal services	139,137	150,637	148,146	2,491
Materials and services	100,227	100,227	97,611	2,616
Total Justice Court	<u>239,364</u>	<u>250,864</u>	<u>245,758</u>	<u>5,106</u>
Columbia County Firing Range:				
Personal services	23,710	42,710	16,792	25,918
Materials and services	36,511	36,511	23,705	12,806
Debt Service	7,042	7,042	7,053	(11)
	<u>67,263</u>	<u>86,263</u>	<u>47,551</u>	<u>38,712</u>
Juvenile Department				
Personal services	637,950	682,950	667,250	15,700
Materials and services	308,964	316,464	283,876	32,588
Total Juvenile Department	<u>946,915</u>	<u>999,414</u>	<u>951,126</u>	<u>48,288</u>
County Counsel:				
Personal service	350,016	350,016	345,149	4,867
Materials and service	39,300	49,300	32,203	17,097
Total County Counsel	<u>389,316</u>	<u>399,316</u>	<u>377,352</u>	<u>21,964</u>

Veteran's Service Office:				
Materials and service	62,807	62,807	62,807	-
Total Veteran's Service Office	62,807	62,807	62,807	-
Emergency Services:				
Personal services	247,380	247,380	234,493	12,887
Materials and services	305,460	295,460	218,575	76,885
Capital Outlay	500,000	500,000	1,674	498,326
Total Emergency Services	1,052,840	1,042,840	454,742	588,098
Finance Office				
Personal services	394,939	359,939	386,102	(26,163)
Materials and services	82,005	117,005	103,635	13,370
Total Finance Office	476,944	476,944	489,737	(12,793)
Land Development Office				
Personal services	686,380	703,380	702,283	1,097
Materials and services	656,028	604,028	465,090	138,938
Capital outlay	585,000	1,160,000	139,087	1,020,913
Transfer	35,000	70,000	111,844	(41,844)
Reserve addition (contingency)	-	-	20,000	(20,000)
Total Land Development Services	1,962,408	2,537,408	1,438,304	1,099,104
Information Services:				
Personal services	245,257	254,257	248,123	6,134
Materials and services	162,260	153,260	146,473	6,787
Capital outlay	31,800	31,800	27,949	3,851
Reserve addition (contingency)	50,000	50,000	25,493	24,507
Total Information Services	489,317	489,317	448,038	41,279
Human Resources/Civil Services:				
Personal services	144,786	144,786	143,068	1,718
Materials and services	12,150	12,150	6,135	6,015
Total Human Resources/Civil Services	156,936	156,936	149,203	7,733
Nondepartmental:				
Personal services	50,797	50,797	49,317	1,480
Materials and services	548,145	671,044	421,853	249,191
Debt service	572,116	631,416	631,377	39
Capital Outlay	-	-	22,813	(22,813)
Transfer	466,584	617,684	820,128	(202,444)
Contingency	1,250,000	1,091,700	-	1,091,700
Unappropriated Ending Balance	1,400,000	1,400,000	-	1,400,000
Total Non-departmental	4,287,642	4,462,641	1,945,488	2,517,153
Total expenditures	\$ 20,548,468	\$ 22,683,968	\$ 17,774,123	\$ 4,909,845

COLUMBIA COUNTY, OREGON

**SCHEDULE OF PROPERTY TAX TRANSACTIONS AND BALANCES
OF TAXES UNCOLLECTED
For the Year Ended June 30, 2011**

ALL COLUMBIA COUNTY GOVERNMENTS

TAX YEAR	IMPOSED LEVY OR BALANCE UNCOLLECTED AT 7/1/10	DEDUCT DISCOUNTS	ADJUSTMENTS TO ROLLS	ADD INTEREST	CASH COLLECTIONS BY COUNTY TREASURER	BALANCE UNCOLLECTED OR UNSEGREGATED AT 6/30/11
Current:						
2010-11	\$ 56,992,720	\$ 1,380,598	\$ (273,610)	\$ 42,413	\$ 52,510,186	\$ 2,828,325
Prior Years:						
2009-10	2,754,503	(4,995)	(205,568)	87,528	1,003,939	1,549,991
2008-09	1,334,798	43	(3,756)	91,772	492,069	838,930
2007-08	729,433	(4)	(63,113)	132,491	434,906	231,419
2006-07	175,295	(3)	(3,866)	50,644	134,816	36,616
2005-06 & Prior	102,753		(5,563)	7,945	12,959	84,231
Total Prior	<u>5,096,782</u>	<u>(4,960)</u>	<u>(281,865)</u>	<u>370,381</u>	<u>2,078,689</u>	<u>2,741,187</u>
Total	<u>\$ 62,089,501</u>	<u>\$ 1,375,638</u>	<u>\$ (555,475)</u>	<u>\$ 412,794</u>	<u>\$ 54,588,875</u>	<u>\$ 5,569,512</u>

GENERAL AND DEBT SERVICE FUNDS:

TAX YEAR	IMPOSED LEVY OR BALANCE UNCOLLECTED AT 7/1/10	DEDUCT DISCOUNTS	ADJUSTMENTS TO ROLLS	ADD INTEREST	CASH COLLECTIONS BY COUNTY TREASURER	BALANCE UNCOLLECTED OR UNSEGREGATED AT 6/30/11
Current:						
2010-11	\$ 6,807,953	\$ 164,347	\$ (47,014)	\$ 5,867	\$ 6,252,873	\$ 337,852
Prior Years:						
2009-10	337,115	23	20,365	12,433	155,921	189,103
2008-09	170,079	-	26,950	13,594	76,669	106,766
2007-08	88,662	-	30,381	18,868	72,046	28,129
2006-07	22,077	-	14,117	7,179	24,404	4,611
2005-06 & Prior	13,188	-	978	1,155	2,237	10,774
Total Prior	<u>631,121</u>	<u>23</u>	<u>92,791</u>	<u>53,229</u>	<u>331,277</u>	<u>339,383</u>
Total All Funds	<u>\$ 7,439,074</u>	<u>\$ 164,370</u>	<u>\$ 45,777</u>	<u>\$ 59,096</u>	<u>\$ 6,584,150</u>	<u>\$ 677,235</u>

Taxes Receivable classified by Fund:

General	\$ 562,392
Debt Service	114,843
Subtotal	<u>677,235</u>
Development Agency	39,030
4-H	22,831
	<u>\$ 739,096</u>

Total Revenue	\$ 6,584,150
Total Accrued June 30, 2010	104,954
Total Accrued June 30, 2011	(96,538)
Development Agency	468,803
Meadowview Service District	3,471
4-H Extension Service District	220,623
Taxes in Lieu	(35,757)
Total Tax Revenue	<u>\$ 7,249,706</u>

Property Tax Revenue Classified by Fund:

General	\$ 5,447,633
Debt Service	1,109,176
Development Agency	468,803
Meadowview Service District	3,471
4-H Extension Service District	220,623
	<u>\$ 7,249,706</u>

COLUMBIA COUNTY, OREGON

**SCHEDULE OF ACCOUNTABILITY FOR ELECTED OFFICIALS
For the Year Ended June 30, 2011**

	<u>ASSESSOR</u>	<u>COUNTY CLERK</u>	<u>DISTRICT ATTORNEY</u>	<u>SHERIFF</u>	<u>TREASURER</u>	<u>JUSTICE OF THE PEACE</u>	<u>TOTAL</u>
On Hand - July 1, 2010	\$ 25	\$ 100	\$ -	\$ 22,054	\$ 10,560,029	\$ 2,005	\$ 10,584,213
Receipts	75	75	-	3,875,364	101,924,130	352,178	106,151,822
Turnovers & Disbursements: To County Treasurer & Others	-	-	-	(3,867,816)	(102,005,727)	(351,840)	(106,225,383)
On Hand June 30, 2011	<u>\$ 100</u>	<u>\$ 175</u>	<u>\$ -</u>	<u>\$ 29,602</u>	<u>\$ 10,478,432</u>	<u>\$ 2,343</u>	<u>\$ 10,510,652</u>
Consists of:							
Change, Petty Cash, and Revolving Funds	\$ 100	\$ 175	\$ -	\$ 100	\$ 9,871,788	\$ 2,343	\$ 9,874,506
Held in Escrow for Flood Recovery Beneficiaries	-	-	-	-	606,644	-	606,644
Held in Trust for Inmates	-	-	-	29,502	-	-	29,502
On Hand June 30, 2011	<u>\$ 100</u>	<u>\$ 175</u>	<u>\$ -</u>	<u>\$ 29,602</u>	<u>\$ 10,478,432</u>	<u>\$ 2,343</u>	<u>\$ 10,510,652</u>

COLUMBIA COUNTY, OREGON

INDEPENDENT AUDITORS' REPORT REQUIRED BY OREGON STATE REGULATIONS

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PAULY, ROGERS AND CO., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

-
- 12700 SW 72ND AVENUE • TIGARD, OREGON 97223
 - (503) 620-2632 • FAX (503) 684-7523

December 16, 2011

Independent Auditors' Report Required by Oregon State Regulations

We have audited the basic financial statements of Columbia County as of and for the year ended June 30, 2011, and have issued our report thereon dated December 16, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards.

Compliance

As part of obtaining reasonable assurance about whether Columbia 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 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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

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

In connection with our testing nothing came to our attention that caused us to believe Columbia 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 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, except as follows:

1. Expenditures of the various funds were within authorized appropriations, except as noted on page 36.

OAR 162-10-0230 Internal Control

In planning and performing our audit, we considered internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not

for the purpose of expressing an opinion on the effectiveness of internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of internal control over financial reporting.

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

Pauly, Rogers and Co., P.C.
PAULY, ROGERS AND CO., P.C.

COLUMBIA COUNTY, OREGON

GRANT COMPLIANCE REVIEW

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COLUMBIA COUNTY, OREGON
SCHEDULE OF EXPENDITURES AND FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2011

	<u>Number</u>	<u>Expenditures</u>
Dept. of Housing and Urban Development		
CDBG-CCMH/CAT	14.228	<u>279,688</u>
Dept. of the Interior		
Boating Infrastructure Grant Program BIG	15.622	71,724
* O&C Federal Timber Revenue	15.227	<u>1,606,137 (1)</u>
		1,677,861
Dept. of Justice		
* ARRA MH Jail Grant	16.810	251,441
* State Criminal Alien Assistance Program	16.606	4,356
Juvenile Accountability Block Grants	16.523	1,420
Crime Victim Assistance-VOCA	16.575	46,924
Edward Byrne Memorial State and Local Law Enforcement Grants	16.580	5,000
Child Support	93.563	<u>153,029</u>
		462,170
Dept of Transportation		
Recreational Trails Program	20.219	53,074
Capital Assistance Prog for Elderly Persons and Persons with Disabilities	20.513	73,202
HazMat Emergency Preparedness Training and Grants	20.703	377
Formula Grants for Other Than Urbanized Areas	20.509	284,995 (1)
Formula Grants for Other Than Urbanized Areas ARRA	20.509	<u>136,950 (1)</u>
		548,598
US Election Assistance Commission		
Help America Vote Act	90.401	<u>2,242</u>
Dept. of Energy		
State Energy Program	81.014	64,008
ARRA - Energy Efficiency and Conservation Block Grants	81.128	128,747
* ARRA - Energy Efficiency and Conservation Block Grants	81.128	<u>108,714</u>
		301,469
Dept. of Administrative Services		
* Surplus Property	39.003	<u>1,382</u>
Dept of Health & Human Services		
Promoting Safe & Stable Families	93.556	12,597
Social Services Block Grant	93.667	10,965
Medical Assistance Program	93.778	29,164
CMHS Block Grant	93.958	13,929
Substance Abuse	93.959	<u>254,400</u>
		321,056
Dept. of Homeland Security		
** Urban Areas Security Initiative	97.008	162,357
Public Assistance Grants	97.036	78,511
Emergency Management Performance	97.042	87,751
State Homeland Security	97.073	8,678
Flood Mitigation	97.029	255,859
♦ DR-1733 Hazard Mitigation	97.039	2,420,091 (1)
DR-1733 Hazard Mitigation	97.039	<u>716,727 (1)</u>
		3,729,974
Grand Total		<u><u>7,324,439</u></u>

* Federal Funds coming directly to county
** Federal Funds from non-state partner
♦ Paid to Title Company for buy out program
(1) Indicates Major Program

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PAULY, ROGERS AND CO., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

• 12700 SW 72ND AVENUE • TIGARD, OREGON 97223
• (503) 620-2632 • FAX (503) 684-7523

December 16, 2011

To the County Commissioners
Columbia County, Oregon

Independent Auditors' 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*

We have audited the financial statements of Columbia County as of and for the year ended June 30, 2011, and have issued our report thereon dated December 16, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified.

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 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.

Compliance and Other Matters

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

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

Pauly, Rogers and Co., P.C.
PAULY, ROGERS AND CO., P.C.



PAULY, ROGERS AND CO., P.C.

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December 16, 2011

To the County Commissioners
Columbia County, Oregon

Independent Auditors' Report on Compliance With Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133

Compliance

We have audited the compliance of Columbia County with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2011. Columbia County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Columbia County's management. Our responsibility is to express an opinion on compliance based on our audit.

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

In our opinion, Columbia County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2011.

Internal Control Over Compliance

Management is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 internal control over compliance.

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

deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

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

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

Pauly, Rogers and Co., P.C.
PAULY, ROGERS AND CO., P.C.

COLUMBIA COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2011

SECTION I – SUMMARY OF AUDITORS’ RESULTS

FINANCIAL STATEMENTS

Type of auditors’ report issued Unqualified

Internal control over financial reporting:

 Material weakness(es) identified? yes no

 Significant deficiency(s) identified that is considered to be material weaknesses? yes none reported

Any audit findings disclosed relating to the financial statements which are required to be reported in accordance with GAGAS, A-133 S505(d)(2) yes no

Noncompliance material to financial statements noted? yes no

FEDERAL AWARDS

Internal control over major programs:

 Material weakness(es) identified? yes no

 Significant deficiency(s) identified that are not considered to be material weaknesses? yes none reported

Type of auditors’ report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133, section 510(a)? yes no

IDENTIFICATION OF MAJOR PROGRAMS

<u>CFDA NUMBER</u>	<u>NAME OF FEDERAL PROGRAM CLUSTER</u>
15.227	O & C Federal Timber Revenue
20.509	ODOT – Formula grants for other than urban areas (ARRA)
97.039	Hazard Mitigation Program

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee? yes no

COLUMBIA COUNTY, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2011

SECTION II – FINANCIAL STATEMENT FINDINGS

None

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS:

None

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

1. **BASIS OF PRESENTATION**

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