



**\$8,405,000**  
**Deschutes County, Oregon**  
**Full Faith and Credit Bonds, Series 2013**

**DATED:** Date of Delivery

**DUE:** As shown on inside cover

**MOODY'S RATING** — Aa3. See "Rating" herein.

**BOOK-ENTRY ONLY SYSTEM**— The \$8,405,000 Deschutes County, Oregon Full Faith and Credit Bonds, Series 2013 (the "Bonds") will be issued in fully registered form under a book-entry only system and will be registered in the name of Cede & Co., as Bonds owner and nominee for The Depository Trust Company ("DTC"). DTC will act as initial securities depository for the Bonds. Individual purchases of the Bonds will be made in book-entry form, in the denomination of \$5,000 or any integral multiple thereof. Purchasers will not receive certificates representing their interest in the Bonds purchased.

**PURPOSE**— Deschutes County, Oregon (the "County") is issuing the Bonds to finance the County's jail expansion project and to pay the costs of issuing the Bonds.

**PRINCIPAL AND INTEREST PAYMENTS**— Interest on the Bonds will be paid on December 1, 2013 and semiannually thereafter on December 1 and June 1 of each year to the maturity or earlier redemption of the Bonds. Principal of and interest on the Bonds will be payable to the persons in whose names such Bonds are registered (the "Beneficial Owner"), at the address appearing upon the registration books on the 15<sup>th</sup> day of the month preceding a payment date. The principal of and interest on the Bonds will be payable by the County's Paying Agent, currently Union Bank, N.A., to DTC which, in turn, will remit such principal and interest to the DTC participants for subsequent disbursement to the Beneficial Owners of the Bonds.

**REDEMPTION**— The Bonds are subject to optional redemption and to mandatory redemption as described herein. See "Optional Redemption" and "Mandatory Redemption" herein.

---

**Maturity Schedule on Inside Cover**

---

**SECURITY**— The Bonds are full faith and credit obligations of the County that are payable from any and all taxes and other legally available funds of the County, including taxes levied within the restrictions of Sections 11 and 11b, Article XI of the Oregon Constitution and any limitations which may hereafter be imposed by law. See "SECURITY" herein. The Bonds do not constitute a debt or indebtedness of the State of Oregon, or any political subdivision thereof other than the County.

**TAX MATTERS**— In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the County ("Bond Counsel"), under existing statutes and court decisions and assuming continuing compliance with certain tax covenants described herein, (i) interest on the Bonds is excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Bonds is not treated as a preference item in calculating the alternative minimum tax imposed on individuals and corporations under the Code; such interest, however, is included in the adjusted current earnings of certain corporations for purposes of calculating the alternative minimum tax imposed on such corporations. In the opinion of Bond Counsel, interest on the Bonds is exempt from Oregon personal income tax under existing law. See "TAX MATTERS" herein for a discussion of the opinion of Bond Counsel. The County has designated the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3)(B) of the Code.

**DELIVERY**— BOSC, Inc., a subsidiary of BOK Financial Corp., purchased the Bonds via competitive sale on July 24, 2013. The Bonds are offered when as, and if issued and sold by the County and accepted by the original purchaser of the Bonds, subject to the final approving legal opinion of Bond Counsel. It is expected that the Bonds will be available for delivery to the Paying Agent for Fast Automated Securities Transfer on behalf of DTC, on or about August 8, 2013.

---

**THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT A SUMMARY OF THE ISSUE. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION.**

---



**Western Financial Group, LLC**  
**3300 NW 185th Ave., #270**  
**Portland, Oregon 97229**

**\$8,405,000**  
**Deschutes County, Oregon**  
**Full Faith and Credit Bonds, Series 2013**

**Maturity Schedule**

<b>Due June 1</b>	<b>Principal Amount</b>	<b>Rate</b>	<b>Yield</b>	<b>CUSIP† 250316</b>
2014	\$ 220,000	3.00%	0.50%	<b>PV2</b>
2015	220,000	3.00	0.70	<b>PW0</b>
2016	225,000	3.00	1.00	<b>PX8</b>
2017	235,000	3.00	1.30	<b>PY6</b>
2018	240,000	3.00	1.55	<b>PZ3</b>
2019	250,000	3.50	1.90	<b>QA7</b>
2020	255,000	3.50	2.20	<b>QB5</b>
2021	265,000	3.50	2.50	<b>QC3</b>
2022	275,000	3.50	2.75	<b>QD1</b>
2023	285,000	3.50	3.00	<b>QE9</b>

\$600,000 4.00% Term Bonds due June 1, 2025 @ 3.25%\* CUSIP# 250316 QF6  
\$650,000 4.00% Term Bonds due June 1, 2027 @ 3.55%\* CUSIP# 250316 QG4  
\$705,000 4.00% Term Bonds due June 1, 2029 @ 3.80%\* CUSIP# 250316 QH2  
\$765,000 4.00% Term Bonds due June 1, 2031 @ 4.00% CUSIP# 250316 QJ8  
\$825,000 4.125% Term Bonds due June 1, 2033 @ 4.20% CUSIP# 250316 QK5  
\$890,000 4.50% Term Bonds due June 1, 2035 @ 4.40%\* CUSIP# 250316 QL3  
\$1,500,000 4.50% Term Bonds due June 1, 2038 @ 4.50% CUSIP# 250316 QM1

\* Priced to the first call date of June 1, 2023

† © Copyright 2013, American Bankers Association. CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein is provided by the CUSIP Service Bureau, managed by Standard and Poor's Financial Services LLC, a division of The McGraw Hill Companies, Inc. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services Bureau. CUSIP numbers have been assigned by an independent company not affiliated with the County and are included solely for the convenience of the registered owners of the applicable Bonds. Neither the County nor Underwriter are responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the applicable Bonds or as included herein. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

**Deschutes County, Oregon**  
1300 NW Wall Street, Suite 200  
Bend, OR 97701  
(541) 388-6570

**Board of County Commissioners**

Alan Unger  
Tammy Baney  
Tony DeBone

Chair  
Vice-Chair  
Commissioner-at-Large

**Administrative Officials**

Tom Anderson  
Mark Pilliod  
Wayne Lowry

County Administrator/Interim Treasurer  
Legal Counsel  
Finance Director

**Bond Counsel**

Hawkins Delafield & Wood LLP  
Portland, Oregon

**Financial Advisor**

Western Financial Group, LLC  
Portland, Oregon

**Paying Agent/Registrar**

Union Bank, N.A.  
San Francisco, California

The Official Statement DOES NOT constitute a recommendation, expressed or implied, to purchase or not to purchase these Bonds or any other previous Bonds of the County.

This Official Statement does not constitute an offer to sell the Bonds in any jurisdiction in which or to a person to who it is unlawful to make such an offer. No dealer, salesperson or other person has been authorized by the County to give any information or to make any representations, other than those contained herein, in connection with the offering of the Bonds and, if given or made, such information or representations must not be relied upon. The information set forth herein has been obtained from sources which are believed to be current and reliable, but it is not guaranteed as to accuracy or completeness. Estimates and opinions are included and should not be interpreted as statements of fact. Summaries of documents do not purport to be complete statements of the provisions. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create an implication that there has been no change in the affairs of the County since the date hereof.

The Bonds have not been registered under the Securities Act of 1933, as amended, in reliance upon a specific exemption contained in such Act, nor have the Bonds been registered under the securities laws of any state.

No website mentioned in this Official Statement is intended to be part of this Official Statement, and investors should not rely upon any other information presented on any such website in determining whether to purchase the Bonds. Inactive textual references to any website are not hyperlinks and do not incorporate such website by reference.

# Table of Contents

	<u>Page</u>
Description of the Bonds.....	1
Principal Amount, Date, Interest Rates and Maturities .....	1
Optional Redemption .....	1
Mandatory Redemption .....	1
Paying Agent and Registration Features.....	2
Authorization for Issuance.....	3
Security for the Bonds.....	3
General.....	3
Rating.....	3
Purpose, Projects and Use of Proceeds.....	3
Purpose.....	3
Projects.....	3
Estimated Sources and Uses of Funds .....	4
Bonded Indebtedness .....	4
Debt Limitation.....	4
Debt Capacity.....	6
Estimated Debt Service Requirements.....	6
Direct Net Debt .....	10
Debt Payment Record .....	10
Future Financings.....	10
Revenue Sources.....	10
Property Taxes .....	10
Other Taxes .....	14
State of Oregon Funding .....	14
Federal Funding .....	14
Strategic Investments Program.....	14
Deschutes County .....	15
Government and Governing Body.....	15
Key Administrative Staff.....	16
County Staff and Bargaining Units .....	16
Economic Overview .....	17
Financial Factors.....	20
Auditing .....	20
Budgetary Process .....	25
Investments .....	25
Pension System.....	26
Other Post-Employment Retirement Benefits.....	29
Risk Management.....	30
The Initiative and Referendum Process .....	30
Tax Matters .....	32
Continuing Disclosure.....	34
Legal.....	34
Approval of Counsel.....	34
Litigation .....	35
Financial Advisor .....	35
Underwriting .....	35
Concluding Statement .....	35
Form of Bond Counsel Opinion .....	Appendix A
Comprehensive Annual Financial Report As of and for the Fiscal Year Ended June 30, 2012 .....	Appendix B
Book-Entry Only System.....	Appendix C
Form of Continuing Disclosure Certificate .....	Appendix D
Form of Bond Declaration.....	Appendix E

**OFFICIAL STATEMENT**  
**\$8,405,000**  
**Deschutes County, Oregon**  
**Full Faith and Credit Bonds, Series 2013**

Deschutes County, Oregon (the "County"), a political subdivision duly organized and existing under and by virtue of the laws of the State of Oregon (the "State") furnishes this Official Statement in connection with the offering of \$8,405,000 aggregate principal amount of Full Faith and Credit Bonds, Series 2013 dated the date of delivery (the "Bonds"). This Official Statement, which includes the cover page and appendices, provides information concerning the County and the Bonds.

**Description of the Bonds**

**Principal Amount, Date, Interest Rates and Maturities**

The Bonds will be issued in the aggregate principal amount of \$8,405,000 and will be dated and bear interest from the date of delivery. The Bonds will mature on the dates and in the principal amounts and will bear interest (payable semiannually on June 1 and December 1, first interest payable December 1, 2013) until the maturity or earlier redemption of the Bonds at the rates set forth on the inside cover of this Official Statement. Interest on the Bonds will be computed on the basis of a 360-day year consisting of twelve 30-day months. Record date is the 15th day of the month preceding a payment date.

**Optional Redemption**

The Bonds maturing on or after June 1, 2024 are subject to redemption prior to maturity at the option of the County, in whole or in part, on June 1, 2023 and on any date thereafter. Such Bonds will be selected by the County and by lot within a CUSIP at a price of par, plus accrued interest to the date of redemption.

**Mandatory Redemption**

The Term Obligation stated to mature on June 1, 2025 is subject to mandatory sinking fund redemption at par in the principal amounts and on the dates shown in the following schedule:

<b>Year</b>	<b>Amount</b>
<b><u>(June 1)</u></b>	
2024	\$295,000
2025*	305,000

\* Final maturity.

The Term Obligation stated to mature on June 1, 2027 is subject to mandatory sinking fund redemption at par in the principal amounts and on the dates shown in the following schedule:

<b>Year</b>	<b>Amount</b>
<b><u>(June 1)</u></b>	
2026	\$320,000
2027*	330,000

\* Final maturity.

The Term Obligation stated to mature on June 1, 2029 is subject to mandatory sinking fund redemption at par in the principal amounts and on the dates shown in the following schedule:

<b>Year</b>	<b>Amount</b>
<b><u>(June 1)</u></b>	
2028	\$345,000
2029*	360,000

\* Final maturity.

The Term Obligation stated to mature on June 1, 2031 is subject to mandatory sinking fund redemption at par in the principal amounts and on the dates shown in the following schedule:

<u>Year</u>	<u>Amount</u>
<u>(June 1)</u>	
2030	\$375,000
2031*	390,000

\* Final maturity.

The Term Obligation stated to mature on June 1, 2033 is subject to mandatory sinking fund redemption at par in the principal amounts and on the dates shown in the following schedule:

<u>Year</u>	<u>Amount</u>
<u>(June 1)</u>	
2032	\$405,000
2033*	420,000

\* Final maturity.

The Term Obligation stated to mature on June 1, 2035 is subject to mandatory sinking fund redemption at par in the principal amounts and on the dates shown in the following schedule:

<u>Year</u>	<u>Amount</u>
<u>(June 1)</u>	
2034	\$435,000
2035*	455,000

\* Final maturity.

The Term Obligation stated to mature on June 1, 2038 is subject to mandatory sinking fund redemption at par in the principal amounts and on the dates shown in the following schedule:

<u>Year</u>	<u>Amount</u>
<u>(June 1)</u>	
2036	\$480,000
2037	500,000
2038*	520,000

\* Final maturity.

### **Paying Agent and Registration Features**

*Paying Agent.* The principal of and interest on the Bonds will be payable by the Paying Agent to DTC, which, in turn, is obligated to remit such principal and interest to its participants for subsequent disbursement to the Beneficial Owners of the Bonds, as further described in **Appendix C** attached hereto. Interest on the Bonds shall be credited to the Beneficial Owners by the DTC participants.

*Book-Entry System.* The Bonds will be issued as fully registered Bonds and, when issued, will be registered in the name of Cede & Co. as Obligation Owner and as nominee for DTC. DTC will act as securities depository for the Bonds. Individual purchases and sales of the Bonds may be made in book-entry form only in minimum denominations of \$5,000 within a single maturity and integral multiples thereof. Purchasers ("Beneficial Owners") will not receive certificates representing their interest in the Bonds. See **Appendix D** attached hereto for additional information.

*Procedure in the Event of Revisions of Book-Entry Transfer System.* If DTC resigns as the securities depository and the County is unable to retain a qualified successor to DTC, or the County has determined that it is in the best interest of the County not to continue the book-entry system of transfer or that interests of the Beneficial Owners of the Bonds might be adversely affected if the book-entry system of transfer is continued, the County will execute, authenticate and deliver at no cost to the Beneficial Owners of the Bonds or their nominees, Bonds in fully registered form.

*Mutilated, Lost, Destroyed, or Stolen Bonds.* If any Bond becomes mutilated, the Paying Agent, at the expense of the Owner of such Bond, is required by the Paying Agent to execute and deliver a new Bond of like tenor and maturity but bearing a different number in exchange and substitution for the Bond so mutilated, but only upon surrender to the Paying Agent of the Bond so mutilated. If any Bond is lost, destroyed or stolen, the Owner may submit evidence of such loss, destruction or theft to the Paying Agent. If that evidence is satisfactory to the Paying Agent and the Owner provides the Paying Agent with an indemnity satisfactory to the Paying Agent, the Paying Agent, at the expense of that Owner, is required to execute and deliver a new Bond in substitution for the Bond so lost, destroyed or stolen. The Paying Agent may require payment of an appropriate fee for each new Bond delivered in replacement of such mutilated, lost, destroyed, or stolen Bonds.

#### **Authorization for Issuance**

The Bonds are being issued pursuant to Oregon Revised Statutes ("ORS") Chapter 287A that permits the County to issue bonds. The Bonds are authorized by Resolution No. 2013-033 adopted by the Board of County Commissioners on April 24, 2013, as amended by Resolution No. 2013-036 adopted by the Board of County Commissioners on May 6, 2013, and a Bond Declaration that is dated the Date of Delivery, a form of which is included in **Appendix E**.

### **Security for the Bonds**

#### **General**

The Bonds are full faith and credit obligations of the County that are payable from any and all taxes and other legally available funds of the County, including taxes levied within the restrictions of Sections 11 and 11b, Article XI of the Oregon Constitution and any limitations which may hereafter be imposed by law.

The Bonds are not secured by any interest in the projects financed or refinanced with the proceeds of the Bonds, and the County reserves the right to sell, lease or grant other interests in the Projects. The County reserves the right to commit its full faith and credit and available general funds for other purposes without limitation.

#### **Rating**

Moody's Investors Service has assigned an "Aa3" rating to the Bonds. Such rating reflects only the view of such rating agency and is not a recommendation to buy, sell or hold the Bonds. An explanation of the significance of a rating can be obtained from the respective rating agency. There are no assurances that any rating will continue for any given period of time or that the rating will not be revised downward or withdrawn entirely by the rating agency if, in the judgment of the agency, circumstances so warrant. Any such downward revision or withdrawal of the rating may adversely affect the market price of the Bonds.

### **Purpose, Projects and Use of Proceeds**

#### **Purpose**

The County issues the Bonds to finance the expansion of an existing jail including building a new, medium/maximum security inmate housing unit, improvements and renovations to the existing jail facility and related site work (collectively, the "Projects" as detailed below), and to pay the costs of issuing the Bonds.

#### **Projects**

The Deschutes County Adult Jail opened in October 1994. It is an indirect supervision facility with a capacity of 228 inmates, including pretrial and sentenced offenders.

The project is expected to consist of construction of a new, two-story medium/maximum security inmate housing unit containing six housing pods of 12 cells each. Assuming double occupancy of each cell, the total number of additional beds will be 144. The project also includes converting an existing dorm area into a medical and mental health segregation unit, building an outdoor recreation area off the maximum security housing unit in the existing jail, and an upgrading the security control system. Site work will include parking, sidewalks, security fencing, and possibly some roadway/driveway realignment. Total project cost is estimated

at \$11 million. The County expects to contribute \$600,000 from the capital project fund, along with \$2.0 million of other cash resources, toward the Projects.

Payment of the obligation debt service is expected to come from the County's General Fund and from the Sheriff's Fund. Operational costs associated with the Projects are expected to be paid from the Sheriff's Fund.

### Estimated Sources and Uses of Funds

The proceeds from the Bonds are estimated to be applied as follows:

#### Estimated Sources and Uses of Funds

Sources of Funds	
Par Amount	\$ 8,405,000.00
Net Premium	218,091.80
Total Sources of Funds	<u>\$ 8,623,091.80</u>
Uses of Funds	
Projects	\$ 8,400,000.00
Underwriter's Discount	166,469.89
Issuance Costs	53,140.50
Additional Proceeds	3,481.41
Total Use of Funds	<u>\$ 8,623,091.80</u>

### Bonded Indebtedness

#### Debt Limitation

*General Obligation Bonds.* ORS 287A.100 establishes a limit on bonded indebtedness for counties. The County may not have outstanding an aggregate principal amount of general obligation debt in excess of 2.0 percent of all the RMV of all taxable properties within the County as reflected in the last certified assessment roll per ORS 308.207. The Bonds are not general obligation bonds and are not subject to this debt limitation.

*Limited Tax Bonded Indebtedness for Pension Bonds.* ORS 238.694 (the "Pension Bonding Act") provides that the issuance of limited tax pension bonds is not subject to any debt limitations imposed under state or local law. However, the Pension Bonding Act restricts the amount of limited tax pension bonds issued by counties to an amount that does not exceed 5 percent of the Real Market Value of all taxable property in the county. The Bonds are not pension bonds and are not subject to these limitations.

The County issued limited tax pension bonds in March 2002 and May 2004 (the "Pension Bonds"). Net proceeds of the pension bonds were deposited into a lump sum payment account at PERS for the benefit of the County. These pension bonds were each issued as part of a larger pool of pension obligations. The County's Pension Bonds refinance a portion of the Unfunded Actuarial Liability allocated to the County in the Oregon Public Employees Retirement System. Such lump sum payment reduced the County's current payroll contribution rates and, if returns on the account exceed the cost of the borrowing, will result in a net benefit to the County. See "**Pension System**" herein.

*Other Limited Tax Bonded Indebtedness.* Oregon counties may pledge their full faith and credit for "limited tax bonded indebtedness." A county may not have limited tax bonded indebtedness outstanding in an amount that exceeds one percent of the Real Market Value of all taxable property in the county. The Bonds are limited tax obligations, which do not require voter approval and are subject to statutory debt limitations.

*Notes.* Subject to any applicable limitations imposed by the Constitution or laws of the State or County resolution, ORS 287A.180 provides that the County may borrow money by entering into a credit agreement, or issuing notes, warrants, short-term promissory notes, commercial paper or other obligations ("notes"). The Bonds are not notes.



**Outstanding Long-Term Obligations <sup>(1)</sup> (As of August 8, 2013)**

	Date of Issue	Date of Maturity	Amount Issued	Amount Outstanding
General Obligation Bonds				
Series 2012 Refunding	12/19/2012	12/01/2016	\$12,640,000	\$ <u>11,150,000</u>
General Obligation Bond Total				\$ <u>11,150,000</u>
Limited Tax Pension Bonds				
Series 2002 Pension Bonds	03/28/2002	06/01/2028	5,429,586	\$ 4,286,387
Series 2004 Pension Bonds	05/27/2004	06/01/2028	7,090,000	<u>6,740,000</u>
Limited Tax Pension Bond Total				\$ <u>11,026,387</u>
Full Faith and Credit Obligations/Bonds				
Series 2004 Refunding (1996 COPS)	09/28/2004	12/01/2015	1,790,000	\$ 505,000
Series 2005	02/01/2005	12/01/2024	6,300,000	4,315,000
Series 2005 Refunding (1998 COPS)	08/11/2005	06/01/2018	5,915,000	2,560,000
Series 2007	04/05/2007	06/01/2027	9,615,000	7,515,000
Series 2008 A	12/30/2008	06/01/2028	9,635,000	8,315,000
Series 2009 A	04/09/2009	06/01/2028	3,215,000	2,720,000
Series 2010 A	04/08/2010	12/01/2029	1,320,000	1,215,000
Series 2012 Refunding (2003 FFC)	03/29/2012	12/01/2032	26,345,000	26,105,000
Series 2013 <sup>(2)</sup>	06/25/2013	06/01/2038	8,405,000	<u>8,405,000</u>
Full Faith and Credit Oblig./Bonds Total <sup>(2)</sup>				\$ <u>61,655,000</u>
Loans				
Oregon Econ. & Comm. Dev. Dept.	01/01/2002	01/01/2027	550,000	\$ 380,402
Loan Agreement & Note, 2007 <sup>(3)</sup>	03/20/2007	06/01/2017	1,077,000	237,560
Loan Agreement & Note, 2009 <sup>(3)</sup>	01/15/2009	01/01/2018	502,250	181,440
Oregon DEQ	03/01/2011	09/01/2015	40,000	<u>22,501</u>
Loans Total				\$ <u>821,903</u>

(1) Borrowings do not include short-term internal fund borrowings.

(2) This issue.

(3) Paid from local improvement assessments.

Source: Deschutes County.

The remainder of page left intentionally blank.

## Debt Capacity

The following table shows the current debt capacity of the County. The 2012-13 estimated real market value used to compute debt capacity is \$21,471,450,086.

### Debt Capacity

Debt Capacity	General Obligation Bonds	Limited Tax Pension Bonds	Limited Tax Bonds <sup>(1)</sup>
General Obligation:			
2.0% of Real Market Value	\$429,429,002		
Limited Tax Pension Obligations:			
5.0% of Real Market Value		\$1,073,572,504	
Limited Tax Bonds:			
1.0% of Real Market Value			\$214,714,501
Less: Outstanding Debt subject to limit	<u>11,150,000</u>	<u>11,026,387</u>	<u>62,476,903</u>
Remaining Legal Debt Capacity	<u>\$418,279,002</u>	<u>\$1,062,546,117</u>	<u>\$152,237,598</u>

(1) Includes the County's full faith and credit obligations and loans.

Source of Real Market Value: Deschutes County Assessor's Office

## Debt Service Requirements

### General Obligation Bonds

(As of August 8, 2013)

Fiscal Year <sup>(1)</sup>	Principal	Interest	Total
2014	\$ 3,715,000	\$ 227,350	\$ 3,942,350
2015	2,305,000	151,600	2,456,600
2016	2,535,000	103,200	2,638,200
2017	<u>2,595,000</u>	<u>38,925</u>	<u>2,633,925</u>
Total	\$11,150,000	\$521,075	\$11,671,075

(1) Fiscal years ending June 30.

Source: Western Financial Group, LLC.

The remainder of page left intentionally blank.

**Debt Service Requirements -- Continued**  
**Limited Tax Pension Bonds**  
*(As of August 8, 2013)*

<b>Fiscal</b>			
<b>Year<sup>(1)</sup></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Total</u></b>
2014	\$ 227,215	\$ 766,693	\$ 993,908
2015	263,223	777,607	1,040,830
2016	300,634	789,989	1,090,623
2017	335,902	797,313	1,133,215
2018	377,660	805,878	1,183,537
2019	423,139	813,170	1,236,309
2020	503,615	792,544	1,296,158
2021	805,000	550,261	1,355,261
2022	920,000	498,792	1,418,792
2023	1,040,000	439,947	1,479,947
2024	1,170,000	373,383	1,543,383
2025	700,000	297,995	997,995
2026	1,465,000	255,330	1,720,330
2027	1,640,000	160,866	1,800,866
2028	<u>855,000</u>	<u>55,095</u>	<u>910,095</u>
Total	\$11,026,387	\$8,174,860	\$19,201,247

(1) Fiscal years ending June 30.

Source: Deschutes County.

The remainder of page left intentionally blank.

**Debt Service Requirements -- Continued**  
**Full Faith and Credit Obligations, Leases**  
**Loans & Local Improvement Bonds**  
**(As of August 8, 2013)**

Fiscal Year Ending <sup>(1)</sup>	Outstanding FF&C, Loans and Assmt. Bonds		Series 2013 Full Faith & Credit Bonds		Total Debt Service
	Principal	Interest	Principal	Interest	
2014	\$ 3,102,295	\$ 1,868,526	\$ 220,000	\$ 269,504	\$ 5,460,325
2015	3,213,561	1,765,909	220,000	324,531	5,524,001
2016	3,334,820	1,652,903	225,000	317,931	5,530,654
2017	3,200,315	1,537,477	235,000	311,181	5,283,973
2018	3,244,059	1,430,110	240,000	304,131	5,218,300
2019	2,789,256	1,313,298	250,000	296,931	4,649,485
2020	2,889,465	1,214,194	255,000	288,181	4,646,840
2021	2,989,683	1,116,828	265,000	279,256	4,650,767
2022	3,094,918	1,014,022	275,000	269,981	4,653,921
2023	3,215,163	899,399	285,000	260,356	4,659,918
2024	3,205,422	778,422	295,000	250,381	4,529,225
2025	3,325,693	660,719	305,000	238,581	4,529,993
2026	2,990,977	543,595	320,000	226,381	4,080,953
2027	3,096,276	431,229	330,000	213,581	4,071,086
2028	2,460,000	313,390	345,000	200,381	3,318,771
2029	1,535,000	222,820	360,000	186,581	2,304,401
2030	1,590,000	175,020	375,000	172,181	2,312,201
2031	1,545,000	126,748	390,000	157,181	2,218,929
2032	1,600,000	77,800	405,000	141,581	2,224,381
2033	1,650,000	26,400	420,000	124,875	2,221,275
2034	-	-	435,000	107,550	542,550
2035	-	-	455,000	87,975	542,975
2036	-	-	480,000	67,500	547,500
2037	-	-	500,000	45,900	545,900
2038	-	-	520,000	23,400	543,400
Total	<u>\$54,071,903</u>	<u>\$17,168,808</u>	<u>\$8,405,000</u>	<u>\$5,166,017</u>	\$84,811,724

(1) Fiscal years ending June 30.

Source: Deschutes County.

**Schedule of Overlapping Debt<sup>1</sup> (as of June 11, 2013)**

<b>Overlapping Issuer Name</b>	<b>Real Market Valuation</b>	<b>Percent Overlapping</b>	<b>Gross Property Tax-Backed Debt</b>	<b>Net Property Tax-Backed Debt</b>
Bend Library County Svc. Dist.	\$11,808,839,816	100.00%	\$ 855,000	\$ 855,000
Bend Metro Park & Rec. Dist.	9,971,187,802	100.00	33,965,000	29,000,000
Central OR Comm. College	25,311,092,463	82.84	46,101,827	33,459,278
City of Bend	9,745,467,924	100.00	96,505,000	56,040,000
City of La Pine	139,508,675	100.00	495,000	495,000
City of Redmond	1,684,787,215	100.00	27,091,759	2,066,759
City of Sisters	386,590,358	100.00	1,191,595	0
Cloverdale RFPD	382,748,254	100.00	175,000	175,000
Crook County S.D.	1,724,198,872	1.32	284,063	284,063
Crooked River Ranch R.F.P.D.	346,461,233	9.14	240,006	240,006
Crooked River Ranch Spec. Rd. Dist.	341,332,633	9.28	40,370	40,370
Deschutes County R.F.P.D. 2	2,423,449,360	100.00	1,525,000	1,525,000
Deschutes County S.D. # 1	14,944,914,206	100.00	209,013,308	209,013,308
Deschutes County S.D. # 2J	4,227,007,478	93.60	165,965,877	165,965,877
Deschutes County S.D. # 6	2,044,742,150	99.96	22,167,162	22,167,162
Deschutes Public Library Dist.	20,967,826,593	100.00	1,095,000	0
High Desert ESD	22,940,862,706	91.40	10,142,188	0
La Pine Parks & Rec. Dist.	824,220,221	100.00	490,000	490,000
La Pine R.F.P.D.	1,331,639,093	97.76	195,521	195,521
La Pine Spec. Sewer Dist.	97,579,953	100.00	143,606	143,606
Lazy River Spec. Rd. Dist.	19,901,770	100.00	20,000	20,000
Redmond Area Park & Rec. Dist.	3,239,292,327	100.00	825,000	825,000
Redmond Fire & Rescue	3,132,094,450	99.93	2,203,408	794,426
Sisters R.F.P.D.	982,533,128	85.69	1,863,849	1,863,849
Sunriver Library County Svc Dist.	2,314,036,087	100.00	255,000	255,000
Terrebonne Water Dist.	70,723,867	100.00	<u>600,000</u>	<u>600,000</u>
<b>Total</b>			<b>\$623,449,539</b>	<b>\$526,514,225</b>

Note: Does not include the Bonds.

- (1) The Oregon State Treasury, acting on behalf of the Municipal Debt Advisory Commission, maintains debt information which it uses to generate the information for this table. The data is based on information from sources believed to be reliable, however, its accuracy cannot be guaranteed.
- (2) Revenue, Urban Renewal, Full-Faith & Credit Obligations, Limited-tax Revenue Bonds, Certificates of Participation, Special Assessment Bonds, and any other obligations issued for less than 13 months (E.g. Bond Anticipation Notes, Tax Anticipation Notes), lease purchase agreements and loans are not included in obligation listings and are NOT included in Property-tax backed calculations. "Gross Property-tax Backed Debt" includes all General Obligation (GO) bonds and Limited-tax GO bonds.
- (3) "Gross Property-tax Backed Debt" includes all General Obligation (GO) Bonds and Full Faith and Credit bonds.
- (4) "Net Property-tax Backed Debt" is Gross Property-tax Backed Debt less Self-supporting Unlimited-tax GO and Self-supporting Full Faith and Credit debt.

Source: Oregon State Treasury, Municipal Debt Advisory Commission

## Direct Net Debt

The following tables present information regarding the County's direct debt.

2012-13 Real Market Value	\$ 21,471,450,086
2013 Estimated Population	160,140
Direct Net Debt <sup>(1)</sup>	\$ 73,207,903
Direct Net Debt to Real Market Value	0.34%
Per Capita Real Market Value	\$ 134,079
Per Capita Net Direct Debt	\$ 457

(1) Direct Net Debt includes all County obligations except assessment bonds and pension bonds.

Source: Deschutes County

## Debt Payment Record

The County has promptly met principal and interest payments on outstanding bonds and other indebtedness during the past ten years when due. Additionally, no bonds have been issued for the purpose of preventing an impending default.

## Future Financings

During the next year, the County may refund some outstanding obligations for debt service savings and may sell approximately \$5 million in obligations to finance improvements to a County building.

## Revenue Sources

The following section summarizes certain of the major revenue sources of the County.

### Property Taxes

Most local governments, school districts, education services districts and community college districts ("local governments") have permanent authority to levy property taxes for operations ("Permanent Rates") up to a maximum rate (the "Operating Tax Rate Limit"). Local governments that have never levied property taxes may request that voters approve a new Operating Tax Rate Limit.

Local governments with operating tax rates may not increase the Operating Tax Rate Limits; rather they may request only that voters approve limited term levies for operations or capital expenditures ("Local Option Levies") or levies to repay general obligation bonded indebtedness ("General Obligation Bond Levies"). The County's Operating Tax Rate Limit is \$1.2783 per \$1,000 of assessed property value.

Local Option Levies that fund operating expenses are limited to five years, and Local Option Levies that are dedicated to capital expenditures are limited to ten years.

Local governments impose property taxes by certifying their levies to the county assessor of the county in which the local government is located. Property taxes ordinarily can only be levied once each Fiscal Year, which is July 1 through June 30. The local government ordinarily must notify the county assessor of its levies by July 15.

*Valuation of Property – Assessment.* Property subject to taxation includes all privately owned real property (land, buildings and improvements) and personal property (machinery, office furniture and equipment) for non-residential taxpayers. There is no property tax on household furnishings (exempt since 1913), personal belongings, automobiles (exempt since 1920), crops, orchards, business inventories or intangible property such as stocks, bonds or bank accounts, except for centrally assessed utilities, for which intangible personal property

is subject to taxation. Forestland is subject to special assessment that provides a reduction in property tax that would be paid if based on the real market value. Property used for charitable, religious, fraternal and governmental purposes is exempt and reductions in assessments may be granted (upon application) for veterans' homesteads, farm and forest land, open space and historic buildings. The assessment roll, a listing of all taxable property, is prepared as of January 1 of each year.

Property taxes are imposed on the assessed value of property. The assessed value of each parcel cannot exceed its fair market value, and ordinarily is less than its fair market value. The assessed value of property was initially established as a result of the enactment of a constitutional amendment. That amendment (now Article XI, Section 11 of the Oregon Constitution and often called "Measure 50") assigned each property a value that was in most cases less than its fair market value in fiscal year 1997-1998, and limited increases in that assessed value to three percent per year, unless the property is improved, rezoned, subdivided, or ceases to qualify for exemption. When property is newly constructed or reassessed because it is improved, rezoned, subdivided, or ceases to qualify for exemption, it is assigned an assessed value that is comparable to the assessed value of similar property.

Certain properties, such as utilities, are valued on the unitary valuation approach. Under the unitary valuation approach, the taxpaying entity's operating system is defined and a value is assigned for the operating unit using the market value approach (cost, market value and income appraisals). Values are then allocated to the entities' operations in Oregon, and then to each county the entity operates in and finally to site locations.

The following table represents historical taxable property values for the County.

**Taxable Property Values**  
**(\$ in thousands)**

<b>Fiscal Year Ending June 30</b>	<b>Real Market Value<sup>(1)</sup></b>	<b>Taxable Assessed Value</b>
2013	\$21,471,450	\$17,820,526
2012	22,071,240	17,626,168
2011	23,527,178	17,740,724
2010	33,175,784	17,612,789
2009	37,691,489	16,874,559
2008	36,940,082	15,823,948
2007	28,401,515	14,625,393
2006	20,942,678	13,349,475
2005	17,633,471	12,212,561
2004	15,893,813	11,159,454

(1) Also referred to as "Estimated Actual Value."

*Source: Deschutes County*

The remainder of page left intentionally blank.

The following table presents the 2012-13 tax rates for the County and other taxing jurisdictions in a representative area within the County. The County's permanent rate is 1.2783 per \$1,000 of assessed value. The permanent levy rate was calculated in conjunction with the implementation of Measure 50 by dividing the tax levy by the assessed value. (see "Valuation of Property – Assessment" herein). After the Oregon Supreme Court ruling in *Shilo v. Multnomah County* the county assessor began to report billing rates. The billing rates shown in the following table are applied to the taxable assessed value of the taxing district; they may be different from the permanent rate of the taxing district due to a variety of factors, including the existence of an urban renewal area and resulting compression under Article XI, Section 11b of the State Constitution (see "Tax Rate Limitation – Real Market Value" below) or the decision of the taxing district to levy less than the permanent rate.

**2012-13 Representative Levy Rate  
(Rates Per \$1,000 of Assessed Value)**

	<b>Billing Rate</b>	<b>Bond Levy Rate</b>	<b>Local Option Levy Rate</b>	<b>Consolidated Rate</b>
<b><u>Governments</u></b>				
Deschutes County	\$1.2658	-	-	\$1.2658
Jail Bonded Debt	-	\$0.1280	-	0.1280
Fairgrounds Bond	-	0.1392	-	0.1392
Deschutes County Library	0.5500	-	-	0.5500
County-wide Law Enforcement	0.9500	-	-	0.9500
Bend Library CSD	-	0.0791	-	0.0791
County 4H Extension Services	0.0224	-	-	0.0224
911	0.1618	-	\$0.2300	0.3918
City of Bend	2.8035	0.2660	-	3.0695
Bend Juniper Ridge Urban Renewal	0.1153	-	-	<u>0.1153</u>
Murphy Crossing Urban Renewal	0.0077	-	-	0.0077
Bend Metro Parks & Recreation	<u>1.4573</u>	-	-	<u>1.4573</u>
<b>Subtotal</b>	<b>\$7.3388</b>	<b>\$0.6123</b>	<b>\$0.2300</b>	<b>\$8.1761</b>
<b><u>Education</u></b>				
Bend-La Pine School District No. 1	\$4.7171	\$1.4633	-	\$6.1804
High Desert ESD	0.0956	-	-	\$0.0956
Central Oregon Community College	<u>0.6144</u>	<u>\$0.1335</u>	-	<u>\$0.7479</u>
<b>Subtotal</b>	<b><u>5.4271</u></b>	<b><u>\$1.5968</u></b>	<b>-</b>	<b><u>\$7.0239</u></b>
<b>Total</b>	<b>\$12.7609</b>	<b>\$2.2091</b>	<b>\$0.2300</b>	<b>\$15.2000</b>

Note: The County assessor reports levy rates by tax code. Levy rates apply to taxable "assessed" property value. Tax rate limitations are based on "real market" value and are only reported in total dollar amount of compression, if any, for each taxing jurisdiction. The permanent tax rate collected by jurisdictions may be reduced by compression attributable to urban renewal compression. The billing rate shown in this table shows collections net of such urban renewal compression. The County's permanent tax rate before compression is \$1.2783.

Source: Deschutes County Assessor's Department, Tax Code 1-001 (City of Bend residents only).

*Tax Rate Limitation – Real Market Value.* Article XI, Section 11b of the State Constitution separates property taxes into two categories: one to fund the public school system (kindergarten through grade twelve school districts, education service districts and community college districts) and one to fund government operations other than the public school system. Public school system taxes are limited to \$5 per \$1,000 of the Real Market Value of property. Other government operations taxes are limited to \$10 per \$1,000 of the Real Market Value of property. "Real Market Value" is the minimum amount in cash which could reasonably be expected by an informed seller acting without compulsion, from an informed buyer acting without compulsion, in an "arms-length" transaction during the period for which the property is taxed. Property taxes imposed to pay the Financing Payments are subject to the "other government operations" limitations of Article XI, Section 11b. Taxes imposed to pay the principal and interest on the following bonded indebtedness are not subject to the



foregoing limitations: (1) bonded indebtedness authorized by a specific provision of the State Constitution; and (2) general obligation bonded indebtedness incurred for capital construction or improvements approved by the electors of the issuer.

*Property Tax Collections.* The County Assessor is required to deliver the tax roll to the County Tax Collector in sufficient time to mail tax statements on or before October 25 each year. All tax levy revenues collected by the County for all taxing units within the County are required to be placed in an unsegregated pool, and each taxing unit shares in the pool in the same proportion as its levy bears to the total of all taxes levied by all taxing units within the County. As a result, the tax collection record of each taxing unit is a pro-rata share of the total tax collection record of all taxing units within the County combined.

The method of giving notice of taxes due, the County Treasurer's account for the money collected, the division of the taxes among the various taxing districts, notices of delinquency, and collection procedures are all specified by detailed statutes. The lien for property taxes is prior to all other liens or encumbrances of any kind on real or personal property subject to taxation. By law, the County may not commence foreclosure of a tax lien on real property until three years have passed since the first delinquency.

A Senior Citizen Property Tax Deferral Program (1963) allows certain homeowners to defer taxes until death or sale of the home. A similar program is offered for Disability Tax Deferral (2001), which does not have an age limitation.

**Deschutes County  
Percentages of Taxes Collected in the Year of the Levy  
(As of June 30)**

2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
97.1%	97.5%	97.9%	97.1%	95.5%	94.0%	95.0%	95.9%	96.8%	97.6%

NOTE: Percentage of total tax levy. Pre-payment discounts are considered to be collected when outstanding taxes are calculated.

Sources: Deschutes County Finance Department

**Major Taxpayers  
(Fiscal Year 2012-13)**

Taxpayer	Business	Taxable Assessed Value	Percent of Value
PacifiCorp (PP&L)	Utility	\$85,135,000	0.48%
Gas Transmission NW Corp.	Utility	70,223,300	0.41
Cascade Natural Gas Corp.	Utility	49,908,000	0.30
Bend Cable Communications LLC	Utility	41,122,000	0.28
Deschutes Brewery Inc.	Beer/Ale Brewing, Pub	36,391,130	0.21
Touchmark at Mt. Bachelor Inc.	Residential/Recreation	34,656,120	0.20
CVSC LLC	Commercial Real Estate	32,140,290	0.19
Centurylink	Utility	31,111,300	0.19
Suterra LLC	Biorational Pest Control	33,736,566	0.19
Sunriver Resort Ltd. Part.	Residential/Recreational	33,117,930	0.19
Subtotal - ten of County's largest taxpayers		\$447,541,636	2.51%
All other County taxpayers		<u>17,372,984,843</u>	<u>97.49%</u>
Total County taxpayers		<u>\$17,820,526,479</u>	<u>100.00%</u>

Source: Deschutes County Assessor

### **Other Taxes**

The County generally has broad authority to impose taxes on activities within its boundaries. The County currently imposes transient room taxes and other taxes. Generally these taxes must be either approved by the voters or may be subject to referral by the voters.

The Legislative Assembly generally has the authority to limit or prohibit local governments from imposing taxes, and has limited a number of local government taxes, including transient room taxes and real estate transfer taxes.

### **State of Oregon Funding**

The County receives a share of the revenues the State receives from taxing motor vehicle fuels. The State Constitution requires that these revenues be used to pay for costs of only public roads. The County also receives a share of the revenues the State of Oregon collects for tobacco taxes and liquor taxes. The State of Oregon appropriates money to the County to operate a portion of the State justice system and provides a wide variety of funding for other purposes. The State of Oregon is generally not obligated to continue to provide these revenues to the County.

### **Federal Funding**

Oregon local governments receive federal funding for a variety of purposes. That funding is generally restricted to specific purposes and is not available to make payments on the Bonds. See **“Recent Developments.”**

### **Strategic Investments Program**

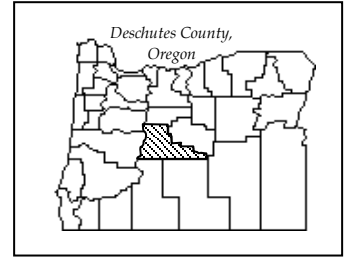
The Strategic Investments Program (“SIP”) was authorized by the Legislature in 1993 to provide tax incentives for capital intensive investments by firms in Oregon’s key industries, particularly in the high technology and metals industries. SIP recipients receive a tax break on the assessed value of new construction over \$100 million for 15 years. The \$100 million cap on assessed value increases by six percent per year. SIP recipients pay an annual Community Service Fee which is equal to one-fourth of the value of the tax break and which is allocated to local governments. Allocation is determined by negotiation of the local governments. The Community Service Fee is not considered a property tax and thus is outside of the Constitutional property tax rate limitations. Currently, there are no SIP recipients in Deschutes County.

The remainder of page left intentionally blank.

## Deschutes County

Deschutes County is located in the central portion of Oregon, 150 miles southeast of Portland, Oregon. The County covers approximately 3,055 square miles with a current estimated population of 160,140. The City of Bend is the County seat and the largest city in Deschutes County.

The following table shows the historical population for Deschutes County:



### Population Deschutes County

July 1	Deschutes County
2012	160,140
2011	158,875
2010	157,905
2009	170,705
2008	167,015
2007	160,810
2006	152,615
2005	143,490
2004	135,450
2003	130,500
<b><u>April 1</u><sup>(1)</sup></b>	
2010	157,733
2000	115,367
1990	74,958

(1) U.S. Census Count on April 1

Source: Center for Population Research and Census, Portland State University

### Government and Governing Body

The County is a non-home rule county, governed by an elected, three-member Board of Commissioners. Policy-making is vested to the Board of Commissioners and the Chief Administrative Officer is responsible for carrying out the policies and ordinances of the Board of Commissioners and for the day-to-day operation of the County government. Activities have to be either authorized or mandated by State law.

#### Board of County Commissioners

Name	Position	Service Began	Term Expires
Alan Unger	Chair	January 2009	December 31, 2016
Tammy Baney	Vice-Chair	January 2007	December 31, 2014
Tony DeBone	Commissioner-at-Large	January 2011	December 31, 2014

## Key Administrative Staff

**Tom Anderson, County Administrator/Interim Treasurer, became County Administrator** April 3, 2013. Mr. Anderson was hired by the County in 1998 as a Senior Management Analyst in Community Development and promoted to Community Development Director for the County in 2005 and had been serving as the County's Interim County Administrator since October 29, 2012. Prior to working for the County, Mr. Anderson worked for the City of Long Beach, CA for twelve years in various departments including General Services, Community Development, the Budget Office and the City Manager's Office in progressively responsible positions. He has a Bachelor's Degree in political science from the University of Washington and a Master's Degree in public administration from the University of Southern California.

**Mark Pilliod, Legal Counsel**, has served the County since August 2003. Prior to coming to Deschutes County he was the City Attorney for Beaverton, Oregon from 1994 to 2003 and before that, City Attorney for Tualatin, Oregon from 1985 until 1994. Mr. Pilliod received his law degree from Lewis & Clark Law School, Portland, Oregon in 1978 and a Bachelor of Arts degree from Northwestern University, Evanston, Illinois in 1975. He is a past president of the Government Law Section of the Oregon State Bar and is currently vice-president of the Oregon County Counsels Association. Mr. Pilliod has extensive experience in government, both at the local level, before numerous government agencies, the Oregon courts, including the Oregon appellate courts, as well as the Oregon Legislature.

**Wayne Lowry, Finance Director**, began service on July 8, 2013. Mr. Lowry was most recently the Chief Financial Officer for the Sherwood School District. He previously held the position of Chief Finance Officer for Washington County between May 1999 and October 2007. Prior to that, he served as the Director of Finance for the City of Tigard from 1986 to 1999. Prior to moving to Oregon, Wayne worked for Orange County California and was a Senior Manager in the Internal Audit Unit of the Auditor Controllers Office. Mr. Lowry is a Certified Public Accountant in the State of Oregon. He served on the Board of the Oregon Municipal Finance Officers Association from 1993 through 2000, serving as President of the organization in 1998-99. He also served two terms on the Sherwood Schools Board of Education from 1999 to 2007, and also served as the Schools representative to the Oregon Short Term Fund Board from 2007 through 2012.

## County Staff and Bargaining Units

The County currently employs approximately 1,018 people, including full-time and part-time positions. The bargaining units which represent County employees, the approximate number of employees represented and the dates the current contracts expire are as follows:

Bargaining Unit	No. of Employees	Contract Expires
American Federation of State, County and Municipal Employees Local 3997 (AFSCME)	364	June 30, 2014
County Sheriff Employees Association	152	June 30, 2013
Deschutes County District Attorney's Association	16	June 30, 2015
International Union of Operating Engineers Local 701	61	June 30, 2015
Federation of Oregon Parole and Probation Officers	21	June 30, 2012 <sup>(1)</sup>

(1) In arbitration.

## Economic Overview

The County's economy is based on tourism, breweries, retail trade, forest products, recreational equipment, aviation, software, and high technology.

Over one-half of total acreage within Deschutes County lies within the Deschutes National Forest. The U.S. Forest Service, which administers the Deschutes National Forest, has a regional office in Bend.

**Employment.** Employment within Deschutes County is described in the following tables:

**Bend MSA Labor Force Summary<sup>(1)</sup>**  
(by place of residence)

	2013 <sup>(2)</sup>	2012	2011	2010	2009	2008	2007
Civilian Labor Force	75,985	78,294	80,216	80,940	81,752	81,829	81,645
Unemployment	8,367	8,822	9,917	11,448	11,955	6,665	4,061
Percent of Labor Force	11.0%	11.3%	12.4%	14.1%	14.6%	8.1%	5.0%
Total Employment	67,618	69,472	70,299	69,492	69,797	75,164	77,584

- (1) Includes employed and unemployed individuals 16 years and older by place of residence. Data are adjusted for multiple job-holding and commuting. The data are by place of work. Persons working multiple jobs are counted more than once. Data is seasonally adjusted.
- (2) Averaged through May 2013.

Source: State of Oregon Employment Department.

**Deschutes County Non-Agricultural Wage & Salary Employment<sup>(1)(2)</sup>**

	2012	2011	2010	2009	2008
TOTAL NONFARM PAYROLL					
EMPLOYMENT	60,243	59,223	58,801	60,564	66,362
TOTAL PRIVATE	51,923	50,841	50,284	52,186	58,150
Mining, logging, & construction	3,438	3,210	3,400	4,040	6,030
Manufacturing	3,843	3,665	3,545	3,919	5,071
Trade, transportation & utilities	11,834	11,610	11,381	12,301	13,004
Information	1,364	1,355	1,379	1,386	1,615
Financial activities	3,061	3,039	3,347	3,456	3,688
Professional and business services	6,504	6,537	6,500	6,607	7,265
Educational and health services	9,868	9,587	9,324	9,056	8,977
Leisure and hospitality	9,619	9,298	8,973	8,990	9,960
Other services	2,361	2,336	2,233	2,155	2,279
Government	8,319	8,383	8,517	8,378	8,212

- (1) Includes employed and unemployed individuals 16 years and older by place of residence. Data are adjusted for multiple job-holding and commuting.
- (2) Data are reported using the North American Industry Classification System (NAICS). The data are by place of work. Persons working multiple jobs are counted more than once.

Source: State of Oregon Employment Department.

**Major Employers in Central Oregon  
(2013)**

Company	Product	Estimated Employees <sup>(1)</sup>
Cascade Healthcare Community (St. Charles Med. Ctr.)	Health care	2,627
Bend-La Pine School District No. 1	Education	1,743
Deschutes County	Government	1,050
Sunriver Resort	Resort	900
Wal-Mart (Bend & Redmond)	Retail	787
Mt. Bachelor, Inc. (includes seasonal workers)	Recreation	743
Redmond School District	Education	730
IBEX (formerly TRG Customer Solutions)	Call center	650
Bright Wood Corporation	Wood products	647
Bend Memorial Clinic (Bend, Redmond & Sunriver)	Health care	609
Safeway	Grocery	557
McDonald's (Region-wide)	Restaurant	518
Fred Meyer	Home improvement, grocery, retail	510
City of Bend	Government	430
Opportunity Foundation	Nonprofit	406
Northview Hotel Group (formerly Eagle Crest)	Resort	400

(1) Includes full-time and part-time employees.

Source: Economic Development for Central Oregon and Deschutes County, preliminary data as of May 29, 2013.

**Agriculture.** The number of acres harvested and gross farm sales in the County is as follows.

**Deschutes County - Harvested Acreage and Gross Farm Sales**

Year	Harvested Acreage	Gross Farm Sales (\$000)		
		Crop Sales	Animal Products Sales	Total Gross Farm Sales
2011	19,850	\$12,796	\$11,347	\$24,144
2010	20,642	11,677	10,177	21,854
2009	20,931	12,254	7,520	19,774
2008	20,931	12,254	7,520	19,774
2007	24,148	14,986	10,441	25,427
2006	24,164	14,359	13,169	27,528
2005	24,216	11,452	12,875	24,327
2004	23,971	9,551	15,698	25,249
2003	24,870	7,731	11,120	18,852
2002	22,667	7,210	8,431	15,641
2001	23,812	7,996	11,604	19,600

Source: Oregon State University Extension Service. Data as of June 2013.

**Income.** Historical personal income and per capita income levels for the County and the state are shown below:

**Total Personal and Per Capita Income**

Deschutes County			State of Oregon	
Year	Total Personal Income (in Thousands)	Per Capita Income	Total Personal Income (in Thousands)	Per Capita Income
2011	\$5,946,037	\$37,084	\$145,299,628	\$37,527
2010	5,665,609	35,874	137,820,653	35,906
2009	5,539,209	35,204	133,907,191	35,159
2008	6,149,898	39,216	140,975,982	37,407
2007	5,623,007	36,840	133,821,268	35,950
2006	5,284,266	35,669	127,403,090	34,706
2005	4,663,512	33,176	117,634,076	32,557
2004	4,253,079	31,797	112,973,834	31,650
2003	3,925,532	30,408	108,486,910	30,582
2002	3,677,823	29,365	104,689,803	29,797

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

**Building Permits.** The number and valuation of new single-family and multi-family residential building permits in Deschutes County are listed below:

**Deschutes County - Residential Building Permits**

Year	<u>New Single Family Units</u>		<u>New Multi Family Units</u>		<u>Total</u>
	Number	Valuation	Number	Valuation	Valuation
2012	741	\$194,045,795	60	\$6,872,299	\$200,918,094
2011	457	105,269,258	2	243,174	105,512,432
2010	365	84,604,300	12	1,188,704	85,793,004
2009	325	91,247,081	28	2,767,177	94,364,358
2008	668	175,415,769	87	11,913,142	187,325,911
2007	1,574	401,359,616	211	15,817,879	417,175,495
2006	3,073	719,162,222	211	23,294,835	742,457,057
2005	3,893	839,402,067	567	80,295,788	919,697,855
2004	3,119	637,681,422	833	51,625,931	689,307,353
2003	2,317	427,677,068	828	57,472,995	485,150,063
2002	2,218	370,469,361	327	31,799,608	402,268,969

Source: United States Census Bureau.

**Transportation.** The County can be accessed by state highways. Highway 97 is the main north-south highway. U.S. Highways 20 and 26 service east-west traffic. State Highway 126 connects with the major east-west state highways. Freight service is provided to the County by both Union Pacific and Burlington Northern railroads as well as several trucking companies. Amtrak provides passenger service to the area. Bus transportation by Greyhound is available from Bend, Madras, Prineville and Redmond.

Roberts Field-Redmond Municipal Airport, 16 miles north of Bend, is the commercial service airport for Central Oregon.

## **Financial Factors**

The County maintains 90 active individual governmental funds and sub-funds, including the County's eight major funds: (1) General Fund, which is used to account for all financial resources, except those required to be accounted for in another fund, (2) Sheriff's Office Fund, (3) Road Fund (4) PERS Reserve, (5) Countywide Law Enforcement District, (6) Rural Law Enforcement District, (7) Deschutes County 911 County Service District, and (8) Jail Project (a Capital Project Fund).

The primary sources of the County's governmental funds include intergovernmental revenues such as taxes on cigarettes, liquor, gas and electric cooperatives, property taxes and charges for services.

Seventeen percent of the County's 2012-13 governmental funds revenues are accounted for in the General Fund.

The County owns and operates a landfill which is projected to receive municipal solid waste until 2029. Although closure and post-closure care costs will be paid only near or after the date the landfill stops accepting waste, the County reports a portion of these costs as an operating expense in each fiscal year based on the landfill capacity use as of the end of each fiscal year. At June 30, 2012, the County's estimated liability for landfill closure and postclosure care costs is approximately \$10.5 million, which is based on 57.6 percent usage of the Knott Landfill capacity and full usage of several smaller sites. The estimated total current cost of the closure and postclosure care, \$20.4 million, is based on the amount that would be paid if all equipment, facilities and services required to close, monitor and maintain the landfills were acquired as of June 30, 2012. However, the actual cost of closure and postclosure care may be higher or lower due to inflation, changes in technology or changes in regulations. For the past several years, the County has designated resources for future closure and postclosure care and it anticipates continuing to do so. At June 30, 2012, these resources totaled \$5.5 million and are sub-funds of the Solid Waste Enterprise.

## **Auditing**

The County's audits for the fiscal years ended June 30, 2004 through June 30, 2012 were performed by Harrigan Price Fronk & Co. LLP, Bend, Oregon. Harrigan Price Fronk & Co. LLP was not requested to review this Official Statement and has not completed any additional auditing review procedures subsequent to the issuance of their report on the fiscal year ended June 30, 2012.

The audit opinion states the financial statements present, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units and the remaining fund information for the fiscal year ended June 30, 2012, and the respective changes in financial position and cash flows, for the year then ended in conformity with accounting principles generally accepted in the United States.

The County's Comprehensive Annual Financial Report As of and for the Fiscal Year Ended June 30, 2012 (the "2012 CAFR") is included as **Appendix B**.



A summary of the County's Statement of Net Assets as of June 30, 2012 and June 30, 2011 follows.

**Statement of Net Assets**  
**(As of June 30)**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Assets other than capital assets	\$120,859,279	\$118,900,693	\$11,092,764	\$11,789,895	\$131,952,043	\$130,690,588
Capital assets	<u>138,532,210</u>	<u>140,856,106</u>	<u>53,906,150</u>	<u>56,204,923</u>	<u>192,438,360</u>	<u>197,061,029</u>
Total Assets	<u>259,391,489</u>	<u>259,756,799</u>	<u>64,998,914</u>	<u>67,994,818</u>	<u>324,390,403</u>	<u>327,751,617</u>
Non-current liabilities	66,846,134	68,561,508	36,217,993	38,319,102	103,064,127	106,880,610
Current liabilities	<u>21,811,052</u>	<u>21,098,346</u>	<u>3,672,214</u>	<u>4,103,133</u>	<u>25,483,266</u>	<u>25,201,479</u>
Total Liabilities	<u>88,657,186</u>	<u>89,659,854</u>	<u>39,890,207</u>	<u>42,422,235</u>	<u>128,547,393</u>	<u>132,082,089</u>
Net Assets						
Invested in capital assets, net of related debt	95,512,157	92,525,275	25,824,952	25,780,444	121,337,109	118,305,719
Restricted	4,015,789	3,979,615	951,696	1,191,785	4,967,485	5,171,400
Unrestricted	<u>71,206,358</u>	<u>73,592,055</u>	<u>(1,667,943)</u>	<u>(1,399,646)</u>	<u>69,538,415</u>	<u>72,192,409</u>
Total Net Assets	<u>\$170,734,303</u>	<u>\$170,096,945</u>	<u>\$25,108,705</u>	<u>\$25,572,583</u>	<u>\$195,843,008</u>	<u>\$195,669,528</u>

NOTE: 60 percent of the County's net assets represent its investment in capital assets (land, infrastructure, buildings and equipment), less the related outstanding debt issued to acquire those capital assets; less than 3 percent of net assets are restricted for use in its long-term capital projects and debt service requirements; and 37 percent of net assets may be used to meet the County's on-going obligations.

Source: Audited Financial Statements.

The remainder of page left intentionally blank.

A summary of the County's Statement of Activities for the fiscal years ended June 30, 2012 and June 30, 2011 follows.

**Changes in Net Assets**  
(for Fiscal Years ended 2012 and 2011)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Program revenues						
Charges for services	\$34,273,757	\$34,735,363	\$8,624,397	\$8,819,798	\$42,898,155	\$43,555,161
Grants and contributions	33,630,072	32,195,732	86,306	39,271	33,716,378	32,235,003
Capital grants & contributions	232,363	765,663	-	-	232,363	765,663
General revenues:						
Property taxes	60,524,368	60,790,919	2,334,005	2,505,852	62,858,373	63,296,771
Other taxes	3,357,369	3,151,974	-	-	3,357,369	3,151,974
Other	<u>908,175</u>	<u>981,569</u>	<u>60,133</u>	<u>71,876</u>	<u>968,308</u>	<u>1,053,445</u>
Total Revenues	<u>132,926,103</u>	<u>132,621,220</u>	<u>11,104,842</u>	<u>11,436,797</u>	<u>144,030,945</u>	<u>144,058,017</u>
Expenses						
General government	24,888,722	22,540,890	-	-	24,888,722	22,540,890
Public safety	56,696,104	53,944,031	-	-	56,696,104	53,944,031
County roads	16,436,367	18,600,706	-	-	16,436,367	18,600,706
Health and welfare	30,416,145	28,828,892	-	-	30,416,145	28,828,892
Education	687,511	979,980	-	-	687,511	979,980
Interest on long-term debt	2,716,110	3,275,788	-	-	2,716,110	3,275,788
Solid Waste	-	-	7,801,912	7,347,661	7,801,912	7,347,661
Fair & expo center	-	-	3,876,575	3,819,399	3,876,575	3,819,399
RV Park	<u>-</u>	<u>-</u>	<u>338,003</u>	<u>343,898</u>	<u>338,003</u>	<u>343,898</u>
Total Expenses	<u>131,840,959</u>	<u>128,170,287</u>	<u>12,016,490</u>	<u>11,510,958</u>	<u>143,857,450</u>	<u>139,681,245</u>
Inc. in net assets before transfers	<u>1,085,144</u>	<u>4,450,933</u>	<u>(911,649)</u>	<u>(74,161,)</u>	<u>173,495</u>	<u>4,376,772</u>
Transfers	<u>(447,771)</u>	<u>(541,385)</u>	<u>447,771</u>	<u>541,385</u>	<u>-</u>	<u>-</u>
Change in net assets	<u>637,373</u>	<u>3,909,548</u>	<u>(463,878)</u>	<u>467,224</u>	<u>173,495</u>	<u>4,376,772</u>
Net assets, beginning	170,096,945	<u>166,187,397</u>	<u>25,572,583</u>	<u>25,105,359</u>	<u>195,669,528</u>	<u>191,292,756</u>
<b>Net assets, ending</b>	<b><u>\$170,734,318</u></b>	<b><u>\$170,096,945</u></b>	<b><u>\$25,108,705</u></b>	<b><u>\$25,572,583</u></b>	<b><u>\$195,843,023</u></b>	<b><u>\$195,669,528</u></b>

Source: Audited Financial Statements.

The remainder of page left intentionally blank.

A five-year summary of the County's General Fund Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance follows.

**General Fund Balance Sheet**  
(As of June 30)

	2012	2011	2010	2009	2008
<b>Assets</b>					
Cash and cash equivalents	\$11,925,919	\$5,604,685	\$1,770,462	\$ 626,165	\$1,175,907
Investments plus accrued interest	5,238,118	9,981,854	6,273,026	4,615,807	3,026,623
Taxes receivable	1,465,621	1,656,575	1,668,852	1,665,544	1,118,921
Accounts receivable	326,557	570,573	194,797	224,235	213,307
Notes and contracts receivable	3,882,842	-	-	-	-
Deferred outflow of resources	36,430	-	-	-	-
Due from other funds	<u>31,344</u>	-	<u>2,736,703</u>	<u>2,689,172</u>	<u>3,160,000</u>
<b>Total Assets</b>	\$22,906,832	\$21,776,899	\$12,643,840	\$ 9,820,923	\$8,694,758
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts payable	\$ 946,227	\$ 934,400	\$ 729,073	\$ 751,842	\$ 738,013
Due to other funds	758,376	729,532	-	-	-
Deposits	14,489	88,623	91,034	136,210	88,190
Deferred revenue	5,129,410	5,445,617	1,418,208	1,337,630	84,296
Unearned income	<u>730,983</u>	<u>473,857</u>	<u>471,913</u>	<u>475,484</u>	<u>285,057</u>
<b>Total Liabilities</b>	7,579,484	7,672,029	2,710,228	2,701,166	1,965,556
<b>Fund Balance</b>					
Assigned	10,082,714	9,481,113	-	-	-
Unreserved/Unassigned	<u>5,244,634</u>	<u>4,623,757</u>	<u>9,933,612</u>	<u>7,119,757</u>	<u>6,729,202</u>
<b>Total Fund Balances</b>	15,327,348	14,104,870	9,933,612	7,119,757	6,729,202
<b>Total Liabilities and Fund Balances</b>	<u>\$22,906,832</u>	<u>\$21,776,899</u>	<u>\$12,643,840</u>	<u>\$9,820,923</u>	<u>\$8,694,758</u>

Note: The County has implemented GASB 54, Fund Balance Reporting and Governmental Fund Type Definitions, in FY 2011 for its governmental funds. Under GASB 54, fund balances are required to be reported according to certain classifications. See Note I, E, 9 of the 2011 CAFR. The definitions in GASB 54 clarified the criteria for special revenue funds. As a result, several funds reported as special revenue funds prior to July 1, 2010 are now reported as sub funds of the General Fund.

Source: Audited Financial Statements.

The remainder of page left intentionally blank.

**General Fund Statement of Revenues, Expenditures and Changes in Fund Balances**  
(Years Ended June 30)

	2012	2011	2010	2009	2008
<b>Revenues</b>					
Taxes-property	\$22,272,939	\$22,009,005	\$21,264,273	\$19,839,380	\$18,744,366
Licenses and permits	29,250	26,450	26,800	27,425	30,125
Fines, forfeitures and penalties	451,954	561,660	599,850	589,103	700,754
Investment earnings	314,794	328,903	116,448	333,409	447,382
Rents	520,962	529,161	39,108		
Intergovernmental	3,736,871	3,783,334	3,201,453	3,200,827	2,982,815
Charges for services	1,760,443	2,055,947	1,743,410	1,573,115	1,810,002
Contributions and donations	28,761	15,298	-	-	-
Loan repayments	138,378	276,907	-	-	-
Other	<u>30,787</u>	<u>17,856</u>	<u>-</u>	<u>-</u>	<u>4,799</u>
<b>Total Revenues</b>	<u>29,285,139</u>	<u>29,604,521</u>	<u>26,991,342</u>	<u>25,563,259</u>	<u>24,720,243</u>
<b>Expenditures</b>					
<b>Current</b>					
General government	13,155,373	13,589,321	11,518,115	11,936,189	12,185,319
Public safety	6,162,806	6,177,532	-		
Health and welfare	255,677	265,823	234,268	231,953	203,856
<b>Debt service</b>					
Principal	-	-	-	-	-
Interest	18,000	18,479	-	-	-
Capital outlay	<u>387,574</u>	<u>2,014,512</u>	<u>48,934</u>	<u>21,913</u>	<u>72,920</u>
<b>Total Expenditures</b>	<u>19,979,431</u>	<u>22,065,667</u>	<u>11,801,317</u>	<u>12,190,055</u>	<u>12,462,095</u>
Excess of revenues over (under) expenditures	<u>9,305,708</u>	<u>7,538,854</u>	<u>15,190,025</u>	<u>13,373,204</u>	<u>12,258,148</u>
<b>Other Financing Sources</b>					
Operating transfers in	748,696	776,617	583,303	179,688	117,582
Operating transfers (out)	<u>(8,831,926)</u>	<u>(8,627,153)</u>	<u>(12,959,473)</u>	<u>(13,162,337)</u>	<u>(12,488,504)</u>
Total other financing sources	<u>(8,831,926)</u>	<u>(7,850,536)</u>	<u>(12,376,170)</u>	<u>(12,982,649)</u>	<u>(12,370,922)</u>
Net change in fund balances	1,222,478	(311,682)	2,813,855	390,555	(112,774)
Beginning fund balance <sup>1</sup>	<u>14,104,870</u>	<u>14,416,552</u>	<u>7,119,757</u>	<u>6,729,202</u>	<u>6,841,976</u>
Ending fund balance	<u>\$15,327,348</u>	<u>\$14,104,870</u>	<u>\$9,933,612</u>	<u>\$7,119,757</u>	<u>\$ 6,729,202</u>

Note: The County has implemented GASB 54, Fund Balance Reporting and Governmental Fund Type Definitions, in FY 2011 for its governmental funds. Under GASB 54, fund balances are required to be reported according to certain classification. See Note I, E, 9 of the 2011 CAFR. The definitions in GASB 54 clarified the criteria for special revenue funds. As a result, several funds reported as special revenue funds prior to July 1, 2010 are now reported as sub-funds of the General Fund.

Source: Audited Financial Statements.

The remainder of page left intentionally blank.

## Budgetary Process

The County prepares an annual budget in accordance with the Oregon Local Budget Law. ORS Chapter 294 establishes standard procedures for all budget functions for all Oregon local governments. Under the applicable provisions, there must be public participation in the budget process and the adopted budget must be balanced.

The County's administrative staff evaluates the budget requests of the various departments of the County to determine the funding levels of the operating programs. The budget is presented to the public through public hearings held by a budget committee consisting of three Board members and five lay members. After giving due consideration to the input received from the citizens, the Board of adopts the budget, authorizes the levying of taxes and sets appropriations. The budget must be adopted not later than June 30 of each fiscal year.

The budget may be amended during the applicable fiscal year through the adoption of a supplemental budget. Supplemental budgets may be adopted by the Board of Commissioners pursuant to ORS 294.480.

### All County Funds- Proposed Budget (Years Ended June 30)

	2014	2013 <sup>(1)</sup>
<b>Resources</b>		
Beginning Net Working Capital	\$ 82,107,717	\$ 73,571,504
Property Tax - Current Year	24,772,712,	25,205,355
Property Tax - Prior Year	943,000	899,000
Other taxes	3,463,400	3,097,624
Revenue (excl. prop. Taxes)	150,533,721	145,893,429
Transfers In	19,086,678	22,809,420
Bond proceeds	5,500,000	18,402,108
Total Revenues	204,299,511	216,306,936
<b>Total Resources</b>	<b>286,407,228</b>	<b>289,878,440</b>
<b>Requirements</b>		
Personnel Services	88,783,713	83,851,691
Materials and Services	82,653,546	81,163,987
Debt Service	11,438,216	28,792,763
Capital Outlay	21,640,038	11,686,255
Transfers Out	19,086,678	23,899,420
Total Specific Appropriations	223,602,191	229,394,116
Contingency	48,968,711	44,801,886
Unappropriated Ending Fund Balance and Reserve for Future Expenditures	13,836,326	15,682,438
<b>Total Budgeted Requirements</b>	<b><u>\$286,407,228</u></b>	<b><u>\$289,878,440</u></b>

(1) Budget figures as adjusted through 6/24//2013.

Source: Deschutes County Adopted Budget 2013-14.

## Investments

ORS 294.035 permits Oregon local governments like the County to invest "surplus funds" (defined as all funds that are not pension funds and that are not required for immediate expenditures) in the following: general obligations of the United States and agencies and instrumentalities of the United States; debt obligations of the agencies and instrumentalities of the state and its political subdivisions that have a long-term rating of A by a nationally recognized statistical rating organization; debt obligations of the states of California, Idaho and

Washington and political subdivisions of those states if the obligations have a long-term rating of AA; time deposit open accounts, certificates of deposit and savings accounts in insured institutions as defined in Oregon statutes, credit unions as defined in Oregon statutes or in federal credit unions, if the institution or credit union maintains a head office or a branch in Oregon; share accounts and savings accounts in credit unions; fixed or variable life insurance or annuity contracts as defined in Oregon statutes and guaranteed investment contracts issued by life insurance companies authorized to do business in Oregon; banker's acceptances; corporate indebtedness rated on the settlement date, with certain exceptions, P-1 or Aa or better by Moody's Investor's Service or A-1 or AA or better by Standard and Poor's Corporation or equivalent rating by any nationally recognized statistical rating organization; and repurchase agreements collateralized by general obligations of the United States, agencies and instrumentalities of the United States or enterprises sponsored by the United States.

ORS Chapter 295 limits the deposit of public funds to depositories approved by Oregon law. It also requires depositories to collateralize the public funds deposited with those depositories and provides guidelines for the amount of funds that can be deposited with any depository bank.

Oregon law also requires local governments like the County to adopt an investment policy before investing in securities that mature in more than 18 months.

The County also uses Oregon State Treasurer's Investment Pool (the "the LGIP") for investment purposes. Such investments are managed in accordance with the "prudent person rule" and administrative regulations of the State Treasurer which may change from time to time. Eligible investments presently include all of those listed above, as well as repurchase agreements and reverse repurchase agreements.

As of June 30, 2013, the County's investments consisted of the following:

	<b>Market Value</b>
Municipal bonds	\$ 632,083
Corporate notes	10,267,718
Certificates of deposits	<u>5,205,278</u>
Total Investments	16,105,079
 State of Oregon Investment Pool	 <u>102,296,173</u>
 Total Portfolio	 \$118,401,252

## **Pension System**

*General.* The County participates in a retirement pension benefit program under the State of Oregon Public Employees Retirement System ("PERS" or the "System"). Substantially all full time employees are participants in PERS. At June 30, 2012, the County had 939 employees in PERS.

*T1/T2 Pension Programs.* Employees hired before August 29, 2003 participate in the "Tier 1" and "Tier 2" pension programs (the "T1/T2 Pension Programs"). The benefits provided through the T1/T2 Pension Programs are based primarily on a defined benefit pension model and provide retirement and disability benefits, annual cost-of-living adjustments, and death benefits to members and their beneficiaries. Different benefit structures apply to participants depending on their date of hire. Effective January 1, 2004, T1/T2 Pension Program employee contributions fund individual retirement accounts under the separate defined contribution program known as the Individual Account Program (the "IAP").

*OPSRP.* Employees hired on or after August 29, 2003 participate in the Oregon Public Service Retirement Plan ("OPSRP") unless membership was previously established in the T1/T2 Pension Programs. OPSRP is a hybrid defined contribution defined benefit pension plan with two components. Employer contributions fund the defined benefit program and employee contributions fund individual retirement accounts under the IAP.

*Actuarial Valuation.* Oregon statutes require an actuarial valuation of the System at least once every two years. Based on the biennial actuarial valuations as of December 31 of odd-numbered years, such as 2009 and 2011, the Public Employees Retirement Board ("PERB") establishes the contribution rates that employers will pay to

fund the T1/T2 Pension Programs, OPSRP and the PERS-sponsored Retirement Health Insurance Account program ("RHIA") described herein. Actuarial valuations are performed annually as of December 31 of each year, with the valuations as of December 31 of even-numbered years (such as 2010) used for advisory purposes only. Actuarial valuations are performed for the entire System (the "System Valuation"), and for each participating employer, including the County (the "County Valuation"). Valuations are released approximately one year after the valuation date. PER'S current actuary is Milliman ("Milliman").

Valuation Date	Release Date	Rates Effective
December 31, 2009	September 2010	July 1, 2011-June 30, 2013
December 31, 2010	November 2011	Advisory Only
December 31, 2011	October 2012	July 1, 2013-June 30, 2015

The most recent System Valuation as of December 31, 2011 (the "2011 System Valuation") was released by Milliman in November 2012. The 2011 System Valuation reports that as of December 31, 2011 the System-wide unfunded actuarial valuation was approximately \$11,030.2 million with a funded ratio of approximately 82.0%

*Employer Assets, Liabilities, and Unfunded Actuarial Liabilities.* An employer's unfunded actuarial liability ("UAL") is the excess of the actuarially determined present value of the employer's benefit obligations to employees over the existing actuarially determined assets available to pay those benefits. For the T1/T2 Pension Programs, the County is pooled with the State of Oregon and other local government and community college district public employers (the "State and Local Government Rate Pool" or "SLGRP"). The County's allocated share of the SLGRP's assets and liabilities is based on the County's proportionate share of the SLGRP's pooled payroll ("County Allocated T1/T2 UAL").

In March 2002 and May 2004, the County issued pension bonds to make an approximately \$3.4 lump-sum payment to PERS in 2002 and an approximately \$7.0 lump-sum payment to PERS in 2004; the payments were deposited in an account for the County (the "UAL Side Account") and used to finance a portion of the projected allocation of its estimated UAL in the SLGRP. Such payment reduced the County's contribution rates, although debt service payments are also due on the pension bonds.

OPSRP's assets and liabilities are pooled on a program-wide basis. These assets and liabilities are not tracked or calculated on an employer basis. The County's allocated share of OPSRP's assets and liabilities is based on the County's proportionate share of OPSRP's pooled payroll (the "County Allocated OPSRP UAL").

Changes in the County's relative growth in payroll will cause and other pool participants' failure to pay their full employer contributions may cause County Allocated T1/T2 UAL and County Allocated OPSRP UAL to shift.

The County's net unfunded pension UAL is the total of County's Allocated T1/T2 UAL, the Allocated OPSRP UAL and other allocated liabilities and assets from previous rate pools. The County's net unfunded pension UAL as of the valuation as of December 31, 2009 (the "2009 County Valuation") and the valuation as of December 31, 2011 (the "2011 County Valuation") is shown in the following table:

	Actuarial Valuation as of	
	December 31, 2011	December 31, 2009
Allocated pooled SLGRP T1/T2 UAL	\$83,170,271	\$65,815,547
Transition liability/(surplus) <sup>(1)</sup>	(31,808,214)	(32,918,716)
Side Account	5,643,078	6,077,734
Allocated pooled OPSRP UAL	890,180	515,585
Net unfunded pension actuarial accrued liability/(surplus)	46,609,159	27,334,682

(1) The transition surplus represents the surplus that was created when the County joined the Local Government Rate Pool (the predecessor to the SLGRP).

Source: 2011 County Valuation and 2009 County Valuation

The funded status of the PERS and of the County will change over time depending on the market performance of the securities that the Oregon Public Employees' Retirement Fund is invested, future changes in compensation and benefits of covered employees, demographic characteristics of members and methodologies and assumptions used by the actuary in estimating the assets and liabilities of PERS.

Significant actuarial assumptions and methods used in the valuations included: (a) Projected Unit Credit actuarial cost method, (b) asset valuation method based on market value, (c) rate of return on the investment of present and future assets of 8%, (d) payroll growth rate of 3.75%, (e) consumer price inflation of 2.75% per year, and (f) UAL amortization method of a level percentage of payroll over 21 years (fixed) for the T1/T2 Pension Programs and 16 years (fixed) for OPSRP.

The PERB is expected to consider changes to the above-described actuarial assumptions and methods, including the contribution rate collar described below, at its July 2013 meeting. The County cannot predict what changes, if any, the PERB may adopt.

*Employer Contribution Rates.* Employer contribution rates are calculated as a percent of covered payroll. The rates are based on the current and projected cost of benefits and the anticipated level of funding available from the Oregon Public Employees Retirement Fund ( the "OPERF"), including anticipated investment performance of the fund. Contribution rates are subject to future adjustment based on factors such as the result of subsequent actuarial valuations and changes in benefits resulting from legislative modifications. Employees are required to contribute 6 percent of their annual salary to the respective programs. Employers are allowed to pay the employees' contribution in addition to the required employers' contribution. The County has elected to make the employee contribution. Employer contribution rate changes from one period to the next are limited by a contribution rate collar.

*Contribution Rate Collar.* In January 2010 the PERS Board adopted a revised implementation of the rate collar limiting increases in employer contribution rates from biennium to biennium (the "Rate Collar"). Under normal conditions, the Rate Collar is the greater of three percent of payroll or 20 percent of the current base rate. If the funded status of the SLGRP is below 80 percent, the Rate Collar increases by an additional 0.3 percent for every percentage point under the 80 percent funded level until the aggregate Rate Collar reaches six percent at the 70 percent funded level. The Rate Collar limits increases in employer contribution rates before rate reductions from side accounts are deducted, and does not cover charges associated with RHIA. The effects of the Rate Collar were first implemented in connection with employer contribution rate increases associated with 2008 investment losses by limiting the average System-wide employer contribution rate increases for the 2011-2013 biennium to approximately 3.9% of covered payroll. Under the Rate Collar, a second increase averaging 5.1% of covered payroll was scheduled to go into effect in July 2013 for the employer contribution rates effective for the 2013-15 biennium, and the third increase of approximately 2.2% of covered payroll was projected to go into effect in July 2015 for employer contribution rates for the 2015-17 biennium.

*County Contribution Rates.* The County's contribution rates effective July 1, 2011 to July 1, 2013, which were based on the 2009 County Valuation, were as follows: 8.23 percent for T1/T2 general service and 15.83 percent for police and fire employees, 6.47 percent for general service OPSRP members and 9.18 percent for OPSRP Police and Fire Employees. Included in these rates are contribution rates for the PERS Retirement Health Insurance Account program for T1/T2 participants described below.

The 2011 County Valuation contains the County's previously adopted employer contribution rates for the 2013-15 biennium. However, legislation has been signed by the Governor is estimated to reduce 2013-15 biennium employer contribution rates by an average of 4.4% of payroll; such legislation includes changes in compensation and benefits of PERS covered employees and a direction to the PERS Board to defer 1.9% of payroll into future biennia. The anticipated cost to the System of the 1.9% contribution rate deferral is approximately \$350 million, which will result in an increase in payroll rates of 0.3% of payroll over a 20 year amortization period beginning in 2015-17. Based on this legislation, at its May 31, 2013 meeting, the PERB adopted a methodology by which all jurisdictions will receive the reduction of 4.4% of payroll in their employer contribution rates; however, no jurisdiction may pay less than the rate at which it paid in 2011-2013. As announced by PERS and based on the methodology adopted by the PERB at the May 31, 2013 meeting, the County's current employer contribution rates for the 2013-2015 biennium are as follows: 8.78 percent for



T1/T2 general service and 15.62 percent for T1/T2 police and fire, 6.70 percent for general service OPSRP members and 9.43 percent for police and fire OPSRP members.

Several cases have been filed on behalf of PERS retirees and active employees challenging the changes to PERS retirement benefits described above. If all or any portion of the legislation is enjoined or held unconstitutional, the anticipated savings from the changes in PERS benefits may not materialize. The County cannot predict if the challenges will be successful.

Beginning in fiscal year 2004, the County has reserved a portion of the operating funds' resources for possible increases in the defined benefit plan contribution rates. An increase in the employer's contribution rates, required use of \$1.5 million of these reserves in FY 2012 and \$1.6 million in FY 2013. An additional \$2.2 million is projected to be used during FY 2014 resulting in a fund balance of \$7.6 million at June 30, 2014, assuming the employer contribution rates provided in the 2011 County Valuation.

### **Other Post-Employment Retirement Benefits**

GASB 45 requires the County to determine the extent of its liability for post employment benefits ("OPEB") and record the liability in its financial statements on an actuarial basis. This includes the requirement under ORS 243.303 of offering the same healthcare benefits for current County employees to all retirees and their dependents until such time as the retirees are eligible for Medicare. GASB 45 refers to this as an "implicit subsidy" and requires that the corresponding liability be determined and reported.

*County-specific OPEB.* In addition to this implicit subsidy, the County provides some portion of insurance premiums for post retirement health benefits for certain qualified retirees and their eligible dependents until such time as the retirees are eligible for Medicare. The percentage of benefits paid by the County is based on the length of service (i.e., the longer the qualified retiree has worked for the County, the greater the percentage of his/her health benefits are paid by the County). At June 30, 2013, 59 qualified retirees are eligible to receive this benefit. Currently eligible retirees receiving this benefit have only portion of their health benefits paid by the County. The total annual cost of providing this coverage for the fiscal year ended June 30, 2013 is estimated to be \$395,000.

According to an actuarial report prepared by Heitzberger/Payne (the "2011 Non-PERS OPEB Valuation"), as of June 30, 2011, the most recent actuarial valuation date, based on the implicit subsidy and the explicit subsidy of the County-specific OPEB described in the paragraph above, the County's UAL for its non-PERS OPEB is approximately \$28.3 million (approximately \$12.7 million attributable to the explicit subsidy and approximately \$15.6 million attributable to the implicit subsidy). And according to the 2011 Non-PERS OPEB Valuation, as of June 30, 2012, the County's UAL for its non-PERS OPEB will be approximately \$30.3 million (approximately \$13.5 million attributable to the explicit subsidy and approximately \$16.8 million attributable to the implicit subsidy). The County currently pays on a "pay-as-you-go" basis and currently plans to continue to pay its non-PERS OPEB on a "pay-as-you-go" basis. In the fiscal year ending 2012, the County contributed \$617,356, which is 20.62% of the assumed \$2,993,736 annual OPEB cost. The County will engage an actuary to prepare an actuarial valuation as of June 30, 2013.

*Retirement Health Insurance Account.* PERS retirees who receive benefits through the T1/T2 Pension Programs and are enrolled in certain PERS administered health insurance programs, may receive a subsidy towards the payment of health insurance premiums. Under ORS 238.420, retirees may receive a subsidy for Medicare supplemental health insurance of up to \$60 per month towards the cost of their health insurance premium under the RHIA plan. According to the 2011 System Valuation, this program had a UAL of approximately \$221.5 million with a funded ratio of approximately 52%. The RHIA program's assets and liabilities are pooled on a system-wide basis and are not tracked or calculated on an employer basis. The County's allocated share of the RHIA program's assets and liabilities is based on the County's proportionate share of the program's pooled payroll. According to the 2009 County Valuation, the County's allocated share of the RHIA program's UAL is \$1,699,909. According to the 2011 County Valuation, the County's allocated share of the RHIA program's UAL is 1,351,545. Based on the 2009 County Valuation, the County's current employer contribution rates to fund RHIA benefits for the 2011-2013 biennium were 0.59% for the T1/T2 Pension Programs and 0.50% for the OPSRP Program and based on the 2011 County Valuation, employer contribution rates for the 2013-

2015 biennium are 0.59% for the T1/T2 Pension Programs and 0.49% for the OPSRP Program. These rates are included in the employer contribution rates described above under “*County Contribution Rates*”.

### **Risk Management**

All operations of the County, as well as two county service districts (Deschutes County 9-1-1 and Extension 4-H), participate in the County's self-insurance program. The County self-insures its general liability, vehicles, workers' compensation, unemployment and medical/dental risks. Neither Black Butte Ranch nor Sunriver Service District participates and Deschutes County 9-1-1 County Service District's participation is limited to unemployment benefits and medical/dental. The third party insurance coverage obtained by the county service districts not covered by the County's self-insurance program had no significant reductions in levels of insurance coverage in the past year. Settled claims have not exceeded insurance coverage in any of the past three fiscal years.

The County estimates liability for incurred losses for reported and unreported claims for general and vehicle/fleet liability, workers' compensation and employee medical coverage. Workers' compensation, general and vehicle/fleet liability estimates are primarily based on individual case estimates for reported claims and through historical data for unreported claims as determined by the County's Risk Management department.

### ***Tort Claims Against Oregon Governments***

In response to a decision by the Oregon Supreme Court in *Clarke v. Oregon Health Sciences University* (“OHSU”), related to the constitutionality of portions of the Oregon Tort Claims Act (“OTCA”), the 2009 Legislative Assembly enacted Oregon Laws 2009, chapter 67 (“OR Laws 2009, Ch 67”). This law increased the liability limits for Oregon public bodies under the OTCA, as described below. The State is subject to different limits.

*Personal Injury and Death Claim.* The liability of a local public body and its officers, employees and agents acting within the scope of their employment or duties, to any single claimant for covered personal injury or death claims (and not property claims) arising out of a single accident or occurrence may not exceed \$500,000, for causes of action arising on or after July 1, 2009, and before July 1, 2010. From July 1, 2010, through June 30, 2015, this cap increases incrementally to \$666,700. The liability limits to all claimants for covered personal injury or death claims (and not property claims) arising from a single accident or occurrence increase from \$1 million, for causes of action arising on or after July 1, 2009, and before July 1, 2010, incrementally to \$1,333,300, for causes of action arising on or after July 1, 2014, and before July 1, 2015.

For causes of action arising on or after July 1, 2015, the liability limits for both a single claimant and all claimants will be adjusted based on a determination by a State Court Administrator of the percentage increase or decrease in the cost of living for the previous calendar year as provided in the formula in OR Laws 2009, Ch 67. The adjustment may not exceed 3 percent for any year.

*Property Damage or Destruction Claim.* The liability of a public body and its officers, employees and agents acting within the scope of their employment or duties, for covered claims for damage and destruction of property that arise from causes of action arising on or after July 1, 2009, are as follows: (a) \$100,000, adjusted as described below, to any single claimant, and (b) \$500,000, adjusted as described below, to all claimants.

Beginning in 2010, these liability limits shall be adjusted based on a determination by a State Court Administrator of the percentage increase or decrease in the cost of living for the previous calendar year as provided in the formula in OR Laws 2009, Ch 67. The adjustment may not exceed 3 percent for any year.

### **The Initiative and Referendum Process**

The Oregon Constitution, Article IV, Section 1, reserves to the people of the State the initiative and referendum power pursuant to which measures designed to amend the Oregon Constitution or enact legislation can be placed on the statewide general election ballot for consideration by the voters.

Pursuant to ORS 250.125, a five-member Committee composed of the Secretary of State, the State Treasurer, the Director of the Department of Revenue, the Director of the Department of Administrative Services, and a local

government representative must prepare an estimate of the direct financial impact of each measure ("Financial Estimate Statements") to be printed in the voter's pamphlet and on the ballot.

### **Referendum**

"Referendum" generally refers measures that have been passed by a legislative body, such as the Legislative Assembly or the governing body of a district, county or other political subdivision and referred to the electors by the legislative body, or by petition prior to the measure's effective date.

In Oregon, both houses of the Legislative Assembly must vote to refer a statute or constitutional amendment for a popular vote. Such referrals cannot be vetoed by the governor. Any change to the Oregon Constitution passed by the Legislative Assembly requires referral to voters. In the case of a referendum by petition, proponents of the referendum must obtain a specified number of signatures from qualified voters. The required number of signatures is equal to four percent of the votes cast for all candidates for governor at the preceding gubernatorial election.

*Recent Tax Increase Referenda.* Opponents of legislation increasing personal and corporate income taxes passed by the 2009 Legislative Assembly submitted sufficient qualified signatures to refer the tax increases to a special election held on January 26, 2010. The referendum concerning personal income taxes appeared on the ballot as Measure 66. The referendum concerning corporate income taxes appeared on the ballot as Measure 67. Both measures were approved by voters became effective for tax year 2009.

*Other Recent Referenda.* The Legislative Assembly referred three measures to the electors which appeared on the ballot at the November 2, 2010 election and were approved by voters (Measure 70, Measure 71 and Measure 72). Measure 70 expands the availability of home loans for veterans through the Oregon War Veterans' Fund. Measure 71 requires the legislature to meet annually and establishes limits to the length of legislative sessions. Measure 72 authorizes the State to issue general obligation bonds to finance real and personal property projects.

### **Initiatives**

"Initiative" generally means a new measure placed before the voters as a result of a petition circulated by one or more private citizens.

Any person may file a proposed initiative with the Oregon Secretary of State's office. The Oregon Attorney General is required by law to draft a proposed ballot title for the initiative. Public comment on the draft ballot title is then solicited by the Secretary of State. After considering any public comments submitted, the Attorney General will either certify the draft ballot title or revise the draft ballot title. Any elector that submitted written comments who is dissatisfied with the ballot title certified by the Attorney General may petition the Oregon Supreme Court seeking a revision of the certified ballot title.

Once the ballot title has been certified and the Secretary of State has authorized the petitioners, the proponents of the initiative may start gathering initiative petition signatures from qualified voters. The number of signatures required is determined by a fixed percentage of the votes cast for all candidates for governor at the preceding gubernatorial election. The signature requirements are eight percent for a constitutional measure (116,284 signatures for November 2012) and six percent for a statutory initiative (87,213 signatures for November 2012).

The initiative petition must be filed with the Secretary of State not less than four months prior to the general election at which the proposed measure is to be voted upon. As a practical matter, proponents of an initiative have approximately two years in which to gather the necessary number of signatures. State law permits person circulating initiative petitions to pay money to obtaining signatures for the petition. If the person obtaining signatures is being paid, the signature sheet must contain a notice of such payment.

*Historical Initiative Petitions.* The number of initiatives that have been approved in general elections since 2002 are as follows:

#### Historical Initiative Petitions

<u>Number of Year of General Election</u>	<u>Number of Initiatives that Qualified</u>	<u>Initiatives that were Approved<sup>1</sup></u>
2012	7	2
2010	4	2
2008	8	0
2006	10	3
2004	6	2
2002	7	3

NOTE: The Secretary of State posts a listing of initiatives on its web site: [www.sos.state.or.us](http://www.sos.state.or.us).

*Source: Elections Division, Oregon Secretary of State.*

## Tax Matters

### Opinion of Bond Counsel

In the opinion of Bond Counsel, under existing statutes and court decisions and assuming continuing compliance with certain tax covenants described herein, (i) interest on the Bonds is excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Code, and (ii) interest on the Bonds is not treated as a preference item in calculating the alternative minimum tax imposed on individuals and corporations under the Code; such interest, however, is included in the adjusted current earnings of certain corporations for purposes of calculating the alternative minimum tax imposed on such corporations. In rendering its opinion, Bond Counsel has relied on certain representations, certifications of fact, and statements of reasonable expectations made by the County in connection with the Bonds, and Bond Counsel has assumed compliance by the County with certain ongoing covenants to comply with applicable requirements of the Code to assure the exclusion of interest on the Bonds from gross income under Section 103 of the Code.

In addition, in the opinion of Bond Counsel to the County, under existing statutes, interest on the Bonds is exempt from State of Oregon personal income tax.

Bond Counsel expresses no opinion regarding any other Federal or state tax consequences with respect to the Bonds. Bond Counsel renders its opinion under existing statutes and court decisions as of the issue date, and assumes no obligation to update, revise or supplement its opinion to reflect any action hereafter taken or not taken, or any facts or circumstances that may hereafter come to its attention, or changes in law or in interpretations thereof that may hereafter occur, or for any other reason. Bond Counsel expresses no opinion on the effect of any action hereafter taken or not taken in reliance upon an opinion of other counsel on the exclusion from gross income for Federal income tax purposes of interest on the Bonds, or under state and local tax law.

### Certain Ongoing Federal Tax Requirements and Covenants

The Code establishes certain ongoing requirements that must be met subsequent to the issuance and delivery of the Bonds in order that interest on the Bonds be and remain excluded from gross income under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to use and expenditure of gross proceeds of the Bonds, yield and other restrictions on investments of gross proceeds, and the arbitrage rebate requirement that certain excess earnings on gross proceeds be rebated to the Federal government. Noncompliance with such requirements may cause interest on the Bonds to become included in gross income for Federal income tax purposes retroactive to their issue date, irrespective of the date on which such noncompliance occurs or is discovered. The County has covenanted to comply with certain applicable requirements of the Code to assure the exclusion of interest on the Bonds from gross income under Section 103 of the Code.

## **Certain Collateral Federal Tax Consequences**

The following is a brief discussion of certain collateral Federal income tax matters with respect to the Bonds. It does not purport to address all aspects of Federal taxation that may be relevant to a particular owner of an Obligation. Prospective investors, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the Federal tax consequences of owning and disposing of the Bonds.

Prospective owners of the Bonds should be aware that the ownership of such obligations may result in collateral Federal income tax consequences to various categories of persons, such as corporations (including S corporations and foreign corporations), financial institutions, property and casualty and life insurance companies, individual recipients of Social Security and railroad retirement benefits, individuals otherwise eligible for the earned income tax credit, and taxpayers deemed to have incurred or continued indebtedness to purchase or carry obligations the interest on which is excluded from gross income for Federal income tax purposes. Interest on the Bonds may be taken into account in determining the tax liability of foreign corporations subject to the branch profits tax imposed by Section 884 of the Code.

### **Original Issue Discount**

“Original issue discount” (“OID”) is the excess of the sum of all amounts payable at the stated maturity of an Bond (excluding certain “qualified stated interest” that is unconditionally payable at least annually at prescribed rates) over the issue price of that maturity. In general, the “issue price” of a maturity means the first price at which a substantial amount of the Bonds of that maturity was sold (excluding sales to bond houses, brokers, or similar persons acting in the capacity as underwriters, placement agents, or wholesalers). In general, the issue price for each maturity of Bonds is expected to be the initial public offering price set forth on the cover page of the Official Statement. Bond Counsel further is of the opinion that, for any Bonds having OID (a “Discount Bond”), OID that has accrued and is properly allocable to the owners of the Discount Bonds under Section 1288 of the Code is excludable from gross income for Federal income tax purposes to the same extent as other interest on the Bonds.

In general, under Section 1288 of the Code, OID on a Discount Bond accrues under a constant yield method, based on periodic compounding of interest over prescribed accrual periods using a compounding rate determined by reference to the yield on that Discount Bond. An owner’s adjusted basis in a Discount Bond is increased by accrued OID for purposes of determining gain or loss on sale, exchange, or other disposition of such Discount Bond. Accrued OID may be taken into account as an increase in the amount of tax-exempt income received or deemed to have been received for purposes of determining various other tax consequences of owning a Discount Bond even though there will not be a corresponding cash payment.

Owners of Discount Bonds should consult their own tax advisors with respect to the treatment of original issue discount for Federal income tax purposes, including various special rules relating thereto, and the state and local tax consequences of acquiring, holding, and disposing of Discount Bonds.

### **Bond Premium**

In general, if an owner acquires an Bond for a purchase price (excluding accrued interest) or otherwise at a tax basis that reflects a premium over the sum of all amounts payable on the Bond after the acquisition date (excluding certain “qualified stated interest” that is unconditionally payable at least annually at prescribed rates), that premium constitutes “bond premium” on that Bond (a “Premium Bond”). In general, under Section 171 of the Code, an owner of a Premium Bond must amortize the bond premium over the remaining term of the Premium Bond, based on the owner’s yield over the remaining term of the Premium Bond determined based on constant yield principles (in certain cases involving a Premium Bond callable prior to its stated maturity date, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on such bond). An owner of a Premium Bond must amortize the bond premium by offsetting the qualified stated interest allocable to each interest accrual period under the owner’s regular method of accounting against the bond premium allocable to that period. In the case of a tax-exempt Premium Bond, if the bond premium allocable to an accrual period exceeds the qualified stated interest allocable to that accrual period, the excess is a nondeductible loss. Under certain circumstances, the owner of a Premium Bond may realize a taxable gain upon disposition of the Premium Bond even though it is sold or redeemed for an amount less than or equal to the owner’s original acquisition cost. Owners of any Premium Bonds should consult their own tax advisors regarding the treatment of bond premium for Federal income tax

purposes, including various special rules relating thereto, and state and local tax consequences, in connection with the acquisition, ownership, amortization of bond premium on, sale, exchange, or other disposition of Premium Bonds.

### **Information Reporting and Backup Withholding**

Information reporting requirements apply to interest paid on tax-exempt obligations, including the Bonds. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9, "Request for Taxpayer Identification Number and Certification," or if the recipient is one of a limited class of exempt recipients. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to "backup withholding," which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a "payor" generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing a Bond through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Bonds from gross income for Federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner's Federal income tax once the required information is furnished to the Internal Revenue Service.

### **Qualified Tax-Exempt Obligations**

The County has designated the Bonds as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code.

### **Miscellaneous**

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the Federal or state level, may adversely affect the tax-exempt status of interest on the Bonds under Federal or state law or otherwise prevent beneficial owners of the Bonds from realizing the full current benefit of the tax status of such interest. In addition, such legislation or actions (whether currently proposed, proposed in the future, or enacted) and such decisions could affect the market price or marketability of the Bonds. For example, the Fiscal Year 2014 Budget proposed on April 10, 2013 by the Obama Administration recommends a 28% limitation on itemized deductions and "tax preferences," including "tax-exempt interest." The net effect of such proposal, if enacted into law, would be that an owner of a Bond with a marginal tax rate in excess of 28% would pay some amount of federal income tax with respect to the interest on the Bonds. The enactment of such proposal could also impact the tax treatment of interest on the Bonds for state law purposes.

Prospective purchasers of the Bonds should consult their own tax advisors regarding the foregoing matters.

### **Continuing Disclosure**

The Securities and Exchange Commission has published amendments to Rule 15c2-12 (the "Rule") that require at least annual disclosure of current financial information and timely disclosure of certain events with respect to the Bonds, if material. Pursuant to the Rule, the County has agreed to provide to each nationally recognized municipal securities information repository and to the appropriate state information depository, if any, audited financial information of the County and certain financial information or operating data. In addition, the County has agreed to provide to the Municipal Securities Rulemaking Board and to any state information repository, notice of certain events, pursuant to the requirements of Section (b)(5)(i) of the Rule.

The County has complied with all existing continuing disclosure requirements during the past five years. A copy of the County's Continuing Disclosure Certificate is attached hereto as **Appendix D**.

### **Legal**

#### **Approval of Counsel**

Legal matters incident to the authorization, issuance and sale of Bonds by the County are subject to the approving legal opinion of Bond Counsel, substantially in the form attached hereto as Appendix A. Bond

Counsel has reviewed this document only to confirm that the portions of it describing the Bonds and the authority to issue them conform to the Bonds and the applicable laws under which they are issued.

### **Litigation**

There is no litigation pending questioning the validity of the Bonds nor the power and authority of the County to issue the Bonds. There is no litigation pending which would materially affect the finances of the County or affect the County's ability to meet debt service requirements on the Bonds.

### **Financial Advisor**

In connection with the authorization and issuance of the Bonds, the County has retained Western Financial Group, LLC, Portland, Oregon, as its financial advisor. The Financial Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information contained in this Official Statement

### **Underwriting**

The Bonds are being purchased by BOSC, Inc., a subsidiary of BOK Financial Corp., acting as underwriter who successfully bid for the Bonds in a competitive sale on July 24, 2013 (the "Sale Date"). The bid provides that the underwriter will purchase all of the Bonds, if any Bonds are purchased, at a price of 100.614% of the par value of the Bonds. The Bonds were initially re-offered on the Sale Date at an average price of 102.595% of the par value of the Bonds. After the initial public offering, the public offering prices may vary from time to time.

### **Concluding Statement**

The County deems that this Official Statement is final for purposes of the Rule, and does not contain any untrue statements of a material fact or omit any statement of a material fact not misleading. The undersigned certifies that to the best of his knowledge and belief, (i) this Official Statement, both as of its date and as of the date of delivery of the Bonds, does not contain any untrue statement of a material fact or omit any statement of a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading and (ii) between the date of this Official Statement and the date of delivery of the Bonds there has been no material change in the affairs (financial or other), financial condition or results of operations of the County except as set forth in or contemplated by this Official Statement.

So far as any statement herein includes matters of opinion, or estimates of future expenses and income, whether or not expressly so stated, they are intended merely as such and not as representations of fact.

The information contained herein should not be construed as representing all conditions affecting the County or the Bonds. Additional information may be obtained from the County. .

The agreements of the County are set forth in such documents, and the information assembled herein is not to be construed as a contract with Owners of the Bonds. Information with respect to the County set forth in this Official Statement has been supplied by the County and the execution and delivery of this Official Statement has been duly authorized by the County.

The remainder of page intentionally left blank.

This Page Intentionally Left Blank



# **Appendix A**

## **Form of Bond Counsel Opinion**

This Page Intentionally Left Blank

*On the date of issuance of the Bonds, Hawkins Delafield & Wood LLP, Bond Counsel, proposes to issue its approving opinion in substantially the following form:*

August 8, 2013

Deschutes County  
1300 N.W. Wall Street, Suite 200  
Bend, Oregon 97701

Subject: \$8,405,000 Deschutes County, Oregon  
Full Faith and Credit Bonds, Series 2013

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by Deschutes County, Oregon (the "County") of its Full Faith and Credit Bonds, Series 2013 (the "Bonds"), which are dated as of the date of their delivery and are in the aggregate principal amount of \$8,405,000. The Bonds are authorized by Oregon Revised Statutes Sections 287A.105, 287A.150 and 287A.315, County Resolution No. 2013-033 adopted April 24, 2013, as amended by County Resolution No. 2013-036 adopted May 6, 2013 (collectively, the "Resolution"), and a Bond Declaration for the Bonds (the "Bond Declaration") dated as of the date of issuance of the Bonds.

We have examined the law and such certified proceedings and other documents as we deem necessary to render this opinion.

We have not been engaged or undertaken to review the accuracy, completeness or sufficiency of the official statement or other offering materials which have been or may be supplied to the purchasers of the Bonds, and we express no opinion relating thereto, excepting only the matters set forth as our opinion in the official statement.

Regarding questions of fact material to our opinion, we have relied on representations of the County in the Resolution and in the certified proceedings and on other certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

Based on the foregoing, we are of the opinion that, under existing law:

1. The Bonds have been legally authorized, sold and issued under and pursuant to the Constitution and Statutes of the State of Oregon, the Resolution and the Declaration. The Bonds constitute valid and legally binding obligations of the County that are enforceable in accordance with their terms.
2. The Bonds are payable from any and all of the County's legally available funds. The County has pledged its full faith and credit and taxing power within the limitations of Sections 11 and 11b of Article XI of the Oregon Constitution to pay the amounts due on the Bonds.
3. Under existing statutes and court decisions and assuming continuing compliance with certain tax covenants described below, (i) interest on the Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Bonds is not treated as a preference item in calculating the alternative minimum tax imposed on individuals and corporations under the Code; such interest, however, is included in the adjusted current earnings of certain corporations for purposes of calculating the alternative minimum tax imposed on such corporations. [Bond counsel further is of the opinion that, for any Bonds having original issue discount (a "Discount Bond"), original issue discount that has accrued and is properly allocable to the owners of the Discount Bonds under Section 1288 of the Code is excludable from gross income for federal income tax purposes to the same extent as other interest on the Bonds.] In rendering our opinion, we have relied on certain representations, certifications of fact, and statements of

reasonable expectations made by the County, and others in connection with the Bonds, and we have assumed compliance by the County and others with certain ongoing covenants to comply with applicable requirements of the Code to assure the exclusion of interest on the Bonds from gross income under Section 103 of the Code.

The Code establishes certain requirements that must be met subsequent to the issuance and delivery of the Bonds in order that, for federal income tax purposes, interest on the Bonds not be included in gross income pursuant to Section 103 of the Code. These requirements include, but are not limited to, requirements relating to the use and expenditure of proceeds of the Bonds, restrictions on the investment of proceeds of the Bonds prior to expenditure and the requirement that certain earnings be rebated to the federal government. Noncompliance with such requirements may cause interest on the Bonds to become subject to federal income taxation retroactive to their date of issue, irrespective of the date on which such noncompliance occurs or is ascertained.

On the date of delivery of the Bonds, the County will execute a Tax Certificate (the "Tax Certificate") containing provisions and procedures pursuant to which such requirements can be satisfied. In executing the Tax Certificate, the County covenants it will comply with the provisions and procedures set forth therein and that it will do and perform all acts and things required by the Code to assure that interest paid on the Bonds will, for federal income tax purposes, be excluded from gross income.

In rendering the opinion in paragraph 3 hereof, we have relied upon and assumed (i) the material accuracy of the representations, statements of intention and reasonable expectation, and certifications of fact contained in the Tax Certificate with respect to matters affecting the status of interest paid on the Bonds, and (ii) compliance by the County with the procedures and covenants set forth in the Tax Certificate as to such tax matters.

4. Interest on the Bonds is exempt from Oregon personal income tax.

We note that the County has designated the Bonds as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3)(B) of the Code.

Except as stated in paragraphs 3 and 4 above, we express no opinion as to any other federal, state or local tax consequences arising with respect to the Bonds or the ownership or disposition thereof. We render our opinion under existing statutes and court decisions as of the issue date, and we assume no obligation to update, revise or supplement this opinion after the issue date to reflect any action hereafter taken or not taken, or any facts or circumstances, or any change in law or in interpretations thereof, or otherwise, that may hereafter arise or occur, or for any other reason. Furthermore, we express no opinion herein as to the effect of any action hereafter taken or not taken in reliance upon an opinion of counsel other than ourselves on the exclusion from gross income for federal income tax purposes of interest on the Bonds.

The portion of this opinion that is set forth in paragraph 1, above, is qualified only to the extent that enforceability of the Bonds may be limited by or rendered ineffective by (i) bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other laws affecting creditors' rights generally; (ii) the application of equitable principles and the exercise of judicial discretion in appropriate cases; (iii) common law and statutes affecting the enforceability of contractual obligations generally; and (iv) principles of public policy concerning, affecting or limiting the enforcement of rights or remedies against governmental entities such as the County.

This opinion is given as of the date hereof and is based on existing law, and we assume no obligation to update, revise, or supplement this opinion to reflect any action hereafter taken or not taken, or any facts or circumstances that may hereafter come to our attention or any changes in law or interpretations thereof that may hereafter arise or occur, or for any other reason.

This opinion is limited to matters of Oregon law and applicable federal law, and we assume no responsibility as to the applicability of laws of other jurisdictions.

This opinion is provided to you as a legal opinion only, and not as a guaranty or warranty of the matters discussed herein. No opinions may be inferred or implied beyond the matters expressly stated herein. No qualification, limitation or exception contained herein shall be construed in any way to limit the scope of the other qualifications, limitations and exceptions. For purposes of this opinion, the terms "law" and "laws" do not include unpublished judicial decisions, and we disclaim the effect of any such decision on this opinion.

We have served as bond counsel only to the County in connection with the Bonds and have not represented and are not representing any other party in connection with the Bonds. This opinion is given solely for the benefit of the County in connection with the Bonds and may not be relied on in any manner or for any purpose by any person or entity other than the County, the owners of the Bonds, and any person to whom we may send a formal reliance letter indicating that the recipient is entitled to rely on this opinion.

Very truly yours,

This Page Intentionally Left Blank

# **Appendix B**

## **Comprehensive Annual Financial Report As of and for the Fiscal Year Ended June 30, 2012**

The County's Auditor has not performed any further review of the County's general purpose financial statements since the date of the audit contained herein.

(This page left blank intentionally.)

**DESCHUTES COUNTY, OREGON**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
As of and for the Fiscal Year Ended June 30, 2012



DESCHUTES COUNTY, OREGON

TABLE OF CONTENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2012

DESCHUTES COUNTY, OREGON

1300 NW Wall Street, Suite 200  
Bend, Oregon 97701

COMPREHENSIVE ANNUAL FINANCIAL REPORT

As of and for the Fiscal Year Ended June 30, 2012

Prepared by:

Deschutes County Finance Department

Marty Wynne  
Finance Director and Treasurer

Jeanine Faria, MBA  
Accounting Manager

	Page
<b>INTRODUCTORY SECTION</b>	
Letter of Transmittal .....	iii-vii
List of Elected and Appointed Officials .....	viii
Organizational Chart .....	ix
GFOA Certification of Achievement .....	x
<b>FINANCIAL SECTION</b>	
INDEPENDENT AUDITORS' REPORT .....	3-5
MANAGEMENT'S DISCUSSION AND ANALYSIS .....	6-17
<b>BASIC FINANCIAL STATEMENTS</b>	
Government-Wide Financial Statements	
Statement of Net Assets .....	20
Statement of Activities .....	21
Fund Financial Statements: Governmental Funds	
Balance Sheet .....	22-23
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets .....	25
Statement of Revenues, Expenditures and Changes in Fund Balances .....	26-27
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	28
Fund Financial Statements: Proprietary Funds	
Statement of Net Assets .....	29
Statement of Revenues, Expenses and Changes in Net Assets .....	30
Statement of Cash Flows .....	31
Fund Financial Statements: Fiduciary Funds	
Statement of Fiduciary Assets and Liabilities -- Agency Funds .....	32
Notes to Financial Statements .....	33-64
<b>Required Supplementary Information</b>	
Schedule of Revenues, Expenditures and Changes in Fund Balance -- Budget and Actual --	
General Fund (Operations) .....	67-68
Sub-Funds of the General Fund	
Economic Development .....	69
Court Technology Reserve .....	70
Assessment & Taxation Reserve .....	71
Justice Court .....	72
Bethlehem Inn .....	73
Humane Society of Redmond .....	74
Project Development Fund .....	75
General County Projects .....	76
General Capital Reserve .....	77
Property Management Operations .....	78
Community Justice -- Juvenile .....	79

## DESCHUTES COUNTY, OREGON

### TABLE OF CONTENTS – CONTINUED AS OF AND FOR THE YEAR ENDED JUNE 30, 2012

	Page
Code Abatement.....	60
Vehicle Maintenance and Replacement.....	81
Deschutes County Sheriff's Office.....	92-93
Countywide Law Enforcement District.....	84
Sub-Fund of Countywide Law Enforcement District	
Countywide Law Enforcement District – Capital Reserve.....	85
Rural Law Enforcement District.....	86
Sub-Fund of Rural Law Enforcement District	
Rural Law Enforcement District – Capital Reserve.....	87
Road Department.....	88
Sub-Fund of Road Department	
Road Improvement Reserve.....	89
Road Building & Equipment.....	90
Deschutes County 911.....	91
Sub-Fund of Deschutes County 911	
911 CSD – Equipment Reserve.....	92
PERS Reserve.....	93
<b>Other Supplementary Data</b>	
Combining and Individual Fund Statements and Schedules	
Governmental Funds	
Major Funds and Sub-Funds	
General Fund – Combining Balance Sheet.....	99-102
Countywide Law Enforcement District – Combining Balance Sheet.....	103
Rural Law Enforcement District – Combining Balance Sheet.....	104
Deschutes County Road Department – Combining Balance Sheet.....	105
Deschutes County 911 County Service District Operating Fund and Sub Funds –	
Combining Balance Sheet.....	106
General Fund – Combining Schedule of Revenues, Expenditures and	
Changes in Fund Balances.....	107-110
Countywide Law Enforcement District – Operating Fund – Combining Schedule of	
Revenues, Expenditures and Changes in Fund Balances.....	111
Rural Law Enforcement District – Operating Fund – Combining Schedule of	
Revenues, Expenditures and Changes in Fund Balances.....	112
Road Department Fund – Combining Schedule of Revenues, Expenditures	
and Changes in Fund Balances.....	113
Deschutes County 911 County Service District Operating Fund and Sub Funds –	
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances.....	114
Nonmajor Governmental Funds	
Combining Balance Sheet.....	119
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances.....	120
Nonmajor Special Revenue Funds	
Combining Balance Sheet.....	121-130
Deschutes County 4-H County Service District Operating Fund and Sub Fund –	
Combining Balance Sheet.....	131

## DESCHUTES COUNTY, OREGON

### TABLE OF CONTENTS – CONTINUED AS OF AND FOR THE YEAR ENDED JUNE 30, 2012

	Page
Deschutes County Survivor Service District Operating Fund and Sub Fund –	
Combining Balance Sheet.....	132
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances.....	133-142
Deschutes County Extension 4-H County Service District Operating Fund and Sub Fund –	
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances.....	143
Deschutes County Survivor Service District Operating Fund and Sub Fund –	
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances.....	144
Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual –	
Grant Projects.....	145
La Pine Industrial.....	146
Park Acquisition and Development.....	147
Park Development Fees.....	148
County School Fund.....	149
Special Transportation Fund.....	150
Taylor Grazing.....	151
Transient Room Tax.....	152
Video Lottery.....	153
Welcome Center.....	154
Foreclosed Land Sales.....	155
Liquor Enforcement.....	156
Victims' Assistance.....	157
Law Library.....	158
County Clerk Records.....	159
Children & Families Commission.....	160
Sheriff's Asset Forfeiture.....	161
Court Facilities.....	162
Deschutes County Communication System.....	163
Public Health.....	164
Healthy Start.....	165
Public Health Reserve.....	166
ABHA Accountable Behavioral Health Alliance.....	167
Behavioral Health.....	168
Acute Care Services.....	169
OHP – Chemical Dependency.....	170
Community Development.....	171
CDD Groundwater Partnership.....	172
Newberry Neighborhood.....	173
GIS Dedicated Fund.....	174
Natural Resource Protection.....	175
Federal Forest Title III.....	176
Surveyor.....	177
Public Land Corner Preservation.....	178
Countywide Transportation SDC Improvement Fee.....	179
Dog Control.....	180
Adult Parole & Probation.....	181

## DESCHUTES COUNTY, OREGON

### TABLE OF CONTENTS – CONTINUED AS OF AND FOR THE YEAR ENDED JUNE 30, 2012

	Page
Extension 4-H .....	182
Extension 4-H Construction .....	183
Black Butte Ranch Service District .....	184
Sunriver Service District – Operating Fund .....	185
Sunriver Service District – Reserve Fund .....	186
<b>Nonmajor Debt Service Funds</b>	
Combining Balance Sheet .....	187-189
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances .....	190-193
<b>Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual –</b>	
Local Improvement District 2005 Series .....	194
Local Improvement District 2007 Series .....	195
Local Improvement District 2009 Series .....	196
CDD Building 1996 Full Faith and Credit, Refunding Series 2004 .....	197
Full Faith and Credit, Series 2003/REF Series 2012 .....	198
Full Faith and Credit, Series 2005 .....	199
Full Faith and Credit, Series 2008 .....	200
Full Faith and Credit, Series 2009 .....	201
HHS / BJCC Full Faith and Credit, Refunding Series 2005 .....	202
Full Faith & Credit 2010 – Secure Treatment Facility .....	203
Full Faith & Credit Jail Remodel Debt Service .....	204
Public Safety 1998/2002 General Obligation Bonds Debt Service .....	205
PERS, Series 2002 and 2004 Debt Service .....	206
Bend Library CSD General Obligation .....	207
Redmond Library CSD Debt Service .....	208
Sunriver Library CSD Debt Service .....	209
<b>Major Capital Project Fund</b>	
Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual –	
Jail Project .....	210
<b>Nonmajor Capital Project Funds</b>	
Combining Balance Sheet .....	211
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances .....	212
<b>Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual –</b>	
Local Improvement District .....	213
Jamison Acquisition & Remodel .....	214
North County Services Building .....	215
Campus Improvement .....	216
Sisters Health Clinic .....	217
<b>Fiduciary Funds</b>	
Statement of Changes in Assets and Liabilities – Agency Funds – Detail Activity .....	221
<b>Proprietary Funds</b>	
<b>Enterprise Funds</b>	
Combining Schedule of Net Assets:	
Solid Waste Enterprise Sub-Funds .....	225
Fair & Expo Center Enterprise Sub-Funds .....	226

## DESCHUTES COUNTY, OREGON

### TABLE OF CONTENTS – CONTINUED AS OF AND FOR THE YEAR ENDED JUNE 30, 2011

	Page
<b>Combining Schedule of Revenues, Expenses and Changes in Net Assets:</b>	
Solid Waste Enterprise Sub-Funds .....	227
Fair & Expo Center Enterprise Sub-Funds .....	228
<b>Combining Schedule of Cash Flows:</b>	
Solid Waste Enterprise Sub-Funds .....	229
Fair & Expo Center Sub-Funds .....	230
<b>Schedule of Revenues, Expenditures and Changes in Net Assets – Budget and Actual</b>	
Solid Waste Operations .....	231
Landfill Closure .....	232
Landfill Postclosure .....	233
Solid Waste Capital Projects .....	234
Solid Waste Equipment Reserve .....	235
Environmental Remediation .....	236
Fair & Expo Center .....	237
Annual County Fair .....	238
Fair & Expo Center Reserve .....	239
Fairgrounds Debt Service Fund .....	240
RV Park .....	241
<b>Internal Service Funds</b>	
Combining Statements of Net Assets .....	242-243
Combining Statements of Revenues, Expenses and Changes in Fund Net Assets .....	244-245
Combining Statements of Cash Flows .....	246-247
<b>Schedules of Revenues, Expenses and Changes in Net Assets</b>	
Building Services .....	248
Administrative Services .....	249
Board of County Commissioners .....	250
Finance .....	251
Legal .....	252
Personnel .....	253
Information Technology .....	254
IT Reserve .....	255
Insurance .....	256
Health Benefits Trust .....	257
<b>Capital Assets Used in the Operation of Governmental Funds</b>	
Comparative Schedule by Source .....	261
Schedule by Function and Activity .....	262
Schedule of Changes by Function and Activity .....	263
<b>Other Financial Schedules</b>	
Schedule of Property Taxes Transactions – All County Taxes .....	267
Schedule of Long-Term Debt Transactions .....	268
Schedule of Long-Term Debt Interest Transactions .....	269
Schedule of Future Debt Service Requirements of General Obligation Bonds .....	270-271
Schedule of Future Debt Service Requirements of Pension Obligation Bonds .....	272

## DESCHUTES COUNTY, OREGON

### TABLE OF CONTENTS – CONTINUED AS OF AND FOR THE YEAR ENDED JUNE 30, 2012

	Page
Schedule of Future Debt Service Requirements of Full Faith & Credit Bonds .....	273-275
Schedule of Future Debt Service Requirements of FF&C LID Bonds .....	277
Schedule of Future Debt Service Requirements of Notes .....	278-279
 <b>STATISTICAL SECTION CONTENTS</b>	
<b>Financial Trends</b>	
Net Assets by Component – Last Ten Fiscal Years .....	284-285
Changes in Net Assets – Last Ten Fiscal Years .....	286-287
Program Revenues by Function/Program – Last Ten Fiscal Years .....	288-289
Fund Balances – Governmental Funds – Last Ten Fiscal Years .....	290-291
Changes in Fund Balances – Governmental Funds – Last Ten Fiscal Years .....	292-293
 <b>Revenue Capacity</b>	
Assessed Value and Estimated Value of Taxable Property – Last Ten Fiscal Years .....	294-295
Direct and Overlapping Property Tax Rates – Last Ten Fiscal Years .....	296-297
Principal Property Tax Payers – Current Fiscal Year and Nine Years Ago .....	298
Property Tax Levies and Collections – Last Ten Fiscal Years .....	299
 <b>Debt Capacity</b>	
Ratios of Outstanding Debt by Type – Last Ten Fiscal Years .....	300-301
Ratios of General Bonded Debt Outstanding – Last Ten Fiscal Years .....	302
Direct and Overlapping Governmental Activities Debt – As of June 30, 2011 .....	303
Legal Debt Margin Information – Last Ten Fiscal Years .....	304-305
Pledged-Revenue Coverage – Last Ten Fiscal Years .....	306-307
 <b>Demographic and Economic Information</b>	
Demographic and Economic Statistics – Last Ten Fiscal Years .....	308
Principal Employers – Current Year and Nine Years Ago .....	309
 <b>Operating Information</b>	
Full-time Equivalent County Government Employees by Function/Program – Last Ten Fiscal Years .....	311
Operating Indicators by Function/Program – Last Ten Fiscal Years .....	312-313
Capital Asset Statistics by Function/Program – Last Ten Fiscal Years .....	314-315

#### AUDIT COMMENTS AND DISCLOSURES REQUIRED BY STATE REGULATIONS

Audit Comments and Disclosures Required by State Regulations .....	319-321
--	---------

#### SINGLE AUDIT COMPLIANCE

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 .....	325-326
--	---------

## DESCHUTES COUNTY, OREGON

### TABLE OF CONTENTS – CONTINUED AS OF AND FOR THE YEAR ENDED JUNE 30, 2012

	Page
Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133 .....	327-325
Schedule of Findings and Questioned Costs .....	329-330
Status of Prior Year (2011) Findings .....	331
Schedule of Expenditures of Federal Awards .....	332-335

## INTRODUCTORY SECTION

This page intentionally left blank.



**DEPARTMENT OF ADMINISTRATIVE SERVICES**  
**Tom Anderson, Interim County Administrator**

P. O. Box 6005 • Bend, Oregon 97708-6005  
1300 NW Wall Street, Suite 206 • Bend, Oregon 97701  
(541) 388-6565 • FAX (541) 385-3202  
[www.deschutes.org](http://www.deschutes.org)

November 20, 2012

To the Board of County Commissioners and  
the citizens of Deschutes County, Oregon

We are pleased to submit the Comprehensive Annual Financial Report of Deschutes County, Oregon as of and for the year ended June 30, 2012, together with the opinion thereon of our independent certified public accountants, Harrigan Price Frank & Co., LLP. This report, required by Oregon Revised Statutes 297.425, is prepared by the Finance Department. Also included are Audit Comments and Disclosures required under the Minimum Standards for Audits of Oregon Municipal Corporations Section of the Oregon Administrative Rules.

In addition, the County is required to have a comprehensive single audit of its Federal Assistance Programs in accordance with the Single Audit Act, Office of Management and Budget (OMB) Circular A-133 and the provisions of Government Auditing Standards promulgated by the U.S. Comptroller General as they pertain to the financial and compliance audits. A report on the County's compliance with applicable Federal laws and regulations related to the Single Audit Act, OMB Circular A-133 is included with this report beginning on page 327.

This report is prepared in conformance with the guidelines for financial reporting developed by the Government Finance Officers Association of the United States and Canada and the principles established by the Governmental Accounting Standards Board (GASB), including all effective GASB pronouncements. It presents fairly the financial position of the various funds of the County as of June 30, 2012, and the results of operations for the year then ended in conformity with accounting principles generally accepted in the United States of America (US GAAP). The report consists of management's representations concerning the finances of the County. Consequently, management assumes full responsibility for the completeness and reliability of all information presented in this report. To provide reasonable basis for making these representations, County management has established a comprehensive internal control framework that is designed both to protect the County's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the County's financial statements. Because the cost of internal control should not outweigh its benefits, the County's comprehensive framework of internal controls has been designed to provide reasonable assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

iii

*Enhancing the Lives of Citizens by Delivering Quality Services in a Cost-Effective Manner*

Accounting principles generally accepted in the United States of America require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. Deschutes County's MD&A can be found immediately following the independent auditors' report.

**Profile of the Government**

The County was formed in 1916, is located in the central part of the state and covers an area of 3,055 square miles. The County has three full-time commissioners, who are elected at-large to serve four-year terms. Daily administrative duties are overseen by an appointed County Administrator, while the Board of County Commissioners sets policy, adopts the annual budget and passes ordinances in accordance with state law.

The financial reporting entity, Deschutes County, includes all funds of Deschutes County, as well as all of its component units. Component units are legally separate entities for which Deschutes County is financially accountable. The County provides a full range of services including sheriff's patrol, investigative and correction services, construction and maintenance of roads and bridges, property assessment, tax collection, public and behavioral health services, social services for children and families, land use planning, building permitting and inspections, prosecution of criminals, justice court, parole & probation, election services, records maintenance, and operation of a landfill, a fair and expo center, and an RV park.

Blended component units, although legally separate entities, are, in substance, part of Deschutes County's operations and are included as part of Deschutes County. Accordingly, the Countywide Law Enforcement District, Rural Law Enforcement District, Deschutes County 911, Deschutes County Extension and 4-H, Black Butte Ranch and Sunriver Service Districts are reported as special revenue funds of Deschutes County. Bend Library CSD, Redmond Library CSD and Sunriver Library CSD are reported as debt service funds of Deschutes County.

The County utilizes a budget committee, consisting of the three commissioners and an equal number of citizens-at-large, to review and approve the proposed budget for each fiscal year. The annual budget serves as the foundation for Deschutes County's financial planning and control. Requested budgets are submitted for each fund, department and component unit county service district to the County's Budget Officer approximately three months prior to the beginning of the fiscal year. The Budget Officer prepares the proposed budget based on these requested budgets, and submits it to the Budget Committee, approximately two months prior to the beginning of the next fiscal year. The County is required to announce, in advance, and hold a public hearing on the approved budget and to adopt the budget by no later than June 30, the close of Deschutes County's fiscal year. The appropriated budget is prepared by fund, department and category (level of control). All transfers of appropriations between categories require approval by the Board of County Commissioners. Budget-to-actual comparisons are provided in this report for each individual governmental and proprietary fund for which an appropriated annual budget has been adopted. For the General Fund, and the major special revenue funds this comparison is presented beginning on page 67 as part of the required

iv

supplementary information. All other funds are presented in a subsection of this report, which starts on page 97.

#### **Local economy**

Deschutes County is the outdoor recreation capital of Oregon. With noble, snow-capped peaks dominating the skyline to the west and the wide-open high desert extending to the east, the beauty and uniqueness of Deschutes County captures the awe of locals and visitors alike. Deschutes County is a bustling, exciting place where progress and growth are hallmarks.

Beginning in the early 1990s, Deschutes County has experienced rapid population growth. This growth is believed to be largely due to the area's invigorating climate and year-round recreation activities. The population is approximately 160,000 an increase of nearly 30% over the last 10 years and is projected to exceed 240,000 by 2025. Recreational activities include downhill and cross-country skiing, snowboarding, fishing, hunting, hiking, rock-climbing, road and mountain biking, mountain climbing, whitewater rafting and golfing. Deschutes County is the host of diverse annual events including the Bend Brewfest, Sunriver Music Festival, Sisters Outdoor Quilt Show, Cascade Children's Festival/Bakoons over Bend, Pole Pedal Paddle, Sisters Rodeo, WinterFest, Bend Film Festival, Golf World Pacific Amateur Golf Classic and the Cascade Cycling Classic.

In Fiscal Year 2012, the County's assessed valuation of taxable property decreased by 0.6%, approximately \$315 million, to a total of \$17.6 billion. Formerly a region dependent on wood products, Deschutes County has steadily diversified its employment and economic base. For the past decade, Deschutes County has lead Oregon in high technology growth and is home to several award winning craft breweries. Numerous companies from the Silicon Valley, Portland-Vancouver Metro and Puget Sound have relocated or expanded here. Many of these firms are small but extremely innovative, producing niche-market products from semiconductors to software, medical instruments to recreational. Tourism in Deschutes County contributes to the diversified economy due to the abundance of year-round recreational activities. The County is home to a major medical center, designated as a level II trauma center, with more than 200 physicians on staff.

#### **Financial policies**

The County has established policies which are reviewed and adopted annually by the Board of County Commissioners in conjunction with the budget process. The County recognizes the need to ensure that it is capable of adequately funding and providing County services needed by the community on a sustainable basis.

The Board acknowledges that in order to maintain a prudent level of financial resources to protect against the need to reduce service levels or raise taxes (voter-approved local option levy) and fees due to temporary revenue shortfalls or unforeseeable one-time expenditures, the County will strive to maintain working capital balances in each fund. The amount of working capital, per fund, is a function of the type of fund. For most operating funds, the level is 8.3% of that fund's operating budget. For funds with property taxes as a significant portion of revenues, the level is one-third of estimated annual property tax collections.

#### **Long-term financial planning**

The County will need to address the long-term financing options related to the acquisition of real property which is used by a not-for-profit entity as a homeless shelter and for capital expenditures related to the expansion of the correctional facilities to provide additional jail beds.

The County is analyzing options for the physical consolidation of services provided to the citizens in the North County area. This project will likely be financed with some combination of existing capital reserves, sale of capital assets and proceeds of full faith and credit bonds.

In order to take advantage of historically low interest rates, the County plans to refund a general obligation bond resulting in savings of nearly \$1 million of interest, on a present value basis, over the remaining five years of the bond issue.

#### **Major initiatives**

In February 2011, the County opened its on-site employee health clinic, which is available to all individuals covered by the County's self-funded health insurance plan. Other jurisdictions, similar in size to Deschutes County, operating such clinics have realized cost savings in their health plans. The clinic is operated by a private provider under a fixed-price contract with the County. In May 2012, the County opened its on-site pharmacy. The pharmacy is also operated by a private provider and the County anticipates realizing a reduction in the cost of filling prescriptions, both to the County and to those covered under the County's health care plan.

#### **Awards and acknowledgements**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Deschutes County for its comprehensive annual financial report for the fiscal year ended June 30, 2011. This was the eleventh consecutive year that the County has received this prestigious award. In order to be awarded a Certificate of Achievement, the County published an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we will submit it to the GFOA to determine its eligibility for another certificate.

The preparation of the comprehensive annual financial report on a timely basis was made possible by the dedicated service of the entire staff of the Finance Department.

We would like to express our appreciation to all members of the Finance Department who assisted and contributed to the preparation of this report. Acknowledgment should also be given to the Board of County Commissioners for their interest and

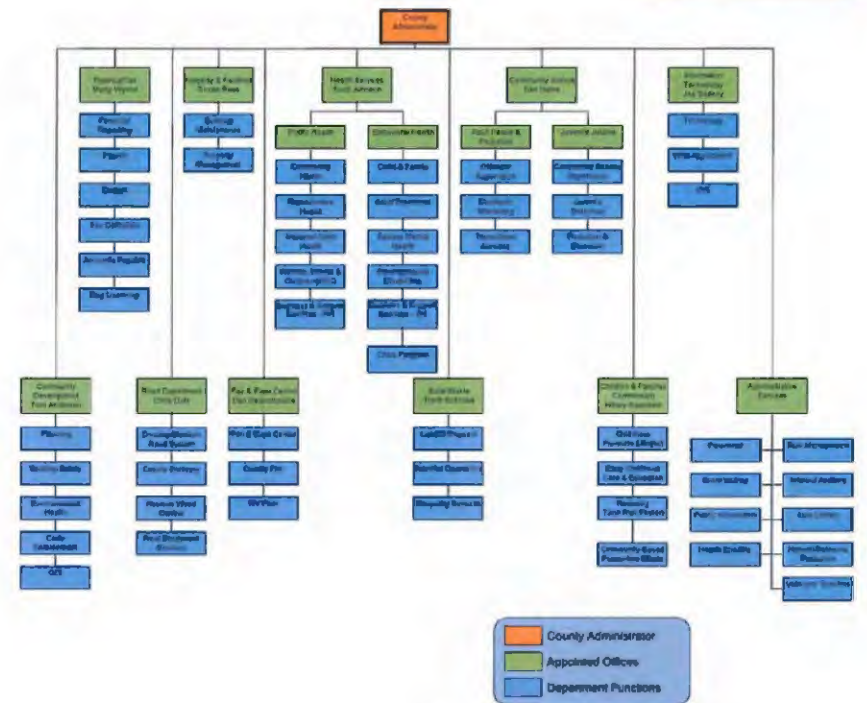
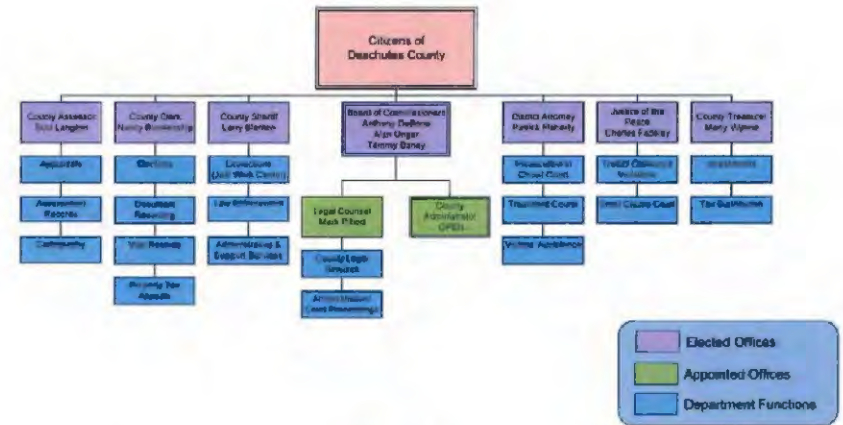


support in planning and conducting the operations of the County in a responsible and progressive manner.

Respectfully submitted,

  
Tom Anderson  
Interim County Administrator

  
Marty Wynne  
Finance Director





**DESCHUTES COUNTY, OREGON**

**COUNTY OFFICIALS**

JUNE 30, 2012

---

**ELECTED OFFICIALS**

**COUNTY COMMISSIONERS**

Tammy Baney  
Anthony DeBone  
Alan Unger

**ASSESSOR**  
Scot Langton

**SHERIFF**  
Larry Blanton

**COUNTY CLERK**  
Nancy Blankenship

**DISTRICT ATTORNEY**  
Patrick Flaherty

**TREASURER**  
Marty Wynne

**JUSTICE COURT**  
Charles Fadely

---

**APPOINTED OFFICIALS**

County Administrator – Unfiled

County Counsel – Mark Pilliod

Finance Director – Marty Wynne

Internal Auditor – Dave Givans

---

Administrative Offices  
1300 NW Wall Street, Suite 200  
Bend, Oregon 97701

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Deschutes County  
Oregon**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*Linda C. Davidson*

President

*Jeffrey R. Enns*

Executive Director

**FINANCIAL SECTION**

This page intentionally left blank.



John P. Harrigan, CPA  
Wendy B. Fronk, II, CPA  
Candace S. Fronk, CPA

## INDEPENDENT AUDITORS' REPORT

Board of Commissioners  
Deschutes County, Oregon

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 Deschutes County, Oregon, as of and for the year ended June 30, 2012, which collectively comprise the County's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the management of Deschutes County, Oregon. Our responsibility is to express opinions on these financial statements based on our audit.

9775 NW Corvallis  
Suite 200  
Bend, OR 97702

Tel: (503) 362-4791  
Fax: (503) 358-1124

www.hpricefronk.com  
cpa@hpricefronk.com

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 examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the basic 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 Deschutes County, Oregon, as of June 30, 2012, and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended, in conformity with accounting principles generally accepted of the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 20, 2012, on our consideration of Deschutes County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreement and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Board of Commissioners  
Deschutes County, Oregon  
Page 2

Accounting principles generally accepted in the United States of America require the management's discussion and analysis on pages 6 through 17 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The required Supplementary Information (budgetary comparison information for the General and Special Revenue funds) as listed in 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. The budgetary comparison information for these funds has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Our audit was made for the purpose of forming opinions on the financial statements of Deschutes County taken as a whole. The Other Supplementary Information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying schedule of expenditures of federal awards and other supplementary information is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and is also not a required part of the financial statements. The other supplementary information and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The Introductory and Statistical sections as listed in the table of contents have not been

subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

HARRIGAN PRICE FRONK & CO. LLP  
Certified Public Accountants & Consultants

By: Candace S. Fronk  
Candace S. Fronk - a partner

November 20, 2012

## DESCHUTES COUNTY, OREGON

### MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2012

As management of Deschutes County, we offer readers of Deschutes County's financial statements this narrative overview and analysis of the financial activities of Deschutes County as of and for the fiscal year ended June 30, 2012. We encourage readers to consider this information in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages iii-vii of this report.

#### Financial Highlights

- Total assets of the County exceeded its liabilities by \$195,843,000 as of June 30, 2012. Of this amount, \$69,538,000 (unrestricted net assets) may be used to meet the County's on-going obligations to citizens and creditors, compared to unrestricted net assets of \$72,192,000 as of June 30, 2011.
- The County's governmental funds reported a combined fund balance of \$75,919,000, an increase of \$4,680,000 from June 30, 2011. Approximately twenty-five percent, \$18,733,000, is available for spending at the County's discretion (assigned and unassigned fund balance), sixteen percent, \$11,943,000, is committed, fifty-eight percent, \$44,348,000 is restricted and one percent, \$894,000, is unspendable.
- County General Fund
  - The General Fund's fund balance was \$15,327,000 as of June 30, 2012, an increase of \$1,222,000.

	June 30, 2012	June 30, 2011
General Fund (Operations)	\$ 9,249,000	\$ 8,393,000
Sub-funds of the General Fund	6,078,000	5,712,000

- Fund balance is fifty-one percent of the Fund's combined revenues and transfers in and fifty-three percent of the fund's combined expenditures and transfers out. Assigned fund balance was \$10,083,000 and unassigned fund balance was \$5,244,000.
- The County's Assessed Valuation of Taxable Property decreased by 0.6% in fiscal year 2012.
- Total bonded debt was \$85,805,000 as of June 30, 2012, compared to total bonded debt of \$92,886,000 as of June 30, 2011.

#### Overview of the Financial Statements

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

#### Government-wide financial statements.

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

## DESCHUTES COUNTY, OREGON

### MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2012

The *Statement of Net Assets* presents information on all of Deschutes 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 Deschutes County is improving or deteriorating.

The *Statement of Activities* presents information showing how Deschutes County's net assets changed during the fiscal year ended June 30, 2012. Changes in net assets are reported when the underlying event giving rise to the change occurs, regardless of the timing of the related cash, or other financial assets, flows.

Thus, revenues and expenses are reported in this statement for some items, for example, property taxes and accrued compensated leave, that will result in cash flows in future fiscal periods.

Each of these government-wide financial statements, *Statement of Net Assets* and *Statement of Activities*, distinguish functions of Deschutes County that are supported primarily by taxes and inter-governmental revenues (*governmental 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 Deschutes County include general government, public safety, roads, health and welfare, and education. The business-type activities of Deschutes County include Solid Waste operations, the Deschutes County Fair & Expo Center and an RV Park.

The government-wide financial statements include nine county service districts: Countywide Law Enforcement District, Rural Law Enforcement District, Deschutes County 911 CSD, Deschutes County Extension and 4-H Service District, Black Butte Ranch Service District, Sunriver Service District, Bend Library CSD, Redmond Library CSD and Sunriver Library CSD. These entities are legally separate but are included as blended component units based on the criteria described in the Notes to Financial Statements (Note 1 – Summary of Significant Accounting Policies). Requests for copies of the separately issued financial statements for the county service districts should be addressed to Deschutes County Finance Department, 1300 NW Wall Street, Suite 200, Bend, OR 97701.

The government-wide financial statements can be found on pages 20-21 of this report.

#### 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. Deschutes County, like other state and local government entities, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Each of the funds of Deschutes County is classified in one of three categories: governmental funds, proprietary funds or fiduciary funds.

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near term financing decisions. A reconciliation from the Governmental Funds Balance Sheet to the Government-wide Statement of Net Assets and a

## DESCHUTES COUNTY, OREGON

### MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2012

reconciliation from the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Government-wide Statement of Activities have been included in this report.

Deschutes County reported activity in eighty-seven (87) individual governmental funds and sub-funds during the fiscal year ended June 30, 2012. Information is presented separately in the governmental funds Balance Sheet and in the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund and the County's major funds (Sheriff's Office, Countywide Law Enforcement District, Rural Law Enforcement District, Road, Deschutes County 911, Jail Project and PERS Reserve Funds). Data from all other governmental funds are combined into a single, aggregated presentation. Individual data for each of these nonmajor governmental funds is provided in the form of combining statements in the "Other Supplementary Information" section of this report and in the budget to actual comparison schedules.

Deschutes County adopts an annual budget for each of its funds and a budgetary comparison statement has been provided for each to demonstrate compliance with its annual budget.

The Basic Governmental Fund Financial Statements can be found on pages 22-28 of this report.

**Proprietary funds.** Deschutes County maintains two different types of proprietary funds. Enterprise funds are used to report the same functions as business-type activities in the government-wide financial statements. Deschutes County uses enterprise funds to account for its Solid Waste, Fair & Expo Center operations and RV Park. An internal service fund is an accounting device used to accumulate and allocate costs internally among Deschutes County's various functions. Deschutes County uses internal service funds to account for its building, administrative, commissioner, finance, legal, personnel, information technology and insurance services. Because these services predominately benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds financial statements provide similar, but more detailed, information as the government-wide financial statements. The proprietary fund financial statements provide information separately for Solid Waste, Fair & Expo Center operations and RV Park. Both Solid Waste and Fair & Expo Center are considered to be major funds of Deschutes County. The internal service funds are combined into a single, aggregated presentation in the proprietary funds financial statements. Individual fund data for the internal service funds is provided in the form of combining statements in the "Other Supplementary Information" section of this report and in the budget to actual comparison schedules.

The Basic Proprietary Funds Financial Statements can be found on pages 29-31 of this report.

**Fiduciary funds.** Fiduciary funds, all of which are agency funds, are used to account for resources held for the benefit of third parties. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support Deschutes County's own programs.

The Fiduciary Funds Statement of Assets and Liabilities can be found on page 32 of this report and the Statement of Changes in Assets and Liabilities on page 221.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 33-64 of this report.

**DESCHUTES COUNTY, OREGON**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
JUNE 30, 2012

Other information. In addition to the basic financial statements and accompanying notes, this report also presents as required supplementary information, the budgetary comparisons for the General Fund and major special revenue funds. Required supplementary information begins on page 67.

The combining statements referred to above in connection with non-major governmental funds and internal service funds are presented in the "Other Supplementary Information" section of this report.

**Government-wide Financial Analysis**

Net assets, at a specific point in time, serve as a useful indicator of an entity's financial position. In the case of Deschutes County, assets exceed liabilities by \$196 million at June 30, 2012.

Sixty-two percent of Deschutes County's net assets represent its investment in capital assets (land, infrastructure, buildings and equipment) less the related outstanding debt issued to acquire those capital assets. Deschutes County uses these capital assets to provide services to citizens and these net assets are not available for future spending. Although Deschutes County's investment in its capital assets is reported net of related debt, the resources needed to repay this debt must be provided from other sources, as the capital assets will not be liquidated to service the debt. Deschutes County's net assets restricted for use in its long-term capital projects and debt service requirements total \$4 million, two percent of the net assets. The remaining thirty-six percent, \$70 million, of Deschutes County's net assets may be used to meet the County's on-going obligations to citizens and creditors.

As of June 30, 2012, Deschutes County reports positive balances in all three categories of net assets (capital assets net of debt, restricted and unrestricted) for the government as a whole and for the governmental activities. The net assets for the business-type activities are positive for capital assets, net of related debt and restricted for debt service but negative in the unrestricted category.

**DESCHUTES COUNTY'S NET ASSETS**

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Assets other than capital assets	\$ 120,659,291	\$ 118,900,693	\$ 11,092,763	\$ 11,789,895	\$ 131,752,054	\$ 130,690,588
Capital assets	136,552,211	140,885,198	53,935,151	50,204,923	192,438,362	197,061,029
Total assets	258,391,502	259,785,799	64,996,914	67,994,818	324,390,418	327,751,617
Non-current liabilities	65,848,135	68,561,598	35,217,564	33,319,102	103,064,129	106,880,610
Current liabilities	21,811,058	21,095,348	3,672,210	4,185,133	25,483,298	25,201,479
Total liabilities	88,657,194	89,656,946	38,889,774	37,504,235	128,547,398	132,082,089
Net assets						
Invested in capital assets, net of related debt	95,512,157	92,525,275	25,824,983	23,780,444	121,337,140	118,305,719
Restricted	4,015,788	3,979,815	951,896	1,181,755	4,967,464	5,171,400
Unrestricted	71,206,355	73,592,055	(1,067,039)	(1,399,646)	69,538,424	72,182,405
Total net assets	\$ 170,734,300	\$ 170,096,945	\$ 25,709,710	\$ 25,572,553	\$ 195,843,018	\$ 195,669,528

Deschutes County's net assets increased by \$173,000 during the fiscal year ended June 30, 2012, allowing for the repayment of long-term debt and increase in operating and capital reserves.

**DESCHUTES COUNTY, OREGON**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
JUNE 30, 2012

**CHANGES DUE TO GOVERNMENTAL ACTIVITIES**

- The net assets of governmental activities increased by \$637,000. This is due to many factors but primarily as a result of:

**INCREASES:**

- o Tax levies allowing for the repayment of \$3 million in general obligation bonds.
- o Deschutes County 911 serial levy provided \$1.8 million for future operations and capital purchases.

**DECREASES:**

- o Community Development Department's operating costs exceeded its revenues by \$1.1 million.
- o Operating costs exceeded operating revenues in the County's two insurance funds by \$3 million.

**CHANGES DUE TO BUSINESS-TYPE ACTIVITIES**

- Net assets of the business-type activities decreased by \$454,000:
  - o Operating revenues in the County's solid waste enterprise were \$158,000 less than the prior year, and were insufficient to cover operating expenses, resulting in an operating loss of \$813,000 and a decrease in net of assets of \$1,527,000.
  - o The County's Fair & Expo Center had a net operating loss of \$1.2 million. Non-operating revenues included \$2.3 million of property taxes levied to retire long term debt. The net assets increased \$1 million, to \$10.5 million.
  - o The County's RV Park had a net operating loss of \$80,000 and, largely due to a transfer from the County's General Fund, reported an increase in net assets of \$87,000.



# DESCHUTES COUNTY, OREGON

## MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2012

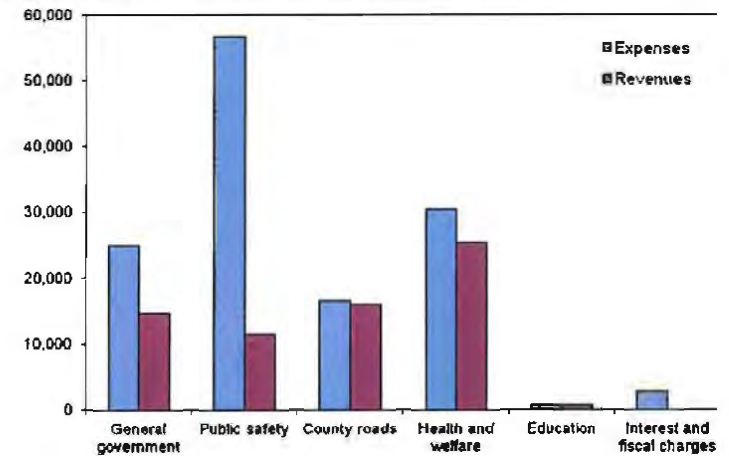
### DESCHUTE'S COUNTY'S NET ASSETS

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Program revenues:						
Charges for services	\$ 34,273,758	\$ 34,735,383	\$ 8,824,387	\$ 8,819,798	\$ 42,898,155	\$ 43,555,161
Operating grants and contributions	33,630,072	32,195,732	86,306	38,271	33,716,378	32,235,003
Capital grants and contributions	232,383	785,683	-	-	232,383	785,683
General revenues:						
Property taxes	60,524,368	60,790,919	2,334,005	2,505,852	62,858,373	63,296,771
Other taxes	3,357,385	3,151,974	-	-	3,357,385	3,151,974
Other	908,178	981,689	60,134	71,876	968,312	1,053,445
Total Revenues	132,828,104	132,821,220	11,104,842	11,436,797	144,030,946	144,058,017
Expenses:						
General government	24,888,722	22,540,890	-	-	24,888,722	22,540,890
Public safety	56,696,103	53,944,031	-	-	56,696,103	53,944,031
County roads	16,436,367	16,600,706	-	-	16,436,367	16,600,706
Health and welfare	30,416,145	28,828,892	-	-	30,416,145	28,828,892
Education	687,511	979,880	-	-	687,511	979,880
Interest on long-term debt	2,716,110	3,275,788	-	-	2,716,110	3,275,788
Solid waste	-	-	7,801,912	7,347,661	7,801,912	7,347,661
Fair & Expo center	-	-	3,876,575	3,819,399	3,876,575	3,819,399
RV park	-	-	338,003	343,898	338,003	343,898
Total expenses	131,840,958	128,170,287	12,016,490	11,510,958	143,857,448	139,681,245
Increase in net assets before transfers	1,086,146	4,450,933	(911,648)	(74,161)	173,498	4,378,772
Transfers	(447,771)	(541,385)	447,771	541,385	-	-
Changes in net assets	637,375	3,909,548	(463,877)	467,224	173,498	4,378,772
Net assets, beginning	170,096,933	166,187,387	25,572,587	25,105,369	195,669,520	191,292,756
Net assets, ending	\$ 170,734,308	\$ 170,096,945	\$ 25,108,710	\$ 25,572,583	\$ 195,843,018	\$ 195,669,528

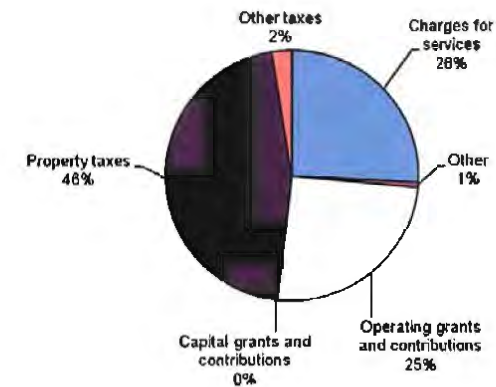
# DESCHUTES COUNTY, OREGON

## MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2012

### Expenses and Program Revenues - Governmental Activities

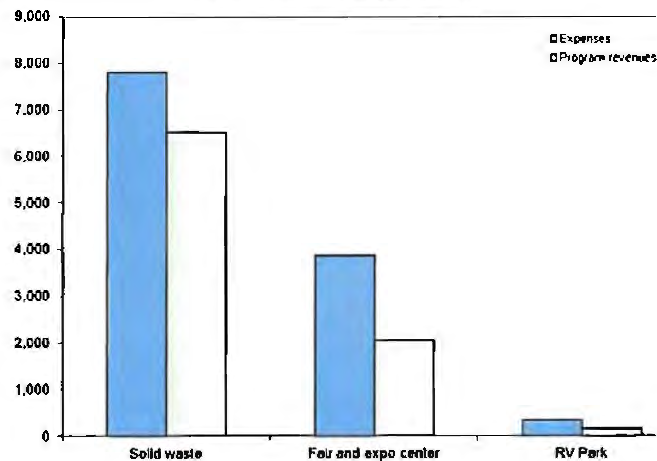


### Revenues by Source - Governmental Activities

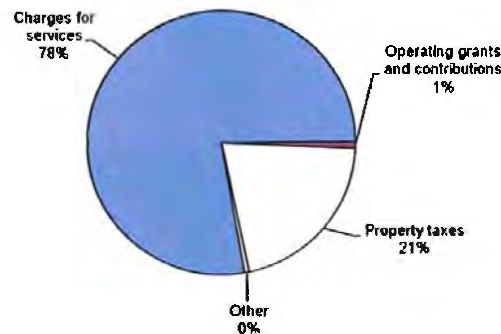


**DESCHUTES COUNTY, OREGON**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
 JUNE 30, 2012

**Expenses and Program Revenues - Business-type Activities**



**Revenues by Source - Business-type Activities**



**DESCHUTES COUNTY, OREGON**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
 JUNE 30, 2012

**Financial Analysis of the County's Funds**

Deschutes County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

As of June 30, 2012, \$75.9 million is the reported combined ending fund balance for Deschutes County's governmental funds, a net increase of \$4,690,000 from June 30, 2011. Changes, amounts and percentages, in the fund balances of the major governmental funds and of the other governmental funds were:

**MAJOR**

- o General Fund: increase of \$1.2 million, 8.6%
- o Sheriff, Countywide Law Enforcement District and Rural Law Enforcement District (combined): increase of \$290 thousand, 2.5%
- o Road: increase of \$1.2 million, 24%
- o Deschutes County 911 County Service District: Increase of \$1.8 million, 21%
- o Jail Project (Capital Project Fund), decrease of \$766 thousand, -24%
- o PERS Reserve: decrease of \$1.5 million, -12%

**OTHER**

- o Nonmajor special revenue: increase of \$2,219,000, 12%
- o Nonmajor debt service: decrease of \$162,000, -11%
- o Nonmajor capital project: increase of \$362,000, 23%

**Significant Changes in Major Funds**

General Fund: As of June 30, 2012, the fund balance of Deschutes County's General Fund was \$15.3 million. Of this fund balance, \$10 million is assigned for specific use and \$5.2 million is unassigned. One measure of the General Fund's liquidity is the relationship of the fund balance to the Fund's total expenditures. The fund balance as of June 30, 2012, for the General Fund is 77% of total General Fund Fiscal Year 2012 expenditures and 53% of total General Fund Fiscal Year 2012 combined expenditures and transfers out.

Deschutes County's General Fund balance increased by \$1,222,000, 8.7%, during the fiscal year ended June 30, 2012. Revenues exceeded current expenditures by \$9.7 million. These net resources were used to acquire \$.4 million of vehicles and operating equipment, transfer \$5.7 million to various governmental operating funds, use \$1.4 million for debt service, transfer \$.5 million to enterprise funds and, on a one-time basis, transfer \$.5 million to internal service funds.

Sheriff, Countywide Law Enforcement District and Rural Law Enforcement District:

Property taxes and other revenues are reported in the two taxing districts and the expenditures are reported in the Sheriff's Office. Property tax revenues are sufficient to provide current public safety services and to allow increase reserves which are accumulated for future capital needs. The combined fund balances increased by nearly \$300,000.



## DESCHUTES COUNTY, OREGON

### MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2012

#### Road:

The fund balance of the Road Department increased by \$1,226,000 (24%) over the prior year, primarily as a result of managing resources available for maintenance of County roads.

#### Deschutes County 911 County Service District:

The fund balance of Deschutes County 911 increased 21%, by \$1,847,000 to \$10,740,000. FY 2012 is the final year of a five year serial levy and resources received as a result of this levy have been held in reserve in order to maintain acceptable service levels.

#### Jail Project (a Capital Project Fund):

Beginning in FY 2008, the County has internally financed the initial costs of the expansion of the County's adult jail. Until such time that external financing is provided, and the internal loans are repaid, the liability in this fund requires this capital project fund to be reported as a major fund.

#### PERS Reserve:

Beginning in fiscal year 2004, the County has reserved a portion of the operating funds' resources for possible increases in the defined benefit plan contribution rates. An increase in the employer's contribution rate, effective July 1, 2011, required the use of \$1.5 million of these reserves in FY 2012. The projection for FY 2013 is that \$1.8 million of these reserves will be required to sustain current levels of services.

The fund balances of the County's nonmajor special revenue funds increased by a net of \$2.2 million. Certain special revenue funds have reported significant increases in fund balance: ABHA - \$1,630,000, OHP-CDO - \$799,000 and Sunriver Service District - \$191,000. In each case, this is a result of revenues received in fiscal year 2012 which will be used for expenditures in future years. Certain special revenue funds have reported significant decreases in fund balance: Public Health - \$375,000, Public Land Corner Preservation - \$223,000. The reduction in the fund balance of Public Health was anticipated and is the result of an increase in the transfer for contribution to debt service on its facility and a reduction in support from the General Fund. The Road Department has been able to continue to focus its attention to maintaining the permanent monuments of survey corner positions resulting in expending resources which have been accumulating in this fund for several years.

**Proprietary funds.** The information presented in the proprietary funds statement is similar to that in the government-wide financial statements, but provides greater detail.

At June 30, 2012, the net assets of the Solid Waste Department were \$13,957,000; \$16,008,000 is invested in capital assets, net of related debt, a decrease of \$1,216,000 during fiscal year 2012. The operations of the Solid Waste Department provide the resources which will be used in future years for the closure and postclosure costs associated with the landfills. The unrestricted net assets of the Fair & Expo Center were essentially unchanged.

The County opened its RV Park in July 2007. After an initial near-capacity usage during summer 2007, the effects of the recession have negatively impacted the operations; however, it is expected that with continued focus on marketing efforts, the RV Park will be a profitable enterprise. The unrestricted net assets at June 30, 2012, are \$63,000.

#### General Fund Budgetary Highlights

There were no differences, other than appropriation transfers, between the General Fund's original budget and the final budget. Assumptions used for estimating revenues are generally conservative and General Fund actual revenues were \$1.5 million more than estimated, essentially of which is due to property tax

## DESCHUTES COUNTY, OREGON

### MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2012

revenue. The variance between appropriations and expenditures was \$928,000, approximately 7% of final appropriations. Several unrelated factors contributed to this variance including (1) unfilled positions in the several departments (\$320,000), (2) reduction in the amount actually paid to the Rural Law Enforcement District (\$142,000), and (3) lower than budgeted expenditures in the Clerk's Office due to fewer than projected elections (\$206,000).

#### Capital Asset and Debt Administration

**Capital Assets.** Deschutes County's investment in capital assets for its governmental and business-type activities as of June 30, 2012, was \$192,438,000, net of accumulated depreciation. The book value of the depreciable assets is 62% of historical cost. This investment in capital assets includes land, buildings, equipment and infrastructure such as roads and bridges. Additional information on Deschutes County's capital assets is included in Note III.D on pages 45-46 of this report.

**Long-term debt.** As of June 30, 2012, Deschutes County's outstanding bonded debt was \$85,805,000. Of this, \$85,203,000 is backed by the full faith and credit of the County and \$601,000 is special assessment debt for which the County is liable in the event of default by the property owners subject to the assessment.

#### DESCHUTES COUNTY'S OUTSTANDING DEBT

##### General Obligation and Other Bonded Debt

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
General Obligation Bonds	\$ 5,760,000	\$ 8,733,265	\$ 12,005,000	\$ 15,845,000	\$ 17,765,000	\$ 22,818,265
Oregon Local Gov't Pension Bonds	11,223,283	11,386,137	-	-	11,223,283	11,386,137
Full Faith & Credit Obligations	40,589,578	42,365,831	15,225,422	15,719,163	56,215,000	58,105,000
Special assessment debt with governmental commitment	601,700	776,816	-	-	601,700	776,816
Total	\$ 58,574,561	\$ 63,252,049	\$ 27,230,422	\$ 29,804,169	\$ 85,804,983	\$ 92,868,217

Deschutes County's bonded debt decreased by \$7,081,000 during the fiscal year due to scheduled debt repayments.

Moody's Investors Services has assigned a credit rating of Aa3 to Deschutes County's Full Faith & Credit obligations and a credit rating of Aa2 to its general obligation bonds.

State statutes limit the amount of general obligation debt a governmental entity may issue to 2% of its real market value. With real market value of \$21.6 billion, the current debt limitation for Deschutes County is \$431 million. The County's current general obligation of \$18 million represents .08% of this limitation.

Additional information on Deschutes County's long-term debt is included in Note III. F. on pages 47-50 of this report.

#### Key Economic Factors and Budget Information for the Future

- The economic slowdown of the real estate market has had a negative impact on Deschutes County beginning in fiscal year 2007 and continuing through fiscal year 2012. The County's Community Development Fund has been most affected, and even with a 60% reduction in force, from 72.80 FTE

## DESCHUTES COUNTY, OREGON

### MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2012

in FY 2008 to 28.50 FTE in FY 2012, this activity will require \$1,350,000, 30% of its FY 2013 resources, to be provided by the County's General Fund.

- The County provided the resources, on behalf of a not-for-profit entity, to acquire real property for use as a homeless shelter. At this time, the County is collecting rent on the facility which is sufficient to cover the interest cost associated with the \$2.7 million advance. Discussion is on-going for the eventual resolution to this relationship.
- Due to expansion of its facility, the Humana Society of Redmond (HSR), a not-for-profit entity, has not been able to cover its operating expenses since FY 2009. The County made an interest bearing loan to HSR and accounts for the activity in a sub-fund of the General Fund. At June 30, 2012, the loan balance was \$805,402, which will be repaid from the proceeds of a trust to which HSR is a beneficiary.
- The County is self-insured for general liability, workers' compensation, unemployment and vehicle claims. Internal insurance rates were increased by 30% for FY 2012, but even with this increase, the Risk Management Fund is reporting a deficit (i.e. liabilities exceed assets) in the amount of \$1,001,00. Rates were held constant for FY 2013 and the County will need to take action to identify resources for payment of current claims and to build sufficient reserves for future claims.
- Following years of building the reserves in the County's Health Benefits Trust Fund, claims and administrative costs have exceeded the insurance premiums for the past three years. The net assets have declined from \$16.5 million as of June 30, 2009 to \$12.9 million as of June 30, 2012. The net assets would cover approximately nine months of costs. Additionally, the projection for FY 2013 is that the net assets will decline by an amount between \$1 million and \$1.4 million which will provide reserves of eight months of costs.
- An increase to employer contribution rates, effective July 1, 2013, will increase the County's expenditure for its defined benefit retirement plans by 35%, approximately \$2.5 million. The resources in the County's PERS Reserve Fund will be available to mitigate the impact to County operations.
- The County's Assessed Valuation of Taxable Property increased from Fiscal Year 2012 to Fiscal Year 2013 by 1.1%, to approximately \$17.6 billion.

This page intentionally left blank.

#### Requests for information

This financial report is designed to provide a general overview to those parties interested in Deschutes County's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Deschutes County Finance Department, 1300 NW Wall Street, Suite 200, Bend, OR 97701.

# DESCHUTES COUNTY, OREGON

## STATEMENT OF NET ASSETS JUNE 30, 2012

### BASIC FINANCIAL STATEMENTS

	Governmental Activities	Business - Type Activities	Total
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 73,747,298	\$ 3,834,378	\$ 77,581,676
Investments, at fair value; plus accrued interest	26,368,996	1,371,130	27,740,126
Taxes receivable	4,437,556	158,297	4,595,853
Accounts receivable	3,579,931	526,426	4,106,357
Notes and contracts receivable, net of allowance	4,827,140	-	4,827,140
Assessments receivable	776,169	-	776,169
Internal balances (due to) / from other funds)	(3,990,227)	3,990,227	-
Inventory	894,228	-	894,228
Prepaid expenses	29,460	145,551	175,011
Total current assets	110,870,551	10,026,009	120,696,560
Deferred charges	10,188,740	1,066,754	11,255,494
Capital assets:			
Capital assets not being depreciated:			
Land	13,467,072	1,524,037	15,421,109
Construction in progress	5,022,636	-	5,022,636
Capital assets net of accumulated depreciation:			
Infrastructure	49,583,851	-	49,583,851
Land improvements	2,629,248	22,618,040	25,247,288
Building and improvements	55,042,880	25,951,085	80,993,746
Equipment and vehicles	11,084,689	3,342,748	14,427,437
Intangible assets	1,672,055	70,240	1,742,295
Total capital assets	138,532,211	53,996,151	192,438,362
Total noncurrent assets	148,720,851	54,972,905	203,693,856
Total assets	259,391,502	64,998,914	324,390,416
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable and other current liabilities	5,063,784	278,610	5,342,374
Accrued interest	195,113	100,796	295,909
Unearned revenues	222,104	253,443	1,175,607
Current portion of non-current liabilities	15,630,018	3,039,361	18,669,379
Total current liabilities	21,811,059	3,672,210	25,483,269
Non-current liabilities:			
Compensated leave	8,135,225	311,088	8,446,313
Net OPEB obligation	10,042,437	371,749	10,414,185
Bonds and notes payable (net of unamortized premiums and discounts)	59,456,559	28,061,198	87,537,757
Accrued claims payable	4,841,932	-	4,841,932
Accrued landfill closure and postclosure costs	-	10,493,320	10,493,320
Less Current portion of non-current liabilities	(15,630,018)	(3,039,361)	(18,669,379)
Total non-current liabilities	66,846,135	36,217,994	103,064,129
Total liabilities	88,657,194	39,890,204	128,547,398
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	95,512,157	25,624,953	121,337,110
Restricted for:			
Capital projects	1,911,058	-	1,911,058
Debt service	2,104,720	951,696	3,056,416
Unrestricted	71,206,383	(1,667,939)	69,538,424
Total net assets	\$ 170,734,308	\$ 25,108,710	\$ 195,843,018

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

DESCHUTES COUNTY, OREGON

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2012

Activities	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Governmental</b>							
General government	\$ 24,888,722	\$ 8,976,482	\$ 4,892,423	\$ -	\$ (10,220,817)	\$ -	\$ (10,220,817)
Public safety	56,669,193	6,317,554	4,984,279	232,363	(45,161,537)	-	(45,161,537)
County roads	16,438,367	15,017,719	-	-	(518,648)	-	(518,648)
Health and welfare	30,418,145	2,062,833	23,266,060	-	(5,087,452)	-	(5,087,452)
Education	607,511	-	687,310	-	(701)	-	(201)
Interest and fiscal charges	2,719,119	-	-	-	(2,716,119)	-	(2,716,119)
Total governmental activities	131,849,858	34,273,758	33,650,072	232,363	(63,704,765)	-	(63,704,765)
<b>Business-type:</b>							
Solid Waste	7,801,912	8,508,368	2,680	-	-	(1,282,566)	(1,282,688)
Fair and Expo Center	3,876,575	1,953,398	83,428	-	-	(1,829,751)	(1,826,751)
RV Park	338,009	154,835	-	-	-	(183,370)	(183,370)
Total business-type activities	12,016,496	8,624,397	66,206	-	-	(3,305,787)	(3,305,787)
<b>Total Deschutes County</b>	<b>\$ 143,867,448</b>	<b>\$ 42,898,155</b>	<b>\$ 33,716,378</b>	<b>\$ 232,363</b>	<b>\$(63,704,765)</b>	<b>\$(3,305,787)</b>	<b>\$(67,010,652)</b>
<b>General revenues:</b>							
<b>Taxes:</b>							
Property taxes, levied for general purposes				33,682,238	-	33,682,238	
Property taxes, levied for sheriff services				23,551,915	-	23,551,915	
Property taxes, levied for bonded debt				3,290,215	2,334,806	5,624,220	
Tire/tank room fee				3,357,365	-	3,357,365	
Investment earnings				808,178	80,134	888,312	
Transfers				(447,771)	447,771	-	
Total general revenues and transfers				64,342,140	2,841,910	67,184,050	
Change in net assets				637,375	(463,577)	173,498	
Net assets - beginning				170,065,833	23,572,687	193,638,520	
Net assets - ending				\$ 170,734,308	\$ 23,109,110	\$ 193,843,418	

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

DESCHUTES COUNTY, OREGON

GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2012

	General Fund	Sheriff	Countywide Law Enforcement District	Rural Law Enforcement District	Road
<b>ASSETS</b>					
Cash and cash equivalents	\$ 11,925,919	\$ 234,818	\$ 4,446,086	\$ 3,136,080	\$ 4,577,079
Investments, at fair value; plus accrued interest	5,238,121	83,947	1,581,511	1,122,514	1,837,884
Taxes receivable	1,485,621	-	1,038,706	517,177	-
Accounts receivable	326,558	135	180,704	149,109	358,478
Notes and contracts receivable	3,882,842	-	-	-	-
Assessments receivable	-	-	-	-	-
Inventory	-	-	-	-	804,228
Due from other funds	31,344	-	847,049	-	-
Deferred outflow of resources	36,429	-	-	-	-
<b>Total assets</b>	<b>\$ 22,906,834</b>	<b>\$ 318,800</b>	<b>\$ 8,104,057</b>	<b>\$ 4,924,880</b>	<b>\$ 7,467,888</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 946,227	\$ 318,900	\$ -	\$ -	\$ 1,151,060
Due to other funds	758,376	-	-	-	-
Deposits	14,489	-	-	-	-
Deferred revenue	5,129,410	-	901,200	449,823	-
Unearned revenue	730,983	-	11,288	-	-
<b>Total liabilities</b>	<b>7,579,485</b>	<b>318,800</b>	<b>912,488</b>	<b>449,823</b>	<b>1,151,060</b>
<b>Fund balances:</b>					
Nonspendable	-	-	-	-	894,228
Restricted	-	-	7,191,569	4,475,257	5,422,378
Committed	-	-	-	-	-
Assigned	10,082,718	-	-	-	-
Unassigned	5,244,833	-	-	-	-
<b>Total fund balances</b>	<b>15,327,349</b>	<b>-</b>	<b>7,191,569</b>	<b>4,475,257</b>	<b>6,316,606</b>
<b>Total liabilities and fund balances</b>	<b>\$ 22,906,834</b>	<b>\$ 318,800</b>	<b>\$ 8,104,057</b>	<b>\$ 4,924,880</b>	<b>\$ 7,467,888</b>

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

Continued

# DESCHUTES COUNTY, OREGON

## GOVERNMENTAL FUNDS BALANCE SHEET JUNE 30, 2012

	Des County 811 Co Serv Dist	Jail Project (Cap Proj Fund)	PERB Reserve	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 7,684,381	\$ -	\$ 8,360,766	\$ 18,739,852	\$ 59,134,980
Investments, at fair value; plus accrued interest	2,750,511	-	3,003,350	5,710,897	21,138,735
Taxes receivable	429,426	-	-	988,628	4,437,556
Accounts receivable	377,523	-	-	1,753,138	3,146,646
Notes and contracts receivable	-	-	-	944,288	4,627,140
Assessments receivable	-	-	-	776,169	776,169
Inventory	-	-	-	-	894,228
Due from other funds	-	-	-	-	878,393
Deferred outflow of resources	-	89,179	-	-	126,608
<b>Total assets</b>	<b>\$ 11,241,840</b>	<b>\$ 89,179</b>	<b>\$ 11,394,116</b>	<b>\$ 28,910,982</b>	<b>\$ 95,358,454</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 125,839	\$ -	\$ -	\$ 2,024,028	\$ 4,686,054
Due to other funds	-	4,078,900	-	31,344	4,888,820
Deposits	-	-	-	15,544	30,033
Deferred revenue	378,394	-	-	2,195,685	9,052,322
Unearned revenue	-	-	-	179,893	922,154
<b>Total liabilities</b>	<b>502,233</b>	<b>4,078,900</b>	<b>-</b>	<b>4,446,504</b>	<b>19,439,193</b>
<b>Fund balances:</b>					
Nonspendable	-	-	-	-	894,228
Restricted	10,739,607	-	-	16,519,405	44,348,216
Committed	-	-	11,394,116	548,251	11,943,367
Assigned	-	-	-	7,395,822	17,478,538
Unassigned	-	(3,989,721)	-	-	1,254,912
<b>Total fund balances</b>	<b>10,739,607</b>	<b>(3,989,721)</b>	<b>11,394,116</b>	<b>24,464,478</b>	<b>79,919,281</b>
<b>Total liabilities and fund balances</b>	<b>\$ 11,241,840</b>	<b>\$ 89,179</b>	<b>\$ 11,394,116</b>	<b>\$ 28,910,982</b>	<b>\$ 95,358,454</b>

This page intentionally left blank.

# DESCHUTES COUNTY, OREGON

## RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET ASSETS JUNE 30, 2012

Total fund balances for governmental funds

\$ 75,919,261

Total net assets reported for governmental activities in the statement of net assets is different because:

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

Land	13,497,072	
Construction in progress	5,022,636	
Infrastructure, net of \$41,551,816 accumulated depreciation	49,583,851	
Land improvements, net of \$1,805,470 accumulated depreciation	2,590,597	
Buildings and improvements, net of \$19,451,392 accumulated depreciation	55,042,660	
Equipment and vehicles, net of \$18,936,044 accumulated depreciation	10,864,233	
Intangible, net of \$1,617,543 of accumulated depreciation	1,670,772	
Total capital assets		138,291,821

Deferred charges are not financial resources and therefore are not reported in the funds:

Deferred Pension Expense	7,781,537	
Prepaid expenses and deferred debt issuance costs	2,436,287	

Internal service funds are used by the County to charge the cost of insurance, building services, administrative services, finance, legal, personnel and information technology to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets. Internal service fund net assets are:

13,452,632

Some of the County's receivables will be collected after year-end, but are not available soon enough to pay for the current period's expenditures, and therefore, are reported as deferred revenues in the funds.

9,052,323

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. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities, current and non-current, are reported in the statement of net assets.

Balances at June 30, 2012, are:

Accrued interest on debt		(195,113)
Accrued interest on interfund debt	(125,608)	
Bonds and notes payable	(58,655,966)	
Net OPEB obligation	(9,181,028)	
Compensated leave	(7,241,247)	
Unamortized premium and discount on bonds	(800,891)	
Long-term liabilities		(75,004,439)

Total net assets of governmental activities

\$ 170,734,308

# DESCHUTES COUNTY, OREGON

## GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2012

	General Fund	Sheriff	Countywide Law Enforcement District	Rural Law Enforcement District	Road
<b>REVENUES</b>					
Taxes - property	\$ 22,272,939	\$ -	\$ 15,850,704	\$ 7,965,436	\$ -
Taxes - other	-	-	-	-	-
Licenses and permits	29,250	-	-	-	1,617
Fines, forfeitures and penalties	451,954	-	230,501	167,866	-
Special assessments	-	-	-	-	-
Investment earnings	314,795	-	52,612	30,504	25,147
Rents	620,982	-	-	-	-
Intergovernmental	3,736,871	30,177,303	2,045,448	3,747,185	14,201,662
Charges for services	1,760,443	-	223,124	45,507	2,124,111
Contributions and donations	28,781	-	8,583	20,755	-
Loan repayments	138,378	-	-	-	-
Other	30,787	-	-	78,743	71,151
Total revenues	29,285,140	30,177,303	18,411,062	12,055,986	16,423,688
<b>EXPENDITURES</b>					
Current:					
General government	13,155,373	-	-	-	-
Public safety	6,162,806	29,505,123	18,483,539	11,683,765	-
County roads	-	-	-	-	14,940,290
Health and welfare	255,677	-	-	-	-
Education	-	-	-	-	-
Debt service:					
Principal payments	-	-	-	-	-
Interest	18,000	-	-	-	-
Trustee fees	-	-	-	-	-
Debt issuance costs	-	-	-	-	-
Capital outlay	387,575	472,180	-	-	793,220
Total expenditures	19,079,431	29,977,303	18,483,539	11,693,765	15,733,510
Excess (deficiency) of revenues over expenditures	9,305,709	200,000	(72,477)	362,221	690,178
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	748,696	-	-	-	535,773
Transfers out	(8,831,826)	(200,000)	-	-	-
Refunding bonds issued	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-
Total other financing sources and uses	(8,083,230)	(200,000)	-	-	535,773
Net change in fund balances	1,222,479	-	(72,477)	362,221	1,225,951
Fund balances - beginning	14,104,870	-	7,264,049	4,113,036	5,090,655
Fund balances - ending	\$ 15,327,349	\$ -	\$ 7,191,569	\$ 4,475,257	\$ 6,316,606

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

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

Continued

# DESCHUTES COUNTY, OREGON

## GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2012

	Des County 911 Co Serv Diet	Jail Project (Capital Project Fund)	PERS Reserve	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
Taxes - property	\$ 6,556,570	\$ -	\$ -	\$ 8,543,775	\$ 61,189,514
Taxes - other	-	-	-	3,357,369	3,357,369
Licenses and permits	-	-	-	747,360	778,227
Fines, forfeitures and penalties	-	-	-	566,834	1,417,245
Special assessments	-	-	-	161,466	161,466
Investment earnings	65,366	445	78,581	218,235	785,685
Rents	-	-	-	1,252,625	1,773,587
Intergovernmental	1,129,177	-	-	30,626,318	85,663,984
Charges for services	314,195	-	-	11,692,309	16,169,689
Contributions and donations	750	-	-	27,655	85,904
Loan repayments	-	-	-	11,476	149,854
Other	-	-	-	22,830	203,511
Total revenues	8,066,058	445	78,581	57,227,752	171,726,015
<b>EXPENDITURES</b>					
Current:					
General government	-	-	375,670	9,074,891	22,808,034
Public safety	5,574,874	-	871,126	9,319,523	81,610,756
County roads	-	-	129,539	1,562,359	16,632,188
Health and welfare	-	-	250,492	32,398,884	32,905,053
Education	-	-	-	687,511	687,511
Debt service:					
Principal payments	-	-	-	5,296,870	5,296,870
Interest	-	-	-	2,613,321	2,631,321
Trustee fees	-	-	-	2,950	2,950
Debt issuance costs	-	-	-	372,216	372,216
Capital outlay	643,915	766,592	-	628,937	3,692,419
Total expenditures	6,218,789	766,592	1,626,827	61,957,562	166,437,318
Excess (deficiency) of revenues over expenditures	1,847,269	(766,147)	(1,548,246)	(4,729,810)	5,288,697
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	-	9,417,298	10,701,765
Transfers out	-	-	-	(2,841,110)	(11,673,036)
Refunding bonds issued	-	-	-	21,893,362	21,893,362
Payment to refunded bond escrow agent	-	-	-	(21,520,747)	(21,520,747)
Total other financing sources and uses	-	-	-	7,148,801	(598,656)
Net change in fund balances	1,847,269	(766,147)	(1,548,246)	2,418,991	4,690,041
Fund balances - beginning	8,892,338	(3,223,574)	12,942,362	22,045,487	71,229,220
Fund balances - ending	\$ 10,739,607	\$ (3,989,721)	\$ 11,394,116	\$ 24,464,478	\$ 75,919,261

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

# DESCHUTES COUNTY, OREGON

## RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2012

Net change in fund balances - total governmental funds		\$ 4,690,041
<b>Financial resources provided that are not revenues</b>		
Repayments from borrowers	(311,219)	
Proceeds from debt issuance	(21,893,362)	
		(22,204,581)
<b>Financial resources used that are not expenses</b>		
Loans made	60,000	
Payment to trustee on refunded debt	21,520,747	
Repayments on long-term debt	5,346,871	
Acquisition of capital assets	7,045,411	
Bond issuance costs	372,216	
		34,345,245
<b>Other adjustments: non-cash expenses and changes in accruals and deferrals</b>		
Depreciation and amortization expense	(7,968,462)	
Amortization of deferred pension cost	(486,346)	
Amortization of deferred refunding cost	(127,851)	
Amortization of bond issuance cost	(77,373)	
Amortization of bond premium / (discount), net	55,818	
Book value of capital assets sold, retired or transferred	(1,363,862)	
Increase in interest receivable	32,771	
Increase in prepaid expenses	589	
Decrease in interest payable	49,565	
Increase in interfund interest payable	(22,784)	
Decrease in deferred property taxes	(665,146)	
Increase in compensated leave and retiree health insurance	(2,719,901)	
		(13,292,981)
Internal service funds		(2,900,349)
Total Adjustments - year ended June 30, 2012		(4,052,666)
Change in net assets of governmental activities - year ended June 30, 2012		\$ 637,375

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

DESCHUTES COUNTY, OREGON

PROPRIETARY FUNDS  
STATEMENT OF NET ASSETS  
JUNE 30, 2012

	Enterprise Funds				Internal
	Solid Waste	Fair & Expo Center	RV Park	Total	Service Funds
<b>ASSETS</b>					
Current assets:					
Cash and cash equivalents	\$ 3,054,108	\$ 751,708	\$ 28,562	\$ 3,834,378	\$ 14,812,318
Investments, plus accrued interest	1,092,203	260,062	8,865	1,371,130	5,230,261
Accounts receivable	480,767	45,650	19	526,426	434,286
Taxes receivable	-	158,297	-	158,297	-
Due from other funds	3,990,227	-	-	3,990,227	-
Prepaid expenses	-	145,651	-	145,651	375
Total current assets	8,617,295	1,370,268	38,446	10,026,009	20,277,240
Noncurrent assets:					
Capital assets:					
Capital assets not being depreciated:					
Land	1,791,352	132,685	-	1,924,037	-
Capital assets net of accumulated depreciation:					
Land improvements	14,365,618	5,971,764	2,280,858	22,618,040	38,651
Buildings and improvements	8,777,770	16,348,915	824,401	25,951,086	-
Equipment and vehicles	3,048,008	290,523	3,317	3,342,748	200,456
Intangible	70,240	-	-	70,240	1,283
Total capital assets	28,053,888	22,743,887	3,108,376	53,906,151	240,390
Other - Deferred financing costs	478,694	545,149	42,911	1,066,754	-
Total noncurrent assets	28,532,582	23,289,036	3,151,287	54,972,905	240,390
Total assets	37,149,877	24,669,364	3,189,733	64,998,914	20,517,630
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	232,244	35,768	10,578	278,610	467,677
Accrued interest	35,257	57,435	8,104	100,796	-
Unearned revenues	-	253,443	-	253,443	-
Current portion of non-current liabilities	667,741	2,223,688	147,952	3,039,361	2,228,918
Total current liabilities	935,242	2,570,334	166,634	3,672,210	2,696,595
Noncurrent liabilities:					
Compensated leave	143,514	167,574	-	311,088	893,976
Net OPEB obligation	243,660	127,789	-	371,749	661,411
Bonds and notes payable (net of unamortized premiums and discounts)	12,044,510	13,512,164	2,524,524	28,081,198	-
Accrued claims payable	-	-	-	-	4,841,932
Accrued landfill closure and postclosure costs	10,493,320	-	-	10,493,320	-
Less current portion of non-current liabilities	(667,741)	(2,223,688)	(147,952)	(3,039,361)	(2,228,918)
Total noncurrent liabilities	22,253,353	11,583,859	2,376,572	36,217,994	4,368,400
Total liabilities	23,192,805	14,154,193	2,543,206	39,890,204	7,064,995
<b>NET ASSETS</b>					
Invested in capital assets, net of related debt	16,006,378	9,231,723	583,852	25,824,953	240,390
Restricted for debt service	-	951,696	-	951,696	-
Unrestricted	(2,052,300)	321,692	62,675	(1,667,939)	13,212,242
Total net assets	\$ 13,957,072	\$ 10,505,111	\$ 646,527	\$ 25,108,710	\$ 13,452,632

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

DESCHUTES COUNTY, OREGON

PROPRIETARY FUNDS  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2012

	Enterprise Funds				Internal
	Solid Waste	Fair & Expo Center	RV Park	Total	Service Funds
<b>OPERATING REVENUES</b>					
Charges for services	\$ 6,427,893	\$ 1,861,856	\$ 154,833	\$ 8,544,582	\$ 26,545,000
Miscellaneous	78,473	1,542	-	80,015	-
Total operating revenues	6,506,366	1,863,398	154,833	8,624,597	26,545,000
<b>OPERATING EXPENSES</b>					
Personnel	1,637,707	946,311	-	2,584,018	7,520,259
Materials and services	2,861,901	1,492,746	105,822	4,460,469	22,655,086
Landfill closure/postclosure core costs	419,762	-	-	419,762	-
Depreciation	2,370,186	750,741	129,121	3,250,048	80,830
Total operating expenses	7,319,536	3,189,800	235,043	10,744,379	30,256,175
Operating income (loss)	(813,170)	(1,225,402)	(80,410)	(2,118,982)	(3,711,175)
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Grants	2,880	83,426	-	86,306	156,823
Property taxes	-	2,334,005	-	2,334,005	-
Investment earnings	51,825	8,234	75	60,134	130,503
Bond issuance costs	(12,394)	(132,189)	(3,177)	(147,760)	-
Interest expense	(412,829)	(555,586)	(99,783)	(1,068,198)	-
Loss on sale of capital assets	(67,213)	-	-	(67,213)	-
Total nonoperating revenues (expenses)	(427,871)	1,737,890	(102,885)	1,207,134	287,326
Income (loss) before contributions and transfers	(1,240,841)	512,488	(183,295)	(911,648)	(3,423,849)
Interfund contribution of assets	-	-	-	-	-
Transfers in	-	483,544	250,000	733,544	573,900
Transfers out	(285,773)	-	-	(285,773)	(50,400)
Change in net assets	(1,526,614)	999,032	66,705	(460,877)	(2,900,349)
Total net assets - beginning	15,483,686	9,509,079	579,822	25,572,587	16,352,981
Total net assets - ending	\$ 13,957,072	\$ 10,505,111	\$ 646,527	\$ 25,108,710	\$ 13,452,632

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



# DESCHUTES COUNTY, OREGON

## PROPRIETARY FUNDS STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2012

	Enterprise Funds				Internal Service Funds
	Solid Waste	Fair & Expo Center	RV Park	Total	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers	\$ 8,488,072	\$ 1,846,741	\$ 120,713	\$ 8,444,626	\$ 28,351,230
Payments to employees	(1,605,356)	(357,804)	-	(2,543,300)	(7,311,230)
Payments to suppliers	(2,884,025)	(1,408,256)	(108,832)	(4,400,043)	(21,126,031)
Net cash provided (used) by operating activities	1,998,691	(919,319)	12,051	1,412,183	(2,075,952)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Property taxes	-	2,359,611	-	2,359,611	-
Grants	2,680	84,426	-	87,106	-
Interfund loan made	(55,000)	-	-	(55,000)	306,823
Interfund loan repayments	312,308	-	-	312,308	-
Interfund transfers in	-	493,544	250,000	743,544	320,500
Interfund transfers out	(595,773)	-	-	(595,773)	-
Net cash provided (used) by noncapital financing activities	(275,867)	2,926,881	250,000	2,901,014	627,323
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Acquisition and construction of capital assets	(1,563,746)	-	-	(1,563,746)	(45,848)
Sale of capital assets	62,464	-	-	62,464	-
Proceeds from refunding debt	5,192,345	67,797	-	5,260,142	-
Bond issuance costs	(68,457)	(1,492)	-	(69,949)	-
Premium on bonds	-	-	-	-	-
Principal paid on capital debt	(5,357,856)	(2,021,113)	(142,504)	(7,521,573)	-
Interest paid on capital debt	(834,848)	(639,082)	(100,225)	(1,574,155)	-
Net cash provided (used) by capital and related financing activities	(2,378,579)	(2,554,890)	(242,629)	(5,176,098)	(45,848)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Sale (purchase) of investments	1,505,678	411,155	50	1,917,083	5,232,467
Interest	35,334	9,535	32	44,901	145,450
Net cash provided (used) by investing activities	1,541,012	420,690	82	1,961,784	5,377,917
Net increase (decrease) in cash and cash equivalents	662,075	163,333	16,063	1,081,442	4,959,478
Balance - beginning of year	2,171,133	567,975	9,228	2,748,336	5,813,028
Balance - end of year	\$ 2,833,208	\$ 731,308	\$ 25,291	\$ 3,589,807	\$ 10,772,506
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>					
Operating income (loss)	\$ (513,110)	\$ (1,225,402)	\$ (50,410)	\$ (2,118,922)	\$ (5,711,175)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation expense	3,370,165	750,741	125,125	4,246,031	80,830
Change in assets and liabilities					
Receivables, net	(18,254)	(18,610)	(16)	(36,880)	(182,315)
Prepaid expenses	-	11,744	-	11,744	4,373
Accounts payable and other liabilities	433,949	(115,817)	(30,511)	287,621	1,732,325
Net cash provided (used) by operating activities	\$ 1,689,651	\$ (598,335)	\$ 12,051	\$ 1,412,183	\$ (2,075,952)
<b>NONCASH INVESTING ACTIVITIES:</b>					
Change in fair value of investments	\$ (1,120)	\$ (400)	\$ 3	\$ (1,517)	\$ (4,480)

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

# DESCHUTES COUNTY, OREGON

## FIDUCIARY FUNDS STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES JUNE 30, 2012

<b>ASSETS</b>	
Cash and cash equivalents	\$ 8,028,784
Investments, at fair value; plus accrued interest	2,855,839
Accounts receivable	258,932
Total assets	<u>11,143,555</u>
<b>LIABILITIES</b>	
Accounts payable	11,042
Due to other governments	1,120,931
Due to others	10,011,561
Total liabilities	<u>11,143,535</u>
<b>NET ASSETS</b>	<u>\$ -</u>

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

## DESCHUTES COUNTY, OREGON

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2012

#### I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### A. Reporting Entity

Deschutes County is a municipal corporation governed by three Commissioners, elected at-large. The accompanying financial statements present the activities of Deschutes County (the County), and its nine (9) component units, entities for which the County is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the County's operations.

Following is a brief description of each blended component unit included within the reporting entity. The Deschutes County Board of County Commissioners is the governing body for each component unit and financial accountability for each component unit is the responsibility of the County.

Countywide Law Enforcement District (District #1) – The District contracts with Deschutes County for law enforcement services that are provided to all county residents.

Rural Law Enforcement District (District #2) – The District contracts with Deschutes County for patrol services in those portions of Deschutes County not serviced by city or special district law enforcement departments.

Deschutes County 911 Service District – Operates the County 9-1-1 call center.

Deschutes County Extension and 4-H Service District – Furnishes support staff and a program coordinator for Oregon State University Extension Service.

Sunriver Service District – Provides police and fire services to Sunriver, Oregon.

Black Butte Ranch Service District – Provides police services to Black Butte Ranch, Oregon.

Bend Library, Redmond Library and Sunriver Library County Service Districts – Each library county service district was established for the purpose of constructing a library and repaying the general obligation bonds issued to finance the cost of construction.

The component units, described above, have been included in these financial statements. Component units' individual audited financial statements are issued and are available in the Deschutes County Finance Department.

There are other districts within the County that have not been included as component units of the County. The Board of County Commissioners appoints the boards of special road districts and vector districts; however, the County Commission does not exercise any administrative or financial control. These districts are autonomous Oregon municipal corporations and are not considered component units of Deschutes County.

##### B. Government-wide and fund financial statements

The government-wide financial statements, consisting of the Statement of Net Assets and the Statement of Activities, report information on all non-fiduciary activities of the County and its component units. The effect of interfund activity has been removed from these statements, except where necessary to account for the cost of a program. Governmental activities, which are supported primarily by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

## DESCHUTES COUNTY, OREGON

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2012

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

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds. Fiduciary funds are excluded from the government-wide financial statements. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

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

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the fiscal year or soon enough thereafter to pay liabilities of the current fiscal year. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditure-driven grants are recorded as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service, compensated absences, certain post-employment benefits, claims and judgments expenditures are recorded at the time such payment is due.

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

Fiduciary funds, which are all agency funds, are reported using the *accrual basis of accounting*.

The accounts of the County are organized on a fund basis. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts recording assets, liabilities, revenues and expenditures.

The County also maintains certain additional sub-funds for its own specific management needs. These sub-funds are consolidated into the appropriate fund for financial statement purposes as is required by accounting principles generally accepted in the United States America.

## DESCHUTES COUNTY, OREGON

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2012

#### MAJOR FUNDS

**Governmental Funds** – The County reports the following major governmental funds:

**General Fund.** The financial resources of the general government are accounted for in the General Fund and in sub-funds of the General Fund, except those that are accounted for in another fund. The General Fund's primary revenue sources are property taxes, Federal and State of Oregon payments and fees for services. The major expenditure category is general government services.

**Sheriff's Office.** The payments received pursuant to intergovernmental agreements with the Countywide Law Enforcement District and Rural Law Enforcement District are accounted for in the Deschutes County Sheriff's Fund. Activities of the Sheriff's Office include administration, corrections, patrol, investigations, records, search and rescue activities, and court security.

**Countywide Law Enforcement District (District #1).** All resources, including property taxes, arising from countywide law enforcement activities are accounted for in this fund. The expenditures are limited to the payment made to Deschutes County, pursuant to an intergovernmental agreement, for countywide law enforcement services.

**Rural Law Enforcement District (District #2).** All resources, including property taxes, arising from rural law enforcement activities are accounted for in this fund. The expenditures are limited to the payment made to Deschutes County, pursuant to an intergovernmental agreement for patrol services in those portions of Deschutes County not served by city or special service district law enforcement departments.

**Road.** The financial resources, primarily motor vehicle taxes received from the State of Oregon and Federal Forest Receipts, of the County's Road Department are used for the building, repair and maintenance of the County's roads, bridges, culverts, street lighting and drainage.

**Deschutes County 911 County Service District.** All resources, including property taxes, arising from the 911 activities, the County's emergency call center, are accounted for in this fund.

**Jail Project (a Capital Project Fund).** The pre-construction costs incurred, related to the remodel and eventual expansion of the County's adult jail, are accounted for in this fund. Until such time external resources are available, inter-fund borrowings have provided the resources for this capital project.

**PERS Reserve.** Financial resources, accumulated to partially offset future increases in the funding of the County's defined benefit retirement plans, are accounted for in the PERS Reserve. The annual budget, adopted by the Board of County Commissioners, sets PERS rates to be applied to qualifying salaries of each department in order to repay the pension bonds (Note III.F), make the required contribution to PERS (Note IV.C) and either fund or utilize the PERS Reserve, as needed, to mitigate the impact of significant changes in rates.

**Enterprise Funds** – The County operates three enterprise activities, two of which have been determined to be major.

**Solid Waste** accounts for the operations of the County's sanitary landfill and transfer station sites.

**Fair & Expo Center** accounts for the operations of the County's Fair & Expo Center, including the annual county fair and the collection of taxes to pay the debt service on the general obligation bonds which were issued to finance the construction of the fairgrounds.

## DESCHUTES COUNTY, OREGON

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2012

Additionally, the County reports the following fund types:

**Internal service funds** account for building, administrative, county commissioner, finance, legal, personnel, information technology and insurance services provided to other County departments on a cost reimbursement basis.

**Agency funds** are used for tracking various activities including the accumulation and distribution of property taxes, escrow for contractor retainage and developers, funds prior to adjudication, distribution of the State of Oregon's common school funds, inter-governmental law enforcement activities, justice court, and various other collection and escrow agent activities.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The County has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements, except as necessary to show the total cost of a program.

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services or privileges provided; 2) operating grants and contributions and 3) capital grants and contributions, including special assessments. General revenues include all taxes and investment earnings.

Operating revenues and expenses are reported separately from non-operating items in the Proprietary Funds. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal on-going operations. The principal operating revenues of the RV Park, Solid Waste and the Fair & Expo Center are payments received from third parties for services. Operating expenses for the enterprise funds and internal service funds include the cost of providing services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

#### D. Budget Policy

Budgets are prepared on the modified accrual basis for all funds. Except for the Fiduciary Funds, all of which are agency funds that account for "pass-through" transactions, the County adopts annual budgets for each of its funds, and sub-funds as determined appropriate, as required by state law.

The resolution, authorizing appropriations for each fund, sets the level by which expenditures cannot lawfully exceed appropriations. The levels of control established by the resolution are: personnel services, materials and services, debt service, capital outlay and transfers out. The County's published budget contains more specific detailed information for the above mentioned expenditure categories. Unexpected additional resources may be added to the budget through the use of a supplemental budget and appropriation resolution. Original and supplemental budgets may be modified by the use of appropriation transfers between the levels of control. Such transfers require approval of the Board of County Commissioners. Appropriations lapse at year-end.

## DESCHUTES COUNTY, OREGON

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2012

#### E. Assets, liabilities and net assets or equity

##### 1. Cash and cash equivalents and investments

Cash and cash equivalents include amounts held as demand deposits and in the Local Government Investment Pool. The cash balances of substantially all funds, including the agency funds, are pooled and invested by the County Treasurer for the purpose of increasing earnings through investment activities. Investments are reported at fair value as of June 30, 2012, based on market prices and include accrued interest. Earnings on the pooled monies are apportioned and credited to each fund monthly, based on the average daily balances of each participating fund.

##### 2. Receivables and payables

All trade and property tax receivables are shown net of an allowance for uncollectibles. Notes receivable in governmental funds include loans that are not expected, or scheduled, to be collected in the subsequent year.

The County is responsible for the assessment, collection and apportionment of property taxes for all taxing jurisdictions within the County. Taxes are levied as of July 1 based on assessed values as of January 1. Property tax payments are due in three equal installments, on November 15, February 15 and May 15. A discount of 3% is available if taxes are paid in full by November 15 and a discount of 2% on the unpaid balance is available if taxes are paid in full by February 15. Property taxes become a lien on the property on July 1.

##### 3. Inventory, prepaids and deferred charges

Inventories are valued at cost using the first in/first out (FIFO) method. The only material inventories of the County are accounted for in the Road Fund. Certain payments to vendors reflect costs applicable to future accounting periods and are reported as prepaid items. Deferred charges consist of prepaid pension costs, deferred debt issuance costs and deferred debt refunding costs.

##### 4. Capital assets

Capital assets, which include property, plant, equipment and infrastructure (e.g. roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide statement of net assets. Capital assets are those assets with an initial individual cost of \$5,000 or more and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost, if constructed. The County reports infrastructure assets on a network and subsystem basis. The amounts spent for the construction or acquisition of infrastructure assets are capitalized and reported in the government-wide financial statements. General infrastructure assets (i.e., those reported by governmental activities) include all such items acquired or constructed in fiscal years ending after June 30, 1980. Historical cost was estimated by backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year). The cost of normal repairs, maintenance and remodel that do not add to the value of the asset or materially extend asset lives are not capitalized. Donated capital assets are recorded at their fair value at the date of donation.

## DESCHUTES COUNTY, OREGON

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2012

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

Assets	Years
Buildings	30-60
Building Improvements	10-15
Land improvements	10-30
Equipment and vehicles	3-20
Infrastructure	20-50

The County has no major capital projects underway as of June 30, 2012.

##### 5. Compensated absences

It is Deschutes County's policy to permit employees to accumulate earned but unused vacation, (time management) (a leave-with-pay program, including sick, vacation, family emergency and compensatory time) and sick leave. Except in the two cases as noted below, no liability for unpaid accumulated sick leave is recorded because the County does not pay sick leave when employees separate from service with the County. Exceptions to non-payment of sick leave are: 1) Non-represented employees receive one-half of any sick leave earned through June 30, 1994, and 2) Employees who are members of the Public Works union receive one-half of any sick leave upon separation, following at least five years of service. A liability for the vested portion of vacation, sick leave and time management is reported in the proprietary statement of net assets and the government-wide statement of net assets.

During FY 2012, \$5.3 million was paid in compensated leave from governmental funds – 35% from Sheriff's Office, 14% from Behavioral Health, 7% from Public Health, 10% from General Fund, 8% from Road Department, 7% from Deschutes County 911, 8% from Juvenile Community Justice, 5% from Community Development and the remaining 6% from other special revenue funds.

##### 6. Net other post-employment benefits obligation (Net OPEB Obligation)

The net OPEB obligation is recognized as a long-term liability in the proprietary statement of net assets and in the government-wide statement of net assets. The liability reflects the present value of expected future payments. The net other post-employment benefits liability and expenditures in the governmental fund financial statements are limited to amounts that become due and payable as of the end of the fiscal year.

##### 7. Long-term obligations

Long-term debt and other long-term obligations are reported as liabilities in the government-wide statement of net assets in the applicable governmental activities and business-type activities columns and in the proprietary funds statement of net assets. Bond premiums and bond discounts are amortized over the life of the bonds using the straight-line method.

##### 8. Fund balance reporting

The County implemented GASB 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, beginning in FY 2011 for its governmental funds. Under GASB 54, fund balances are required to be reported according to the following classifications:

Nonspendable fund balance – Includes amounts that cannot be spent because they are either not in spendable form, or, for legal or contractual reasons, must be kept intact. This classification includes inventories, prepaid amounts, assets held for sale and long-term receivables.

## DESCHUTES COUNTY, OREGON

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2012

Restricted fund balance – constraints placed on the use of these resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors or other governments; or are imposed by law (through constitutional provisions or enabling legislation).

Committed fund balance – amounts that can be used only for specific purposes because of a formal action (resolution or ordinance) by the County's highest level of decision-making authority, the Board of County Commissioners, such formal action is done via a resolution.

Assigned fund balance – amounts that are constrained by the County's intent to be used for specific purposes, but that do not meet the criteria to be classified as restricted or committed. Intent is stipulated by the Board of County Commissioners or the department head with budgetary responsibility for such fund. This policy is established by the Financial Policies approved by the Board of County Commissioners August 22, 2011. With the exception of the General Fund, this is the residual fund balance classification for all governmental funds with positive fund balances.

Unassigned fund balance – this is the residual classification of the General Fund. Only the General Fund reports a positive unassigned fund balance. A negative balance must be reported in this classification for governmental funds, other than the General Fund, as the result of overspending for specific purposes for which amounts had been restricted, committed or assigned.

The County reduces restricted amounts first when expenditures are incurred for purposes for which restricted and unrestricted (committed, assigned or unassigned) amounts are available. The County reduces committed amounts first, followed by assigned amounts then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

## II – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

### A. Budgetary Information

On an annual basis, County department personnel submit requested budgets for each fund for which they are responsible. Requested budgets, which include estimated revenues and appropriations of the estimated revenues, are submitted to the Budget Officer, who is appointed by the Board of County Commissioners. The Budget Officer then prepares the proposed budget, by fund, department, program, category and line item. The proposed budget includes information on the prior two years, the current year and estimated resources and requested appropriations for the ensuing year.

The proposed budget is presented by the Budget Officer to the Budget Committee. The Budget Committee holds public meetings and may make changes to the proposed budget. The Budget Committee submits the approved budget to the governing body of the County for adoption. The governing body announces a public hearing, and after considering matters discussed, may make changes to the budget prior to its adoption. Such changes cannot exceed 10% of the appropriations of the approved budget or a change in the amount of the ad valorem taxes without re-publication of the budget and another public hearing.

After the budget is adopted, changes to appropriations are sometimes necessary. The governing body may make additional appropriations to 1) expend new grant revenues received during the fiscal year, 2) adopt a supplemental budget for occurrences or needs not foreseen at the time the budget was adopted and 3) approve appropriation transfers. It is, however, unlawful to overspend a category of appropriation.

## DESCHUTES COUNTY, OREGON

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2012

In accordance with state statutes, appropriations are approved before the beginning of the fiscal year and terminate June 30 of the year of appropriation. Encumbrances are not reported in the financial statements.

### B. Excess of expenditures over appropriations

For the year ended June 30, 2012, expenditures exceeded appropriations by category, the level of budgetary control, as follows:

	Original Budget	Final Budget	Actual	Over- expenditure
<b>Personnel</b>				
Survivor Service District	\$ 10,870	\$ 12,070	\$ 13,151	\$ (1,181)
<b>Materials and Services</b>				
General Support Services - BOCC	89,581	99,321	103,424	(4,103)
Behavioral Health	3,929,205	5,805,749	5,975,457	(169,708)
Law Library	114,314	114,314	114,367	(53)
Survivor Service District - Fire and Emergency Services	324,488	324,489	327,043	(2,554)
Total Materials and Services	4,457,569	6,343,673	6,520,291	(176,618)
	\$ 4,468,539	\$ 6,356,843	\$ 6,533,442	\$ (176,599)

### C. Funds with Negative Fund Balances / Negative Net Assets

Liabilities exceed assets in one of the County's governmental funds.

*Jail Remodel (Capital Project Fund) – Fund Balance (\$ 3,959,721).* The preliminary costs incurred for the remodel of the County's adult jail have been financed with an interfund loan from the County's Solid Waste Landfill Closure Fund and a loan from the Countywide Law Enforcement District. The County intends to sell real property and use the proceeds to repay the loans and the costs of the jail remodel.

Liabilities exceed assets in one of the Internal Service Funds.

*Insurance Fund – Net Assets (\$1,001,180).* Due to a 52% increase in accrued claims payable, the total assets in the fund are less than the total liabilities. A transfer from the General Fund or a reserve fund may be necessary in the event that resources in the fund are insufficient to pay claims and operating expenses. Additionally, internal insurance premiums paid by the operating departments will need to be increased.

## III. DETAILED NOTES ON ALL FUNDS

### A. Deposits and Investments

#### Deposits

*Custodial Credit Risk.* Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. State statutes require that all bank deposits in excess of the FDIC or FSLIC insurance amounts be collateralized through the Oregon State Treasurer's Public Funds Collateralization

# DESCHUTES COUNTY, OREGON

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2012

Program. This program provides a structure for specified depositories to participate in a shared liability collateral pool. Securities pledged by individual institutions may range from 10% to 110% of public fund deposits depending on the financial institution's level of capitalization as determined by its federal regulatory authority. The aggregate Oregon public fund collateral pledged at June 30, 2012, was \$1,197,530,492 for reported public funds of \$1,391,160,063. The custodian, Federal Home Loan Bank of Seattle, is the agent for the depository bank. The securities pledged are designated as subject to the Pledge Agreement between the depository bank, custodian bank and Office of the State Treasurer (OST) and are held for the benefit of OST on behalf of the public depositories. The County's funds were held by financial institutions that participated in the State Treasurer's program and were in compliance with statutory requirements.

### Investments

As of June 30, 2012, the County had the following investments and maturities:

Investment Type	Investment Maturities		Total
	18 Months or less	18 to 24 months	
Federal Agency Coupon Securities	\$ 6,850,636	\$ 2,001,120	\$ 8,851,756
Corporate notes	12,302,420	-	12,302,420
Non Negotiable Certificates of Deposit	8,920,000	240,000	9,160,000
Total Investments	<u>\$ 28,073,056</u>	<u>\$ 2,241,120</u>	<u>30,314,176</u>
Accrued Interest			281,789
Investments - at fair value plus accrued interest			<u>\$ 30,595,965</u>
Deschutes County - Statement of Net Assets			27,740,126
Fiduciary Funds - Statement of Fiduciary Assets and Liabilities			<u>2,855,839</u>
			<u>\$ 30,595,965</u>
Total Investments, above	28,073,056	2,241,120	30,314,176
State of Oregon - Local Government Investment Pool	<u>72,573,580</u>		<u>72,573,580</u>
Total Portfolio	<u>\$ 100,646,636</u>	<u>\$ 2,241,120</u>	<u>\$ 102,887,756</u>

**Interest Rate Risk.** Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. As a means of limiting its exposure to fair value losses arising from rising interest rates, the County investment policy requires that a minimum of 80% of the County's investment portfolio, which includes monies held in the State of Oregon Local Government Investment Pool, have maturities of 18 months or less. The investment in the State of Oregon Local Government Investment Pool is included in the amount reported on the Statement of Net Assets as cash and cash equivalents. The remaining 20% of the County's investments must have maturities of 24 months or less. At June 30, 2012, 98% of the investment portfolio will mature in 18 months or less.

# DESCHUTES COUNTY, OREGON

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2012

**Credit Risk.** Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. Oregon Revised Statutes, Chapter 294, authorizes the County to invest in obligations of the United States Treasury and United States Government agencies and instrumentalities, certain bankers' acceptances, repurchase agreements, certain high-grade commercial paper and corporate bonds and obligations of states and municipalities. The County's investment policy has been approved by the County Commission and specifies the County's investment objectives, required diversification, certain limitations and reporting requirements. These requirements limit investments in commercial paper and corporate bonds to 20% of the total portfolio and 5% in any one corporation, subsidiary or affiliate. Commercial paper and corporate bonds must also be in the top two ratings issued by nationally recognized statistical rating organizations (NRSROs). As of June 30, 2012, the County's investments in corporate bonds were rated A+ to AA+ by Standard & Poor's, and A1 to AAA by Moody's Investors Service.

**Custodial Credit Risk.** Custodial credit risk is the risk that, in the event of the failure of the counterparty to a transaction, the government will not be able to recover the value of an investment or collateral securities in the possession of an outside party. The County's investment policy provides that broker/dealers and financial institutions meet certain qualifications, which are reviewed annually.

**Concentration of Credit Risk.** Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The County's investment policy provides that the maximum that may be invested in any one issuer, as a percentage of the fund's total investments, is 100% for US Treasury, 75% for US Government agencies with 50% of this amount in any single government sponsored enterprise, 100% in the State of Oregon Investment Pool or the maximum imposed by state statute, 25% in Certificates of Deposit with 30% of this amount in any single qualified financial institution, 25% for Bankers' Acceptances with 30% of this amount in any single qualified financial institution, 20% for Commercial paper and Corporate notes with 5% of this amount in any one corporation, subsidiaries or affiliates, 25% for State and Local Government Securities, 25% for Repurchase Agreements with 10% of this amount in any single qualified financial institution. On June 30, 2012, the County did not hold investments with any one issuer that exceeded these limits.

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

### B. Receivables

Receivables as of year-end for the major funds and the nonmajor and internal service funds, in the aggregate, including the applicable allowances for uncollectible accounts are as follows:

	Property Taxes	Transient Room Taxes	Total Taxes Receivables	Accounts	Notes and Contracts	Assessments	Total
General Fund	\$ 1,405,621	\$ -	\$ 1,405,621	\$ 329,568	\$ 3,882,812	\$ -	\$ 5,675,021
Sheriff	-	-	-	135	-	-	135
Countywide Law Enforcement	1,038,705	-	1,038,705	180,704	-	-	1,219,409
Rural Law Enforcement	517,177	-	517,177	149,108	-	-	666,285
Road	-	-	-	358,478	-	-	358,478
Deschutes County 911	429,425	-	429,425	377,823	-	-	806,948
Solid Waste	-	-	-	480,757	-	-	480,757
Fair & Expo Center	158,297	-	158,297	45,650	-	-	203,947
Nonmajor and Internal Service	541,789	444,880	986,629	2,187,440	944,299	778,169	4,894,536
Total	<u>\$ 4,150,994</u>	<u>\$ 444,880</u>	<u>\$ 4,595,854</u>	<u>\$ 4,106,364</u>	<u>\$ 4,827,140</u>	<u>\$ 778,169</u>	<u>\$ 14,305,517</u>

# DESCHUTES COUNTY, OREGON

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2012

The County holds promissory notes as a result of its lending and real estate sale activities. Loans are made to not-for-profit entities and bear interest at rates from zero to 3.9%. Sales of real property are often financed by the County and these interest-bearing notes are amortized over periods ranging from ten to twenty years. Interest rates are fixed at the time of the initial transaction at then prevailing rates. At June 30, 2012, \$2,731,842 is due on contracts from sales of real property and \$2,090,298 is due from lending activities.

Assessments are due from property owners as part of a local improvement district. Each contract calls for semi-annual payments which amortizes the loan over 10 years. Prepayment, without penalty, is allowed. Payment is normally made in full in the event of sale of property or re-financing of the property.

The unearned and deferred revenues reported as liabilities on the governmental funds balance sheet are either (a) revenues that are earned but are not available to liquidate liabilities of the current period or (b) amounts that have been received but not yet earned. At the end of the current fiscal year, these two components were as follows:

	Unavailable					Unearned	Total Unearned and Deferred Revenues
	Property Taxes	Loans	Contracts for Sale	Special Assessments	Total Unavailable		
General Fund	\$ 1,273,630	\$ 1,166,180	\$ 2,664,600	\$ -	\$ 5,124,410	\$ 730,983	\$ 5,855,393
Countywide LED	801,200	-	-	-	801,200	11,288	812,488
Rural LED	448,623	-	-	-	448,623	-	448,623
Deschutes County 911	376,384	-	-	-	376,384	-	376,384
Nonmajor funds	475,227	60,000	884,298	778,169	2,195,694	178,893	2,375,587
Total Unearned and Deferred Revenues	\$ 3,476,074	\$ 1,246,180	\$ 3,548,998	\$ 778,169	\$ 9,047,321	\$ 922,164	\$ 9,969,485

# DESCHUTES COUNTY, OREGON

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2012

### C. Deferred charges

The County's prepaid pension costs, deferred cost of debt issuance and deferred costs of refunded debt are amortized on the straight-line basis over the period benefitted.

	Governmental Activities	Business-Type Activities	Total
<u>Deferred charges</u>			
Prepaid Pension Cost			
Series 2002	\$ 3,274,049	\$ -	\$ 3,274,049
Series 2004	4,507,488	-	4,507,488
Total Prepaid Pension Cost	7,781,537	-	7,781,537
Deferred Cost of Issuance			
Series 2002 Pension Bond	66,297	-	66,297
Refunding Series 2002	9,241	28,502	37,743
Refunding Series 2003	15,488	-	15,488
Series 2004 Pension Bond	89,455	-	89,455
Refunding Series 2004	14,531	-	14,531
Series 2005 Full Faith & Credit	42,827	34,487	77,314
Refunding Series 2005	61,660	-	61,660
Series 2007 LID	4,250	-	4,250
Series 2007 Full Faith & Credit	-	135,733	135,733
Series 2008A Full Faith & Credit	128,071	-	128,071
Series 2009A Full Faith & Credit	55,004	-	55,004
Series 2009 LID	5,562	-	5,562
Series 2010 Full Faith & Credit	45,116	-	45,116
Refunding Series 2012	372,216	89,959	462,175
Total Deferred Cost of Issuance	909,718	288,681	1,198,399
Deferred Cost of Refunded Debt			
G.O. Bond (Public Safety & Fairgrounds)	118,318	496,322	614,640
G.O. Bond (Bend Library)	74,068	-	74,068
CDD Building (1996 COPs)	39,097	-	39,097
HHS/BJCC (1998 COPs)	111,755	-	111,755
County Buildings (FF&C 2003)	1,154,247	281,751	1,435,998
Total Deferred Cost of Refunded Debt	1,497,485	778,073	2,275,558
Total Deferred Charges	\$ 10,188,740	\$ 1,066,754	\$ 11,255,494

# DESCHUTES COUNTY, OREGON

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2012

### D. Capital assets

Capital asset activity for the year ended June 30, 2012, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities</b>				
Capital assets, not being depreciated:				
Land	\$ 13,472,431	\$ 24,841	\$ -	\$ 13,497,272
Construction in progress	7,114,560	1,236,159	(3,328,111)	5,022,608
Total capital assets, not being depreciated	20,587,018	1,260,999	(3,328,111)	18,519,706
Capital assets being depreciated:				
Buildings and improvements	74,801,029	1,004,281	(1,411,252)	74,404,058
Land improvements	4,592,044	-	-	4,592,044
Equipment and vehicles	30,630,585	2,227,024	(1,565,594)	31,292,015
Infrastructure	68,888,952	4,245,715	-	73,134,667
Intangible assets	2,229,702	1,058,825	-	3,288,527
Total capital assets, being depreciated	180,243,306	8,135,845	(2,976,846)	185,402,305
Less accumulated depreciation for:				
Buildings and improvements	(17,722,236)	(1,854,059)	124,900	(19,451,395)
Land improvements	(1,700,268)	(198,607)	-	(1,898,875)
Equipment and vehicles	(19,301,123)	(2,415,012)	1,508,778	(20,207,357)
Infrastructure	(38,165,869)	(3,395,847)	-	(41,561,716)
Intangible assets	(1,688,765)	(227,768)	-	(1,916,533)
Total accumulated depreciation	(78,674,261)	(8,048,285)	1,633,678	(85,088,868)
Total capital assets, being depreciated, net	120,269,087	1,086,559	(1,343,168)	120,012,502
Governmental activities capital assets, net	\$ 140,866,108	\$ 2,347,358	\$ (4,671,249)	\$ 138,542,217
<b>Business-type activities</b>				
Capital assets, not being depreciated:				
Land	\$ 1,893,902	\$ 30,135	\$ -	\$ 1,924,037
Total capital assets, not being depreciated	1,893,902	30,135	-	1,924,037
Capital assets, being depreciated:				
Buildings and improvements	32,450,573	-	-	32,450,573
Land improvements	33,895,128	15,000	(10,000)	33,900,128
Equipment and vehicles	6,218,898	960,528	(318,225)	6,861,196
Intangible assets	42,220	45,200	-	87,420
Total capital assets, being depreciated	72,406,820	1,060,728	(326,225)	73,141,323
Less accumulated depreciation for:				
Buildings and improvements	(5,771,122)	(728,355)	-	(6,499,477)
Land improvements	(9,287,979)	(1,790,442)	6,333	(11,072,088)
Equipment and vehicles	(3,030,481)	(709,254)	201,104	(3,538,631)
Intangible assets	(4,223)	(12,965)	-	(17,188)
Total accumulated depreciation	(18,093,805)	(3,250,027)	208,537	(21,135,295)
Total capital assets, being depreciated, net	54,313,015	(2,209,199)	(118,708)	51,985,108
Business-type activities capital assets, net	\$ 59,204,023	\$ (2,179,064)	\$ (118,708)	\$ 56,906,251

# DESCHUTES COUNTY, OREGON

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2012

Depreciation expense was charged to functions/programs of the primary government as follows:

<b>Governmental activities:</b>	
General governmental	\$ 1,293,280
Public safety	2,532,249
County roads	3,926,321
Health and welfare	216,600
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	80,830
<b>Total depreciation expense - governmental activities</b>	<b>\$ 8,049,280</b>
<b>Business-type activities:</b>	
Solid waste	\$ 2,370,166
Fair & Expo center	750,741
RV park	129,121
<b>Total depreciation expense - business-type activities</b>	<b>\$ 3,250,028</b>

### Operating Leases – County as Lessor of Real Property

The County received \$1,325,733 in lease rental revenue for the year ended June 30, 2012, and the County expects to receive approximately \$4.0 million in lease rental income over the next 5 years under non-cancelable leases which were in effect at June 30, 2012. These leases are cancelable if annual appropriations are not included in the lessee's annual appropriation resolution.

The carrying value of real property, leased under non-cancelable operating leases, was \$11.9 million as of June 30, 2012, and depreciation expense for FY 2012 was \$258,000.

### E. Interfund Activity

Interfund Transfers:

	Transfers in					
	General	Special	Nonmajor Governmental	Internal Service Funds	RV Park	Fair & Expo Center
Transfers Out:						
Governmental Activities						
General Fund	\$ -	\$ -	\$ 7,273,036	\$ 373,800	\$ 110,000	\$ 575,000
Special	-	-	200,000	-	-	-
Nonmajor governmental	698,286	250,000	1,444,776	-	149,000	188,544
Solid Waste	-	203,275	-	-	-	-
Internal Service Funds	50,000	-	-	-	-	-
Total	\$ 748,286	\$ 453,275	\$ 9,417,286	\$ 373,800	\$ 259,000	\$ 663,544

Interfund transfers are utilized for the following purposes: Certain special revenue funds and the Fair & Expo Center require additional resources transferred from the General Fund for operations; certain debt service funds require transfers from operating funds to meet annual debt service requirements; fees collected at the Solid Waste facility have been designated for road maintenance; and the RV Park requires additional resources from the General Fund and a special revenue fund to meet its debt service requirements.



# DESCHUTES COUNTY, OREGON

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2012

Additionally, due to higher than anticipated property tax collections, one-time transfers were made to reserve funds and internal service funds.

**Interfund Loans.** Costs incurred for the remodel of the County's adult jail and loans made to the Humane Society of Redmond have been financed with interfund loans. At June 30, 2012, \$3,990,227 is owed to the County's Solid Waste Landfill Closure Fund, \$3,231,852 from Jail Remodel and \$758,375 from Redmond Humane Society. Additionally, the Countywide Law Enforcement District loaned \$847,049 to the Jail Remodel Fund. The General Fund loaned \$31,344 to the Natural Resource Protection Fund. It is anticipated that the loan to the Humane Society of Redmond Fund will be repaid with the proceeds from the repayment of the loans made to the Humane Society and the loans to the Jail Remodel will be repaid with the proceeds from the sale of real property. The loan to the Natural Resource Protection Fund will be repaid with Federal reimbursement grants.

### **F. Long-Term Obligations**

#### Operating Leases – County as Lessee

The County leases buildings and office facilities and equipment under non-cancelable operating leases. The total expended for such leases for the year ended June 30, 2012, was approximately \$215,000. The future minimum lease payments for these leases are as follow:

<u>Fiscal Year Ending June 30,</u>	<u>Amount</u>
2013	\$ 189,858
2014	113,550
2015	66,627
2016	37,114
<b>Total</b>	<b>\$ 407,149</b>

#### Notes and Bonds

The County has issued General Obligation Bonds, Full Faith & Credit Obligations and Limited Tax Bonds, for both governmental and business-type activities, to provide funds for the acquisition and construction of major capital facilities, acquire personal property and fund the pension liability.

The County also issued special assessment debt to provide funds for the construction of streets in existing residential areas. These bonds will be repaid from amounts levied against the property owners benefited by these improvements. In the event that a deficiency exists because of unpaid or delinquent special assessments at the time a debt service payment is due, the County must provide resources to cover the deficiency until other resources, for example, foreclosure proceeds, are received.

General Obligation, Full Faith & Credit Obligation and Limited Tax bonds are direct obligations and pledge the full faith and credit of the County. These are serial bonds with original terms ranging from 20 years to 30 years with increasing amounts of principal maturing each year. General Obligation, Full Faith & Credit Obligation and Limited Tax bonds currently outstanding are as follows:

# DESCHUTES COUNTY, OREGON

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2012

<u>Purpose</u>	<u>Interest Rates</u>	<u>Balance at June 30, 2012</u>
General Obligation and Full Faith & Credit Obligation Bonds:		
Governmental activities	2.00 - 7.02%	\$ 27,642,585
Governmental activities - refunding	2.96 - 4.4%	30,330,277
Business-type activities	4.49 - 5.47%	10,095,699
Business-type activities - refunding	3.87%	17,134,723
		<b>\$ 85,203,284</b>
Limited Tax Improvement Bonds		
Governmental activities	4.00 - 5.95%	\$ 601,700
Notes		
Governmental activities	0.00 - 1.25%	\$ 81,305
Business-type activities	4.86 - 5.00%	398,639
		<b>\$ 479,944</b>

#### Advanced refundings

The County issued \$26,345,000 of full faith and credit refunding bonds (Refunding Series 2012) to provide resources to purchase U.S. Government State and Local Government Series securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of \$25,610,000 of full faith and credit bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the governmental and business activities columns of the statement of net assets. The reacquisition price exceeded the net carrying value of the old debt by \$1,435,998. This amount is being amortized over the remaining life of the refunded debt. This advanced refunding was undertaken to reduce the total debt service payments over the next 21 years by \$4,666,735 and resulted in an economic gain of \$3,638,517. As of June 30, 2012, \$25,610,000 of bonds are considered defeased.

**DESCHUTES COUNTY, OREGON**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2012**

**Changes in Long-Term Liabilities**

Changes in long-term obligations for the year ended June 30, 2012, are as follows:

	July 1, 2011	Increases	Decreases	June 30, 2012	Due Within One Year
<b>Governmental Activities</b>					
Claims					
Internal service funds	\$ 3,355,932	\$ 17,630,892	\$ (16,144,892)	\$ 4,841,932	\$ 3,237,266
Pension obligation bonds	11,386,137	-	(162,864)	11,223,283	196,897
Full Faith & Credit obligations	42,385,831	21,215,277	(22,611,529)	40,989,579	2,246,838
Unamortized prem / (disc)	189,192	678,085	(169,575)	707,702	34,468
General obligation bonds	8,733,265	-	(2,973,265)	5,760,000	3,090,000
Unamortized premiums	139,483	-	(48,494)	92,989	46,494
Loans					
Governmental funds	140,000	-	(58,895)	81,305	58,804
Full Faith & Credit LIDs	776,815	-	(175,115)	601,700	90,000
Net OPEB obligations					
Governmental funds	6,921,065	2,578,737	(318,776)	9,181,026	-
Internal service funds	732,924	173,824	(45,337)	861,411	-
Compensated absences					
Governmental funds	6,781,306	6,109,411	(5,649,471)	7,241,246	6,032,645
Internal service funds	813,427	623,594	(543,042)	893,979	596,818
	<u>\$ 82,355,377</u>	<u>\$ 49,009,620</u>	<u>\$ (48,888,845)</u>	<u>\$ 82,476,152</u>	<u>\$ 15,630,018</u>
<b>Business-type activities</b>					
Full Faith & Credit Obligations	\$ 15,719,169	\$ 5,129,723	\$ (5,623,471)	15,225,421	\$ 718,364
Unamortized prem / (disc)	85,413	151,017	(38,815)	197,615	10,262
General obligation bonds	13,885,000	-	(1,880,000)	12,005,000	2,036,000
Unamortized premiums	318,154	-	(63,631)	254,523	63,631
Net OPEB obligations	337,662	44,863	(10,776)	371,749	-
Compensated absences	304,882	189,422	(183,216)	311,088	193,657
Landfill closure and postclosure	10,073,558	419,762	-	10,493,320	-
Notes payable	416,742	-	(18,102)	398,640	18,237
	<u>\$ 41,140,590</u>	<u>\$ 5,844,787</u>	<u>\$ (7,828,011)</u>	<u>\$ 39,257,366</u>	<u>\$ 3,039,361</u>

**DESCHUTES COUNTY, OREGON**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2012**

**Debt Service Requirements**

Debt service requirements on Limited Tax Improvement Bonds and Bonds and Notes at June 30, 2012, are as follows:

Fiscal Year:	Governmental Activities				Business-type Activities	
	Full Faith & Credit LIDs		Bonds & Notes		Bonds & Notes	
	Principal	Interest	Principal	Interest	Principal	Interest
2013	\$ 20,000	\$ 29,681	\$ 5,582,337	\$ 2,401,337	\$ 2,771,601	\$ 1,181,493
2014	79,000	28,279	4,976,700	2,211,726	2,942,810	970,481
2015	128,000	23,435	2,887,830	2,049,891	3,182,954	844,365
2016	175,000	18,970	2,794,899	1,972,787	3,419,171	689,623
2017	183,660	7,480	2,842,535	1,885,784	3,592,066	527,545
2018-2022	18,040	483	13,384,932	7,747,492	4,651,862	1,802,300
2023-2027	-	-	16,629,063	3,982,485	5,219,468	866,678
2028-2032	-	-	8,053,295	798,054	1,531,705	174,818
2033-2037	-	-	1,312,575	21,001	337,425	5,399
<b>Total</b>	<u>\$ 601,700</u>	<u>\$ 106,328</u>	<u>\$ 58,054,166</u>	<u>\$ 23,068,557</u>	<u>\$ 27,629,062</u>	<u>\$ 7,052,688</u>

# DESCHUTES COUNTY, OREGON

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2012

### G. Fund Balance Constraints

The constraints on fund balance as listed in aggregate in the Statement of Revenues, Expenditures and Changes in Fund Balance are detailed according to the balance classification and fund.

Fund Balance	Major Special Revenue Funds							Total
	General Fund	LED #1	LED #2	Road	DC 911 CSD	Jail Project	PERS Reserve	
Nonspendable Inventory	\$ -	\$ -	\$ -	\$ 894,226	\$ -	\$ -	\$ -	\$ 894,226
Restricted for:								
Economic development	-	-	-	-	-	-	713,266	713,266
Public safety	-	7,191,669	4,476,267	-	10,739,607	-	3,003,770	25,430,303
Social services	-	-	-	-	-	-	6,791,005	6,791,005
General government	-	-	-	-	-	-	416,913	416,913
Debt service	-	-	-	-	-	-	585,901	585,901
Technology improvements	-	-	-	-	-	-	432,520	432,520
Infrastructure and road maintenance	-	-	-	5,422,378	-	-	1,024,107	6,446,485
Parks and natural resources	-	-	-	-	-	-	482,771	482,771
Education	-	-	-	-	-	-	15	15
Other capital projects	-	-	-	-	-	-	1,049,537	1,049,537
Total Restricted	-	7,191,669	4,476,267	5,422,378	10,739,607	-	16,519,405	44,348,216
Committed for:								
Economic stabilization	-	-	-	-	-	-	11,394,116	11,394,116
Economic development	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Social services	-	-	-	-	-	-	-	-
General government	-	-	-	-	-	-	426,890	426,890
Debt service	-	-	-	-	-	-	-	-
Fleet repair & replacement	-	-	-	-	-	-	-	-
Road maintenance	-	-	-	-	-	-	-	-
Other capital projects	-	-	-	-	-	-	122,361	122,361
Total Committed	-	-	-	-	-	-	11,943,367	11,943,367
Assigned to:								
Economic stabilization	-	-	-	-	-	-	-	-
Economic development	184,263	-	-	-	-	-	543,974	728,237
Public safety	896,348	-	-	-	-	-	547,313	1,443,661
Social services	-	-	-	-	-	-	4,441,777	4,441,777
General government	7,269,321	-	-	-	-	-	182,514	7,451,835
Debt service	-	-	-	-	-	-	752,601	752,601
Technology improvements	586,548	-	-	-	-	-	-	586,548
Fleet repair & replacement	1,047,236	-	-	-	-	-	-	1,047,236
Road maintenance	-	-	-	-	-	-	177,449	177,449
Other capital projects	-	-	-	-	-	-	740,173	740,173
Total Assigned	10,082,718	-	-	-	-	-	7,395,022	17,477,740
Unassigned	5,244,633	-	-	-	-	(3,986,721)	-	1,257,912
Total Fund Balance	\$ 15,327,349	\$ 7,191,669	\$ 4,476,267	\$ 6,318,606	\$ 10,739,607	\$ (3,986,721)	\$ 11,964,116	\$ 75,919,261

### H. Segment Information

The County maintains three enterprise funds. The RV Park Fund is used to account for the operations of the County's Recreational Vehicle Park, located in Redmond, Oregon. The Solid Waste Fund is used to account for the operations of the County's landfill at Knott Road and 27<sup>th</sup> Street and four transfer and recycle stations located throughout the County. The accumulation of resources that will be required for the closure and postclosure costs associated with the sanitary landfill are also accounted for in the Solid Waste Fund. The operations of the County's Fair & Expo Center, including the annual county fair, are accounted for in the Fair & Expo Center Fund. Also accounted for in this fund is activity related to servicing the general obligation bond, issued in 1996, to finance the construction of the facility and the reserves for future capital needs.

In order to maintain a high degree of fiscal management, the operations and the funded reserves are accounted for in sub-funds of Solid Waste and of the Fair & Expo Center. A budget is adopted for each of these sub-funds. A combining schedule of net assets, schedule of revenues, expenses and changes in net

# DESCHUTES COUNTY, OREGON

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2012

assets and schedule of cash flows is prepared for the sub-funds of Solid Waste and of the Fair & Expo Center.

### IV. OTHER INFORMATION

#### A. Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County purchases commercial insurance for property coverage, fidelity bonding, catastrophic workers' compensation claims and stop loss on its medical/dental risks. It self-insures against losses for general liability, workers' compensation, medical and dental benefits, unemployment benefits and other risks.

All operations of the County, as well as two county service districts (Deschutes County 911 and Extension and 4-H), participate in the County's self-insurance program. Neither Black Butte Ranch nor Sunriver Service District participates and Deschutes County 911 County Service District's participation is limited to unemployment benefits and medical/dental. The third party insurance coverage, obtained by the County service districts not covered by the County's self-insurance program, had no significant reductions in the levels of insurance coverage in the past year. Settled claims have not exceeded insurance coverage in any of the past three fiscal years.

The County estimates liability for incurred losses on both reported and unreported claims for general and vehicle/fleet liability, workers' compensation and employee medical coverage. Workers' compensation, general and vehicle/fleet liability estimates are primarily based on individual case estimates for reported claims and through historical data for unreported claims as determined by the County's Risk Management department. Liabilities are based on estimated total cost of settling claims. Liabilities include an amount for claims for that have been incurred but not reported (IBNR). The result of the process to estimate the claims is not an exact amount and accordingly claims are reevaluated periodically to consider the effects of inflation, recent claims settlement trends and other economic and social factors.

Payments, from the funds whose activities are covered, are made to the internal service insurance funds, based on the estimated need to pay prior and current claims and to accumulate resources for future losses. The net deficit (liabilities in excess of assets) as of June 30, 2012, of the Insurance Fund (all insurance programs other than medical/dental) is reported at \$1,001,180. The net assets of the Health Benefits Trust Fund (medical/dental) at June 30, 2012, are \$12,894,515, which is 84% of fiscal year 2012 claims expense.

# DESCHUTES COUNTY, OREGON

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2012

Changes in the Insurance Funds' claim liabilities are as follows:

	Insurance Fund	Health Benefits Trust Fund	Total
Claims payable, June 30, 2010	\$ 1,940,080	\$ 1,562,838	\$ 3,502,918
FY 2011 claims expense	1,191,916	13,767,704	14,959,620
FY 2011 claims paid	1,014,702	14,091,904	15,106,606
Claims payable, June 30, 2011	2,117,294	1,238,638	3,355,932
FY 2012 claims expense	2,369,890	15,260,802	17,630,692
FY 2012 claims paid	1,277,853	14,866,839	16,144,692
Claims payable, June 30, 2012	\$ 3,209,331	\$ 1,632,601	\$ 4,841,932

### **B. Contingent liabilities and commitments**

The County is contingently liable with respect to lawsuits and other claims incidental to the ordinary course of its operations. Claims covered by the County's self-insurance are reviewed and losses are accrued based on the judgment of County management. According to County management, based on advice of legal counsel with respect to such litigation and claims, ultimate disposition of these matters will not have a material adverse effect on the financial position or results of County operations.

As of June 30, 2012, the County had no material commitments outstanding, in the form of contracts for construction projects.

### **C. Participation in public employees retirement system**

The Oregon Public Employees Retirement System (PERS or "the System"), provides statewide defined benefit and defined contribution plans for eligible employers such as units of state government, political subdivisions, community colleges and school districts. For the County and other eligible employers that have joined the State and Local Government Rate Pool, PERS is a cost-sharing, multiple-employer system. PERS is administered under Oregon Revised Statutes (ORS) Chapter 238, 238A and Internal Revenue Code Section 401(a) by the Public Employees Retirement Board. The Board has the authority under state statutes to amend the Plan's benefits and contribution rates. PERS issues publicly available financial reports that include financial statements and required supplementary information. The reports can be obtained from the Oregon Public Employees Retirement System, PO Box 23700, Tigard, Oregon 97281-3700 or by calling 1-503-598-7377.

The Plans offer retirement and disability benefits, post-employment healthcare benefits, annual cost of living increases and death benefits to Plan members and beneficiaries. Benefits differ depending upon entry date. PERS Tier One and Tier Two plans and the Oregon Public Service Retirement Plan (OPSRP) established for employees hired after August 29, 2003, are established by state statute to provide benefits for state and local governments and their employees. The authority to establish and amend the benefit provisions of the Plan rests with the Oregon Legislature.

# DESCHUTES COUNTY, OREGON

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2012

The County funding policies and pension expense include all component units with the exception of Black Butte Ranch Service District and Sunriver Service District. These Districts have separate PERS accounts which are not significant in relation to the County. They are included in their separately issued annual reports.

The required employee contribution of 6% is paid by the County. Effective January 1, 2004, this 6% contribution was remitted to the Individual Account Program (IAP) for all eligible employees under the ORS 238A Individual Account Program Plan. The County also contributes the remaining amounts necessary to pay benefits when due. For Fiscal Year 2012, the County's annual pension cost of \$5,284,017 was equal to the County's required and actual contributions. The County is required by ORS 238.225 to contribute at an actuarially determined rate. The employer rate adopted by the PERS board based on the December 31, 2009 actuarial valuation for the County for FY 2012 was 10.33% for Tier One and Tier Two general service employees. For OPSRP employees, the County remitted contributions based on employee class. OPSRP contribution rates were 6.47% for general services and 9.18% for police and fire employees. These OPSRP rates were adopted based on actuarial information regarding projected costs of the new plan.

The actuarial assumptions in the December 31, 2009, valuation included (a) 8.0% investment rate of return, (b) projected salary increases of 3.75% with additional increases for promotion and longevity that vary by age and service, (c) healthcare cost inflation of 8%, grading down by 0.5% per year to 5% in 2013 and (d) certain demographic assumptions. The underlying long-term assumed rate of inflation is 2.75% per year. The actuarial value of PERS assets at fair market value on the valuation date less a reserve equal to a prorate portion of the investment gains (losses) over the four-year period ending on the valuation date. The unfunded actuarial liability as of December 31, 2009, valuation is being amortized on a level percentage of covered payroll on a closed fixed term method through December 31, 2027.

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2010	\$ 5,284,017	100%	\$ -
6/30/2011	\$ 5,584,264	100%	\$ -
6/30/2012	\$ 7,904,884	100%	\$ -

Effective July 1, 2013, the County's PERS rates will increase to 15.24% for Tier One and Tier Two employees, to 11.10% for OPSRP general service employees and to 13.83% for OPSRP police and fire employees. These rates are based on the December 31, 2011, valuation.

The County issued Limited Tax bonds in 2002 and 2004, the proceeds of which were used to finance a portion of its estimated unfunded actuarial liability (see Note III.C regarding the balance of the pension asset and Note III.F regarding the outstanding debt). Amortization of the pension asset for the year ended June 30, 2012, was \$486,346.

### **D. Post-employment benefits**

#### Oregon Public Employees Retirement System – Retirement Health Insurance Account (RHIA)

Plan Description. As a member of Oregon Public Employees Retirement System (OPERS) the County contributes to the Retirement Health Insurance Account (RHIA) for each of its eligible employees. RHIA is a

## DESCHUTES COUNTY, OREGON

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2012

cost-sharing multiple-employer defined benefit other postemployment benefit plan administered by OPERS. RHIA pays a monthly contribution (currently \$60 per month) toward the cost of Medicare companion health insurance premiums of eligible retirees. Oregon Revised Statute (ORS) 238.420 established this trust fund. Authority to establish and amend the benefit provisions of RHIA reside with the Oregon Legislature. The Plan is closed to new entrants after January 1, 2004. OPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Oregon Public Employees Retirement System, PO Box 23700, Tigard, OR 97281-3700.

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

Participating public employers are contractually required to contribute to RHIA at a rate assessed each year by OPERS, 0.29% of annual covered payroll for Tier 1/Tier 2 employees, 0.19% for OPSRP employees. The OPERS Board of Trustees sets the employer contribution rate based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The County's contributions to RHIA which equaled the required contributions each year were included with the payments for the retirement plan described in IV.C above and were approximately \$324,666, \$195,293, and \$251,085, respectively, for the years ended June 30, 2012, 2011 and 2010.

#### Deschutes County Retiree Health Plan

**Plan Description.** The Deschutes County Retiree Health Plan is a single employer defined benefit postemployment healthcare plan that provides medical benefits to eligible retired employees of Deschutes County, Deschutes County Extension and 4-H Service District and Deschutes County 911 Service District and their beneficiaries. The plan has two components: the Self-Pay Health Plan which is required by Oregon Revised Statutes 243.303 to provide retirees with group health and dental insurance from the date of retirement to age 65 at the same rate provided to current employees and the Subsidized Health Plan under which the County pays all or part of the health care costs for eligible retirees under several collective bargaining agreements. The criteria to determine whether an employee is eligible include: years of service, employee age, disability due to line of duty and whether the employee has vested in the respective retirement plan.

**Funding Policy.** The County funds the benefits on a pay-as-you-go basis. Since the total annual contribution in the current year was less than the Annual Required Contribution, a liability is presented on the County's Statement of Net Assets.

## DESCHUTES COUNTY, OREGON

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2012

**Annual OPEB Cost and Net OPEB Obligation.** The County's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the *annual required contribution of the employer (ARC)*, an amount actuarially determined in accordance with the parameters of GASB No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the County's annual OPEB cost for the year, the amount actually contributed to the Plan, and changes in the County's net OPEB obligation to Deschutes County Retiree Health Plan:

	<b>Fiscal Year Ending</b>	
	<b>June 30, 2012</b>	<b>June 30, 2011</b>
Annual required contribution	\$ 3,208,045	\$ 3,161,714
Interest on net OPEB obligation	239,750	165,528
Adjustment to the ARC for net OPEB obligation	(407,728)	(281,503)
Annual OPEB cost	<u>3,040,067</u>	<u>3,045,739</u>
Estimated contributions	<u>(617,532)</u>	<u>(571,679)</u>
Increase (decrease) in net OPEB obligation	2,422,535	2,474,060
Net OPEB obligation - beginning of year	<u>7,991,651</u>	<u>5,517,591</u>
Net OPEB obligation - end of year	<u>\$ 10,414,186</u>	<u>\$ 7,991,651</u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for 2012 was as follows:

<b>Fiscal Year Ending</b>	<b>Annual OPEB Cost</b>	<b>Contributions</b>	<b>Percentage of Annual OPEB Cost Contributed</b>	<b>Net OPEB Obligation</b>
6/30/2010	\$ 3,374,027	\$ 528,737	15.67%	\$ 5,517,591
6/30/2011	\$ 3,045,739	\$ 571,679	18.77%	\$ 7,991,651
6/30/2012	\$ 3,040,067	\$ 617,532	20.31%	\$ 10,414,186

**Funded Status and Funding Progress.** As of June 30, 2011, the most recent actuarial valuation date, the Plan was considered unfunded. The actuarial accrued liability for benefits was \$28,290,503, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$28,290,503. Of these amounts, \$12,664,813 related to the Subsidized Health Plan and \$15,625,690 related to the Self-Pay Health Plan. The covered payroll (annual payroll of active employees covered by the Plan) was \$53,294,382, and the ratio of the UAAL to the covered payroll was 53.08%.

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

## DESCHUTES COUNTY, OREGON

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2012

funding progress, presented as required supplementary information include below, presents trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

**Actuarial Methods and Assumptions.** Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Assumptions used in calculating the actuarial liabilities associated with the Deschutes County Retiree Health Plan include a 3% investment return; an insurance premium annual trend rate of 7.5% for the 2011 fiscal year, reducing to 5% over a 5 year period; a retiree health claims annual trend rate of 8.5% for the 2011 fiscal year, reducing to 5.5% over a 6 year period; and retirement rates used by Oregon PERS adjusted for County trends.

The Entry Age Normal (EAN) Actuarial Cost Method is used to determine the Normal Cost and Actuarial Accrued Liability. Under this method, the actuarial present value of the projected benefits of each active employee included in the valuation is allocated on a level dollar basis over the service of the active employee between assumed Entry Age (date of hire) and assumed Exit Age(s). The portion of this actuarial present value allocated to the valuation year is called the normal cost for that active employee. The sum of these individual normal costs is the Plan's Normal Cost for the valuation year. The portion of the actuarial present value of all projected benefits (including benefits for non-active participants) that is not provided for at the valuation date by the actuarial present value of future normal costs is called the Actuarial Accrued Liability. Under this method, the actuarial gains (losses), as they occur, reduce (increase) the Unfunded Actuarial Accrued Liability. The Deschutes County Retiree Health Plan is deemed "unfunded" in accordance with the relevant GASB statements.

The table below presents a schedule of funding progress for the most recent actuarial valuations for the County's postretirement health plans.

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded (Overfunded) AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a/c)
7/1/2008	\$ -	\$ 27,371,450	\$ 27,371,450	0.00%	\$ 45,966,544	58.28%
6/30/2011	\$ -	\$ 28,290,503	\$ 28,290,503	0.00%	\$ 53,284,382	53.08%

#### E. Landfill closure and postclosure care costs

State and Federal laws and regulations require that the County place a final cover on its landfill sites and perform certain maintenance and monitoring functions at the sites for a minimum of 30 years after closure. In addition to operating expenses related to current activities of the landfill site, an expense provision and related liability are being recognized based on the future closure and postclosure care costs that will be incurred near or after the date the landfill no longer accepts waste. The recognition of these landfill closure and postclosure care costs is based on the amount of the landfill used each year. At June 30, 2012, the estimated liability for landfill closure and postclosure care costs is \$10.5 million. This is based on

## DESCHUTES COUNTY, OREGON

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2012

engineering estimates of 57.6% usage at Knett Landfill (7,200,000 cubic yards used of 12,500,000 cubic yards available) and full usage at other smaller sites. It is estimated that an additional \$10 million will be recognized as closure and postclosure care costs between July 1, 2012, and the date the landfill is currently expected to be filled to capacity (the year 2029). The estimated total current cost of the landfill closure and postclosure care, \$20,388,340 is based on the amount that would be paid if all equipment, facilities and services required to close, monitor and maintain the landfills were acquired as of June 30, 2012. However, the actual cost of closure and postclosure care may be higher or lower due to inflation, changes in technology or changes in regulations.

For the past several years, the County has designated resources for future closure and postclosure care and it anticipates continuing to do so. The County meets the "Local Government Financial Test" which provides financial assurance as to the County's ability to meet its financial obligations for closure and postclosure.

#### F. Fund Structure

The County maintains certain additional sub-funds for its own specific management needs. These sub-funds are consolidated into the appropriate fund for financial reporting purposes as required by generally accepted accounting principles.

#### Major Funds -- Governmental

**General Fund** -- accounts for the financial operations of the County which are not accounted for in any other fund. Principal sources of revenues are property taxes and revenues from the State of Oregon and Federal government. Expenditures are primarily for general government activities including assessment, taxation, district attorney, and county clerk.

#### Sub-funds of the General Fund:

**Economic Development** -- loan repayment and interest revenues for loans and grants to business and not-for-profit entities.

**Court Technology Reserve** -- available resources for upgrades to Video Arraignment equipment.

**Assessment & Taxation Reserve** -- available resources for the upgrade or replacement of the assessment and taxation system for the County's property tax activities.

**Justice Court** -- fines and fees used for operating a justice court.

**Bethlehem Inn** -- available resources expended to purchase and upgrade of a facility for the homeless.

**Humane Society of Redmond** -- loan from the County's Solid Waste enterprise fund to provide resources for loans to the Humane Society of Redmond.

**Project Development** -- proceeds from sale of County lands and lease payments for acquisition of real property for use by the County.

**General County Projects** -- property taxes and inter-fund and third-party rents for general County capital projects and transfers to debt service funds.

## DESCHUTES COUNTY, OREGON

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2012

General Capital Reserve – available resources reserved for building remodel and future major maintenance of County buildings.

Property Management Operations – rents for assistance with industrial development and management of County's real property.

Community Justice-Juvenile – state grants and fees for response to juvenile delinquency programs within the County.

Code Abatement – available resources for enforcement of County solid waste and sanitation codes.

Vehicle Maintenance and Replacement – transfers from County funds and departments for vehicle replacement and repair.

Sheriff's Office – revenues pursuant to intergovernmental agreements with Countywide and Rural Law Enforcement Districts used for public safety, including the operation of the correctional facility.

Countywide Law Enforcement District (District #1) – property taxes, charges for services, Federal and State grants for public safety, countywide, including the operation of the correctional facility.

Sub-fund of Countywide Law Enforcement District:

Countywide Law Enforcement District – Capital Reserve – available resources reserved for major capital purchases.

Rural Law Enforcement District (District #2) – property taxes, charges for services, Federal and State grants for public safety in rural areas.

Sub-fund of Rural Law Enforcement District:

Rural Law Enforcement District – Capital Reserve – available resources reserved for major capital purchases.

Road – State gas tax apportionment and Federal forest receipts for public roads and highways.

Sub-funds of Road:

Road Building and Equipment – transfers from Road Fund for future capital asset purchases.

Road Improvement Reserve – fees for future infrastructure requirements.

Deschutes County 911 County Service District – property taxes, charges for services and grants for operations of countywide emergency call center.

Sub-fund of Deschutes County 911 County Service District:

Deschutes County 911 County Service District Equipment Reserve – transfer from operating fund for future capital asset requirements.

Jail Remodel – interfund loan for the planning of the remodel of the County's correctional facility.

## DESCHUTES COUNTY, OREGON

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2012

PERS Reserve – previous years' charges to County's operating funds and departments to establish a reserve for increases in the PERS rate. During FY 2012, resources were used for PERS payments

#### Major Funds – Proprietary – Enterprise

Solid Waste – fees and charges for services for the operation, maintenance and closure of the County's sanitary landfill and transfer and recycle stations.

Fair & Expo Center – fees, inter-fund transfers and property taxes for the operation of a fair and expo center, annual county fair and payments for debt service.

#### Nonmajor Governmental Funds

##### *Special Revenue Funds*

Grant Projects – grants for local programs as designated by the grantor.

La Pine Industrial – proceeds from land sales and lease payments for industrial development in the La Pine Industrial Park.

Park Acquisition and Development – apportionment from the State of Oregon from recreational vehicle fees.

Park Development Fees – fees paid by developers in lieu of land donation for park development.

County School – local taxes and Federal forest receipts for education.

Special Transportation – State grants for transportation.

Taylor Grazing – Federal funds administered by State for rangeland improvement.

Transient Room Tax – lodging tax for promotion of tourism and County services.

Video Lottery – State's video lottery apportionment for grants promoting economic development.

Welcome Center – lodging taxes for recreation advertising.

Foreclosed Land Sales – land sale proceeds for supervision and maintenance of properties acquired through tax foreclosure.

Liquor Enforcement – allocation of State funds for enforcement of liquor laws.

Victims' Assistance – grants for providing assistance to crime victims.

Law Library – fines and fees for maintenance of the law library.

County Clerk Records – fees for upgrading storage and retrieval systems.

Children & Families Commission – Federal and State grants for family and children programs.

## DESCHUTES COUNTY, OREGON

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2012

Sheriff's Asset Forfeiture – proceeds from sale of assets forfeited in State and Federal Court for law enforcement programs.

Court Facilities – fines and fees to provide security in the court building.

Deschutes County Communication System – contract payments for radio system for public safety organizations of Deschutes County.

Public Health – fees for services, State grants and General Fund transfer for community wide health care.

Healthy Start – fees for services and State grants for comprehensive prenatal care for low-income women and their infants.

Public Health Reserve – transfer from Public Health, made in FY 2007, and interest on investments for reserve to enable sustained response to significant public health events.

Accountable Behavioral Health Alliance (ABHA) – State grant for mental health services.

Behavioral Health – fees for services, Federal and State grants for mental health services and counseling.

Acute Care Services - State grant funds for acute care services to the mentally ill.

OHP – Chemical Dependency – Oregon Health Plan and chemical dependency fees for drug abuse treatment.

Community Development – fees and charges for services for planning, building safety, education and public services.

CDD-Groundwater Partnership – transfers for maintenance of water quality and open space and fees from developers for the protection of groundwater, including rebates for replacement of septic systems.

Newberry Neighborhood – proceeds from land sales and grants for maintenance of water quality and open space.

GIS (Geographic Information Systems) Dedicated – recording fees and sales for map data system.

Natural Resource Protection – grants for the control of noxious weeds and promotion of healthy forests.

Federal Forest Title III – federal monies for grants related to National Forest activities in Deschutes County.

Surveyor – fees for survey measurements, plat reviews and document filing.

Public Land Corner Preservation – fees for maintaining permanent monuments of survey corner positions.

## DESCHUTES COUNTY, OREGON

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2012

Countywide Transportation SDC Improvement – fees from developers and builders for upgrades and expansion of county road infrastructure.

Dog Control – licenses, fees and donations for animal control.

Adult Parole and Probation – charges for services and State Department of Corrections grant for operation of County justice program.

Deschutes County Extension and 4-H Service District – property taxes for Oregon State University's Extension Service programs.

Sub-fund of Deschutes County Extension and 4-H Service District:  
Deschutes County Extension and 4-H Service District Reserve Fund – transfer from operations for future capital asset requirements.

Black Butte Ranch Service District – property taxes and fees for security services and law enforcement within the District's boundaries.

Sunriver Service District – property taxes and fees for law enforcement and fire services within the District's boundaries.

Sub-fund of Sunriver Service District:  
Sunriver Service District Reserve – funds transferred from Sunriver Service District for future capital asset requirements.

#### *Debt Service Funds*

Local Improvement District, Series 2005 – collection of special assessment liens for the debt service on special assessment bonds. Final debt service payment made in FY 2012 and fund is inactive as of June 30, 2012.

Local Improvement District, Series 2007 – collection of special assessment liens for the debt service on special assessment bonds.

Local Improvement District, Series 2009 – collection of special assessment liens for the debt service on special assessment bonds.

CDD Building Full Faith & Credit, Refunding Series 2004 – funds transferred from Community Development for debt service on bonds issued to build Community Development building.

Full Faith and Credit Refunding Series 2012, formerly known as Full Faith and Credit Series, 2003 – resources transferred from departments for debt service on bonds issued for building, remodel and acquisition of office buildings, communication system.

Full Faith and Credit, 2005 – funds transferred from department for debt service on bonds issued to finance ADA compliance projects.

Full Faith and Credit, 2006 – long-term operating leases for debt service on bonds issued for new office building.



**DESCHUTES COUNTY, OREGON**

**NOTES TO FINANCIAL STATEMENTS**  
JUNE 30, 2012

Full Faith and Credit, 2008 – transfers from the General Fund and the Sheriff's Office for debt service on bonds which were issued to purchase real property to be used for future expansion of the public safety campus.

HHS/BJCC Full Faith and Credit Refunding Series 2005 – inter-fund transfers for debt service on bonds issued for new construction and building remodel of facilities for use by Public and Behavioral Health Departments.

Full Faith and Credit, 2010 – lease payments and remaining resources from capital project fund for debt service on bonds issued to build a secure treatment facility.

Public Safety 1998/2002 General Obligation – property taxes for debt service on bonds issued to build public safety complex.

PERS Series 2002 and 2004 Debt Service – transfer from operating funds for debt service on bonds issued to fund pension liability.

Bend Library County Service District General Obligation – property taxes for debt service on bonds issued to build a public library in Bend.

Redmond Library County Service District General Obligation – property taxes for debt service on bonds issued to remodel a building for use as a public library in Redmond. Final debt service payment was made June 1, 2012. The district was dissolved and this fund was inactivated as of June 1, 2012.

Sunriver Library County Service District General Obligation – property taxes for debt service on bonds issued to build a public library in Sunriver.

*Capital Projects Funds*

Local Improvement District – collections on unbonded liens to improve roads and streets for benefited properties.

Jamison Acquisition & Remodel – bond proceeds to purchase real property and its remodel.

North County Services Building – resources from the General County Projects fund to acquire a building for potential use as a facility for use by various County departments.

Campus Improvement – transfer from other capital projects funds for campus improvements.

Sisters Health Clinic – grants and transfers used to build a facility to provide health services in the Sisters area.

Nonmajor Proprietary Funds – Enterprise Fund

RV Park – charges for space rentals and transfers for the operation and maintenance of the County's recreational vehicle park and debt service.

**DESCHUTES COUNTY, OREGON**

**NOTES TO FINANCIAL STATEMENTS**  
JUNE 30, 2012

Nonmajor Proprietary Funds – Internal Service Funds

Building Services – interfund charges for custodial, repairs and maintenance for County facilities.

Administrative Services – interfund charges for services provided by County administration.

Board of County Commissioners – interfund charges for services provided by the County's commissioners.

Finance – interfund charges for services provided by Finance Department.

Legal – interfund charges for services provided by Legal Department.

Personnel – interfund charges for services provided by Personnel Department.

Information Technology – interfund charges for services provided by IT Department.

Information Technology Reserve – interfund charges for future technology improvements.

Insurance – interfund charges for general liability, property, vehicle, workers' compensation and unemployment insurance.

Health Benefits Trust – interfund charges for medical/dental health insurance.

This page intentionally left blank.

REQUIRED SUPPLEMENTARY INFORMATION

**DESCHUTES COUNTY, OREGON**

**GENERAL FUND (OPERATIONS)  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2012**

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual Amounts	
<b>REVENUES</b>				
Local				
Taxes - property	\$ 20,124,787	\$ 20,124,787	\$ 21,598,088	\$ 1,473,319
Licenses and permits	28,775	28,775	29,250	2,475
Fines, forfeitures and penalties	450,260	450,260	450,665	405
Investment earnings	84,000	84,000	76,144	12,144
Rents	37,808	37,808	37,908	-
Charges for services	1,595,572	1,595,572	1,574,604	(20,968)
Intergovernmental				
State	2,393,739	2,393,739	2,471,190	87,451
Federal	628,982	628,982	621,259	4,268
<b>Total revenues</b>	<b>28,310,003</b>	<b>28,310,003</b>	<b>29,869,097</b>	<b>1,559,094</b>
<b>EXPENDITURES</b>				
General government				
Assessor				
Personnel services	2,029,318	2,528,318	2,645,119	84,169
Materials and services	778,882	767,832	743,490	24,162
Capital outlay	100	8,350	8,129	227
<b>Total Assessor</b>	<b>3,408,300</b>	<b>3,405,300</b>	<b>3,296,738</b>	<b>106,578</b>
Clerk / Elections				
Personnel services	717,975	717,975	641,351	78,924
Materials and services	705,890	705,890	501,084	204,806
Capital outlay	100	100	-	100
<b>Total Clerk / Elections</b>	<b>1,423,965</b>	<b>1,423,965</b>	<b>1,142,435</b>	<b>281,530</b>
Board of Property Tax Appeals				
Personnel services	41,387	41,387	40,198	1,189
Materials and services	30,915	30,915	22,409	8,448
Capital outlay	100	100	-	100
<b>Total Board of Prop Tax Appeals</b>	<b>72,402</b>	<b>72,402</b>	<b>62,607</b>	<b>9,734</b>
District Attorney				
Personnel services	3,977,084	3,977,084	3,843,269	133,795
Materials and services	869,432	869,432	809,512	86,520
Capital outlay	25,000	25,000	-	25,000
<b>Total District Attorney</b>	<b>4,868,496</b>	<b>4,868,496</b>	<b>4,653,181</b>	<b>215,315</b>
Tax				
Personnel services	463,034	463,034	447,107	15,927
Materials and services	347,814	347,814	321,352	26,252
Capital outlay	3,000	3,000	-	3,000
<b>Total Tax</b>	<b>813,848</b>	<b>813,848</b>	<b>768,459</b>	<b>45,179</b>
Veteran's services				
Personnel services	188,444	188,444	179,688	7,856
Materials and services	75,571	80,871	77,069	3,762
Capital outlay	100	100	-	100
<b>Total Veteran's services</b>	<b>264,115</b>	<b>269,415</b>	<b>256,757</b>	<b>11,738</b>

Continued

**DESCHUTES COUNTY, OREGON**

**GENERAL FUND (OPERATIONS)  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2012**

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual Amounts	
<b>Expenditures (Continued)</b>				
Property management				
Personnel services	201,695	203,245	205,819	429
Materials and services	52,289	52,289	49,109	3,160
Capital outlay	100	100	-	100
<b>Total Property management</b>	<b>254,084</b>	<b>255,634</b>	<b>254,928</b>	<b>3,886</b>
Grant projects				
Personnel services	111,448	111,448	111,282	166
Materials and services	7,167	7,267	7,195	89
Capital outlay	100	-	-	-
<b>Total Grant projects</b>	<b>118,715</b>	<b>118,715</b>	<b>118,480</b>	<b>238</b>
Non-Departmental				
Personnel services	5,499	5,499	5,498	1
Materials and services	1,551,363	1,551,363	1,408,574	152,789
Capital outlay	100	250,100	151,159	98,042
<b>Total Non-Departmental</b>	<b>1,556,962</b>	<b>1,816,962</b>	<b>1,565,231</b>	<b>251,732</b>
<b>Total general government</b>	<b>12,795,557</b>	<b>13,045,517</b>	<b>12,117,790</b>	<b>929,927</b>
Operating contingency	6,076,722	5,165,890	-	5,185,890
<b>Total expenditures</b>	<b>19,792,369</b>	<b>18,211,397</b>	<b>12,117,790</b>	<b>6,093,607</b>
Excess of revenues over expenditures	5,547,614	7,098,606	14,751,307	7,652,701
Other financing sources (uses)				
Appropriation transfers out	-	(503,092)	-	(503,092)
Transfers in	97,488	87,498	97,486	-
Transfer out:				
District Attorney	(10,800)	(10,800)	(10,800)	-
Property Management	(3,600)	(3,600)	(3,600)	-
<b>Non-Departmental</b>	<b>(12,930,710)</b>	<b>(13,878,510)</b>	<b>(13,979,510)</b>	<b>-</b>
<b>Total other financing sources (uses)</b>	<b>(12,843,614)</b>	<b>(14,305,606)</b>	<b>(13,895,514)</b>	<b>(503,092)</b>
<b>Net change in fund balance</b>	<b>(7,300,000)</b>	<b>(7,300,000)</b>	<b>865,793</b>	<b>8,155,793</b>
<b>Fund balance - beginning</b>	<b>7,300,000</b>	<b>7,300,000</b>	<b>8,393,148</b>	<b>1,093,148</b>
<b>Fund balance - ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 9,248,941</b>	<b>\$ 9,248,941</b>

**DESCHUTES COUNTY, OREGON**

**ECONOMIC DEVELOPMENT (SUB-FUND OF GENERAL FUND)  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Local				
Investment earnings	\$ 1,500	\$ 1,500	\$ 1,295	\$ (205)
Loan repayments	28,687	28,687	26,667	-
Total revenues	28,187	28,167	27,962	(205)
<b>EXPENDITURES</b>				
Materials and services	300,000	300,000	137,000	163,000
Capital outlay	-	-	-	-
Total expenditures	300,000	300,000	137,000	163,000
Excess (deficiency) of revenues over expenditures	(271,833)	(271,833)	(109,038)	162,795
Other financing sources (uses)				
Appropriation transfer	-	-	-	-
Transfers in	96,833	96,833	96,833	-
Total other financing sources (uses)	96,833	96,833	96,833	-
Net change in fund balance	(175,000)	(175,000)	(12,205)	162,795
Fund balance - Beginning of year	175,000	175,000	186,468	21,468
Fund balance - End of year	\$ -	\$ -	\$ 184,263	\$ 184,263

**DESCHUTES COUNTY, OREGON**

**COURT TECHNOLOGY RESERVE (SUB-FUND OF GENERAL FUND)  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Local				
Investment earnings	\$ 100	\$ 100	\$ 244	\$ 144
Total revenues	100	100	244	144
<b>EXPENDITURES</b>				
Materials and services	32,000	32,000	6,352	25,638
Total expenditures	32,000	32,000	6,352	25,638
Excess (deficiency) of revenues over expenditures	(31,900)	(31,900)	(5,118)	25,782
Other financing sources (uses)				
Transfers in	32,000	32,000	32,000	-
Total other financing sources (uses)	32,000	32,000	32,000	-
Net change in fund balance	100	100	25,862	25,782
Fund balance - Beginning of year	24,807	24,807	25,145	538
Fund balance - End of year	\$ 24,707	\$ 24,707	\$ 51,027	\$ 26,320

**DESCHUTES COUNTY, OREGON**

**ASSESSMENT & TAXATION RESERVE (SUB-FUND OF GENERAL FUND)  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Local				
Investment earnings	\$ 1,000	\$ 1,000	\$ 3,080	\$ 2,080
Total revenues	<u>1,000</u>	<u>1,000</u>	<u>3,080</u>	<u>2,080</u>
<b>EXPENDITURES</b>				
Capital outlay	100,000	100,000	-	100,000
Total expenditures	<u>100,000</u>	<u>100,000</u>	<u>-</u>	<u>100,000</u>
Excess (deficiency) of revenues over expenditures	<u>(99,000)</u>	<u>(99,000)</u>	<u>3,080</u>	<u>102,080</u>
Other financing sources (uses)				
Transfers in	100,000	100,000	100,000	-
Total other financing sources (uses)	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Net change in fund balance	1,000	1,000	103,080	102,080
Fund balance - Beginning of year	<u>292,000</u>	<u>292,000</u>	<u>432,441</u>	<u>140,441</u>
Fund balance - End of year	<u>\$ 293,000</u>	<u>\$ 293,000</u>	<u>535,521</u>	<u>\$ 242,521</u>

**DESCHUTES COUNTY, OREGON**

**JUSTICE COURT (SUB-FUND OF GENERAL FUND)  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Local				
Investment earnings	\$ 1,200	\$ 1,200	\$ 911	\$ (289)
Intergovernmental				
State	800	800	577	(223)
Total revenues	<u>2,000</u>	<u>2,000</u>	<u>1,488</u>	<u>(512)</u>
<b>EXPENDITURES</b>				
Personnel services	418,370	418,370	399,352	19,018
Materials and services	166,657	166,657	136,228	30,429
Total	<u>585,027</u>	<u>585,027</u>	<u>535,580</u>	<u>49,447</u>
Operating contingency	53,925	53,925	-	53,925
Total expenditures	<u>638,952</u>	<u>638,952</u>	<u>535,580</u>	<u>103,372</u>
Excess (deficiency) of revenues over expenditures	<u>(636,952)</u>	<u>(636,952)</u>	<u>(534,092)</u>	<u>102,860</u>
Other financing sources (uses)				
Transfers in	499,952	499,952	499,952	-
Total other financing sources (uses)	<u>499,952</u>	<u>499,952</u>	<u>499,952</u>	<u>-</u>
Net change in fund balance	(137,000)	(137,000)	(34,140)	102,860
Fund balance - Beginning of year	<u>137,000</u>	<u>137,000</u>	<u>139,100</u>	<u>2,100</u>
Fund balance - End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 104,960</u>	<u>\$ 104,960</u>

**DESCHUTES COUNTY, OREGON**

**BETHLEHEM INN (SUB-FUND OF GENERAL FUND)  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Local				
Rents	\$ 24,408	\$ 24,408	\$ 24,408	\$ -
Contributions and donations	2,786,827	2,786,827	-	(2,786,827)
Total revenues	<u>2,811,235</u>	<u>2,811,235</u>	<u>24,408</u>	<u>(2,786,827)</u>
<b>EXPENDITURES</b>				
Debt Service	100,000	100,000	18,000	82,000
Total expenditures	<u>100,000</u>	<u>100,000</u>	<u>18,000</u>	<u>82,000</u>
Excess (deficiency) of revenues over expenditures	<u>2,711,235</u>	<u>2,711,235</u>	<u>6,408</u>	<u>(2,704,827)</u>
Net change in fund balance	2,711,235	2,711,235	6,408	(2,704,827)
Fund balance - Beginning of year	<u>(2,711,235)</u>	<u>(2,711,235)</u>	<u>(2,718,581)</u>	<u>(5,346)</u>
Fund balance - End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,710,173)</u>	<u>\$ (2,710,173)</u>

**DESCHUTES COUNTY, OREGON**

**HUMANE SOCIETY OF REDMOND (SUB-FUND OF GENERAL FUND)  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Local				
Investment earnings	\$ -	\$ -	\$ 8,534	\$ 8,534
Loan repayment	800,000	800,000	54,051	(745,949)
Total revenues	<u>800,000</u>	<u>800,000</u>	<u>62,585</u>	<u>(737,415)</u>
<b>EXPENDITURES</b>				
Materials and services	100,000	100,000	55,000	45,000
Debt Service	800,000	800,000	-	800,000
Total expenditures	<u>900,000</u>	<u>900,000</u>	<u>55,000</u>	<u>845,000</u>
Excess (deficiency) of revenues over expenditures	<u>(100,000)</u>	<u>(100,000)</u>	<u>7,585</u>	<u>107,585</u>
Other financing sources (uses)				
Inter-fund loan	100,000	100,000	-	(100,000)
Total other financing sources (uses)	<u>100,000</u>	<u>100,000</u>	<u>-</u>	<u>(100,000)</u>
Net change in fund balance	-	-	7,585	7,585
Fund balance - Beginning of year	<u>-</u>	<u>-</u>	<u>(729,532)</u>	<u>(729,532)</u>
Fund balance - End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (721,947)</u>	<u>\$ (721,947)</u>

**DESCHUTES COUNTY, OREGON**

**PROJECT DEVELOPMENT FUND (SUB-FUND OF GENERAL FUND)  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Local				
Fines, forfeitures, and penalties	\$ -	\$ -	\$ 224	\$ 224
Investment earnings	190,000	190,000	190,515	515
Charges for services	-	-	-	-
Loan repayments	50,000	50,000	57,660	7,660
Other	-	-	15,250	15,250
Total revenues	<u>240,000</u>	<u>240,000</u>	<u>263,649</u>	<u>23,649</u>
<b>EXPENDITURES</b>				
Materials and services	50,800	50,800	32,559	18,241
Capital outlay	1,000,000	1,000,000	-	1,000,000
Total expenditures	<u>1,050,800</u>	<u>1,050,800</u>	<u>32,559</u>	<u>1,018,241</u>
Excess (deficiency) of revenues over expenditures	<u>(810,800)</u>	<u>(810,800)</u>	<u>231,090</u>	<u>1,041,890</u>
Other financing sources (uses)				
Transfers in	600,000	500,000	500,000	-
Transfer out	(1,036,302)	(1,036,302)	(722,721)	313,581
Total other financing sources (uses)	<u>(536,302)</u>	<u>(536,302)</u>	<u>(222,721)</u>	<u>313,581</u>
Net change in fund balance	(1,347,102)	(1,347,102)	8,369	1,355,471
Fund balance - Beginning of year	<u>3,375,000</u>	<u>3,375,000</u>	<u>2,989,491</u>	<u>(385,509)</u>
Fund balance - End of year	<u>\$ 2,027,898</u>	<u>\$ 2,027,898</u>	<u>\$ 2,997,860</u>	<u>\$ 969,962</u>

**DESCHUTES COUNTY, OREGON**

**GENERAL COUNTY PROJECTS (SUB-FUND OF GENERAL FUND)  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2012**

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Local				
Taxes - Property	\$ 624,672	\$ 624,672	\$ 674,853	\$ 50,181
Investment earnings	15,000	15,000	7,453	(7,547)
Rent	457,347	457,347	457,347	-
Donations	-	-	27,827	27,827
Intergovernmental				
Federal	-	-	20,072	20,072
Total revenues	<u>1,097,019</u>	<u>1,097,019</u>	<u>1,187,552</u>	<u>90,533</u>
<b>EXPENDITURES</b>				
Personnel	-	-	-	-
Materials and services	432,973	608,973	590,961	18,012
Capital outlay	<u>60,000</u>	<u>60,000</u>	<u>9,370</u>	<u>50,630</u>
Total	<u>492,973</u>	<u>668,973</u>	<u>600,331</u>	<u>68,642</u>
Operating contingency	<u>3,033,207</u>	<u>3,107,207</u>	-	<u>3,107,207</u>
Total expenditures	<u>3,526,180</u>	<u>3,776,180</u>	<u>600,331</u>	<u>3,175,849</u>
Excess (deficiency) of revenues over expenditures	<u>(2,429,161)</u>	<u>(2,679,161)</u>	<u>587,221</u>	<u>3,266,382</u>
Other financing sources (uses)				
Appropriation transfer	-	-	-	-
Transfers in	703,279	953,279	953,279	-
Transfers out	<u>(1,134,118)</u>	<u>(1,134,118)</u>	<u>(1,134,118)</u>	<u>-</u>
Total other financing sources (uses)	<u>(430,839)</u>	<u>(180,839)</u>	<u>(180,839)</u>	<u>-</u>
Net change in fund balance	(2,860,000)	(2,860,000)	406,382	3,266,382
Fund balance - Beginning of year	<u>2,860,000</u>	<u>2,860,000</u>	<u>1,379,430</u>	<u>(1,489,570)</u>
Fund balance - End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,776,812</u>	<u>\$ 1,776,812</u>

**DESCHUTES COUNTY, OREGON**

**GENERAL CAPITAL RESERVE (SUB-FUND OF GENERAL FUND)  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Local				
Investment earnings	\$ 4,500	\$ 4,500	\$ 10,991	\$ 6,491
Total revenues	<u>4,500</u>	<u>4,500</u>	<u>10,991</u>	<u>6,491</u>
<b>EXPENDITURES</b>				
Materials and services	100	100	-	100
Capital outlay	<u>500,000</u>	<u>500,000</u>	-	<u>500,000</u>
Total expenditures	<u>500,100</u>	<u>500,100</u>	-	<u>500,100</u>
Net change in fund balance	(495,600)	(495,600)	10,991	506,591
Fund balance - Beginning of year	<u>1,090,000</u>	<u>1,090,000</u>	<u>1,700,948</u>	<u>610,948</u>
Fund balance - End of year	<u>\$ 594,400</u>	<u>\$ 594,400</u>	<u>\$ 1,711,939</u>	<u>\$ 1,117,539</u>

**DESCHUTES COUNTY, OREGON**

**PROPERTY MANAGEMENT OPERATIONS (SUB-FUND OF GENERAL FUND)  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Local				
Investment earnings	\$ 300	\$ 300	\$ 118	\$ (182)
Rents	-	-	99	99
Charges for services	-	-	18	18
Total revenues	<u>300</u>	<u>300</u>	<u>235</u>	<u>(65)</u>
<b>EXPENDITURES</b>				
Materials and services	22,200	22,200	16,619	5,581
Capital outlay	<u>100</u>	<u>100</u>	-	<u>100</u>
Total expenditures	<u>22,300</u>	<u>22,300</u>	<u>16,619</u>	<u>5,681</u>
Net change in fund balance	(22,000)	(22,000)	(16,384)	5,616
Fund balance - Beginning of year	<u>22,000</u>	<u>22,000</u>	<u>25,714</u>	<u>3,714</u>
Fund balance - End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,330</u>	<u>\$ 9,330</u>



**DESCHUTES COUNTY, OREGON**

**COMMUNITY JUSTICE - JUVENILE (SUB-FUND OF GENERAL FUND)  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Local				
Fees, forfeitures and penalties	\$ 300	\$ 300	\$ 1,085	\$ 785
Investment earnings	7,600	7,600	7,761	261
Rents	2,400	2,400	1,200	(1,200)
Charges for services	184,800	184,800	185,921	21,131
Contributions and donations	500	500	534	434
Intergovernmental				
Local	174,128	174,128	169,852	(4,276)
State	307,408	307,490	434,254	126,756
Federal	10,000	10,000	9,876	(324)
Total revenues	<u>667,010</u>	<u>667,010</u>	<u>810,583</u>	<u>143,547</u>
<b>EXPENDITURES</b>				
Personnel services	5,109,000	5,109,000	4,958,174	150,895
Materials and services	1,155,733	1,219,733	1,204,632	15,101
Capital outlay	100	40,100	23,000	(17,100)
Total	<u>6,304,902</u>	<u>6,368,902</u>	<u>6,185,806</u>	<u>183,096</u>
Operating contingency	734,547	670,547	-	670,547
Total expenditures	<u>7,039,449</u>	<u>7,039,449</u>	<u>6,185,806</u>	<u>853,643</u>
Excess (deficiency) of revenues over expenditures	<u>(6,372,433)</u>	<u>(6,372,433)</u>	<u>(5,375,243)</u>	<u>997,190</u>
Other financing sources (uses)				
Transfers in	5,321,459	5,321,459	5,321,459	-
Transfers out	(50,400)	(50,400)	(50,400)	-
Total other financing sources (uses)	<u>5,271,059</u>	<u>5,271,059</u>	<u>5,271,059</u>	<u>-</u>
Net change in fund balance	<u>(1,101,374)</u>	<u>(1,101,374)</u>	<u>(104,184)</u>	<u>997,190</u>
Fund balance - Beginning of year	<u>1,101,374</u>	<u>1,101,374</u>	<u>1,089,532</u>	<u>(1,842)</u>
Fund balance - End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 995,348</u>	<u>\$ 995,348</u>

**DESCHUTES COUNTY, OREGON**

**CODE ABATEMENT (SUB-FUND OF GENERAL FUND)  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Local				
Investment earnings	\$ 667	\$ 667	\$ 618	\$ (69)
Total revenues	<u>667</u>	<u>667</u>	<u>618</u>	<u>(69)</u>
<b>EXPENDITURES</b>				
Materials and services	96,194	96,194	-	96,194
Total	<u>96,194</u>	<u>96,194</u>	<u>-</u>	<u>96,194</u>
Contingency	-	-	-	-
Total expenditures	<u>96,194</u>	<u>96,194</u>	<u>-</u>	<u>96,194</u>
Excess (deficiency) of revenues over expenditures	<u>(95,507)</u>	<u>(95,507)</u>	<u>618</u>	<u>96,126</u>
Other financing sources (uses)				
Transfers out	(100)	(100)	-	100
Total other financing sources (uses)	<u>(100)</u>	<u>(100)</u>	<u>-</u>	<u>100</u>
Net change in fund balance	<u>(95,607)</u>	<u>(95,607)</u>	<u>618</u>	<u>96,225</u>
Fund balance - Beginning of year	<u>95,607</u>	<u>95,607</u>	<u>96,314</u>	<u>7</u>
Fund balance - End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 96,232</u>	<u>\$ 96,232</u>

# DESCHUTES COUNTY, OREGON

## VEHICLE MAINTENANCE AND REPLACEMENT (SUB-FUND OF GENERAL FUND) SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL BUDGETARY BASIS FOR THE YEAR ENDED JUNE 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Local				
Investment earnings	\$ 8,000	\$ 8,000	\$ 7,131	\$ (869)
Sale of equipment	-	-	15,537	15,537
Total revenues	8,000	8,000	22,668	14,668
<b>EXPENDITURES</b>				
Materials and services	82,800	92,800	78,460	14,140
Capital outlay	250,000	250,000	195,924	54,076
Total expenditures	332,800	342,800	274,384	68,216
Excess (deficiency) of revenues over expenditures	(334,800)	(334,800)	(251,716)	82,884
Other financing sources (uses)				
Transfers in	216,000	216,000	216,000	-
Total other financing sources (uses)	216,000	216,000	216,000	-
Net change in fund balance	(118,800)	(118,800)	(39,716)	82,884
Fund balance - Beginning of year	1,037,422	1,037,422	1,082,952	45,530
Fund balance - End of year	\$ 918,622	\$ 918,622	\$ 1,047,236	\$ 129,414

# DESCHUTES COUNTY, OREGON

## DESCHUTES COUNTY SHERIFF'S OFFICE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2012

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
<b>REVENUES</b>				
Intergovernmental				
Local	\$ 36,533,516	\$ 36,533,516	\$ 30,177,303	\$ (6,356,213)
Total revenues	36,533,516	36,533,516	30,177,303	(6,356,213)
<b>EXPENDITURES</b>				
Sheriff's services				
Personnel services	1,387,455	1,474,936	1,444,114	30,894
Materials and services	1,082,003	1,082,003	1,002,880	79,023
Capital outlay	27,000	27,000	26,606	394
Total Sheriff's services	2,496,458	2,583,941	2,473,760	110,181
Civil/special units				
Personnel services	734,853	734,853	683,531	41,322
Materials and services	88,142	88,142	52,473	35,669
Capital outlay	100	100	-	100
Total Civil/special units	823,095	823,095	736,004	87,091
Automotive/communications				
Personnel services	354,120	301,646	354,932	6,914
Materials and services	1,112,404	1,347,570	1,213,755	134,104
Capital outlay	100	100	-	100
Total Automotive/communications	1,466,624	1,750,325	1,568,717	141,208
Investigations/evidence				
Personnel services	1,558,931	1,558,931	1,366,048	193,283
Materials and services	149,341	149,341	140,042	9,299
Capital outlay	20,640	20,640	21,892	1,554
Total Investigations/evidence	1,728,912	1,728,912	1,527,982	207,138
Patrol				
Personnel services	7,208,068	7,208,068	7,078,106	129,962
Materials and services	550,901	525,961	616,286	6,865
Capital outlay	152,875	170,873	154,825	16,048
Total Patrol	7,911,704	8,004,704	7,849,217	161,677
Records				
Personnel services	605,367	605,367	593,580	21,787
Materials and services	115,243	115,243	102,916	12,327
Capital outlay	100	100	-	100
Total Records	720,710	720,710	696,502	24,208
Adult jail				
Personnel services	6,238,470	6,302,207	7,583,102	459,105
Materials and services	1,833,274	1,833,274	1,636,550	196,724
Capital outlay	71,045	371,045	209,288	161,757
Total Adult jail	10,142,789	10,506,527	9,428,940	878,887
Court security				
Personnel services	272,393	272,393	284,977	7,416
Materials and services	14,100	14,100	10,293	3,807
Capital outlay	100	100	-	100
Total Court security	286,593	286,593	295,270	8,677

# DESCHUTES COUNTY, OREGON

## DESCHUTES COUNTY SHERIFF'S OFFICE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Expenditures (Continued)				
Emergency services				
Personnel services	167,227	174,527	165,859	8,668
Materials and services	18,298	18,298	9,788	8,510
Capital outlay	100	100	-	100
Total Emergency services	185,625	192,925	175,658	17,267
Special services				
Personnel services	1,080,172	1,110,960	956,859	154,104
Materials and services	188,442	188,442	137,086	51,356
Capital outlay	69,759	68,769	69,698	917
Total Special services	1,338,373	1,368,171	1,163,643	204,528
Regional work center				
Personnel services	2,743,218	2,743,218	2,627,004	116,214
Materials and services	278,147	275,147	200,707	75,440
Capital outlay	100	100	-	100
Total Regional work center	3,021,465	3,018,465	2,827,711	190,754
Training				
Personnel services	228,312	228,312	160,827	67,485
Materials and services	95,553	95,553	85,831	9,722
Capital outlay	100	100	-	100
Total Training	324,065	324,065	246,658	77,407
Other law enforcement services				
Personnel services	572,803	572,803	551,501	21,302
Materials and services	59,553	59,553	57,439	2,114
Capital outlay	100	100	-	100
Total Other law enforcement services	632,456	632,456	608,940	23,516
Non-Departmental				
Materials and services	73,231	73,231	73,231	-
Total Non-Departmental	73,231	73,231	73,231	-
Total	31,122,462	31,947,928	29,977,303	1,970,625
Operating contingency	5,211,054	1,399,420	-	4,386,490
Total expenditures	36,333,516	33,347,348	29,977,303	6,356,213
Excess (deficiency) of revenues over expenditures	200,000	200,000	200,000	-
Other financing sources (uses)				
Transfers out	(200,000)	(200,000)	(200,000)	-
Total other financing sources (uses)	(200,000)	(200,000)	(200,000)	-
Net change in fund balance	-	-	-	-
Fund balance - Beginning of year	-	-	-	-
Fund balance - End of year	\$ -	\$ -	\$ -	\$ -

# DESCHUTES COUNTY, OREGON

## COUNTYWIDE LAW ENFORCEMENT DISTRICT FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2012

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Local				
Taxes - property	\$ 14,807,841	\$ 14,807,841	\$ 15,850,794	\$ 1,042,953
Fines, forfeitures and penalties	205,000	205,000	239,501	25,501
Investment earnings	31,866	31,868	49,533	17,667
Charges for services	149,100	149,100	223,124	74,024
Other	1,000	1,000	8,583	7,583
Intergovernmental				
Local	255,005	255,005	226,539	(28,468)
State	1,691,135	1,691,138	1,768,125	76,987
Federal	35,200	35,200	30,784	(4,416)
Total revenues	17,078,150	17,078,150	18,407,883	1,331,833
EXPENDITURES				
Materials and services	22,084,821	22,084,821	18,483,539	3,601,282
Total expenditures	22,084,821	22,084,821	18,483,539	3,601,282
Excess (deficiency) of revenues over expenditures	(5,008,671)	(5,008,671)	(75,556)	(4,933,115)
Other financing sources (uses)				
Transfers out	(100,000)	(100,000)	(100,000)	-
Net change in fund balance	(5,108,671)	(5,108,671)	(176,556)	(4,933,115)
Fund balance - Beginning of year	5,108,671	5,108,671	5,108,671	1,080,272
Fund balance - End of year	\$ -	\$ -	\$ 5,023,367	\$ 5,023,367

**DESCHUTES COUNTY, OREGON**

**COUNTYWIDE LAW ENFORCEMENT DISTRICT - CAPITAL RESERVE  
(SUB-FUND OF COUNTYWIDE LAW ENFORCEMENT DISTRICT)  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2012**

REVENUES	Original Budget	Final Budget	Actual	Variance with Final Budget
Local				
Investment earnings	\$ 5,000	\$ 6,000	\$ 3,079	\$ (2,921)
Total revenues	6,000	6,000	3,079	(2,921)
EXPENDITURES				
Materials and services	-	300,000	-	300,000
Capital outlay	271,000	271,000	-	271,000
Total expenditures	271,000	571,000	-	571,000
Excess (deficiency) of revenues over expenditures	(265,000)	(565,000)	3,079	(573,921)
Other financing sources (uses)				
Transfers in	100,000	100,000	100,000	-
Net change in fund balance	(165,000)	(465,000)	103,079	568,079
Fund balance - Beginning of year	185,000	485,000	1,065,403	680,193
Fund balance - End of year	\$ -	\$ -	\$ 1,168,182	\$ 1,188,182

**DESCHUTES COUNTY, OREGON**

**RURAL LAW ENFORCEMENT DISTRICT FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2012**

REVENUES	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Local				
Taxes - property	\$ 7,605,125	\$ 7,605,125	\$ 7,965,436	\$ 360,311
Fines, forfeitures and penalties	132,500	132,500	167,856	35,356
Investment earnings	11,800	11,800	23,165	11,365
Charges for services	27,000	27,000	45,507	18,507
Contributions and donations	-	-	20,755	20,755
Other	26,000	26,000	78,743	52,743
Intergovernmental				
Local	3,290,683	3,290,683	3,245,373	(45,320)
State	403,304	403,304	353,813	(49,491)
Federal	115,750	115,750	147,999	32,249
Total revenues	11,612,172	11,612,172	12,048,647	436,475
EXPENDITURES				
Materials and services	14,448,695	14,448,695	11,693,765	2,754,930
Total expenditures	14,448,695	14,448,695	11,693,765	2,754,930
Excess (deficiency) of revenues over expenditures	(2,836,523)	(2,836,523)	364,882	3,191,405
Other financing sources (uses)				
Transfers out	(100,000)	(100,000)	(100,000)	-
Net change in fund balance	(2,936,523)	(2,936,523)	254,882	3,191,405
Fund balance - Beginning of year	2,936,523	2,936,523	3,058,228	121,705
Fund balance - End of year	\$ -	\$ -	\$ 3,313,110	\$ 3,313,110

**DESCHUTES COUNTY, OREGON**

**RURAL LAW ENFORCEMENT DISTRICT - CAPITAL RESERVE  
(SUB-FUND OF RURAL LAW ENFORCEMENT DISTRICT)  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Local				
Investment earnings	\$ 5,000	\$ 5,000	\$ 7,339	\$ 2,339
Total revenues	<u>5,000</u>	<u>5,000</u>	<u>7,339</u>	<u>2,339</u>
<b>EXPENDITURES</b>				
Capital outlay	<u>1,159,000</u>	<u>1,159,000</u>	-	<u>1,159,000</u>
Total expenditures	<u>1,159,000</u>	<u>1,159,000</u>	-	<u>1,159,000</u>
Excess (deficiency) of revenues over expenditures	(1,154,000)	(1,154,000)	7,339	1,161,339
Other financing sources (uses)				
Transfers in	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	-
Net change in fund balance	(1,054,000)	(1,054,000)	107,339	1,161,339
Fund balance - Beginning of year	<u>1,054,000</u>	<u>1,054,000</u>	<u>1,054,808</u>	<u>808</u>
Fund balance - End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,162,147</u>	<u>\$ 1,162,147</u>

**DESCHUTES COUNTY, OREGON**

**ROAD DEPARTMENT FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Local				
Licenses and permits	\$ -	\$ -	\$ 1,617	\$ 1,617
Investment earnings	20,000	20,000	19,901	(99)
Rents	144	144	-	(144)
Charges for services	1,785,000	1,785,000	2,124,111	339,111
Other	-	-	26,151	26,151
Intergovernmental				
Local	645,000	645,000	354,425	(290,575)
State	11,840,041	11,840,041	11,780,863	(79,178)
Federal	1,971,162	1,971,162	2,086,374	115,212
Total revenues	<u>16,261,347</u>	<u>16,261,347</u>	<u>16,373,442</u>	<u>112,095</u>
<b>EXPENDITURES</b>				
Personnel services	5,615,323	5,615,323	5,344,597	270,726
Materials and services	10,172,674	10,755,112	9,577,101	1,178,011
Capital outlay	<u>1,236,691</u>	<u>1,236,691</u>	<u>75,288</u>	<u>1,161,403</u>
Total	<u>17,024,688</u>	<u>17,607,126</u>	<u>14,996,986</u>	<u>2,610,140</u>
Operating contingency	<u>2,019,152</u>	<u>2,019,152</u>	-	<u>2,019,152</u>
Total expenditures	<u>19,043,840</u>	<u>19,626,278</u>	<u>14,996,986</u>	<u>4,629,292</u>
Excess (deficiency) of revenues over expenditures	(2,782,493)	(3,364,931)	1,376,456	4,741,387
Other financing sources (uses)				
Transfers in	547,773	547,773	535,773	(12,000)
Transfers out	(600,000)	(600,000)	(600,000)	-
Total other financing sources (uses)	<u>(52,227)</u>	<u>(52,227)</u>	<u>(64,227)</u>	<u>(12,000)</u>
Net change in fund balance	(2,834,720)	(3,417,158)	1,312,229	4,729,387
Fund balance - Beginning of year	<u>2,834,720</u>	<u>3,417,158</u>	<u>4,307,598</u>	<u>890,440</u>
Fund balance - End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,619,827</u>	<u>\$ 5,619,827</u>

**DESCHUTES COUNTY, OREGON**

**ROAD IMPROVEMENT RESERVE (SUB-FUND OF ROAD FUND)  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Local				
Investment earnings	\$ 200	\$ 200	\$ 78	\$ (122)
Charges for services	10,000	10,000	-	(10,000)
Total revenues	<u>10,200</u>	<u>10,200</u>	<u>78</u>	<u>(10,122)</u>
<b>EXPENDITURES</b>				
Other financing sources (uses)				
Transfers out	(12,000)	(12,000)	-	12,000
Total other financing sources (uses)	<u>(12,000)</u>	<u>(12,000)</u>	<u>-</u>	<u>12,000</u>
Net change in fund balance	(1,800)	(1,800)	78	1,878
Fund balance - Beginning of year	<u>12,127</u>	<u>12,127</u>	<u>12,115</u>	<u>(12)</u>
Fund balance - End of year	<u>\$ 10,327</u>	<u>\$ 10,327</u>	<u>\$ 12,193</u>	<u>\$ 1,866</u>

**DESCHUTES COUNTY, OREGON**

**ROAD BUILDING & EQUIPMENT (SUB-FUND OF ROAD FUND)  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Local				
Investment earnings	\$ 4,000	\$ 4,000	\$ 5,168	\$ 1,168
Other	-	-	45,000	45,000
Total revenues	<u>4,000</u>	<u>4,000</u>	<u>50,168</u>	<u>46,168</u>
<b>EXPENDITURES</b>				
Materials and services	18,592	18,592	18,592	-
Capital outlay	925,000	925,000	717,932	207,068
Total	<u>943,592</u>	<u>943,592</u>	<u>736,524</u>	<u>207,068</u>
Operating contingency	397,871	397,871	-	397,871
Total expenditures	<u>1,341,463</u>	<u>1,341,463</u>	<u>736,524</u>	<u>604,939</u>
Excess (deficiency) of revenues over expenditures	<u>(1,337,463)</u>	<u>(1,337,463)</u>	<u>(686,356)</u>	<u>651,107</u>
Other financing sources (uses)				
Transfers in	600,000	600,000	600,000	-
Total other financing sources (uses)	<u>600,000</u>	<u>600,000</u>	<u>600,000</u>	<u>-</u>
Net change in fund balance	(737,463)	(737,463)	(86,356)	651,107
Fund balance - Beginning of year	<u>737,463</u>	<u>737,463</u>	<u>770,942</u>	<u>33,479</u>
Fund balance - End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 684,586</u>	<u>\$ 684,586</u>

**DESCHUTES COUNTY, OREGON**

**DESCHUTES COUNTY 911  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Local				
Taxes - property	\$ 8,183,773	\$ 5,183,773	\$ 5,556,570	\$ 372,797
Investment earnings	35,800	35,800	54,418	18,618
Charges for services	292,000	202,000	314,195	22,195
Donations	-	-	750	750
Intergovernmental				
Local	52,200	52,200	57,007	24,807
State	804,000	804,000	809,807	5,807
Federal	-	-	232,363	232,363
Total revenues	<u>7,377,773</u>	<u>7,377,773</u>	<u>8,555,110</u>	<u>677,337</u>
<b>EXPENDITURES</b>				
Personnel services	4,240,834	4,240,834	3,824,724	416,110
Materials and services	1,957,355	1,927,355	1,750,150	177,205
Debt service	-	-	-	-
Capital outlay	515,000	1,134,620	643,915	490,735
Total	<u>6,713,190</u>	<u>7,302,810</u>	<u>6,218,789</u>	<u>1,084,021</u>
Operating contingency	6,554,583	5,974,953	-	5,974,953
Total expenditures	<u>13,277,773</u>	<u>13,277,773</u>	<u>6,218,789</u>	<u>7,058,984</u>
Excess (deficiency) of revenues over expenditures	<u>(5,900,000)</u>	<u>(5,900,000)</u>	<u>1,835,321</u>	<u>7,736,321</u>
Other financing sources (uses)				
Transfers out	(500,000)	(500,000)	(500,000)	-
Total other financing sources (uses)	<u>(500,000)</u>	<u>(500,000)</u>	<u>(500,000)</u>	<u>-</u>
Net change in fund balance	<u>(5,400,000)</u>	<u>(6,400,000)</u>	<u>1,335,321</u>	<u>7,736,321</u>
Fund balance - Beginning of year	<u>6,400,000</u>	<u>6,400,000</u>	<u>7,602,543</u>	<u>1,202,543</u>
Fund balance - End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,938,864</u>	<u>\$ 8,938,864</u>

**DESCHUTES COUNTY, OREGON**

**911 CSD - EQUIPMENT RESERVE  
(SUB-FUND OF DESCHUTES COUNTY 911 COUNTY SERVICE DISTRICT)  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Local				
Investment earnings	\$ 6,000	\$ 6,000	\$ 10,948	\$ 4,948
Total revenues	<u>6,000</u>	<u>6,000</u>	<u>10,948</u>	<u>4,948</u>
<b>EXPENDITURES</b>				
Materials and services	1,000	1,000	-	1,000
Capital outlay	5,000	5,000	-	5,000
Total expenditures	<u>6,000</u>	<u>6,000</u>	<u>-</u>	<u>6,000</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>10,948</u>	<u>10,948</u>
Other financing sources (uses)				
Transfers in	500,000	500,000	500,000	-
Total other financing sources (uses)	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>-</u>
Net change in fund balance	<u>500,000</u>	<u>500,000</u>	<u>510,948</u>	<u>10,948</u>
Fund balance - Beginning of year	<u>1,289,000</u>	<u>1,289,000</u>	<u>1,289,795</u>	<u>795</u>
Fund balance - End of year	<u>\$ 1,789,000</u>	<u>\$ 1,789,000</u>	<u>\$ 1,800,743</u>	<u>\$ 11,743</u>

**DESCHUTES COUNTY, OREGON**

**PERS RESERVE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Local				
Investment earnings	\$ 60,000	\$ 60,000	\$ 78,581	\$ 18,581
Total revenues	<u>60,000</u>	<u>60,000</u>	<u>78,581</u>	<u>18,581</u>
<b>EXPENDITURES</b>				
Personnel services	1,800,000	1,800,000	1,625,977	174,023
Materials and services	1,000	1,000	850	150
Total expenditures	<u>1,801,000</u>	<u>1,801,000</u>	<u>1,626,827</u>	<u>174,173</u>
Excess (deficiency) of revenues over expenditures	<u>(1,741,000)</u>	<u>(1,741,000)</u>	<u>(1,548,246)</u>	<u>192,754</u>
Other financing sources (uses)				
Transfers out	(100)	(100)	-	100
Total other financing sources (uses)	<u>(100)</u>	<u>(100)</u>	<u>-</u>	<u>100</u>
Net change in fund balance	(1,741,100)	(1,741,100)	(1,548,246)	192,854
Fund balance - Beginning of year	<u>12,925,000</u>	<u>12,925,000</u>	<u>12,942,362</u>	<u>17,362</u>
Fund balance - End of year	<u>\$ 11,183,900</u>	<u>\$ 11,183,900</u>	<u>\$ 11,394,116</u>	<u>\$ 210,216</u>

This page intentionally left blank.



**OTHER SUPPLEMENTARY INFORMATION**

This page intentionally left blank.

**COMBINING AND INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES**

**This page intentionally left blank.**

**DESCHUTES COUNTY, OREGON**

**GENERAL FUND AND SUB-FUNDS OF GENERAL FUND  
COMBINING BALANCE SHEET  
JUNE 30, 2012**

	General Fund	Economic Development	Court Technology Reserve	Assessment & Taxation Reserve
<b>ASSETS</b>				
Cash and cash equivalents	\$ 7,675,904	\$ 135,694	\$ 37,576	\$ 394,365
Investments, at fair value; plus accrued interest	2,747,126	48,569	13,451	141,156
Taxes receivable	1,421,683	-	-	-
Accounts receivable	238,827	-	-	-
Notes and contracts receivable	-	385,778	-	-
Assessments receivable	-	-	-	-
Deferred outflow of resources	-	-	-	-
Due from other funds	31,344	-	-	-
<b>Total assets</b>	<b>\$ 12,114,884</b>	<b>\$ 570,041</b>	<b>\$ 51,027</b>	<b>\$ 535,521</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 885,020	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-
Deposits	14,489	-	-	-
Deferred revenue	1,235,451	385,778	-	-
Unearned revenue	780,983	-	-	-
<b>Total liabilities</b>	<b>2,885,943</b>	<b>385,778</b>	<b>-</b>	<b>-</b>
<b>Fund balances:</b>				
Assigned	572,188	184,263	51,027	535,521
Unassigned	8,676,753	-	-	-
<b>Total fund balances</b>	<b>9,248,941</b>	<b>184,263</b>	<b>51,027</b>	<b>535,521</b>
<b>Total liabilities and fund balances</b>	<b>\$ 12,114,884</b>	<b>\$ 570,041</b>	<b>\$ 51,027</b>	<b>\$ 535,521</b>

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

Continued

**DESCHUTES COUNTY, OREGON**

**GENERAL FUND AND SUB-FUNDS OF GENERAL FUND  
COMBINING BALANCE SHEET  
JUNE 30, 2012**

	Justice Court	Bethlehem Inn	Humane Society of Redmond	Project Development
<b>ASSETS</b>				
Cash and cash equivalents	\$ 80,590	\$ (2,710,173)	\$ -	\$ 2,187,731
Investments, at fair value; plus accrued interest	28,561	-	-	783,057
Taxes receivable	-	-	-	-
Accounts receivable	-	-	-	-
Notes and contracts receivable	-	-	805,402	2,691,662
Assessments receivable	-	-	-	-
Deferred outflow of resources	-	-	38,429	-
Due from other funds	-	-	-	-
<b>Total assets</b>	<b>\$ 109,151</b>	<b>\$ (2,710,173)</b>	<b>\$ 841,831</b>	<b>\$ 5,662,460</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 4,191	\$ -	\$ -	\$ -
Due to other funds	-	-	753,376	-
Deposits	-	-	-	-
Deferred revenue	-	-	805,402	2,664,600
Unearned revenue	-	-	-	-
<b>Total liabilities</b>	<b>4,191</b>	<b>-</b>	<b>1,563,778</b>	<b>2,664,600</b>
<b>Fund balances:</b>				
Assigned	104,960	-	-	2,997,860
Unassigned	-	(2,710,173)	(721,947)	-
<b>Total fund balances</b>	<b>104,960</b>	<b>(2,710,173)</b>	<b>(721,947)</b>	<b>2,997,860</b>
<b>Total liabilities and fund balances</b>	<b>\$ 109,151</b>	<b>\$ (2,710,173)</b>	<b>\$ 841,831</b>	<b>\$ 5,662,460</b>

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

Continued

**DESCHUTES COUNTY, OREGON**

**GENERAL FUND AND SUB-FUNDS OF GENERAL FUND  
COMBINING BALANCE SHEET  
JUNE 30, 2012**

	General County Projects	General Capital Reserve	Property Management Operations	Community Justice Juvenile
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,324,192	\$ 1,200,693	\$ 7,108	\$ 686,493
Investments, at fair value; plus accrued interest	473,960	451,245	2,545	245,792
Taxes receivable	43,939	-	-	-
Accounts receivable	-	-	-	87,731
Notes and contracts receivable	-	-	-	-
Assessments receivable	-	-	-	-
Inventory	-	-	-	-
Due from other funds	-	-	-	-
<b>Total assets</b>	<b>\$ 1,842,066</b>	<b>\$ 1,711,938</b>	<b>\$ 9,653</b>	<b>\$ 1,019,926</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 27,075	\$ -	\$ 323	\$ 24,578
Due to other funds	-	-	-	-
Deposits	-	-	-	-
Deferred revenue	38,179	-	-	-
Unearned revenue	-	-	-	-
<b>Total liabilities</b>	<b>65,254</b>	<b>-</b>	<b>323</b>	<b>24,578</b>
<b>Fund balances:</b>				
Assigned	1,776,812	1,711,938	9,330	985,348
Unassigned	-	-	-	-
<b>Total fund balances</b>	<b>1,776,812</b>	<b>1,711,938</b>	<b>9,330</b>	<b>985,348</b>
<b>Total liabilities and fund balances</b>	<b>\$ 1,842,066</b>	<b>\$ 1,711,938</b>	<b>\$ 9,653</b>	<b>\$ 1,019,926</b>

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

Continued

**DESCHUTES COUNTY, OREGON**

**GENERAL FUND AND SUB-FUNDS OF GENERAL FUND  
COMBINING BALANCE SHEET  
JUNE 30, 2012**

	Code Abatement	Vehicle Maintenance & Replacement	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 70,867	\$ 774,909	\$ 11,825,919
Investments, at fair value; plus accrued interest	26,365	277,367	5,238,121
Taxes receivable	-	-	1,488,821
Accounts receivable	-	-	325,658
Notes and contracts receivable	-	-	3,892,042
Assessments receivable	-	-	-
Deferred outflow of resources	-	-	36,429
Due from other funds	-	-	31,344
<b>Total assets</b>	<b>\$ 96,232</b>	<b>\$ 1,052,276</b>	<b>\$ 22,906,834</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts payable	\$ -	\$ 5,040	\$ 848,227
Due to other funds	-	-	758,376
Deposits	-	-	14,489
Deferred revenue	-	-	5,129,410
Unearned revenue	-	-	730,983
<b>Total liabilities</b>	<b>-</b>	<b>5,040</b>	<b>7,579,485</b>
<b>Fund balances:</b>			
Assigned	86,232	1,047,236	10,082,716
Unassigned	-	-	5,244,633
<b>Total fund balances</b>	<b>86,232</b>	<b>1,047,236</b>	<b>15,327,349</b>
<b>Total liabilities and fund balances</b>	<b>\$ 96,232</b>	<b>\$ 1,052,276</b>	<b>\$ 22,906,834</b>

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

**DESCHUTES COUNTY, OREGON**

**COUNTYWIDE LAW ENFORCEMENT DISTRICT - OPERATING FUND & SUB-FUND  
COMBINING BALANCE SHEET  
JUNE 30, 2012**

	<u>Operating Fund</u>	<u>Reserve Fund</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 4,209,602	\$ 236,466	\$ 4,446,068
Investments, at fair value; plus accrued interest	1,506,864	84,647	1,591,511
Taxes receivable	1,038,705	-	1,038,705
Accounts receivable	180,704	-	180,704
Due from other funds	-	847,049	847,049
<b>Total assets</b>	<b>\$ 6,935,875</b>	<b>\$ 1,168,182</b>	<b>\$ 8,104,057</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Deferred revenue	\$ 901,200	\$ -	\$ 901,200
Unearned revenue	11,288	-	11,288
<b>Total liabilities</b>	<b>912,488</b>	<b>-</b>	<b>912,488</b>
<b>Fund balances:</b>			
Restricted	6,023,387	1,168,182	7,191,569
<b>Total fund balances</b>	<b>6,023,387</b>	<b>1,168,182</b>	<b>7,191,569</b>
<b>Total liabilities and fund balances</b>	<b>\$ 6,935,875</b>	<b>\$ 1,168,182</b>	<b>\$ 8,104,057</b>

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

**DESCHUTES COUNTY, OREGON**

**RURAL LAW ENFORCEMENT DISTRICT - OPERATING FUND & SUB-FUND  
COMBINING BALANCE SHEET  
JUNE 30, 2012**

	<u>Operating Fund</u>	<u>Reserve Fund</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 2,280,261	\$ 855,819	\$ 3,136,080
Investments, at fair value; plus accrued interest	816,186	306,328	1,122,514
Taxes receivable	517,177	-	517,177
Accounts receivable	149,109	-	149,109
<b>Total assets</b>	<b>\$ 3,762,733</b>	<b>\$ 1,162,147</b>	<b>\$ 4,924,880</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Deferred revenue	\$ 449,623	\$ -	\$ 449,623
<b>Total liabilities</b>	<b>449,623</b>	<b>-</b>	<b>449,623</b>
<b>Fund balances:</b>			
Restricted	3,313,110	1,162,147	4,475,257
<b>Total fund balances</b>	<b>3,313,110</b>	<b>1,162,147</b>	<b>4,475,257</b>
<b>Total liabilities and fund balances</b>	<b>\$ 3,762,733</b>	<b>\$ 1,162,147</b>	<b>\$ 4,924,880</b>

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

# DESCHUTES COUNTY, OREGON

## DESCHUTES COUNTY ROAD DEPARTMENT and SUB FUNDS COMBINING BALANCE SHEET JUNE 30, 2012

	Road Dept Operating Fund	Road Bldg and Equip Fund	Road Improvement Reserve	Total
<b>ASSETS</b>				
Cash and cash equivalents	\$ 4,044,731	\$ 523,366	\$ 8,979	\$ 4,577,076
Investments, at fair value; plus accrued interest	1,447,339	187,331	3,214	1,637,904
Accounts receivable	358,478	-	-	358,478
Inventory	894,228	-	-	894,228
<b>Total assets</b>	<b>\$ 6,744,776</b>	<b>\$ 710,697</b>	<b>\$ 12,193</b>	<b>\$ 7,467,666</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 1,124,949	\$ 28,111	\$ -	\$ 1,151,060
<b>Total liabilities</b>	<b>1,124,949</b>	<b>28,111</b>	<b>-</b>	<b>1,151,060</b>
<b>Fund balances:</b>				
Nonspendable	894,228	-	-	894,228
Restricted	4,725,598	684,586	12,193	5,422,378
<b>Total fund balances</b>	<b>5,619,827</b>	<b>684,586</b>	<b>12,193</b>	<b>6,316,606</b>
<b>Total liabilities and fund balances</b>	<b>\$ 6,744,776</b>	<b>\$ 710,697</b>	<b>\$ 12,193</b>	<b>\$ 7,467,666</b>

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

# DESCHUTES COUNTY, OREGON

## DESCHUTES COUNTY 911 COUNTY SERVICE DISTRICT OPERATING FUND and SUB FUND COMBINING BALANCE SHEET JUNE 30, 2012

	Deschutes County 911 Operating Fund	Des Co 911 Equipment Reserve	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 6,358,292	\$ 1,326,069	\$ 7,684,361
Investments, at fair value; plus accrued interest	2,275,857	474,654	2,750,511
Taxes receivable	429,425	-	429,425
Accounts receivable	377,523	-	377,523
<b>Total assets</b>	<b>\$ 9,441,097</b>	<b>\$ 1,800,743</b>	<b>\$ 11,241,840</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 125,839	\$ -	\$ 125,839
Deferred revenue	376,394	-	376,394
<b>Total liabilities</b>	<b>502,233</b>	<b>-</b>	<b>502,233</b>
<b>Fund balances:</b>			
Restricted	8,938,864	1,800,743	10,739,607
<b>Total fund balances</b>	<b>8,938,864</b>	<b>1,800,743</b>	<b>10,739,607</b>
<b>Total liabilities and fund balances</b>	<b>\$ 9,441,097</b>	<b>\$ 1,800,743</b>	<b>\$ 11,241,840</b>

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

**DESCHUTES COUNTY, OREGON**

**GENERAL FUND AND SUB-FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2012**

	General Fund	Economic Development	Court Technology Reserve	Assessment & Taxation Reserve
<b>REVENUES</b>				
Taxes - property	\$ 21,598,086	\$ -	\$ -	\$ -
Licenses and permits	29,250	-	-	-
Fines, forfeitures and penalties	450,855	-	-	-
Investment earnings	78,144	1,295	244	3,080
Rents	37,908	-	-	-
Intergovernmental	3,102,440	-	-	-
Charges for services	1,574,604	-	-	-
Contributions and donations	-	-	-	-
Loan repayments	-	26,667	-	-
Other	-	-	-	-
Total revenues	<u>28,869,097</u>	<u>27,962</u>	<u>244</u>	<u>3,080</u>
<b>EXPENDITURES</b>				
Current:				
General government	11,702,832	137,000	6,362	-
Public safety	-	-	-	-
Health and welfare	255,677	-	-	-
Debt service:				
Interest	-	-	-	-
Capital outlay	169,281	-	-	-
Total expenditures	<u>12,117,790</u>	<u>137,000</u>	<u>6,362</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>14,751,307</u>	<u>(109,038)</u>	<u>(6,118)</u>	<u>3,080</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Inter-fund:				
Transfers in	97,496	-	-	-
Transfers out	(6,975,087)	-	-	-
Intra-fund:				
Transfers in	-	96,833	32,000	100,000
Transfers out	(7,017,923)	-	-	-
Total other financing sources and uses	<u>(13,895,514)</u>	<u>96,833</u>	<u>32,000</u>	<u>100,000</u>
Net change in fund balances	855,793	(12,205)	25,882	103,080
Fund balances - Beginning	8,393,148	198,468	25,145	432,441
Fund balances - Ending	<u>\$ 9,248,941</u>	<u>\$ 184,263</u>	<u>\$ 51,027</u>	<u>\$ 535,521</u>

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

**Continued**

**DESCHUTES COUNTY, OREGON**

**GENERAL FUND AND SUB-FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2012**

	Justice Court	Bethlehem Inn	Humane Society of Redmond	Project Development
<b>REVENUES</b>				
Taxes - property	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Fines, forfeitures and penalties	-	-	-	224
Investment earnings	911	-	8,534	190,515
Rents	-	24,408	-	-
Intergovernmental	577	-	-	-
Charges for services	-	-	-	-
Contributions and donations	-	-	-	-
Loan repayments	-	-	54,051	57,680
Other	-	-	-	15,250
Total revenues	<u>1,488</u>	<u>24,408</u>	<u>62,585</u>	<u>263,649</u>
<b>EXPENDITURES</b>				
Current:				
General government	535,580	-	55,000	32,559
Public safety	-	-	-	-
Health and welfare	-	-	-	-
Debt service:				
Interest	-	18,000	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>535,580</u>	<u>18,000</u>	<u>55,000</u>	<u>32,559</u>
Excess (deficiency) of revenues over expenditures	<u>(534,092)</u>	<u>6,408</u>	<u>7,585</u>	<u>231,090</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Inter-fund:				
Transfers in	-	-	-	500,000
Transfers out	-	-	-	(722,721)
Intra-fund:				
Transfers in	499,952	-	-	-
Transfers out	-	-	-	-
Total other financing sources and uses	<u>499,952</u>	<u>-</u>	<u>-</u>	<u>(222,721)</u>
Net change in fund balances	(34,140)	6,408	7,585	8,369
Fund balances - Beginning	<u>139,100</u>	<u>(2,716,581)</u>	<u>(729,532)</u>	<u>2,989,491</u>
Fund balances - Ending	<u>\$ 104,960</u>	<u>\$ (2,710,173)</u>	<u>\$ (721,947)</u>	<u>\$ 2,997,860</u>

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

**Continued**

# DESCHUTES COUNTY, OREGON

## GENERAL FUND AND SUB-FUNDS COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2012

	General County Projects	General Capital Reserve	Property Management Operations	Community Justice Juvenile
<b>REVENUES</b>				
Taxes - property	\$ 874,863	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Fines, forfeitures and penalties	-	-	-	1,065
Investment earnings	7,453	10,991	118	7,781
Rents	457,347	-	99	1,200
Intergovernmental	20,072	-	-	613,782
Charges for services	-	-	18	185,821
Contributions and donations	27,627	-	-	934
Loan repayments	-	-	-	-
Other	-	-	-	-
Total revenues	<u>1,187,552</u>	<u>10,991</u>	<u>235</u>	<u>810,663</u>
<b>EXPENDITURES</b>				
Current:				
General government	580,861	-	15,619	-
Public safety	-	-	-	0,162,806
Health and welfare	-	-	-	-
Debt service:				
Interest	-	-	-	-
Capital outlay	8,370	-	-	23,000
Total expenditures	<u>600,331</u>	<u>-</u>	<u>15,619</u>	<u>0,185,806</u>
Excess (deficiency) of revenues over expenditures	<u>587,221</u>	<u>10,991</u>	<u>(16,384)</u>	<u>(6,375,243)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Inter-fund:				
Transfers in	-	-	-	-
Transfers out	(1,134,118)	-	-	-
Intra-fund:				
Transfers in	953,278	-	-	5,321,469
Transfers out	-	-	-	(50,400)
Total other financing sources and uses	<u>(180,839)</u>	<u>-</u>	<u>-</u>	<u>5,271,069</u>
Net change in fund balances	<u>406,382</u>	<u>10,991</u>	<u>(16,384)</u>	<u>(104,184)</u>
Fund balances - Beginning	<u>1,370,430</u>	<u>1,700,948</u>	<u>25,714</u>	<u>1,099,632</u>
Fund balances - Ending	<u>\$ 1,776,812</u>	<u>\$ 1,711,939</u>	<u>\$ 9,330</u>	<u>\$ 995,448</u>

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

Continued

# DESCHUTES COUNTY, OREGON

## GENERAL FUND AND SUB-FUNDS COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2012

	Code Abatement	Vehicle Maintenance & Replacement	Total
<b>REVENUES</b>			
Taxes - property	\$ -	\$ -	\$ 22,272,939
Licenses and permits	-	-	28,280
Fines, forfeitures and penalties	-	-	451,984
Investment earnings	618	7,131	314,795
Rents	-	-	520,962
Intergovernmental	-	-	3,736,071
Charges for services	-	-	1,760,443
Contributions and donations	-	-	28,781
Loan repayments	-	-	138,378
Other	-	15,537	30,787
Total revenues	<u>618</u>	<u>22,668</u>	<u>29,285,148</u>
<b>EXPENDITURES</b>			
Current:			
General government	-	78,460	13,155,373
Public safety	-	-	0,162,806
Health and welfare	-	-	255,677
Debt service:			
Interest	-	-	18,000
Capital outlay	-	105,924	367,575
Total expenditures	<u>-</u>	<u>274,384</u>	<u>19,979,431</u>
Excess (deficiency) of revenues over expenditures	<u>618</u>	<u>(251,716)</u>	<u>9,305,709</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Inter-fund:			
Transfers in	-	151,200	748,696
Transfers out	-	-	(8,831,928)
Intra-fund:			
Transfers in	-	84,800	7,068,323
Transfers out	-	-	(7,058,323)
Total other financing sources and uses	<u>-</u>	<u>216,000</u>	<u>(8,083,230)</u>
Net change in fund balances	<u>618</u>	<u>(35,716)</u>	<u>1,222,479</u>
Fund balances - Beginning	<u>95,614</u>	<u>1,062,952</u>	<u>14,104,870</u>
Fund balances - Ending	<u>\$ 96,232</u>	<u>\$ 1,047,236</u>	<u>\$ 15,327,349</u>

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



**DESCHUTES COUNTY, OREGON**

**COUNTYWIDE LAW ENFORCEMENT DISTRICT - OPERATING FUND & SUB-FUND  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Operating Fund</u>	<u>Reserve Fund</u>	<u>Total</u>
<b>REVENUES</b>			
Taxes - property	\$ 15,850,794	\$ -	\$ 15,850,794
Fines, forfeitures and penalties	230,501	-	230,501
Investment earnings	49,533	3,079	52,612
Intergovernmental	2,045,448	-	2,045,448
Charges for services	223,124	-	223,124
Contributions and donations	8,583	-	8,583
Total revenues	<u>18,407,983</u>	<u>3,079</u>	<u>18,411,062</u>
<b>EXPENDITURES</b>			
Current:			
Public safety	<u>18,483,539</u>	-	<u>18,483,539</u>
Total expenditures	<u>18,483,539</u>	-	<u>18,483,539</u>
Excess (deficiency) of revenues over expenditures	<u>(75,556)</u>	<u>3,079</u>	<u>(72,477)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Intra-fund:			
Transfers in	-	100,000	100,000
Transfers out	<u>(100,000)</u>	-	<u>(100,000)</u>
Total other financing sources (uses)	<u>(100,000)</u>	<u>100,000</u>	<u>-</u>
Net change in fund balances	<u>(175,556)</u>	<u>103,079</u>	<u>(72,477)</u>
Fund balances - Beginning	<u>8,198,943</u>	<u>1,065,103</u>	<u>7,264,046</u>
Fund balances - Ending	<u>\$ 6,023,387</u>	<u>\$ 1,168,182</u>	<u>\$ 7,191,569</u>

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

**DESCHUTES COUNTY, OREGON**

**RURAL LAW ENFORCEMENT DISTRICT - OPERATING FUND & SUB-FUND  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Operating Fund</u>	<u>Reserve Fund</u>	<u>Total</u>
<b>REVENUES</b>			
Taxes - property	\$ 7,965,436	\$ -	\$ 7,965,436
Fines, forfeitures and penalties	167,856	-	167,856
Investment earnings	23,165	7,339	30,504
Intergovernmental	3,747,185	-	3,747,185
Charges for services	45,507	-	45,507
Contributions and donations	20,755	-	20,755
Other	<u>78,743</u>	-	<u>78,743</u>
Total revenues	<u>12,048,647</u>	<u>7,339</u>	<u>12,055,986</u>
<b>EXPENDITURES</b>			
Current:			
Public safety	<u>11,693,765</u>	-	<u>11,693,765</u>
Total expenditures	<u>11,693,765</u>	-	<u>11,693,765</u>
Excess (deficiency) of revenues over expenditures	<u>354,882</u>	<u>7,339</u>	<u>362,221</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Intra-fund:			
Transfers in	-	100,000	100,000
Transfers out	<u>(100,000)</u>	-	<u>(100,000)</u>
Total other financing sources (uses)	<u>(100,000)</u>	<u>100,000</u>	<u>-</u>
Net change in fund balances	<u>254,882</u>	<u>107,339</u>	<u>362,221</u>
Fund balances - Beginning	<u>3,058,228</u>	<u>1,054,808</u>	<u>4,113,036</u>
Fund balances - Ending	<u>\$ 3,313,110</u>	<u>\$ 1,162,147</u>	<u>\$ 4,475,257</u>

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

**DESCHUTES COUNTY, OREGON**

**ROAD DEPARTMENT FUND AND SUB-FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2012**

	Road Dept Operating Fund	Road Bldg and Equip Fund	Road Improvement Reserve	Total
<b>REVENUES</b>				
Licenses and permits	\$ 1,517	\$ -	\$ -	\$ 1,517
Investment earnings	18,881	5,168	78	25,147
Intergovernmental	14,201,662	-	-	14,201,662
Charges for services	2,124,111	-	-	2,124,111
Other	26,152	45,000	-	71,152
Total revenues	<u>16,373,443</u>	<u>50,168</u>	<u>78</u>	<u>16,423,689</u>
<b>EXPENDITURES</b>				
Current:				
County roads	14,921,698	18,582	-	14,940,280
Capital outlay	<u>75,288</u>	<u>717,932</u>	<u>-</u>	<u>793,220</u>
Total expenditures	<u>14,996,986</u>	<u>736,524</u>	<u>-</u>	<u>15,733,510</u>
Excess (deficiency) of revenues over expenditures	<u>1,376,457</u>	<u>(686,356)</u>	<u>78</u>	<u>690,179</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Inter-fund:				
Transfers in	535,773	-	-	535,773
Intra-fund:				
Transfers in	-	600,000	-	600,000
Transfers out	<u>(600,000)</u>	<u>-</u>	<u>-</u>	<u>(600,000)</u>
Total other financing sources (uses)	<u>(64,227)</u>	<u>600,000</u>	<u>-</u>	<u>535,773</u>
Net change in fund balance	<u>1,312,230</u>	<u>(86,356)</u>	<u>78</u>	<u>1,225,952</u>
Fund balance - Beginning of year	<u>4,397,598</u>	<u>770,942</u>	<u>12,115</u>	<u>5,080,655</u>
Fund balance - End of year	<u>\$ 5,619,828</u>	<u>\$ 684,586</u>	<u>\$ 12,193</u>	<u>\$ 6,316,607</u>

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

**DESCHUTES COUNTY, OREGON**

**DESCHUTES COUNTY 911 COUNTY SERVICE DISTRICT OPERATING FUND and SUB FUND  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2012**

	Deschutes County 911 Operating Fund	Des Co 911 Equipment Reserve	Total
<b>REVENUES</b>			
Local:			
Taxes - property	\$ 6,556,570	\$ -	\$ 6,556,570
Investment earnings	54,418	10,948	65,366
Charges for services	314,195	-	314,195
Contributions and donations	750	-	750
Intergovernmental:			
Local	87,007	-	87,007
State	809,807	-	809,807
Federal	232,363	-	232,363
Total revenues	<u>8,055,110</u>	<u>10,948</u>	<u>8,066,058</u>
<b>EXPENDITURES</b>			
Current:			
Public safety	5,574,874	-	5,574,874
Capital outlay	<u>643,915</u>	<u>-</u>	<u>643,915</u>
Total expenditures	<u>6,218,789</u>	<u>-</u>	<u>6,218,789</u>
Excess (deficiency) of revenues over expenditures	<u>1,836,321</u>	<u>10,948</u>	<u>1,847,269</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Intra-fund:			
Transfers in	-	500,000	500,000
Transfers out	<u>(500,000)</u>	<u>-</u>	<u>(500,000)</u>
Total other financing sources (uses)	<u>(500,000)</u>	<u>500,000</u>	<u>-</u>
Net change in fund balances	<u>1,336,321</u>	<u>510,948</u>	<u>1,847,269</u>
Fund balance - Beginning of year	<u>7,002,543</u>	<u>1,289,795</u>	<u>8,292,338</u>
Fund balance - End of year	<u>\$ 8,338,864</u>	<u>\$ 1,800,743</u>	<u>\$ 10,139,607</u>

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

**COMBINING AND INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES – NONMAJOR FUNDS**

**This page intentionally left blank.**

**COMBINING NONMAJOR  
GOVERNMENTAL FUNDS**

**This page intentionally left blank.**

DESCHUTES COUNTY, OREGON

NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2012

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total Nonmajor Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 16,404,506	\$ 908,942	\$ 1,425,404	\$ 18,739,852
Investments, at fair value; plus accrued interest	4,875,000	325,695	510,202	5,710,897
Taxes receivable	774,377	212,251	-	986,628
Accounts receivable	1,577,362	75,776	-	1,753,138
Notes and contracts receivable	944,298	-	-	944,298
Assessments receivable	-	776,169	-	776,169
<b>Total assets</b>	<b>\$ 24,675,543</b>	<b>\$ 2,299,833</b>	<b>\$ 1,935,606</b>	<b>\$ 28,910,982</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 1,999,490	\$ -	\$ 24,538	\$ 2,024,028
Due to other funds	31,344	-	-	31,344
Deposits	15,544	-	-	15,544
Deferred revenues	1,234,361	961,334	-	2,195,695
Unearned revenues	179,893	-	-	179,893
<b>Total liabilities</b>	<b>3,460,632</b>	<b>961,334</b>	<b>24,538</b>	<b>4,446,504</b>
<b>Fund balances:</b>				
Restricted	14,884,971	585,900	1,048,534	16,519,405
Committed	426,890	-	122,361	549,251
Assigned	5,903,050	752,599	740,173	7,395,822
<b>Total fund balances</b>	<b>21,214,911</b>	<b>1,338,499</b>	<b>1,911,068</b>	<b>24,464,478</b>
<b>Total liabilities and fund balances</b>	<b>\$ 24,675,543</b>	<b>\$ 2,299,833</b>	<b>\$ 1,935,606</b>	<b>\$ 28,910,982</b>

DESCHUTES COUNTY, OREGON

NONMAJOR GOVERNMENTAL FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2012

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total Non-Major Governmental Funds
<b>REVENUES</b>				
<b>Local</b>				
Taxes - property	\$ 6,202,974	\$ 3,340,801	\$ -	\$ 9,543,775
Taxes - other	3,357,369	-	-	3,357,369
Licenses and permits	747,360	-	-	747,360
Fines, forfeitures, and penalties	566,934	-	-	566,934
Special assessments	-	161,466	-	161,466
Investment earnings	141,660	62,871	13,704	218,235
Rents	36,958	1,215,657	-	1,252,625
Charges for services	10,546,973	1,145,336	-	11,692,309
Contributions and donations	27,055	-	-	27,055
Loan repayments	11,476	-	-	11,476
Other	22,830	-	-	22,830
<b>Intergovernmental</b>				
Local	1,030,082	-	-	1,030,082
State	27,460,778	-	-	27,460,778
Federal	2,145,458	-	-	2,145,458
<b>Total revenues</b>	<b>51,287,907</b>	<b>5,926,141</b>	<b>13,704</b>	<b>57,227,752</b>
<b>EXPENDITURES</b>				
<b>Current:</b>				
General government	9,074,991	-	-	9,074,991
Public safety	9,319,523	-	-	9,319,523
County roads	1,562,359	-	-	1,562,359
Health and welfare	32,398,884	-	-	32,398,884
Education	687,511	-	-	687,511
<b>Debt service:</b>				
Principal	8,695	5,288,175	-	5,296,870
Interest	473	2,512,848	-	2,513,321
Trustee fees	-	2,950	-	2,950
Debt issuance costs	-	372,216	-	372,216
<b>Capital outlay</b>	<b>377,836</b>	<b>-</b>	<b>251,101</b>	<b>628,937</b>
<b>Total expenditures</b>	<b>53,430,272</b>	<b>8,278,189</b>	<b>251,101</b>	<b>61,959,562</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(2,142,365)</b>	<b>(2,352,048)</b>	<b>(237,397)</b>	<b>(4,729,810)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in from other funds	7,002,252	1,815,044	500,000	9,417,296
Transfer out to other funds	(2,640,923)	-	(187)	(2,641,110)
Refunding bonds issued	-	21,893,362	-	21,893,362
Payment to refunded bond escrow agent	-	(21,520,747)	-	(21,520,747)
<b>Total other financing sources (uses)</b>	<b>4,361,329</b>	<b>2,187,659</b>	<b>599,813</b>	<b>7,148,801</b>
<b>Net change in fund balances</b>	<b>2,218,964</b>	<b>(162,389)</b>	<b>362,416</b>	<b>2,418,991</b>
<b>Fund balance - Beginning of year</b>	<b>18,995,947</b>	<b>1,500,888</b>	<b>1,548,652</b>	<b>22,045,487</b>
<b>Fund balance - End of year</b>	<b>\$ 21,214,911</b>	<b>\$ 1,338,499</b>	<b>\$ 1,911,068</b>	<b>\$ 24,464,478</b>

DESCHUTES COUNTY, OREGON

NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2012

	Grant Projects	La Pine Industrial	Park Acquisition & Development	Park Development Fees
<b>ASSETS</b>				
Cash and cash equivalents	\$ 4,378	\$ 2,813	\$ 2,912	\$ 90,134
Investments, at fair value; plus accrued interest	1,566	1,007	1,042	32,262
Taxes receivable	-	-	-	-
Accounts receivable	-	-	23,812	-
Notes and contracts receivable	-	40,181	-	-
Total assets	\$ 5,942	\$ 44,001	\$ 27,766	\$ 122,396
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Deposits	-	-	-	-
Due to other funds	-	-	-	-
Deferred revenues	-	40,181	-	-
Unearned revenues	-	-	-	-
Total liabilities	-	40,181	-	-
<b>Fund balances:</b>				
Restricted	-	3,820	27,766	122,386
Committed	-	-	-	-
Assigned	5,942	-	-	-
Total fund balance	5,942	3,820	27,766	122,396
Total liabilities and fund balances	\$ 5,942	\$ 44,001	\$ 27,766	\$ 122,396

DESCHUTES COUNTY, OREGON

NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2012

	County School	Special Transportation	Taylor Grazing	Transient Room Tax
<b>ASSETS</b>				
Cash and cash equivalents	\$ 11	\$ 63,484	\$ 12,181	\$ 25,983
Investments, at fair value; plus accrued interest	5	22,723	4,360	9,300
Taxes receivable	-	-	-	381,270
Accounts receivable	-	87,813	-	-
Notes and contracts receivable	-	-	-	-
Total assets	\$ 16	\$ 173,820	\$ 16,541	\$ 416,553
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ 164,552	\$ -	\$ 30,811
Deposits	-	-	-	-
Due to other funds	-	-	-	-
Deferred revenues	-	-	-	-
Unearned revenues	-	-	-	-
Total liabilities	-	164,552	-	30,811
<b>Fund balances:</b>				
Restricted	16	9,268	16,541	385,742
Committed	-	-	-	-
Assigned	-	-	-	-
Total fund balance	16	9,268	16,541	385,742
Total liabilities and fund balances	\$ 16	\$ 173,820	\$ 16,541	\$ 416,553

DESCHUTES COUNTY, OREGON

NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2012

	Video Lottery	Welcome Center	Foreclosed Land Sales	Liquor Enforcement
<b>ASSETS</b>				
Cash and cash equivalents	\$ 90,295	\$ 20,151	\$ 112,256	\$ 16,977
Investments, at fair value; plus accrued interest	32,317	30,636	40,186	6,042
Taxes receivable	-	63,589	-	-
Accounts receivable	-	-	-	-
Notes and contracts receivable	-	-	-	-
<b>Total assets</b>	<b>\$ 122,602</b>	<b>\$ 114,376</b>	<b>\$ 152,436</b>	<b>\$ 22,919</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 6,000	\$ 115,000	\$ 742	\$ -
Deposits	-	-	-	-
Due to other funds	-	-	-	-
Deferred revenues	-	-	-	-
Unearned revenues	-	-	-	-
<b>Total liabilities</b>	<b>6,000</b>	<b>115,000</b>	<b>742</b>	<b>-</b>
<b>Fund balances:</b>				
Restricted	-	65,578	151,693	22,919
Committed	-	-	-	-
Assigned	116,602	-	-	-
<b>Total fund balance</b>	<b>116,602</b>	<b>65,578</b>	<b>151,693</b>	<b>22,919</b>
<b>Total liabilities and fund balances</b>	<b>\$ 122,602</b>	<b>\$ 180,578</b>	<b>\$ 152,436</b>	<b>\$ 22,919</b>

DESCHUTES COUNTY, OREGON

NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2012

	Victims' Assistance	Law Library	County Clerk Records	Children & Families Commission
<b>ASSETS</b>				
Cash and cash equivalents	\$ 51,496	\$ 315,834	\$ 244,457	\$ 541,829
Investments, at fair value; plus accrued interest	18,410	113,048	87,500	153,936
Taxes receivable	-	-	-	-
Accounts receivable	11,165	-	-	78,953
Notes and contracts receivable	-	-	-	-
<b>Total assets</b>	<b>\$ 81,063</b>	<b>\$ 428,882</b>	<b>\$ 331,957</b>	<b>\$ 815,717</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 1,217	\$ 21,050	\$ 1,337	\$ 240,497
Deposits	7,056	-	-	-
Due to other funds	-	-	-	-
Deferred revenues	-	-	-	-
Unearned revenues	-	-	-	-
<b>Total liabilities</b>	<b>8,282</b>	<b>21,050</b>	<b>1,337</b>	<b>240,497</b>
<b>Fund balances:</b>				
Restricted	72,201	407,232	330,620	575,220
Committed	-	-	-	-
Assigned	-	-	-	-
<b>Total fund balance</b>	<b>72,201</b>	<b>407,232</b>	<b>330,620</b>	<b>575,220</b>
<b>Total liabilities and fund balances</b>	<b>\$ 81,063</b>	<b>\$ 428,882</b>	<b>\$ 331,957</b>	<b>\$ 815,717</b>

**DESCHUTES COUNTY, OREGON**

**NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2012**

	Sheriff's Asset Forfeiture	Court Facilities	Des Co Communication System	Public Health
<b>ASSETS</b>				
Cash and cash equivalents	\$ 21,939	\$ 20,443	\$ 141,056	\$ 810,805
Investments, at fair value; plus accrued interest	7,853	7,317	50,489	289,790
Taxes receivable	-	-	-	-
Accounts receivable	-	-	-	429,925
Notes and contracts receivable	-	-	-	-
<b>Total assets</b>	<b>\$ 29,792</b>	<b>\$ 27,760</b>	<b>\$ 191,545</b>	<b>\$ 1,530,520</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ -	\$ 10,284	\$ 187,413
Deposits	-	-	-	-
Due to other funds	-	-	-	-
Deferred revenues	-	-	-	-
Unearned revenues	-	-	-	35,560
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>10,284</b>	<b>202,973</b>
<b>Fund balances:</b>				
Restricted	29,792	-	-	-
Committed	-	-	-	-
Assigned	-	27,760	181,261	1,327,547
<b>Total fund balance</b>	<b>29,792</b>	<b>27,760</b>	<b>181,261</b>	<b>1,327,547</b>
<b>Total liabilities and fund balances</b>	<b>\$ 29,792</b>	<b>\$ 27,760</b>	<b>\$ 191,545</b>	<b>\$ 1,530,520</b>

**DESCHUTES COUNTY, OREGON**

**NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2012**

	Healthy Start	Public Health Reserve	ADHA	Behavioral Health
<b>ASSETS</b>				
Cash and cash equivalents	\$ 242,492	\$ 314,367	\$ 2,680,784	\$ 2,623,388
Investments, at fair value; plus accrued interest	86,796	112,523	959,547	938,931
Taxes receivable	-	-	-	-
Accounts receivable	1,343	-	415,527	221,265
Notes and contracts receivable	-	-	-	-
<b>Total assets</b>	<b>\$ 330,631</b>	<b>\$ 426,890</b>	<b>\$ 4,055,858</b>	<b>\$ 3,783,584</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 31	\$ -	\$ -	\$ 660,856
Deposits	-	-	-	-
Due to other funds	-	-	-	-
Deferred revenues	-	-	-	-
Unearned revenues	-	-	-	8,500
<b>Total liabilities</b>	<b>31</b>	<b>-</b>	<b>-</b>	<b>669,356</b>
<b>Fund balances:</b>				
Restricted	330,600	-	4,055,858	-
Committed	-	426,890	-	-
Assigned	-	-	-	3,114,228
<b>Total fund balance</b>	<b>330,600</b>	<b>426,890</b>	<b>4,055,858</b>	<b>3,114,228</b>
<b>Total liabilities and fund balances</b>	<b>\$ 330,631</b>	<b>\$ 426,890</b>	<b>\$ 4,055,858</b>	<b>\$ 3,783,584</b>



**DESCHUTES COUNTY, OREGON**

**NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2012**

	Acute Care Services	OHP-CDC	Community Development	CDD Groundwater Partnership
<b>ASSETS</b>				
Cash and cash equivalents	\$ 695,414	\$ 1,736,226	\$ 147,086	\$ 84,443
Investments, at fair value; plus accrued interest	248,913	621,466	52,451	30,225
Taxes receivable	-	-	-	-
Accounts receivable	-	65,832	39,784	-
Notes and contracts receivable	-	-	80,000	-
<b>Total assets</b>	<b>\$ 944,327</b>	<b>\$ 2,423,514</b>	<b>\$ 299,321</b>	<b>\$ 114,668</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 1,888	\$ 193,834	\$ 38,897	\$ 3,750
Deposits	-	-	7,879	-
Due to other funds	-	-	-	-
Deferred revenues	-	-	60,000	-
Unearned revenues	-	-	-	21,023
<b>Total liabilities</b>	<b>1,888</b>	<b>193,834</b>	<b>106,776</b>	<b>24,773</b>
<b>Fund balances:</b>				
Restricted	942,439	2,229,680	-	89,895
Committed	-	-	-	-
Assigned	-	-	182,545	-
<b>Total fund balance</b>	<b>942,439</b>	<b>2,229,680</b>	<b>182,545</b>	<b>89,895</b>
<b>Total liabilities and fund balances</b>	<b>\$ 944,327</b>	<b>\$ 2,423,514</b>	<b>\$ 299,321</b>	<b>\$ 114,668</b>

**DESCHUTES COUNTY, OREGON**

**NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2012**

	Newberry Neighborhood	GIS Dedicated	Natural Resource Protection	Federal Forest Title III
<b>ASSETS</b>				
Cash and cash equivalents	\$ 310,347	\$ 57,673	\$ -	\$ 178,796
Investments, at fair value; plus accrued interest	111,084	24,223	-	63,997
Taxes receivable	-	-	-	-
Accounts receivable	-	11,250	195,869	-
Notes and contracts receivable	844,117	-	-	-
<b>Total assets</b>	<b>\$ 1,265,548</b>	<b>\$ 103,146</b>	<b>\$ 195,869</b>	<b>\$ 242,793</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ 1,246	\$ 69,800	\$ 4,909
Deposits	-	-	-	-
Due to other funds	-	-	31,344	-
Deferred revenues	844,117	-	-	-
Unearned revenues	-	-	-	-
<b>Total liabilities</b>	<b>844,117</b>	<b>1,246</b>	<b>101,144</b>	<b>4,909</b>
<b>Fund balances:</b>				
Restricted	-	101,900	94,725	237,884
Committed	-	-	-	-
Assigned	421,431	-	-	-
<b>Total fund balance</b>	<b>421,431</b>	<b>101,900</b>	<b>94,725</b>	<b>237,884</b>
<b>Total liabilities and fund balances</b>	<b>\$ 1,265,548</b>	<b>\$ 103,146</b>	<b>\$ 195,869</b>	<b>\$ 242,793</b>

DESCHUTES COUNTY, OREGON

NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2012

	Surveyor	Public Land Corner Preservation	Countywide Transportation SDC Imp	Dog Control	Adult Parole & Probation
<b>ASSETS</b>					
Cash and cash equivalents	\$ 22,715	\$ 418,636	\$ 334,528	\$ 214,971	\$ 494,293
Investments, at fair value; plus accrued interest	8,131	150,203	119,741	76,840	176,880
Taxes receivable	-	-	-	-	-
Accounts receivable	-	-	-	3,830	-
Notes and contracts receivable	-	-	-	-	-
<b>Total assets</b>	<b>\$ 30,846</b>	<b>\$ 568,839</b>	<b>\$ 454,270</b>	<b>\$ 295,747</b>	<b>\$ 671,173</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ 32,750	\$ 40,734
Deposits	-	-	-	-	-
Due to other funds	-	-	-	-	-
Deferred revenues	-	-	-	-	-
Unearned revenues	-	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>32,750</b>	<b>40,734</b>
<b>Fund balances:</b>					
Restricted	-	568,839	454,270	116,398	292,147
Committed	-	-	-	-	-
Assigned	30,846	-	-	148,666	338,282
<b>Total fund balance</b>	<b>30,846</b>	<b>568,839</b>	<b>454,270</b>	<b>265,064</b>	<b>630,430</b>
<b>Total liabilities and fund balances</b>	<b>\$ 30,846</b>	<b>\$ 568,839</b>	<b>\$ 454,270</b>	<b>\$ 295,747</b>	<b>\$ 671,173</b>

DESCHUTES COUNTY, OREGON

NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2012

	Deschutes County Extension & 4-H	Black Butte Ranch	Survivor Service District	Total Nonmajor Special Revenue Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 309,427	\$ 860,554	\$ 2,083,055	\$ 16,404,506
Investments, at fair value; plus accrued interest	142,068	-	-	4,875,000
Taxes receivable	25,137	54,379	250,002	774,377
Accounts receivable	8,403	22,175	65,598	1,877,352
Notes and contracts receivable	-	-	-	344,298
<b>Total assets</b>	<b>\$ 575,935</b>	<b>\$ 778,108</b>	<b>\$ 2,392,655</b>	<b>\$ 24,675,543</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 22,154	\$ 829	\$ 168,306	\$ 1,989,490
Deposits	-	-	-	15,544
Due to other funds	-	-	-	31,344
Deferred revenues	22,059	47,856	220,139	1,234,931
Unearned revenues	114,810	-	-	173,293
<b>Total liabilities</b>	<b>159,023</b>	<b>48,684</b>	<b>388,445</b>	<b>\$ 480,832</b>
<b>Fund balances:</b>				
Restricted	418,812	727,412	2,094,210	14,684,971
Committed	-	-	-	426,890
Assigned	-	-	-	5,900,080
<b>Total fund balance</b>	<b>418,812</b>	<b>727,412</b>	<b>2,094,210</b>	<b>21,214,911</b>
<b>Total liabilities and fund balances</b>	<b>\$ 575,935</b>	<b>\$ 778,108</b>	<b>\$ 2,392,655</b>	<b>\$ 24,675,543</b>

**DESCHUTES COUNTY, OREGON**

**DESCHUTES COUNTY EXTENSION 4-H COUNTY SERVICE DISTRICT  
OPERATING FUND and SUB FUND  
COMBINING BALANCE SHEET  
JUNE 30, 2012**

	<b>Des County Ext &amp; 4-H Operating Fund</b>	<b>Des County Ext &amp; 4-H Construction</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 194,939	\$ 204,488	\$ 399,427
Investments, at fair value; plus accrued interest	69,776	73,193	142,969
Taxes receivable	25,137	-	25,137
Accounts receivable	8,403	-	8,403
<b>Total assets</b>	<b>\$ 298,255</b>	<b>\$ 277,681</b>	<b>\$ 575,936</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 22,154	\$ -	\$ 22,154
Deferred revenue	22,059	-	22,059
Unearned revenue	114,810	-	114,810
<b>Total liabilities</b>	<b>159,023</b>	<b>-</b>	<b>159,023</b>
<b>Fund balances:</b>			
Restricted	139,232	277,681	416,913
<b>Total fund balances</b>	<b>139,232</b>	<b>277,681</b>	<b>416,913</b>
<b>Total liabilities and fund balances</b>	<b>\$ 298,255</b>	<b>\$ 277,681</b>	<b>\$ 575,936</b>

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

**DESCHUTES COUNTY, OREGON**

**DESCHUTES COUNTY SUNRIVER SERVICE DISTRICT OPERATING FUND and SUB FUND  
COMBINING BALANCE SHEET  
JUNE 30, 2012**

	<b>Sunriver Service District Operating Fund</b>	<b>Sunriver Service District Reserve</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,572,151	\$ 510,904	\$ 2,083,055
Taxes receivable	250,002	-	250,002
Accounts receivable	59,598	-	59,598
<b>Total assets</b>	<b>\$ 1,881,751</b>	<b>\$ 510,904</b>	<b>\$ 2,392,655</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 168,306	\$ -	\$ 168,306
Deferred revenue	220,139	-	220,139
<b>Total liabilities</b>	<b>388,445</b>	<b>-</b>	<b>388,445</b>
<b>Fund balances:</b>			
Restricted	1,493,306	510,904	2,004,210
<b>Total fund balances</b>	<b>1,493,306</b>	<b>510,904</b>	<b>2,004,210</b>
<b>Total liabilities and fund balances</b>	<b>\$ 1,881,751</b>	<b>\$ 510,904</b>	<b>\$ 2,392,655</b>

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

**DESCHUTES COUNTY, OREGON**

**NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2012**

	Grant Projects	La Pine Industrial	Park Acquisition & Development	Park Development Fees
<b>REVENUES</b>				
Local				
Taxes - property	\$ -	\$ -	\$ -	\$ -
Taxes - other	-	-	-	-
Licenses and permits	-	-	-	3,850
Fines, forfeitures and penalties	-	118	-	-
Investment earnings	38	4,231	180	791
Rents	-	4,763	-	-
Charges for services	-	-	-	-
Contributions and donations	-	-	-	-
Loan repayments	-	11,476	-	-
Other	-	-	-	-
Intergovernmental				
Local	-	-	-	-
State	-	-	199,589	-
Federal	-	-	-	-
Total revenues	38	20,588	199,775	4,641
<b>EXPENDITURES</b>				
Current:				
General government	-	16,798	55,879	1,743
Public safety	-	-	-	-
County roads	-	-	-	-
Health and welfare	-	-	-	-
Education	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	-	16,798	55,879	1,743
Excess (deficiency) of revenues over expenditures	38	3,790	144,096	2,898
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in from other funds	-	-	-	-
Transfer out to other funds	-	-	(140,000)	-
Total other financing sources (uses)	-	-	(140,000)	-
Net change in fund balances	38	3,790	4,096	2,898
Fund balance - Beginning of year	5,904	30	23,670	119,498
Fund balance - End of year	\$ 5,942	\$ 3,820	\$ 27,766	\$ 122,396

**DESCHUTES COUNTY, OREGON**

**NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2012**

	County School	Special Transportation	Taylor Grazing	Transient Room Tax
<b>REVENUES</b>				
Local				
Taxes - property	\$ -	\$ -	\$ -	\$ -
Taxes - other	-	-	-	2,877,707
Licenses and permits	-	-	-	-
Fines, forfeitures and penalties	-	-	-	-
Investment earnings	179	474	95	2,995
Rents	-	-	-	-
Charges for services	-	-	-	-
Contributions and donations	-	-	-	-
Loan repayments	-	-	-	-
Other	-	-	-	-
Intergovernmental				
Local	-	-	-	-
State	246,423	308,521	4,103	-
Federal	440,887	-	-	-
Total revenues	687,489	308,995	4,198	2,880,702
<b>EXPENDITURES</b>				
Current:				
General services	-	-	-	2,770,644
Public safety	-	-	-	-
County roads	-	-	-	-
Health and welfare	-	317,282	-	-
Education	687,511	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	687,511	317,282	-	2,770,644
Excess (deficiency) of revenues over expenditures	(22)	(8,287)	4,198	110,058
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in from other funds	-	-	-	-
Transfer out to other funds	-	-	-	(25,744)
Total other financing sources (uses)	-	-	-	(25,744)
Net change in fund balances	(22)	(8,287)	4,198	84,314
Fund balance - Beginning of year	38	17,555	12,343	301,428
Fund balance - End of year	\$ 16	\$ 9,268	\$ 16,541	\$ 385,742

# DESCHUTES COUNTY, OREGON

## NONMAJOR SPECIAL REVENUE FUNDS COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2012

	Video Lottery	Welcome Center	Foreclosed Land Sales	Liquor Enforcement
<b>REVENUES</b>				
Local				
Taxes - property	\$ -	\$ -	\$ -	\$ -
Taxes - other	-	479,907	-	-
Licenses and permits	-	-	-	31,374
Fines, forfeitures and penalties	-	-	-	-
Investment earnings	871	754	885	132
Rents	-	-	-	-
Charges for services	-	-	54,545	-
Contributions and donations	-	-	-	-
Loan repayments	-	-	-	-
Other	-	-	-	-
Intergovernmental				
Local	-	-	-	-
State	614,850	-	-	-
Federal	-	-	-	-
Total revenues	615,527	480,416	55,411	31,506
<b>EXPENDITURES</b>				
Current				
General services	886,074	382,385	98,590	-
Public safety	-	-	-	-
County roads	-	-	-	-
Health and welfare	-	-	-	133
Education	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	886,074	382,385	98,590	133
Excess (deficiency) of revenues over expenditures	(70,547)	98,031	(43,179)	31,373
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in from other funds	89,360	-	-	-
Transfer out to other funds	-	(22,800)	-	(20,000)
Total other financing sources (uses)	89,360	(22,800)	-	(20,000)
Net change in fund balances	18,803	15,231	(43,179)	11,373
Fund balance - Beginning of year	97,799	50,245	124,572	11,546
Fund balance - End of year	\$ 116,602	\$ 65,476	\$ 81,393	\$ 22,919

# DESCHUTES COUNTY, OREGON

## NONMAJOR SPECIAL REVENUE FUNDS COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2012

	Victims' Assistance	Law Library	County Clerk Records	Children & Families Commission
<b>REVENUES</b>				
Local				
Taxes - property	\$ -	\$ -	\$ -	\$ -
Taxes - other	-	-	-	-
Licenses and permits	-	-	-	-
Fines, forfeitures and penalties	1,671	-	-	86,858
Investment earnings	522	2,668	1,951	4,885
Rents	-	-	-	-
Charges for services	33,581	11	103,733	5,700
Contributions and donations	-	-	-	71
Loan repayments	-	-	-	-
Other	-	-	-	-
Intergovernmental				
Local	-	-	-	320,874
State	95,334	206,762	-	860,328
Federal	43,807	-	-	581,622
Total revenues	185,245	206,762	103,684	1,872,019
<b>EXPENDITURES</b>				
Current				
General services	-	163,851	108,360	-
Public safety	322,791	-	-	-
County roads	-	-	-	-
Health and welfare	-	-	-	2,126,285
Education	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	322,791	163,851	108,360	2,126,285
Excess (deficiency) of revenues over expenditures	(137,546)	42,911	(4,676)	(254,266)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in from other funds	124,424	-	-	272,960
Transfer out to other funds	-	-	-	-
Total other financing sources (uses)	124,424	-	-	272,960
Net change in fund balances	(13,122)	42,911	(4,676)	(81,306)
Fund balance - Beginning of year	105,313	361,842	333,286	555,526
Fund balance - End of year	\$ 92,191	\$ 404,753	\$ 328,610	\$ 474,220

DESCHUTES COUNTY, OREGON

NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2012

	Sheriff's Asset Forfeiture	Court Facilities	Des Co Communication System	Public Health
<b>REVENUES</b>				
Local				
Taxes - property	\$ -	\$ -	\$ -	\$ -
Taxes - other	-	-	-	-
Licenses and permits	-	-	-	-
Fines, forfeitures and penalties	4,471	112,235	-	60
Investment earnings	171	82	1,748	9,759
Rents	-	-	-	-
Charges for services	-	-	557,007	1,538,337
Contributions and donations	-	-	-	14,828
Loan repayments	-	-	-	-
Other	-	-	-	-
Intergovernmental				
Local	-	-	-	87,148
State	-	-	9,408	4,090,752
Federal	-	-	17,047	814
Total revenues	4,642	112,318	584,202	5,741,504
<b>EXPENDITURES</b>				
Current:				
General services	-	-	-	-
Public safety	418	91,000	374,288	-
County roads	-	-	-	-
Health and welfare	-	-	-	8,148,922
Education	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	25,302	93,788
Total expenditures	418	91,000	399,590	8,243,710
Excess (deficiency) of revenues over expenditures	4,224	21,318	184,702	(2,502,206)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in from other funds	-	-	-	2,412,865
Transfer out to other funds	-	-	(136,810)	(268,000)
Total other financing sources (uses)	-	-	(136,810)	2,126,865
Net change in fund balances	4,224	21,318	48,992	(375,341)
Fund balance - Beginning of year	25,568	6,444	133,164	1,709,688
Fund balance - End of year	\$ 29,792	\$ 27,762	\$ 182,156	\$ 1,327,647

Continued

DESCHUTES COUNTY, OREGON

NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2012

	Healthy Start	Public Health Reserve	ABHA	Behavioral Health
<b>REVENUES</b>				
Local				
Taxes - property	\$ -	\$ -	\$ -	\$ -
Taxes - other	-	-	-	-
Licenses and permits	-	-	-	150,277
Fines, forfeitures and penalties	-	-	-	-
Investment earnings	2,438	2,864	16,970	24,478
Rents	-	-	-	17,375
Charges for services	868	-	-	4,470,789
Contributions and donations	4,760	-	-	108
Loan repayments	-	-	-	-
Other	-	-	-	-
Intergovernmental				
Local	-	-	-	369,200
State	48,040	-	6,441,667	8,411,336
Federal	-	-	-	268,784
Total revenues	56,732	2,864	6,457,637	13,702,367
<b>EXPENDITURES</b>				
Current:				
General services	-	-	-	-
Public safety	-	-	-	-
County roads	-	-	-	-
Health and welfare	143,000	-	4,440,129	15,541,816
Education	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	166,882
Total expenditures	143,000	-	4,440,129	15,711,708
Excess (deficiency) of revenues over expenditures	(86,268)	2,864	2,017,508	(2,009,351)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in from other funds	-	-	-	2,283,580
Transfer out to other funds	-	(30,000)	(387,473)	(286,000)
Total other financing sources (uses)	-	(30,000)	(387,473)	2,013,580
Net change in fund balances	(86,268)	(27,136)	1,630,035	4,229
Fund balance - Beginning of year	418,868	464,028	2,425,823	3,106,999
Fund balance - End of year	\$ 330,600	\$ 426,892	\$ 4,055,858	\$ 3,114,228

Continued

# DESCHUTES COUNTY, OREGON

## NONMAJOR SPECIAL REVENUE FUNDS COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2012

	Acute Care Services	OHP-CDO	Community Development	CDD Groundwater Partnership
<b>REVENUES</b>				
Local				
Taxes - property	\$ -	\$ -	\$ -	\$ -
Taxes - other	-	-	-	-
Licenses and permits	-	-	-	-
Fines, forfeitures and penalties	-	-	3,715	-
Investment earnings	6,122	12,508	1,112	858
Rents	-	-	11,400	-
Charges for services	92,738	-	2,559,601	-
Contributions and donations	-	-	-	-
Loan repayments	-	-	-	-
Other	-	-	-	-
Intergovernmental				
Local	-	-	138,053	-
State	1,382,381	1,402,734	18,405	-
Federal	-	-	41,370	105,000
Total revenues	1,481,251	1,415,242	2,771,650	105,858
<b>EXPENDITURES</b>				
Current:				
General services	-	-	3,882,045	105,000
Public safety	-	-	-	-
County roads	-	-	-	-
Health and welfare	1,160,027	220,169	-	-
Education	-	-	-	-
Debt service:				
Principal	-	-	-	8,695
Interest	-	-	-	473
Capital outlay	-	-	-	-
Total expenditures	1,160,027	220,169	3,882,045	114,168
Excess (deficiency) of revenues over expenditures	321,224	1,195,073	(1,110,389)	(8,310)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in from other funds	-	-	1,344,985	-
Transfer out to other funds	(262,515)	(398,077)	(173,885)	-
Total other financing sources (uses)	(262,515)	(398,077)	1,171,100	-
Net change in fund balances	78,709	796,996	60,711	(8,310)
Fund balance - Beginning of year	865,730	1,430,674	131,834	93,205
Fund balance - End of year	\$ 944,439	\$ 2,227,670	\$ 192,545	\$ 84,895

Continued

# DESCHUTES COUNTY, OREGON

## NONMAJOR SPECIAL REVENUE FUNDS COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2012

	Newberry Neighborhood	GIS Dedicated	Natural Resource Protection	Federal Forest Title III
<b>REVENUES</b>				
Local				
Taxes - property	\$ -	\$ -	\$ -	\$ -
Taxes - other	-	-	-	-
Licenses and permits	-	-	-	-
Fines, forfeitures and penalties	-	-	-	-
Investment earnings	2,837	1,182	-	2,658
Rents	-	-	-	-
Charges for services	-	306,404	125,911	-
Contributions and donations	-	-	5,000	-
Loan repayments	-	-	-	-
Other	-	-	-	-
Intergovernmental				
Local	-	-	-	-
State	-	100,781	5,742	-
Federal	-	-	446,821	146,233
Total revenues	2,837	408,377	583,474	147,891
<b>EXPENDITURES</b>				
Current:				
General services	-	445,138	-	-
Public safety	-	-	-	-
County roads	-	-	583,435	305,910
Health and welfare	-	-	-	-
Education	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	-	445,138	583,435	305,910
Excess (deficiency) of revenues over expenditures	2,837	(46,761)	39	(158,019)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in from other funds	-	-	-	-
Transfer out to other funds	(47,523)	(87,495)	-	-
Total other financing sources (uses)	(47,523)	(87,495)	-	-
Net change in fund balances	(44,686)	(134,255)	39	(158,019)
Fund balance - Beginning of year	466,117	240,155	93,666	395,900
Fund balance - End of year	\$ 421,431	\$ 105,899	\$ 94,705	\$ 237,881

Continued

DESCHUTES COUNTY, OREGON

NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2012

	Surveyor	Public Land Corner Preservation	Countywide Transportation SDC Imp	Dog Control	Adult Parole & Probation
<b>REVENUES</b>					
Local					
Taxes - property	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes - other	-	-	-	-	-
Licenses and permits	14,753	-	380,349	188,131	-
Fines, forfeitures and penalties	-	-	-	8,948	319,387
Investment earnings	257	8,285	2,755	1,863	6,035
Rents	-	-	-	-	-
Charges for services	25,021	437,378	-	257	72,002
Contributions and donations	-	-	-	2,460	-
Loan repayments	-	-	-	-	-
Other	-	-	-	-	-
Intergovernmental					
Local	-	-	-	-	124,834
State	-	-	-	-	2,085,323
Federal	-	-	-	-	-
Total revenues	40,031	413,644	383,105	190,659	3,508,152
<b>EXPENDITURES</b>					
Current:					
General services	-	-	-	-	-
Public safety	-	-	-	-	3,821,800
County roads	30,000	643,014	-	-	-
Health and welfare	-	-	-	310,131	-
Education	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	30,000	643,014	-	310,131	3,821,800
Excess (deficiency) of revenues over expenditures	10,031	(229,370)	383,105	(119,442)	(313,617)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in from other funds	-	-	-	119,785	338,292
Transfer out to other funds	-	-	(250,000)	-	(28,800)
Total other financing sources (uses)	-	-	(250,000)	119,785	309,492
Net change in fund balances	10,031	(229,370)	133,105	9,354	(4,025)
Fund balance - Beginning of year	20,815	788,209	311,165	253,640	634,454
Fund balance - End of year	\$ 30,846	\$ 558,839	\$ 444,270	\$ 262,994	\$ 630,429

Continued

DESCHUTES COUNTY, OREGON

NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2012

	Deschutes County Extension & 444 County Service Dist	Black Butte Ranch Service Dist	Summit Service District	Total Nonmajor Special Revenue Funds
<b>REVENUES</b>				
Local				
Taxes - property	\$ 384,817	\$ 872,794	\$ 3,945,303	\$ 5,202,914
Taxes - other	-	-	-	3,357,350
Licenses and permits	-	-	-	747,360
Fines, forfeitures and penalties	-	-	-	566,034
Investment earnings	3,545	3,752	11,481	141,980
Rents	3,420	-	-	38,950
Charges for services	4,163	13,200	172,688	10,548,973
Contributions and donations	-	-	-	27,055
Loan repayments	-	-	-	11,475
Other	-	2,529	20,201	22,830
Intergovernmental				
Local	-	2,975	-	1,030,082
State	26,268	1,673	-	27,480,778
Federal	-	22,173	22,500	2,145,458
Total revenues	421,213	913,136	4,172,303	51,287,607
<b>EXPENDITURES</b>				
Current:				
General services	354,593	-	-	9,074,991
Public safety	-	783,223	3,628,114	9,319,523
County roads	-	-	-	1,852,359
Health and welfare	-	-	-	32,398,984
Education	-	-	-	587,511
Debt service:				
Principal	-	-	-	8,605
Interest	-	-	-	473
Capital outlay	-	33,220	55,834	377,836
Total expenditures	354,593	816,443	3,683,948	63,430,272
Excess (deficiency) of revenues over expenditures	66,617	100,693	488,355	(2,142,665)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in from other funds	-	-	-	7,002,252
Transfer out to other funds	-	-	-	(2,040,323)
Total other financing sources (uses)	-	-	-	4,961,929
Net change in fund balances	66,617	100,693	488,355	2,218,964
Fund balance - Beginning of year	350,395	624,719	1,813,855	18,885,347
Fund balance - End of year	\$ 416,912	\$ 725,412	\$ 2,302,210	\$ 21,214,911



**DESCHUTES COUNTY, OREGON**

**DESCHUTES COUNTY EXTENSION 4-H COUNTY SERVICE DISTRICT OPERATING FUND and SUB FUND  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2012**

	Des County Ext & 4-H Operating Fund	Des County Ext & 4-H Construction	Total
<b>REVENUES</b>			
Local			
Taxes - property	\$ 384,817	\$ -	\$ 384,817
Investment earnings	2,249	1,296	3,545
Rents	3,420	-	3,420
Charges for services	4,163	-	4,163
Intergovernmental			
State	25,268	-	25,268
Total revenues	<u>419,917</u>	<u>1,296</u>	<u>421,213</u>
<b>EXPENDITURES</b>			
Current:			
General services	<u>354,696</u>	<u>-</u>	<u>354,696</u>
Total expenditures	<u>354,696</u>	<u>-</u>	<u>354,696</u>
Excess (deficiency) of revenues over expenditures	<u>65,221</u>	<u>1,296</u>	<u>66,517</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Intra-fund:			
Transfers in	-	100,000	100,000
Transfers out	<u>(100,000)</u>	<u>-</u>	<u>(100,000)</u>
Total other financing sources (uses)	<u>(100,000)</u>	<u>100,000</u>	<u>-</u>
Net change in fund balances	<u>(34,779)</u>	<u>101,296</u>	<u>66,517</u>
Fund balance - Beginning of year	<u>174,011</u>	<u>176,384</u>	<u>350,395</u>
Fund balance - End of year	<u>\$ 139,232</u>	<u>\$ 277,680</u>	<u>\$ 416,912</u>

**DESCHUTES COUNTY, OREGON**

**DESCHUTES COUNTY SUNRIVER SERVICE DISTRICT OPERATING FUND and SUB FUND  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2012**

	Sunriver Service District Operating Fund	Sunriver Service District Reserve	Total
<b>REVENUES</b>			
Local			
Taxes - property	\$ 3,945,363	\$ -	\$ 3,945,363
Investment earnings	9,778	1,673	11,451
Charges for services	172,688	-	172,688
Other	13,680	6,621	20,301
Intergovernmental			
Federal	22,500	-	22,500
Total revenues	<u>4,164,009</u>	<u>8,294</u>	<u>4,172,303</u>
<b>EXPENDITURES</b>			
Current:			
Public safety	3,925,994	120	3,926,114
Capital outlay	-	55,634	55,634
Total expenditures	<u>3,925,994</u>	<u>55,754</u>	<u>3,981,748</u>
Excess (deficiency) of revenues over expenditures	<u>238,015</u>	<u>(47,460)</u>	<u>190,555</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Intra-fund:			
Transfers in	-	200,000	200,000
Transfers out	<u>(200,000)</u>	<u>-</u>	<u>(200,000)</u>
Total other financing sources (uses)	<u>(200,000)</u>	<u>200,000</u>	<u>-</u>
Net change in fund balances	<u>38,015</u>	<u>152,540</u>	<u>190,555</u>
Fund balance - Beginning of year	<u>1,455,291</u>	<u>358,364</u>	<u>1,813,655</u>
Fund balance - End of year	<u>\$ 1,493,306</u>	<u>\$ 510,904</u>	<u>\$ 2,004,210</u>

DESCHUTES COUNTY, OREGON

GRANT PROJECTS  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Local				
Investment earnings	\$ -	\$ -	\$ 38	\$ 38
Total revenues	-	-	38	38
<b>EXPENDITURES</b>				
Materials and services	6,000	6,000	-	6,000
Total expenditures	6,000	6,000	-	6,000
Net change in fund balance	(6,000)	(6,000)	38	6,038
Fund balance - Beginning of year	6,000	6,000	5,904	(96)
Fund balance - End of year	\$ -	\$ -	\$ 5,942	\$ 5,942

DESCHUTES COUNTY, OREGON

LA PINE INDUSTRIAL  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Local				
Fines, forfeitures, and penalties	\$ -	\$ -	\$ 118	\$ 118
Investment earnings	8,000	8,000	4,231	(3,769)
Rents	4,920	4,920	4,763	(157)
Loan repayments	16,000	16,000	11,476	(4,524)
Land sales	900,000	900,000	-	(900,000)
Total revenues	928,920	928,920	20,588	(908,332)
<b>EXPENDITURES</b>				
Materials and services	928,920	928,920	16,798	912,122
Total expenditures	928,920	928,920	16,798	912,122
Net change in fund balance	-	-	3,790	3,790
Fund balance - Beginning of year	-	-	30	30
Fund balance - End of year	\$ -	\$ -	\$ 3,820	\$ 3,820

DESCHUTES COUNTY, OREGON

PARK ACQUISITION AND DEVELOPMENT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Local				
Investment earnings	\$ 100	\$ 100	\$ 186	\$ 86
Intergovernmental				
State	200,000	200,000	199,589	(411)
Total revenues	200,100	200,100	199,775	(325)
<b>EXPENDITURES</b>				
Materials and services	60,000	60,000	55,679	4,321
Capital outlay	100	100	-	100
Total expenditures	60,100	60,100	55,679	4,421
Excess (deficiency) of revenues over expenditures	140,000	140,000	144,096	4,096
Other financing sources (uses)				
Transfer out	(140,000)	(140,000)	(140,000)	-
Total other financing sources (uses)	(140,000)	(140,000)	(140,000)	-
Net change in fund balance	-	-	4,096	4,096
Fund balance - Beginning of year	-	-	23,670	23,670
Fund balance - End of year	\$ -	\$ -	\$ 27,766	\$ 27,766

DESCHUTES COUNTY, OREGON

PARK DEVELOPMENT FEES  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Local				
Licenses and permits	\$ 5,000	\$ 5,000	\$ 3,850	\$ (1,150)
Investment earnings	700	700	791	91
Total revenues	5,700	5,700	4,641	(1,059)
<b>EXPENDITURES</b>				
Materials and services	125,600	125,600	1,743	123,857
Capital outlay	100	100	-	100
Total expenditures	125,700	125,700	1,743	123,957
Net change in fund balance	(120,000)	(120,000)	2,898	122,898
Fund balance - Beginning of year	120,000	120,000	119,498	(502)
Fund balance - End of year	\$ -	\$ -	\$ 122,396	\$ 122,396

DESCHUTES COUNTY, OREGON

COUNTY SCHOOL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Local				
Investment earnings	\$ 250	\$ 250	\$ 179	\$ (71)
Intergovernmental				
State	252,600	252,500	246,423	(6,077)
Federal	437,064	437,064	440,887	3,823
Total revenues	<u>689,914</u>	<u>689,814</u>	<u>687,489</u>	<u>(2,425)</u>
<b>EXPENDITURES</b>				
Materials and services	<u>689,914</u>	<u>689,914</u>	<u>687,511</u>	<u>2,403</u>
Total expenditures	<u>689,914</u>	<u>689,914</u>	<u>687,511</u>	<u>2,403</u>
Net change in fund balance	-	-	(22)	(22)
Fund balance - Beginning of year	-	-	38	38
Fund balance - End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16</u>	<u>\$ 10</u>

DESCHUTES COUNTY, OREGON

SPECIAL TRANSPORTATION FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Local				
Investment earnings	\$ -	\$ -	\$ 474	\$ 474
Intergovernmental				
State	<u>338,062</u>	<u>338,062</u>	<u>308,521</u>	<u>(29,541)</u>
Total revenues	<u>338,062</u>	<u>338,062</u>	<u>308,995</u>	<u>(29,067)</u>
<b>EXPENDITURES</b>				
Materials and services	<u>337,992</u>	<u>355,465</u>	<u>317,282</u>	<u>38,183</u>
Capital outlay	<u>100</u>	<u>100</u>	<u>-</u>	<u>100</u>
Total expenditures	<u>338,092</u>	<u>355,565</u>	<u>317,282</u>	<u>38,283</u>
Net change in fund balance	-	(17,503)	(8,287)	9,216
Fund balance - Beginning of year	-	17,503	17,555	52
Fund balance - End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,268</u>	<u>\$ 9,268</u>

DESCHUTES COUNTY, OREGON

TAYLOR GRAZING  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Local				
Investment earnings	\$ 75	\$ 75	\$ 86	\$ 20
Intergovernmental				
State	3,200	3,200	4,103	903
Total revenues	3,275	3,275	4,189	923
<b>EXPENDITURES</b>				
Materials and services	8,275	8,275	-	8,275
Total expenditures	8,275	8,275	-	8,275
Net change in fund balance	(\$5,000)	(\$5,000)	4,188	9,198
Fund balance - Beginning of year	5,000	5,000	12,343	7,343
Fund balance - End of year	\$ -	\$ -	\$ 16,541	\$ 16,541

DESCHUTES COUNTY, OREGON

TRANSIENT ROOM TAX  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Local				
Taxes - other	\$ 2,625,621	\$ 2,625,621	\$ 2,877,707	\$ 252,085
Investment earnings	1,500	1,500	2,995	1,495
Total revenues	2,627,121	2,627,121	2,880,702	253,581
<b>EXPENDITURES</b>				
Personnel	0,000	6,000	3,112	2,888
Materials and services	2,595,377	2,574,377	2,767,532	190,845
Total expenditures	2,601,377	2,580,377	2,770,644	199,733
Excess (deficiency) of revenues over expenditures	25,744	(253,256)	110,058	383,314
Other financing sources (uses)				
Appropriation transfer	-	279,000	-	(279,000)
Transfer out	(25,744)	(25,744)	(25,744)	-
Total other financing sources (uses)	(25,744)	253,256	(25,744)	(279,000)
Net change in fund balance	-	-	84,314	84,314
Fund balance - Beginning of year	-	-	301,428	301,428
Fund balance - End of year	\$ -	\$ -	\$ 385,742	\$ 385,742

**DESCHUTES COUNTY, OREGON**

**VIDEO LOTTERY  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Local				
Investment earnings	\$ 1,000	\$ 1,000	\$ 671	\$ (329)
Intergovernmental				
State	500,000	500,000	614,856	114,856
Total revenues	501,000	501,000	615,527	114,527
<b>EXPENDITURES</b>				
Personnel services	9,059	11,059	10,059	1,000
Materials and services	603,888	688,888	676,015	12,873
Capital outlay	100	100	-	100
Total	613,047	700,047	686,074	13,973
Operating contingency	52,303	-	-	-
Total expenditures	665,350	700,047	686,074	13,973
Excess (deficiency) of revenues over expenditures	(164,350)	(199,047)	(70,547)	128,500
Other financing sources (uses)				
Appropriation transfer	-	34,897	-	(34,897)
Transfer in	89,350	89,350	89,350	-
Total other financing sources (uses)	89,350	124,047	89,350	(34,697)
Net change in fund balance	(75,000)	(75,000)	18,803	93,803
Fund balance - Beginning of year	75,000	75,000	97,799	22,799
Fund balance - End of year	\$ -	\$ -	\$ 116,602	\$ 116,602

**DESCHUTES COUNTY, OREGON**

**WELCOME CENTER  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Local				
Taxes - other	\$ 437,603	\$ 437,603	\$ 479,662	\$ 42,059
Investment earnings	600	600	754	254
Total revenues	438,103	438,103	480,416	42,313
<b>EXPENDITURES</b>				
Personnel	1,000	1,000	517	483
Materials and services	354,303	400,303	381,868	18,435
Total expenditures	355,303	401,303	382,385	18,918
Excess (deficiency) of revenues over expenditures	82,800	36,800	98,031	61,231
Other financing sources (uses)				
Appropriation transfer	-	46,000	-	(46,000)
Transfer out	(82,800)	(82,800)	(82,800)	-
Total other financing sources (uses)	(82,800)	(36,800)	(82,800)	(46,000)
Net change in fund balance	-	-	15,231	15,231
Fund balance - Beginning of year	-	-	50,345	50,345
Fund balance - End of year	\$ -	\$ -	\$ 65,576	\$ 65,576

DESCHUTES COUNTY, OREGON

FORECLOSED LAND SALES  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Local				
Investment earnings	\$ 1,000	\$ 1,000	\$ 860	\$ (134)
Charges for services	-	-	54,545	54,545
Total revenues	<u>1,000</u>	<u>1,000</u>	<u>55,411</u>	<u>54,411</u>
<b>EXPENDITURES</b>				
Materials and services	88,320	110,320	98,590	11,730
Capital outlay	100	100	-	100
Total	<u>88,420</u>	<u>110,420</u>	<u>98,590</u>	<u>11,830</u>
Operating contingency	<u>99,580</u>	<u>79,580</u>	<u>-</u>	<u>78,580</u>
Total expenditures	<u>186,000</u>	<u>180,000</u>	<u>98,590</u>	<u>80,410</u>
Net change in fund balance	(188,000)	(188,000)	(43,179)	144,821
Fund balance - Beginning of year	<u>188,000</u>	<u>188,000</u>	<u>194,872</u>	<u>6,872</u>
Fund balance - End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 151,693</u>	<u>\$ 151,693</u>

DESCHUTES COUNTY, OREGON

LIQUOR ENFORCEMENT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Local				
Fines, forfeitures and penalties	\$ 25,000	\$ 25,000	\$ 31,374	\$ 6,374
Investment earnings	100	100	132	32
Total revenues	<u>25,100</u>	<u>25,100</u>	<u>31,506</u>	<u>6,406</u>
<b>EXPENDITURES</b>				
Materials and services	133	133	133	-
Total	<u>133</u>	<u>133</u>	<u>133</u>	<u>-</u>
Operating contingency	<u>9,467</u>	<u>9,467</u>	<u>-</u>	<u>9,467</u>
Total expenditures	<u>9,600</u>	<u>9,600</u>	<u>133</u>	<u>9,467</u>
Excess (deficiency) of revenues over expenditures	<u>15,500</u>	<u>15,500</u>	<u>31,373</u>	<u>15,873</u>
Other financing sources (uses)				
Transfer out	(20,000)	(20,000)	(20,000)	-
Total other financing sources (uses)	<u>(20,000)</u>	<u>(20,000)</u>	<u>(20,000)</u>	<u>-</u>
Net change in fund balance	(4,500)	(4,500)	11,373	15,873
Fund balance - Beginning of year	<u>4,500</u>	<u>4,500</u>	<u>11,640</u>	<u>7,046</u>
Fund balance - End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,919</u>	<u>\$ 22,919</u>

**DESCHUTES COUNTY, OREGON**

**VICTIMS' ASSISTANCE**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**BUDGETARY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Local				
Fines, forfeitures and penalties	\$ 8,500	\$ 8,500	\$ 1,971	\$ (6,529)
Investment earnings	500	500	522	22
Charges for services	25,200	25,200	33,581	8,381
Intergovernmental				
State	82,015	82,015	85,364	3,349
Federal	43,829	43,829	43,807	(22)
Total revenues	<u>160,044</u>	<u>160,044</u>	<u>165,245</u>	<u>5,201</u>
<b>EXPENDITURES</b>				
Personnel services	276,658	301,658	294,447	7,211
Materials and services	29,317	29,317	28,334	983
Capital outlay	100	100	-	100
Total	<u>306,075</u>	<u>331,075</u>	<u>322,781</u>	<u>8,294</u>
Operating contingency	80,629	55,629	-	55,629
Total expenditures	<u>386,704</u>	<u>386,704</u>	<u>322,781</u>	<u>63,923</u>
Excess (deficiency) of revenues over expenditures	<u>(226,660)</u>	<u>(226,660)</u>	<u>(157,536)</u>	<u>69,124</u>
Other financing sources (uses)				
Transfers in	124,424	124,424	124,424	-
Total other financing sources (uses)	<u>124,424</u>	<u>124,424</u>	<u>124,424</u>	<u>-</u>
Net change in fund balance	<u>(102,236)</u>	<u>(102,236)</u>	<u>(33,112)</u>	<u>69,124</u>
Fund balance - Beginning of year	<u>102,236</u>	<u>102,236</u>	<u>105,313</u>	<u>3,077</u>
Fund balance - End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 72,201</u>	<u>\$ 72,201</u>

**DESCHUTES COUNTY, OREGON**

**LAW LIBRARY**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**BUDGETARY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Local				
Investment earnings	\$ 1,800	\$ 1,600	\$ 2,668	\$ 868
Charges for services	150	150	11	(139)
Intergovernmental				
State	200,000	200,000	206,762	6,762
Total revenues	<u>201,950</u>	<u>201,950</u>	<u>209,441</u>	<u>7,491</u>
<b>EXPENDITURES</b>				
Personnel services	51,306	51,306	49,482	1,824
Materials and services	114,314	114,314	114,369	(55)
Capital outlay	100	100	-	100
Total	<u>165,720</u>	<u>165,720</u>	<u>163,851</u>	<u>1,869</u>
Operating contingency	260,613	260,613	-	260,613
Total expenditures	<u>426,333</u>	<u>426,333</u>	<u>163,851</u>	<u>262,482</u>
Net change in fund balance	<u>(224,383)</u>	<u>(224,383)</u>	<u>45,590</u>	<u>269,973</u>
Fund balance - Beginning of year	<u>224,383</u>	<u>224,383</u>	<u>361,642</u>	<u>137,259</u>
Fund balance - End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 407,232</u>	<u>\$ 407,232</u>



DESCHUTES COUNTY, OREGON

COUNTY CLERK RECORDS  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Local				
Investment earnings	\$ 1,850	\$ 1,850	\$ 1,951	\$ 101
Charges for services	98,000	99,000	103,733	4,733
Total revenues	100,050	100,850	105,684	4,834
<b>EXPENDITURES</b>				
Materials and services	235,512	235,512	108,350	127,162
Capital outlay	100	100	-	100
Total	235,612	235,612	108,350	127,262
Operating contingency	205,377	205,377	-	205,377
Total expenditures	440,989	440,989	108,350	332,639
Net change in fund balance	(340,139)	(340,139)	(2,666)	337,473
Fund balance - Beginning of year	340,139	340,139	330,288	(9,851)
Fund balance - End of year	\$ -	\$ -	\$ 330,620	\$ 330,620

DESCHUTES COUNTY, OREGON

CHILDREN & FAMILIES COMMISSION  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Local				
Fines, forfeitures and penalties	\$ 78,000	\$ 78,000	\$ 86,655	\$ 8,655
Investment earnings	5,000	5,000	4,365	(635)
Charges for services	8,000	8,000	8,700	700
Contributions and donations	-	-	71	71
Intergovernmental:				
Local	120,875	120,875	320,874	199,999
State	881,541	881,541	860,328	(21,213)
Federal	601,799	691,799	591,022	(100,777)
Total revenues	1,785,215	1,785,215	1,872,016	86,801
<b>EXPENDITURES</b>				
Personnel services	605,119	605,119	590,160	14,959
Materials and services	1,666,979	1,666,979	1,536,105	130,874
Capital outlay	100	100	-	100
Total	2,282,198	2,282,198	2,126,265	155,933
Operating contingency	233,088	233,088	-	233,088
Total expenditures	2,525,286	2,525,286	2,126,265	399,021
Excess (deficiency) of revenues over expenditures	(740,071)	(740,071)	(254,250)	485,821
Other financing sources (uses)				
Transfers in	272,960	272,960	272,960	-
Total other financing sources (uses)	272,960	272,960	272,960	-
Net change in fund balance	(467,111)	(467,111)	18,691	485,802
Fund balance - Beginning of year	467,111	467,111	555,529	88,418
Fund balance - End of year	\$ -	\$ -	\$ 574,220	\$ 574,220

**DESCHUTES COUNTY, OREGON**

**SHERIFF'S ASSET FORFEITURE  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Fines, forfeitures and penalties	\$ 5,000	\$ 5,000	\$ 4,471	\$ (529)
Investment earnings	100	100	171	71
Total revenues	<u>5,100</u>	<u>5,100</u>	<u>4,642</u>	<u>(458)</u>
<b>EXPENDITURES</b>				
Personnel services	-	-	-	-
Materials and services	30,000	30,000	418	29,582
Capital outlay	100	100	-	100
Total expenditures	<u>30,100</u>	<u>30,100</u>	<u>418</u>	<u>29,682</u>
Net change in fund balance	(25,000)	(25,000)	4,224	29,224
Fund balance - Beginning of year	<u>25,000</u>	<u>25,000</u>	<u>25,568</u>	<u>568</u>
Fund balance - End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,792</u>	<u>\$ 29,792</u>

**DESCHUTES COUNTY, OREGON**

**COURT FACILITIES  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Local				
Fines, forfeitures and penalties	\$ 91,000	\$ 91,000	\$ 112,234	\$ 21,234
Investment earnings	-	-	82	82
Total revenues	<u>91,000</u>	<u>91,000</u>	<u>112,316</u>	<u>21,316</u>
<b>EXPENDITURES</b>				
Materials and services	<u>91,000</u>	<u>91,000</u>	<u>91,000</u>	<u>-</u>
Total expenditures	<u>91,000</u>	<u>91,000</u>	<u>91,000</u>	<u>-</u>
Net change in fund balance	-	-	21,316	21,316
Fund balance - Beginning of year	<u>-</u>	<u>-</u>	<u>6,444</u>	<u>6,444</u>
Fund balance - End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,760</u>	<u>\$ 27,760</u>

**DESCHUTES COUNTY, OREGON**

**DESCHUTES COUNTY COMMUNICATION SYSTEM  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Local				
Investment earnings	\$ 3,100	\$ 3,100	\$ 1,745	\$ (1,355)
Charges for services	574,833	574,833	557,007	(17,826)
Intergovernmental				
State	-	-	8,498	8,498
Federal	-	-	17,047	17,047
Total revenues	<u>577,933</u>	<u>577,933</u>	<u>584,297</u>	<u>6,364</u>
<b>EXPENDITURES</b>				
Personnel services	95,861	95,861	91,130	4,731
Materials and services	319,322	319,322	283,158	36,164
Capital outlay	100	25,647	25,302	345
Total	<u>415,283</u>	<u>440,830</u>	<u>399,590</u>	<u>41,240</u>
Operating contingency	<u>105,916</u>	<u>80,369</u>	<u>-</u>	<u>80,369</u>
Total expenditures	<u>521,199</u>	<u>521,199</u>	<u>399,590</u>	<u>121,609</u>
Excess (deficiency) of revenues over expenditures	<u>56,734</u>	<u>56,734</u>	<u>184,707</u>	<u>127,973</u>
Other financing sources (uses)				
Transfers out	<u>(156,734)</u>	<u>(156,734)</u>	<u>(136,610)</u>	<u>20,124</u>
Total other financing sources (uses)	<u>(156,734)</u>	<u>(156,734)</u>	<u>(136,610)</u>	<u>20,124</u>
Net change in fund balance	<u>(100,000)</u>	<u>(100,000)</u>	<u>48,087</u>	<u>148,087</u>
Fund balance - Beginning of year	<u>100,000</u>	<u>100,000</u>	<u>133,184</u>	<u>33,184</u>
Fund balance - End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 181,261</u>	<u>\$ 181,261</u>

**DESCHUTES COUNTY, OREGON**

**PUBLIC HEALTH  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Local				
Investment earnings	\$ 12,000	\$ 12,000	\$ 9,759	\$ (2,241)
Fines, forfeitures and penalties	-	-	60	60
Charges for services	1,400,560	1,400,560	1,538,337	137,777
Contributions and donations	26,030	26,030	14,626	(11,404)
Intergovernmental				
Local	45,000	45,000	87,146	42,146
State	3,829,977	4,003,430	4,080,762	87,332
Federal	600	600	814	214
Total revenues	<u>5,314,167</u>	<u>5,487,620</u>	<u>5,741,504</u>	<u>253,884</u>
<b>EXPENDITURES</b>				
Personnel services	6,214,951	6,190,732	6,101,477	88,255
Materials and services	1,815,848	2,098,694	2,048,445	50,249
Capital outlay	<u>200,000</u>	<u>131,500</u>	<u>93,788</u>	<u>37,712</u>
Total	<u>8,230,799</u>	<u>8,420,926</u>	<u>8,243,710</u>	<u>177,216</u>
Operating contingency	<u>807,151</u>	<u>790,477</u>	<u>-</u>	<u>790,477</u>
Total expenditures	<u>9,037,950</u>	<u>9,211,403</u>	<u>8,243,710</u>	<u>967,693</u>
Excess (deficiency) of revenues over expenditures	<u>(3,723,783)</u>	<u>(3,723,783)</u>	<u>(2,502,206)</u>	<u>1,221,577</u>
Other financing sources (uses)				
Transfers in	2,412,865	2,412,865	2,412,865	-
Transfer out	<u>(286,000)</u>	<u>(286,000)</u>	<u>(286,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>2,126,865</u>	<u>2,126,865</u>	<u>2,126,865</u>	<u>-</u>
Net change in fund balance	<u>(1,596,918)</u>	<u>(1,596,918)</u>	<u>(375,341)</u>	<u>1,221,577</u>
Fund balance - Beginning of year	<u>1,596,918</u>	<u>1,596,918</u>	<u>1,702,888</u>	<u>105,970</u>
Fund balance - End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,327,547</u>	<u>\$ 1,327,547</u>

DESCHUTES COUNTY, OREGON

HEALTHY START  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Local				
Investment earnings	\$ 4,000	\$ 4,000	\$ 2,456	\$ (1,544)
Charges for services	24,000	24,000	890	(23,104)
Contributions and donations	400	400	4,760	4,360
Intergovernmental				
Local	-	-	-	-
State	140,100	140,100	48,540	(91,560)
Total revenues	168,500	168,500	56,732	(111,768)
<b>EXPENDITURES</b>				
Personnel services	101,399	123,054	87,229	35,825
Materials and services	258,923	258,923	55,771	203,152
Capital outlay	-	-	-	-
Total	420,322	381,977	143,000	238,977
Operating contingency	192,007	170,352	-	170,352
Total expenditures	612,329	552,329	143,000	408,329
Net change in fund balance	(383,829)	(383,829)	(66,268)	297,561
Fund balance - Beginning of year	383,829	383,829	415,868	33,039
Fund balance - End of year	\$ -	\$ -	\$ 350,600	\$ 330,600

DESCHUTES COUNTY, OREGON

PUBLIC HEALTH RESERVE  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Local				
Investment earnings	\$ 4,000	\$ 4,000	\$ 2,861	\$ (1,139)
Total revenues	4,000	4,000	2,861	(1,139)
<b>EXPENDITURES</b>				
Materials and services	100	100	-	100
Capital outlay	100	100	-	100
Total expenditures	200	200	-	200
Excess (deficiency) of revenues over expenditures	3,800	3,800	2,861	(939)
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	(30,000)	(30,000)	(30,000)	-
Total other financing sources (uses)	(30,000)	(30,000)	(30,000)	-
Net change in fund balance	(26,200)	(26,200)	(27,139)	(939)
Fund balance - Beginning of year	454,234	454,234	454,029	(205)
Fund balance - End of year	\$ 428,034	\$ 428,034	\$ 426,890	\$ (1,144)

**DESCHUTES COUNTY, OREGON**

**ABHA ACCOUNTABLE BEHAVIORAL HEALTH ALLIANCE  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Local				
Investment earnings	\$ 18,000	\$ 18,000	\$ 15,370	\$ (2,630)
Intergovernmental				
State	3,828,609	3,829,839	5,441,667	2,611,878
Total revenues	<u>3,847,609</u>	<u>3,847,689</u>	<u>5,457,037</u>	<u>2,609,948</u>
<b>EXPENDITURES</b>				
Materials and services	4,488,628	4,489,828	4,440,129	29,497
Total	<u>4,488,628</u>	<u>4,489,828</u>	<u>4,440,129</u>	<u>29,497</u>
Operating contingency	1,582,856	1,478,048	-	1,478,046
Total expenditures	<u>6,032,282</u>	<u>5,945,672</u>	<u>4,440,129</u>	<u>1,505,543</u>
Excess (deficiency) of revenues over expenditures	<u>(2,184,593)</u>	<u>(2,097,983)</u>	<u>2,017,508</u>	<u>4,115,491</u>
Other financing sources (uses)				
Transfers out	(306,863)	(387,473)	(387,473)	-
Total other financing sources (uses)	<u>(306,863)</u>	<u>(387,473)</u>	<u>(387,473)</u>	<u>-</u>
Net change in fund balance	<u>(2,485,456)</u>	<u>(2,485,456)</u>	<u>1,830,035</u>	<u>4,145,491</u>
Fund balance - Beginning of year	<u>2,485,456</u>	<u>2,485,456</u>	<u>2,425,823</u>	<u>(59,633)</u>
Fund balance - End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,055,858</u>	<u>\$ 4,055,858</u>

**DESCHUTES COUNTY, OREGON**

**BEHAVIORAL HEALTH  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Local				
Licenses and permits	\$ 138,800	\$ 138,600	\$ 160,277	\$ 11,877
Investment earnings	25,000	25,000	24,478	(524)
Rents	13,100	13,100	17,375	4,275
Charges for services	4,740,548	4,579,196	4,470,759	(108,387)
Contributions and donations	-	-	108	108
Intergovernmental				
Local	202,600	202,600	359,200	156,600
State	6,601,813	7,476,872	8,411,338	933,666
Federal	24,288	270,647	288,784	(7,063)
Total revenues	<u>10,646,959</u>	<u>12,718,815</u>	<u>13,702,357</u>	<u>981,542</u>
<b>EXPENDITURES</b>				
Personnel services	9,800,365	10,429,186	9,586,359	861,827
Materials and services	3,929,205	5,805,749	5,075,447	(169,708)
Capital outlay	400,000	980,000	189,892	220,108
Total	<u>13,929,600</u>	<u>16,623,835</u>	<u>15,711,708</u>	<u>912,227</u>
Operating contingency	1,787,413	1,157,934	-	1,157,934
Total expenditures	<u>15,717,013</u>	<u>17,781,869</u>	<u>15,711,708</u>	<u>2,070,161</u>
Excess (deficiency) of revenues over expenditures	<u>(5,071,054)</u>	<u>(5,071,054)</u>	<u>(2,009,351)</u>	<u>3,061,703</u>
Other financing sources (uses)				
Transfers in	2,088,285	2,088,285	2,289,580	211,295
Transfer out	(286,000)	(286,000)	(285,000)	-
Total other financing sources (uses)	<u>1,802,285</u>	<u>1,802,285</u>	<u>2,013,580</u>	<u>211,295</u>
Net change in fund balance	<u>(3,268,769)</u>	<u>(3,268,769)</u>	<u>4,226</u>	<u>3,272,988</u>
Fund balance - Beginning of year	<u>3,268,769</u>	<u>3,268,769</u>	<u>3,109,980</u>	<u>(158,789)</u>
Fund balance - End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,114,228</u>	<u>\$ 3,114,228</u>

DESCHUTES COUNTY, OREGON

ACUTE CARE SERVICES  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Local				
Investment earnings	\$ 8,200	\$ 8,200	\$ 6,122	\$ (2,078)
Charges for services	15,000	15,000	92,738	77,738
Intergovernmental				
State	1,215,816	1,381,481	1,382,391	910
Total revenues	1,239,016	1,404,681	1,481,251	76,570
<b>EXPENDITURES</b>				
Materials and services	1,070,485	1,185,665	1,150,027	35,638
Total	1,070,485	1,185,665	1,150,027	35,638
Contingency	810,760	861,245	-	861,245
Total expenditures	1,881,245	2,046,910	1,150,027	896,883
Excess (deficiency) of revenues over expenditures	(642,229)	(642,229)	331,224	973,453
Other financing sources (uses)				
Transfer out	(252,515)	(252,515)	(252,515)	-
Total other financing sources (uses)	(252,515)	(252,515)	(252,515)	-
Net change in fund balance	(894,744)	(894,744)	78,709	973,453
Fund balance - Beginning of year	894,744	894,744	863,730	(31,014)
Fund balance - End of year	\$ -	\$ -	\$ 942,439	\$ 942,439

DESCHUTES COUNTY, OREGON

OHP - CHEMICAL DEPENDENCY  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Local				
Investment earnings	\$ 5,000	\$ 5,000	\$ 12,508	\$ 7,508
Intergovernmental				
State	1,040,000	1,040,000	1,402,734	362,734
Total revenues	1,045,000	1,045,000	1,415,242	370,242
<b>EXPENDITURES</b>				
Materials and services	285,246	310,246	220,159	90,087
Total	285,246	310,246	220,159	90,087
Operating contingency	1,656,264	1,506,589	-	1,506,589
Total expenditures	1,941,510	1,816,835	220,159	1,596,676
Excess (deficiency) of revenues over expenditures	(896,510)	(771,835)	1,195,083	1,966,918
Other financing sources (uses)				
Transfer out	(271,402)	(396,077)	(396,077)	-
Total other financing sources (uses)	(271,402)	(396,077)	(396,077)	-
Net change in fund balance	(1,167,912)	(1,167,912)	799,006	1,966,918
Fund balance - Beginning of year	1,167,912	1,167,912	1,430,874	262,782
Fund balance - End of year	\$ -	\$ -	\$ 2,229,680	\$ 2,229,680

**DESCHUTES COUNTY, OREGON**

**COMMUNITY DEVELOPMENT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Local				
Fines, forfeitures and penalties	\$ 3,325	\$ 3,325	\$ 3,715	\$ 390
Investment earnings	4,000	4,000	1,112	(2,888)
Rents	9,600	9,600	11,400	1,800
Charges for services	2,751,681	2,751,681	2,559,601	(192,080)
Intergovernmental				
Local	160,200	160,200	135,053	(25,147)
State	42,500	42,500	19,405	(23,095)
Federal	50,000	50,000	41,370	(8,630)
Total revenues	<u>3,021,306</u>	<u>3,021,306</u>	<u>2,771,659</u>	<u>(249,650)</u>
<b>EXPENDITURES</b>				
Personnel services	2,893,071	2,917,101	2,900,232	16,869
Materials and services	1,057,029	1,057,029	961,813	75,216
Capital outlay	100	100	-	100
Total	<u>3,950,200</u>	<u>3,974,230</u>	<u>3,862,045</u>	<u>92,185</u>
Operating contingency	<u>252,128</u>	<u>328,098</u>	<u>-</u>	<u>328,098</u>
Total expenditures	<u>4,202,328</u>	<u>4,302,328</u>	<u>3,862,045</u>	<u>420,283</u>
Excess (deficiency) of revenues over expenditures	<u>(1,181,022)</u>	<u>(1,281,022)</u>	<u>(1,110,389)</u>	<u>170,633</u>
Other financing sources (uses)				
Transfers in	1,125,085	1,225,085	1,344,985	119,900
Transfers out	(173,885)	(173,885)	(173,885)	-
Total other financing sources (uses)	<u>951,200</u>	<u>1,051,200</u>	<u>1,171,100</u>	<u>119,900</u>
Net change in fund balance	<u>(229,822)</u>	<u>(229,822)</u>	<u>60,711</u>	<u>290,533</u>
Fund balance - Beginning of year	<u>229,822</u>	<u>229,822</u>	<u>131,834</u>	<u>(97,988)</u>
Fund balance - End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 192,545</u>	<u>\$ 192,545</u>

**DESCHUTES COUNTY, OREGON**

**CDD GROUNDWATER PARTNERSHIP  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Local				
Investment earnings	\$ 1,250	\$ 1,250	\$ 858	\$ (392)
Intergovernmental				
Federal	-	-	105,000	105,000
Total revenues	<u>1,250</u>	<u>1,250</u>	<u>105,858</u>	<u>104,608</u>
<b>EXPENDITURES</b>				
Materials and services	419,797	419,797	105,000	314,797
Debt service	9,168	9,168	9,168	-
Total	<u>428,965</u>	<u>428,965</u>	<u>114,168</u>	<u>314,797</u>
Contingency	<u>100,000</u>	<u>100,000</u>	<u>-</u>	<u>100,000</u>
Total expenditures	<u>528,965</u>	<u>528,965</u>	<u>114,168</u>	<u>414,797</u>
Excess (deficiency) of revenues over expenditures	<u>(627,715)</u>	<u>(627,715)</u>	<u>(8,310)</u>	<u>(519,405)</u>
Other financing sources (uses)				
Transfers in	300,000	300,000	-	(300,000)
Total other financing sources (uses)	<u>300,000</u>	<u>300,000</u>	<u>-</u>	<u>(300,000)</u>
Net change in fund balance	<u>(227,715)</u>	<u>(227,715)</u>	<u>(8,310)</u>	<u>219,405</u>
Fund balance - Beginning of year	<u>227,715</u>	<u>227,715</u>	<u>98,205</u>	<u>(129,510)</u>
Fund balance - End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 89,895</u>	<u>\$ 89,895</u>

DESCHUTES COUNTY, OREGON

NEWBERRY NEIGHBORHOOD  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Local				
Investment earnings	\$ 3,550	\$ 3,550	\$ 2,837	\$ (713)
Loan payments	20,000	20,000	-	(20,000)
Other	100,000	100,000	-	(100,000)
	-	-	-	-
Total revenues	123,550	123,550	2,837	(120,713)
<b>EXPENDITURES</b>				
Materials and services	100	100	-	100
Capital outlay	100	100	-	100
Total	200	200	-	200
Operating contingency	85,000	85,000	-	85,000
Total expenditures	85,200	85,200	-	85,200
Excess (deficiency) of revenues over expenditures	38,350	38,350	2,837	(35,513)
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	(361,321)	(361,321)	(47,523)	313,798
Total other financing sources (uses)	(361,321)	(361,321)	(47,523)	313,798
Net change in fund balance	(322,971)	(322,971)	(44,686)	278,285
Fund balance - Beginning of year	466,043	466,043	466,117	74
Fund balance - End of year	\$ 143,072	\$ 143,072	\$ 421,431	\$ 278,359

DESCHUTES COUNTY, OREGON

GIS DEDICATED FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Local				
Investment earnings	\$ 1,500	\$ 1,500	\$ 1,182	\$ (318)
Charges for services	348,416	348,416	306,404	(42,012)
Intergovernmental				
State	83,500	83,500	100,791	17,291
Total revenues	433,416	433,416	408,377	(25,039)
<b>EXPENDITURES</b>				
Personnel services	409,971	409,971	403,277	6,694
Materials and services	76,281	76,281	45,859	30,422
Capital outlay	8,700	8,700	-	8,700
Total	494,952	494,952	449,136	45,816
Operating contingency	77,968	77,968	-	77,968
Total expenditures	572,920	572,920	449,136	123,784
Excess (deficiency) of revenues over expenditures	(139,504)	(139,504)	(40,759)	98,745
Other financing sources (uses)				
Transfer out	(97,496)	(97,496)	(97,496)	-
Total other financing sources (uses)	(97,496)	(97,496)	(97,496)	-
Net change in fund balance	(237,000)	(237,000)	(138,255)	98,745
Fund balance - Beginning of year	237,000	237,000	240,165	3,165
Fund balance - End of year	\$ -	\$ -	\$ 101,900	\$ 101,900



DESCHUTES COUNTY, OREGON

NATURAL RESOURCE PROTECTION  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Local				
Investment earnings	\$ -	\$ -	\$ -	\$ -
Charges for services	162,000	162,000	125,911	(36,089)
Contributions and donations	-	-	5,000	5,000
Intergovernmental				
State	6,242	6,242	5,742	(500)
Federal	2,915,083	2,915,083	446,821	(2,468,262)
Total revenues	<u>3,083,325</u>	<u>3,083,325</u>	<u>583,474</u>	<u>(2,499,851)</u>
<b>EXPENDITURES</b>				
Personnel services	113,777	129,777	122,172	7,605
Materials and services	2,968,942	2,968,942	461,263	2,507,679
Total	<u>3,082,719</u>	<u>3,098,719</u>	<u>583,435</u>	<u>2,515,284</u>
Operating contingency	33,911	17,911	-	17,911
Total expenditures	<u>3,116,630</u>	<u>3,116,630</u>	<u>583,435</u>	<u>2,533,195</u>
Net change in fund balance	(33,305)	(33,305)	39	33,344
Fund balance - Beginning of year	<u>33,305</u>	<u>33,305</u>	<u>94,686</u>	<u>61,381</u>
Fund balance - End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 94,725</u>	<u>\$ 94,725</u>

DESCHUTES COUNTY, OREGON

FEDERAL FOREST TITLE III  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Local				
Investment earnings	\$ 2,000	\$ 2,000	\$ 2,658	\$ 658
Intergovernmental				
Federal	154,254	154,254	145,233	(9,021)
Total revenues	<u>156,254</u>	<u>156,254</u>	<u>147,891</u>	<u>(8,363)</u>
<b>EXPENDITURES</b>				
Materials and services	360,000	360,000	305,910	54,090
Total	<u>360,000</u>	<u>360,000</u>	<u>305,910</u>	<u>54,090</u>
Operating contingency	209,971	209,971	-	209,971
Total expenditures	<u>569,971</u>	<u>569,971</u>	<u>305,910</u>	<u>264,061</u>
Net change in fund balance	(413,717)	(413,717)	(158,019)	255,698
Fund balance - Beginning of year	<u>413,717</u>	<u>413,717</u>	<u>395,903</u>	<u>(17,814)</u>
Fund balance - End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 237,884</u>	<u>\$ 237,884</u>

DESCHUTES COUNTY, OREGON

SURVEYOR  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Local				
Licenses and permits	\$ 30,000	\$ 30,000	\$ 14,753	\$ (15,247)
Investment earnings	-	-	257	257
Charges for services	18,000	18,000	26,021	7,021
Total revenues	48,000	48,000	40,031	(7,969)
<b>EXPENDITURES</b>				
Materials and services	30,000	30,000	30,000	-
Capital outlay	-	-	-	-
Total	30,000	30,000	30,000	-
Operating contingency	38,236	38,236	-	38,236
Total expenditures	68,236	68,236	30,000	38,236
Net change in fund balance	(20,236)	(20,236)	10,031	30,267
Fund balance - Beginning of year	20,236	20,236	20,816	579
Fund balance - End of year	\$ -	\$ -	\$ 30,846	\$ 30,846

DESCHUTES COUNTY, OREGON

PUBLIC LAND CORNER PRESERVATION  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Local				
Investment earnings	\$ 8,000	\$ 8,000	\$ 6,285	\$ (1,715)
Charges for services	437,000	437,000	407,379	(29,621)
Total revenues	445,000	445,000	413,664	(31,336)
<b>EXPENDITURES</b>				
Materials and services	700,000	700,000	643,014	56,986
Total	700,000	700,000	643,014	56,986
Operating contingency	545,419	545,419	-	545,419
Total expenditures	1,245,419	1,245,419	643,014	602,405
Net change in fund balance	(800,419)	(800,419)	(229,370)	571,049
Fund balance - Beginning of year	800,419	800,419	799,209	(1,210)
Fund balance - End of year	\$ -	\$ -	\$ 569,839	\$ 569,839

DESCHUTES COUNTY, OREGON

COUNTYWIDE TRANSPORTATION SDC IMPROVEMENT FEE  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Local				
Licenses and permits	\$ 250,200	\$ 250,200	\$ 380,340	\$ 140,140
Investment earnings	2,700	2,700	2,758	58
Loan repayments	-	-	-	-
Total revenues	252,900	252,900	383,105	140,205
<b>EXPENDITURES</b>				
Operating contingency	217,258	217,258	-	217,258
Total expenditures	217,258	217,258	-	217,258
Excess (deficiency) of revenues over expenditures	35,642	35,642	383,105	357,463
Other financing sources (uses)				
Transfer out	(250,000)	(250,000)	(250,000)	-
Total other financing sources (uses)	(250,000)	(250,000)	(250,000)	-
Net change in fund balance	(214,358)	(214,358)	143,105	357,463
Fund balance - Beginning of year	214,358	214,358	311,185	96,807
Fund balance - End of year	\$ -	\$ -	\$ 454,270	\$ 454,270

DESCHUTES COUNTY, OREGON

DOG CONTROL  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Local				
Licenses and permits	\$ 185,000	\$ 185,000	\$ 188,131	\$ 3,131
Fines, forfeitures and penalties	3,800	3,800	6,948	3,148
Investment earnings	1,000	1,000	1,863	863
Charges for services	300	300	257	(43)
Contributions and donations	2,000	2,000	2,490	490
Total revenues	192,100	192,100	199,689	7,589
<b>EXPENDITURES</b>				
Personnel services	64,311	68,368	65,569	797
Materials and services	383,083	383,083	244,562	119,421
Total	428,284	430,349	310,131	120,218
Operating contingency	48,453	48,398	-	48,398
Total expenditures	476,747	476,747	310,131	186,616
Excess (deficiency) of revenues over expenditures	(284,647)	(284,647)	(110,442)	174,205
Other financing sources (uses)				
Transfers in	119,790	119,796	119,796	-
Total other financing sources (uses)	119,790	119,796	119,796	-
Net change in fund balance	(164,857)	(164,851)	9,354	174,205
Fund balance - Beginning of year	189,851	189,851	293,640	63,789
Fund balance - End of year	\$ 25,000	\$ 25,000	\$ 293,994	\$ 237,994

DESCHUTES COUNTY, OREGON

ADULT PAROLE & PROBATION  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Local				
Fines, forfeitures and penalties	\$ 370,000	\$ 370,000	\$ 319,387	\$ (50,613)
Investment earnings	9,000	9,000	6,036	(2,964)
Charges for services	78,100	78,100	72,002	(6,098)
Intergovernmental				
Local	124,832	124,832	124,834	2
State	3,121,228	3,121,228	2,986,923	(135,305)
Federal	-	-	-	-
Total revenues	3,703,160	3,703,160	3,608,182	(194,978)
<b>EXPENDITURES</b>				
Personnel services	3,168,688	3,168,688	3,063,235	115,453
Materials and services	886,890	886,890	768,464	118,426
Capital outlay	100	100	-	100
Total	4,055,678	4,055,678	3,821,699	233,979
Operating contingency	518,974	518,974	-	518,974
Total expenditures	4,572,652	4,572,652	3,821,699	750,953
Excess (deficiency) of revenues over expenditures	(869,492)	(869,492)	(313,517)	555,975
Other financing sources (uses)				
Transfers in	338,292	338,292	338,292	-
Transfers out	(28,800)	(28,800)	(28,800)	-
Total other financing sources (uses)	309,492	309,492	309,492	-
Net change in fund balance	(560,000)	(560,000)	(4,025)	555,975
Fund balance - Beginning of year	680,000	680,000	684,484	74,484
Fund balance - End of year	\$ -	\$ -	\$ 680,459	\$ 680,459

DESCHUTES COUNTY, OREGON

EXTENSION 4-H  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Local				
Taxes - property	\$ 361,310	\$ 361,310	\$ 384,817	\$ 23,507
Investment earnings	2,040	2,040	2,249	209
Rents	3,000	3,000	3,420	420
Charges for services	81,000	81,000	4,163	(76,837)
Intergovernmental				
State	24,200	24,200	25,268	1,068
Total revenues	471,550	471,550	419,917	(51,633)
<b>EXPENDITURES</b>				
Personnel services	143,251	143,251	134,768	8,483
Materials and services	358,313	358,313	219,910	146,403
Capital outlay	100	100	-	100
Total	509,664	509,664	354,678	154,986
Operating contingency	78,970	78,970	-	78,970
Total expenditures	588,634	588,634	354,678	233,956
Excess (deficiency) of revenues over expenditures	(117,084)	(117,084)	55,221	182,305
Other financing sources (uses)				
Transfers in	100	100	-	(100)
Transfers out	(181,016)	(181,016)	(100,000)	81,016
Total other financing sources (uses)	(180,916)	(180,916)	(100,000)	80,916
Net change in fund balance	(278,000)	(278,000)	(34,779)	243,221
Fund balance - Beginning of year	278,000	278,000	174,911	(133,089)
Fund balance - End of year	\$ -	\$ -	\$ 139,232	\$ 139,232

**DESCHUTES COUNTY, OREGON**

**EXTENSION 4-H CONSTRUCTION (SUB-FUND OF EXTENSION 4-H)  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Local				
Investment earnings	\$ 950	\$ 950	\$ 1,296	\$ 346
Total revenues	<u>950</u>	<u>950</u>	<u>1,296</u>	<u>346</u>
<b>EXPENDITURES</b>				
Materials and services	100	100	-	100
Capital outlay	100	100	-	100
Total expenditures	<u>200</u>	<u>200</u>	<u>-</u>	<u>200</u>
Excess (deficiency) of revenues over expenditures	<u>750</u>	<u>750</u>	<u>1,296</u>	<u>546</u>
Other financing sources (uses)				
Transfers in	161,016	161,016	100,000	(61,016)
Transfers out	(100)	(100)	-	100
Total other financing sources (uses)	<u>160,916</u>	<u>160,916</u>	<u>100,000</u>	<u>(60,916)</u>
Net change in fund balance	<u>161,666</u>	<u>161,666</u>	<u>101,296</u>	<u>(60,370)</u>
Fund balance - Beginning of year	<u>176,200</u>	<u>176,200</u>	<u>176,384</u>	<u>184</u>
Fund balance - End of year	<u>\$ 337,866</u>	<u>\$ 337,866</u>	<u>\$ 277,680</u>	<u>\$ (60,186)</u>

**DESCHUTES COUNTY, OREGON**

**BLACK BUTTE RANCH SERVICE DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Local				
Taxes - property	\$ 836,208	\$ 835,208	\$ 872,794	\$ 37,586
Investment earnings	2,000	2,000	3,792	1,792
Charges for services	13,200	13,200	13,200	-
Other	600	600	2,528	2,928
Intergovernmental				
Local	-	-	2,975	2,975
State	-	-	1,673	1,673
Federal	-	-	22,173	22,173
Total revenues	<u>850,908</u>	<u>850,908</u>	<u>919,138</u>	<u>68,230</u>
<b>EXPENDITURES</b>				
Personnel services	636,317	636,317	617,465	18,852
Materials and services	174,150	174,150	165,768	8,382
Capital outlay	45,000	45,000	33,220	11,780
Total	<u>855,467</u>	<u>855,467</u>	<u>816,443</u>	<u>39,024</u>
Operating contingency	<u>100,000</u>	<u>100,000</u>	<u>-</u>	<u>100,000</u>
Total expenditures	<u>955,467</u>	<u>955,467</u>	<u>816,443</u>	<u>139,024</u>
Net change in fund balance	<u>(104,561)</u>	<u>(104,561)</u>	<u>102,693</u>	<u>207,254</u>
Fund balance - Beginning of year	<u>543,100</u>	<u>543,100</u>	<u>824,719</u>	<u>281,619</u>
Fund balance - End of year	<u>\$ 438,539</u>	<u>\$ 438,539</u>	<u>\$ 727,412</u>	<u>\$ 288,873</u>

DESCHUTES COUNTY, OREGON

SUNRIVER SERVICE DISTRICT - OPERATING FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Local				
Taxes - property	\$ 3,816,570	\$ 3,016,570	\$ 3,945,363	\$ 128,793
Investment earnings	7,500	7,500	9,778	2,278
Charges for services	167,000	167,000	172,888	5,888
Other	6,150	6,150	13,680	8,530
Intergovernmental				
Federal	-	-	22,500	22,500
Total revenues	<u>3,986,220</u>	<u>3,886,220</u>	<u>4,164,009</u>	<u>167,789</u>
<b>EXPENDITURES</b>				
Police				
Personnel services	1,508,176	1,525,676	1,483,859	41,817
Materials and services	181,143	181,143	150,471	30,672
Total	<u>1,689,319</u>	<u>1,706,819</u>	<u>1,634,330</u>	<u>72,489</u>
Fire and Emergency Services				
Personnel services	1,816,847	1,816,847	1,716,186	100,661
Materials and services	324,489	324,489	327,043	(2,554)
Total	<u>2,141,336</u>	<u>2,141,336</u>	<u>2,043,239</u>	<u>98,097</u>
Pathway Rangers				
Personnel services	81,514	81,514	71,055	10,459
Materials and services	7,100	7,100	4,267	2,833
Total	<u>88,614</u>	<u>88,614</u>	<u>75,322</u>	<u>13,292</u>
General				
Personnel services	10,970	12,870	13,151	(181)
Materials and services	130,760	161,460	159,952	1,498
Capital outlay	100	100	-	100
Debt service	100	100	-	100
Total	<u>141,920</u>	<u>174,620</u>	<u>173,103</u>	<u>1,517</u>
Operating contingency	<u>256,918</u>	<u>205,718</u>	-	<u>205,718</u>
Total expenditures	<u>4,310,107</u>	<u>4,317,107</u>	<u>3,925,954</u>	<u>391,113</u>
Excess (deficiency) of revenues over expenditures	(321,887)	(320,887)	238,016	558,902
Other financing sources (uses)				
Transfer out	<u>(200,000)</u>	<u>(200,000)</u>	<u>(200,000)</u>	-
Net change in fund balance	(521,887)	(520,867)	38,015	558,902
Fund balance - Beginning of year	<u>1,221,887</u>	<u>1,221,887</u>	<u>1,456,201</u>	<u>233,404</u>
Fund balance - End of year	<u>\$ 700,000</u>	<u>\$ 701,000</u>	<u>\$ 1,493,306</u>	<u>\$ 792,306</u>

DESCHUTES COUNTY, OREGON

SUNRIVER SERVICE DISTRICT - RESERVE FUND (SUB-FUND OF SUNRIVER SERVICE DISTRICT)  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Local				
Investment earnings	\$ 500	\$ 500	\$ 1,673	\$ 1,173
Other	-	-	6,521	6,521
Total revenues	<u>500</u>	<u>500</u>	<u>8,294</u>	<u>7,794</u>
<b>EXPENDITURES</b>				
Materials and services	120	120	120	-
Capital outlay	<u>55,000</u>	<u>56,000</u>	<u>55,834</u>	<u>306</u>
Total expenditures	<u>55,120</u>	<u>56,120</u>	<u>55,754</u>	<u>366</u>
Excess (deficiency) of revenues over expenditures	(54,620)	(55,620)	(47,460)	8,160
Other financing sources (uses)				
Transfers in	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	-
Net change in fund balance	145,380	144,380	152,540	8,160
Fund balance - Beginning of year	<u>353,745</u>	<u>353,745</u>	<u>358,364</u>	<u>4,619</u>
Fund balance - End of year	<u>\$ 499,125</u>	<u>\$ 498,125</u>	<u>\$ 510,904</u>	<u>\$ 12,779</u>

DESCHUTES COUNTY, OREGON

NONMAJOR DEBT SERVICE FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2012

	LID 2007 Series	LID 2009 Series	CDD Bldg FF & C, Refunding Series 2004	Full Faith & Credit Series 2003 / Ref Series 2012	Full Faith & Credit 2005
<b>ASSETS</b>					
Cash and cash equivalents	\$ 5,783	\$ 4,387	\$ 11,224	\$ 6,745	\$ 3,054
Investments, plus accrued interest	2,071	1,570	4,018	2,414	1,092
Taxes receivable	-	-	-	-	-
Accounts receivable	-	-	-	37,162	-
Assessments receivable	512,349	283,820	-	-	-
Total assets	\$ 520,203	\$ 289,777	\$ 15,242	\$ 46,321	\$ 4,146
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Deferred revenues	\$ 512,349	\$ 283,820	\$ -	\$ -	\$ -
Total liabilities	512,349	283,820	-	-	-
Fund balances:					
Restricted	-	-	-	-	-
Assigned	7,854	5,957	15,242	46,321	4,146
Total fund balance	7,854	5,957	15,242	46,321	4,146
Total liabilities and fund balances	\$ 520,203	\$ 289,777	\$ 15,242	\$ 46,321	\$ 4,146

DESCHUTES COUNTY, OREGON

NONMAJOR DEBT SERVICE FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2012

	Full Faith & Credit 2008	Full Faith & Credit 2009	HHS/BJCC FF & C, Refunding Series 2005	Full Faith & Credit 2010	Public Safety General Obligation
<b>ASSETS</b>					
Cash and cash equivalents	\$ 172,871	\$ 90,306	\$ 6,578	\$ 124,889	\$ 273,986
Investments, plus accrued interest	81,876	32,321	2,354	44,623	88,071
Taxes receivable	-	-	-	-	151,417
Accounts receivable	38,614	-	-	-	-
Assessments receivable	-	-	-	-	-
Total assets	\$ 273,361	\$ 122,627	\$ 8,933	\$ 169,292	\$ 523,484
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Deferred revenues	\$ -	\$ -	\$ -	\$ -	\$ 131,744
Total liabilities	-	-	-	-	131,744
Fund balances:					
Restricted	-	-	-	-	391,740
Assigned	273,361	122,627	8,933	169,292	-
Total fund balance	273,361	122,627	8,933	169,292	391,740
Total liabilities and fund balances	\$ 273,361	\$ 122,627	\$ 8,933	\$ 169,292	\$ 523,484

DESCHUTES COUNTY, OREGON

NONMAJOR DEBT SERVICE FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2012

	PERS Series 2002 / 2004	Bond Library CSD General Obligation	Bondwer Library CSD General Obligation	Total Nonmajor Debt Service Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 72,895	\$ 124,773	\$ 12,750	\$ 309,042
Investments, plus accrued interest	28,061	44,500	4,564	323,695
Taxes receivable	-	54,448	8,306	212,251
Accounts receivable	-	-	-	75,776
Assessments receivable	-	-	-	776,189
Total assets	\$ 98,896	\$ 223,881	\$ 23,705	\$ 2,269,833
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Deferred revenues	\$ -	\$ 47,824	\$ 5,587	\$ 951,314
Total liabilities	-	47,824	5,587	951,314
<b>Fund balances:</b>				
Nonrefunded	-	176,057	18,103	656,300
Assigned	98,896	-	-	753,559
	98,896	176,057	18,103	1,398,489
Total liabilities and fund balances	\$ 98,896	\$ 223,881	\$ 23,705	\$ 2,269,732

DESCHUTES COUNTY, OREGON

NONMAJOR DEBT SERVICE FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2012

	LID 2005 Series	LID 2007 Series	LID 2009 Series	CDD Bldg FF & C, Refunding Series 2004
<b>REVENUES</b>				
Local:				
Taxes - property	\$ -	\$ -	\$ -	\$ -
Special assessments	10,834	91,009	59,823	-
Investment earnings	2,629	28,180	15,229	128
Rents	-	-	-	-
Charges for services	-	-	-	-
Total revenues	13,464	119,189	74,852	128
<b>EXPENDITURES</b>				
Materials and services	-	-	-	500
Debt Service:				
Principal	13,555	105,200	55,260	150,000
Interest	273	21,556	14,167	23,885
Bond issuance costs	-	-	-	-
Total expenditures	13,828	127,756	69,427	174,385
Excess (deficiency) of revenues over expenditures	(474)	(8,559)	5,425	(174,256)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in (out)	187	-	-	173,885
Refunding bonds issued	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Total other financing sources (uses)	187	-	-	173,885
Net change in fund balances	(287)	(8,559)	5,425	(371)
Fund balance - Beginning of year	287	10,413	532	15,613
Fund balance - End of year	\$ -	\$ 7,854	\$ 5,957	\$ 15,242



**DESCHUTES COUNTY, OREGON**

**NONMAJOR DEBT SERVICE FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2012**

	Full Faith & Credit Series 2003 / Ref Series 2012	Full Faith & Credit 2005	Full Faith & Credit 2008	Full Faith & Credit 2009
<b>REVENUES</b>				
Local				
Taxes - property	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-
Investment earnings	900	125	2,677	1,240
Rents	632,567	-	454,037	-
Charges for services	-	-	250,791	-
Total revenues	<u>633,467</u>	<u>125</u>	<u>707,505</u>	<u>1,240</u>
<b>EXPENDITURES</b>				
Materials and services	750	-	400	400
Debt Service:				
Principal	668,592	153,350	380,000	130,000
Interest	595,890	99,114	380,674	117,328
Bond issuance costs	372,216	-	-	-
Total expenditures	<u>1,637,448</u>	<u>252,464</u>	<u>761,074</u>	<u>247,728</u>
Excess (deficiency) of revenues over expenditures	<u>(1,003,981)</u>	<u>(252,339)</u>	<u>(53,569)</u>	<u>(246,488)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in (out)	619,090	252,464	-	200,000
Refunding bonds issued	21,893,362	-	-	-
Payment to refunded bond escrow agent	(21,520,747)	-	-	-
Total other financing sources (uses)	<u>991,705</u>	<u>252,464</u>	<u>-</u>	<u>200,000</u>
Net change in fund balances	(12,276)	125	(53,569)	(46,488)
Fund balance - Beginning of year	<u>58,597</u>	<u>4,021</u>	<u>326,930</u>	<u>169,115</u>
Fund balance - End of year	<u>\$ 46,321</u>	<u>\$ 4,146</u>	<u>\$ 273,361</u>	<u>\$ 122,627</u>

**DESCHUTES COUNTY, OREGON**

**NONMAJOR DEBT SERVICE FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2012**

	HHS/BJCC FF & C Refunding Series 2005	Full Faith & Credit 2010	Public Safety General Obligation	PERS Series 2002 / 2004
<b>REVENUES</b>				
Local				
Taxes - property	\$ -	\$ -	\$ 2,263,583	\$ -
Special assessments	-	-	-	-
Investment earnings	304	1,021	6,732	1,509
Rents	-	129,063	-	-
Charges for services	-	-	-	894,545
Total revenues	<u>304</u>	<u>130,084</u>	<u>2,290,315</u>	<u>896,054</u>
<b>EXPENDITURES</b>				
Materials and services	500	400	-	-
Debt Service:				
Principal	445,000	50,000	2,075,000	162,853
Interest	124,418	41,421	244,233	742,200
Bond issuance costs	-	-	-	-
Total expenditures	<u>569,918</u>	<u>91,821</u>	<u>2,319,233</u>	<u>905,053</u>
Excess (deficiency) of revenues over expenditures	<u>(569,614)</u>	<u>38,263</u>	<u>(28,918)</u>	<u>(8,999)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in (out)	569,418	-	-	-
Refunding bonds issued	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Total other financing sources (uses)	<u>569,418</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(196)	38,263	(28,918)	(8,999)
Fund balance - Beginning of year	<u>9,129</u>	<u>131,029</u>	<u>420,658</u>	<u>107,865</u>
Fund balance - End of year	<u>\$ 8,933</u>	<u>\$ 169,292</u>	<u>\$ 391,740</u>	<u>\$ 98,866</u>

**DESCHUTES COUNTY, OREGON**

**NONMAJOR DEBT SERVICE FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2012**

	Bend Library CSD General Obligation	Redmond Library CSD General Obligation	Sunriver Library CSD General Obligation	Total Nonmajor Debt Service Funds
<b>REVENUES</b>				
Local				
Taxes - property	\$ 815,116	\$ 144,629	\$ 97,473	\$ 3,340,801
Special assessments	-	-	-	161,466
Investment earnings	1,181	648	366	62,871
Rents	-	-	-	1,215,667
Charges for services	-	-	-	1,145,336
Total revenues	<u>816,297</u>	<u>145,277</u>	<u>97,839</u>	<u>5,926,141</u>
<b>EXPENDITURES</b>				
Materials and services	-	-	-	2,960
Debt Service:				
Principal	755,000	68,265	75,000	5,288,175
Interest	67,904	116,735	23,048	2,612,848
Bond issuance costs	-	-	-	372,216
Total expenditures	<u>822,904</u>	<u>185,000</u>	<u>98,048</u>	<u>8,276,189</u>
Excess (deficiency) of revenues over expenditures	<u>(6,607)</u>	<u>(39,723)</u>	<u>(209)</u>	<u>(2,350,048)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in (out)	-	-	-	1,815,044
Refunding bonds issued	-	-	-	21,893,362
Payment to refunded bond escrow agent	-	-	-	(21,520,747)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,187,659</u>
Net change in fund balances	<u>(6,607)</u>	<u>(39,723)</u>	<u>(209)</u>	<u>(162,389)</u>
Fund balance - Beginning of year	<u>182,664</u>	<u>39,723</u>	<u>18,312</u>	<u>1,500,888</u>
Fund balance - End of year	<u>\$ 176,057</u>	<u>\$ -</u>	<u>\$ 16,103</u>	<u>\$ 1,338,499</u>

**DESCHUTES COUNTY, OREGON**

**LOCAL IMPROVEMENT DISTRICT 2005 SERIES  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2012**

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Local				
Special assessments	\$ 68,000	\$ 68,000	\$ 10,834	\$ (57,166)
Investment earnings	2,100	2,100	2,620	520
Total revenues	<u>70,100</u>	<u>70,100</u>	<u>13,454</u>	<u>(56,646)</u>
<b>EXPENDITURES</b>				
Debt service	<u>21,400</u>	<u>21,400</u>	<u>13,928</u>	<u>7,472</u>
Total expenditures	<u>21,400</u>	<u>21,400</u>	<u>13,928</u>	<u>7,472</u>
Excess (deficiency) of revenues over expenditures	<u>48,700</u>	<u>48,700</u>	<u>(474)</u>	<u>(49,174)</u>
Other financing sources (uses)				
Transfers in	20,000	20,000	187	(19,813)
Transfers out	(68,700)	(68,700)	-	68,700
Total other financing sources (uses)	<u>(48,700)</u>	<u>(48,700)</u>	<u>187</u>	<u>48,887</u>
Net change in fund balance	-	-	(287)	(287)
Fund balance - Beginning of year	-	-	287	287
Fund balance - End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

DESCHUTES COUNTY, OREGON

LOCAL IMPROVEMENT DISTRICT 2007 SERIES  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Local				
Special assessments	\$ 300,000	\$ 300,000	\$ 91,009	\$ (208,991)
Investment earnings	18,600	18,600	28,190	9,590
Total revenues	318,600	318,600	119,199	(199,401)
<b>EXPENDITURES</b>				
Debt service	278,783	270,783	127,758	149,025
Total expenditures	278,783	270,783	127,758	149,025
Net change in fund balance	41,817	41,817	(8,559)	(50,376)
Fund balance - Beginning of year	-	-	16,413	16,413
Fund balance - End of year	\$ 41,817	\$ 41,817	\$ 7,854	\$ (33,963)

DESCHUTES COUNTY, OREGON

LOCAL IMPROVEMENT DISTRICT 2008 SERIES  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Local				
Special assessments	\$ 250,000	\$ 250,000	\$ 59,623	\$ (190,377)
Investment earnings	10,100	10,100	15,220	5,120
Total revenues	260,100	260,100	74,843	(185,257)
<b>EXPENDITURES</b>				
Debt service	240,900	240,900	69,427	171,473
Total expenditures	240,900	240,900	69,427	171,473
Net change in fund balance	19,200	19,200	5,415	(13,785)
Fund balance - Beginning of year	-	-	532	532
Fund balance - End of year	\$ 19,200	\$ 19,200	\$ 5,947	\$ (13,253)

DESCHUTES COUNTY, OREGON

CDD BUILDING 1988 FULL FAITH & CREDIT, REFUNDING SERIES 2004  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2012

	Original Budget	Final Budget	Actual	Variance With Final Budget
<b>REVENUES</b>				
Local				
Investment earnings	\$ 100	\$ 100	\$ 129	\$ 29
Total revenues	100	100	129	29
<b>EXPENDITURES</b>				
Materials and services	500	500	500	-
Debt service	173,885	173,885	173,885	-
Total expenditures	174,385	174,385	174,385	-
Excess (deficiency) of revenues over expenditures	(174,285)	(174,285)	(174,256)	29
Other financing sources (uses)				
Transfers in	173,885	173,885	173,885	-
Total other financing sources (uses)	173,885	173,885	173,885	-
Net change in fund balance	(400)	(400)	(371)	29
Fund balance - Beginning of year	15,590	15,590	15,513	23
Fund balance - End of year	\$ 15,190	\$ 15,190	\$ 15,242	\$ 52

DESCHUTES COUNTY, OREGON

FULL FAITH AND CREDIT, SERIES 2003/REF SERIES 2012  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Local				
Investment earnings	\$ 1,000	\$ 1,000	\$ 900	\$ (100)
Rents	632,586	632,586	632,587	(19)
Total revenues	633,586	633,586	633,487	(179)
<b>EXPENDITURES</b>				
Materials and services	1,000	373,817	372,966	851
Debt service	1,011,985	1,011,985	1,264,482	347,503
Total expenditures	1,012,985	1,985,802	1,637,448	348,354
Excess (deficiency) of revenues over expenditures	(979,399)	(1,352,216)	(1,003,961)	348,235
Other financing sources (uses)				
Transfers in	966,593	966,603	819,090	(347,503)
Refunding bonds issued	-	21,864,823	21,863,362	(1,461)
Payment to refunded bond escrow agent	-	(21,522,000)	(21,520,747)	1,253
Total other financing sources (uses)	966,593	1,339,410	991,705	(347,705)
Net change in fund balance	(12,806)	(12,806)	(12,276)	530
Fund balance - Beginning of year	52,180	32,180	58,587	8,417
Fund balance - End of year	\$ 39,374	\$ 39,374	\$ 46,321	\$ 6,947

DESCHUTES COUNTY, OREGON

FULL FAITH AND CREDIT, SERIES 2005  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Local				
Investment earnings	\$ 100	\$ 100	\$ 125	\$ 25
Total revenues	100	100	125	25
<b>EXPENDITURES</b>				
Materials and services	500	500	-	500
Debt service	252,464	252,464	252,464	-
Total expenditures	252,964	252,964	252,464	500
Excess (deficiency) of revenues over expenditures	(252,864)	(252,864)	(252,339)	525
Other financing sources (uses)				
Transfers in	252,464	252,464	252,464	-
Total other financing sources (uses)	252,464	252,464	252,464	-
Net change in fund balance	(400)	(400)	125	525
Fund balance - Beginning of year	3,496	3,496	4,021	525
Fund balance - End of year	\$ 3,096	\$ 3,096	\$ 4,146	\$ 1,050

DESCHUTES COUNTY, OREGON

FULL FAITH AND CREDIT, SERIES 2008  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Local				
Investment earnings	\$ 2,500	\$ 2,500	\$ 2,677	\$ 177
Rents	463,368	463,368	464,037	(9,331)
Intergovernmental				
Local	280,791	280,791	250,791	(30,000)
Total revenues	746,659	746,659	797,505	(39,154)
<b>EXPENDITURES</b>				
Materials and services	2,500	2,500	400	2,100
Debt service	760,675	760,675	750,674	1
Total expenditures	763,175	763,175	751,074	2,101
Net change in fund balance	(16,516)	(16,516)	(53,569)	(37,053)
Fund balance - Beginning of year	69,000	69,000	326,930	257,930
Fund balance - End of year	\$ 52,484	\$ 52,484	\$ 273,361	\$ 220,877

**DESCHUTES COUNTY, OREGON**

**FULL FAITH AND CREDIT, SERIES 2008  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Local				
Investment earnings	\$ 500	\$ 500	\$ 1,240	\$ 740
Total revenues	<u>500</u>	<u>500</u>	<u>1,240</u>	<u>740</u>
<b>EXPENDITURES</b>				
Materials and services	2,100	2,100	400	1,700
Debt service	247,328	247,328	247,328	-
Total expenditures	<u>249,428</u>	<u>249,428</u>	<u>247,728</u>	<u>1,700</u>
Excess (deficiency) of revenues over expenditures	<u>(248,928)</u>	<u>(248,928)</u>	<u>(246,488)</u>	<u>2,440</u>
Other financing sources (uses)				
Transfers in	545,000	545,000	200,000	(345,000)
Total other financing sources (uses)	<u>545,000</u>	<u>545,000</u>	<u>200,000</u>	<u>(345,000)</u>
Net change in fund balance	296,072	296,072	(46,488)	(342,560)
Fund balance - Beginning of year	<u>167,000</u>	<u>167,000</u>	<u>169,116</u>	<u>2,116</u>
Fund balance - End of year	<u>\$ 463,072</u>	<u>\$ 463,072</u>	<u>\$ 122,627</u>	<u>\$ (340,445)</u>

**DESCHUTES COUNTY, OREGON**

**HHS/BJCC FULL FAITH & CREDIT, REFUNDING SERIES 2005  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Local				
Investment earnings	\$ 50	\$ 50	\$ 304	\$ 254
Total revenues	<u>50</u>	<u>50</u>	<u>304</u>	<u>254</u>
<b>EXPENDITURES</b>				
Materials and services	500	500	500	-
Debt service	569,418	569,418	569,418	-
Total expenditures	<u>569,918</u>	<u>569,918</u>	<u>569,918</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(569,868)</u>	<u>(569,868)</u>	<u>(569,614)</u>	<u>254</u>
Other financing sources (uses)				
Transfers in	569,418	569,418	569,418	-
Total other financing sources (uses)	<u>569,418</u>	<u>569,418</u>	<u>569,418</u>	<u>-</u>
Net change in fund balance	(450)	(450)	(196)	254
Fund balance - Beginning of year	<u>9,000</u>	<u>9,000</u>	<u>9,129</u>	<u>129</u>
Fund balance - End of year	<u>\$ 8,550</u>	<u>\$ 8,550</u>	<u>\$ 8,933</u>	<u>\$ 383</u>

DESCHUTES COUNTY, OREGON

FULL FAITH & CREDIT 2010 - SECURE TREATMENT FACILITY  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Local				
Investment earnings	\$ 500	\$ 500	\$ 1,021	\$ 521
Rents	128,473	129,473	129,063	(410)
Total revenues	128,973	129,973	130,084	111
<b>EXPENDITURES</b>				
Materials and services	1,000	1,000	400	600
Debt service	91,422	91,422	91,421	1
Total expenditures	92,422	92,422	91,821	601
Net change in fund balance	37,551	37,551	38,263	712
Fund balance - Beginning of year	103,975	103,375	131,029	27,654
Fund balance - End of year	\$ 140,926	\$ 140,926	\$ 169,292	\$ 28,368

DESCHUTES COUNTY, OREGON

FULL FAITH & CREDIT JAIL REMODEL DEBT SERVICE  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Local				
Investment earnings	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
<b>EXPENDITURES</b>				
Debt service	\$ 3,000,000	\$ 3,000,000	\$ -	\$ 3,000,000
Total expenditures	3,000,000	3,000,000	-	3,000,000
Excess (deficiency) of revenues over expenditures	(3,000,000)	(3,000,000)	-	3,000,000
Other financing sources (uses)				
Sale of assets	3,000,000	3,000,000	-	(3,000,000)
Total other financing sources (uses)	3,000,000	3,000,000	-	(3,000,000)
Net change in fund balance	-	-	-	-
Fund balance - Beginning of year	-	-	-	-
Fund balance - End of year	\$ -	\$ -	\$ -	\$ -

DESCHUTES COUNTY, OREGON

PUBLIC SAFETY 1998/2002 GENERAL OBLIGATION BONDS DEBT SERVICE  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Local				
Taxes - property	\$ 2,164,233	\$ 2,164,233	\$ 2,283,583	\$ 119,350
Investment earnings	5,000	5,000	5,732	1,732
Total revenues	<u>2,169,233</u>	<u>2,169,233</u>	<u>2,290,315</u>	<u>121,082</u>
<b>EXPENDITURES</b>				
Debt service	2,319,233	2,319,233	2,319,233	-
Total expenditures	<u>2,319,233</u>	<u>2,319,233</u>	<u>2,319,233</u>	<u>-</u>
Net change in fund balance	(150,000)	(150,000)	(28,918)	121,082
Fund balance - Beginning of year	<u>300,000</u>	<u>300,000</u>	<u>420,658</u>	<u>120,658</u>
Fund balance - End of year	<u>\$ 150,000</u>	<u>\$ 150,000</u>	<u>\$ 391,740</u>	<u>\$ 241,740</u>

DESCHUTES COUNTY, OREGON

PERS, SERIES 2002 and 2004 DEBT SERVICE  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Local				
Investment earnings	\$ 500	\$ 500	\$ 1,509	\$ 1,009
Charges for services	904,553	904,553	884,545	(10,008)
Total revenues	<u>905,053</u>	<u>905,053</u>	<u>886,054</u>	<u>(8,999)</u>
<b>EXPENDITURES</b>				
Debt service	905,053	905,053	905,053	-
Total expenditures	<u>905,053</u>	<u>905,053</u>	<u>905,053</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>(8,999)</u>	<u>(8,999)</u>
Other financing sources (uses)				
Transfers in	100	100	-	(100)
Total other financing sources (uses)	<u>100</u>	<u>100</u>	<u>-</u>	<u>(100)</u>
Net change in fund balance	100	100	(8,999)	(8,099)
Fund balance - Beginning of year	<u>94,000</u>	<u>94,000</u>	<u>107,865</u>	<u>13,865</u>
Fund balance - End of year	<u>\$ 94,100</u>	<u>\$ 94,100</u>	<u>\$ 98,866</u>	<u>\$ 4,766</u>



DESCHUTES COUNTY, OREGON

BEND LIBRARY CSD DEBT SERVICE  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Local				
Taxes - property	\$ 763,804	\$ 763,804	\$ 815,116	\$ 51,312
Investment earnings	300	300	1,181	881
Total revenues	<u>764,104</u>	<u>764,104</u>	<u>816,297</u>	<u>52,193</u>
<b>EXPENDITURES</b>				
Debt service	<u>822,904</u>	<u>822,904</u>	<u>822,904</u>	<u>-</u>
Total expenditures	<u>822,904</u>	<u>822,904</u>	<u>822,904</u>	<u>-</u>
Net change in fund balance	(58,800)	(58,800)	(5,607)	53,193
Fund balance - Beginning of year	<u>117,000</u>	<u>117,000</u>	<u>132,664</u>	<u>65,664</u>
Fund balance - End of year	<u>\$ 58,200</u>	<u>\$ 58,200</u>	<u>\$ 176,057</u>	<u>\$ 117,667</u>

DESCHUTES COUNTY, OREGON

REDMOND LIBRARY CSD DEBT SERVICE  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Local				
Taxes - property	\$ 168,900	\$ 168,900	\$ 144,829	\$ (24,071)
Investment earnings	100	100	548	548
Total revenues	<u>169,000</u>	<u>169,000</u>	<u>145,277</u>	<u>(23,723)</u>
<b>EXPENDITURES</b>				
Materials and services				
Debt service	<u>185,000</u>	<u>185,000</u>	<u>185,000</u>	<u>-</u>
Total expenditures	<u>185,000</u>	<u>185,000</u>	<u>185,000</u>	<u>-</u>
Net change in fund balance	(26,000)	(26,000)	(39,723)	(13,723)
Fund balance - Beginning of year	<u>26,000</u>	<u>26,000</u>	<u>39,723</u>	<u>13,723</u>
Fund balance - End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

DESCHUTES COUNTY, OREGON

SUNRIVER LIBRARY CSD DEBT SERVICE  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Local				
Taxes - property	\$ 93,048	\$ 93,048	\$ 97,473	\$ 4,425
Investment earnings	-	-	366	366
Total revenues	93,048	93,048	97,839	4,781
<b>EXPENDITURES</b>				
Debt service	98,048	98,048	98,048	-
Total expenditures	98,048	98,048	98,048	-
Net change in fund balance	(5,000)	(5,000)	(209)	4,791
Fund balance - Beginning of year	13,000	13,000	18,312	5,312
Fund balance - End of year	\$ 8,000	\$ 8,000	\$ 18,103	\$ 10,103

DESCHUTES COUNTY, OREGON

JAIL PROJECT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>				
Local				
Investment earnings	\$ 5,000	\$ 5,000	\$ 445	\$ (4,555)
Total revenues	5,000	5,000	445	(4,555)
<b>EXPENDITURES</b>				
Materials and services	37,708	49,708	42,478	7,230
Capital outlay	867,282	866,292	724,114	141,178
Total expenditures	905,000	905,000	766,592	138,408
Net change in fund balance	(900,000)	(900,000)	(766,147)	133,853
Fund balance - Beginning of year	900,000	900,000	(3,223,574)	(4,123,574)
Fund balance - End of year	\$ -	\$ -	\$ (3,989,721)	\$ (3,989,721)

DESCHUTES COUNTY, OREGON

NONMAJOR CAPITAL PROJECT FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2012

	Local Improvement District	Jamison Acquisition and Remodel	North County Services Building	Campus Improvement	Total Nonmajor Capital Projects Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 125,117	\$ 404,719	\$ 420,501	\$ 475,067	\$ 1,425,404
Investments, plus accrued interest	44,784	144,863	150,512	170,043	510,202
Total assets	<u>\$ 169,901</u>	<u>\$ 549,582</u>	<u>\$ 571,013</u>	<u>\$ 645,110</u>	<u>\$ 1,935,606</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$ -	\$ 8,643	\$ 741	\$ 15,154	\$ 24,538
Total liabilities	<u>-</u>	<u>8,643</u>	<u>741</u>	<u>15,154</u>	<u>24,538</u>
Fund balances:					
Restricted	-	418,578	-	629,956	1,048,534
Committed	-	122,361	-	-	122,361
Assigned	169,901	-	570,272	-	740,173
Unassigned	-	-	-	-	-
Total fund balance	<u>169,901</u>	<u>540,939</u>	<u>570,272</u>	<u>629,956</u>	<u>1,911,068</u>
Total liabilities and fund balances	<u>\$ 169,901</u>	<u>\$ 549,582</u>	<u>\$ 571,013</u>	<u>\$ 645,110</u>	<u>\$ 1,935,606</u>

DESCHUTES COUNTY, OREGON

NONMAJOR CAPITAL PROJECTS FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2012

	Local Improvement District	Jamison Acquisition and Remodel	North County Services Building	Campus Improvement	Total Non-Major Capital Projects Funds
<b>REVENUES</b>					
Local					
Investment earnings	\$ 1,112	\$ 3,669	\$ 3,922	\$ 5,001	\$ 13,704
Total revenues	<u>1,112</u>	<u>3,669</u>	<u>3,922</u>	<u>5,001</u>	<u>13,704</u>
<b>EXPENDITURES</b>					
Capital outlay	5,672	39,329	33,650	172,450	251,101
Total expenditures	<u>5,672</u>	<u>39,329</u>	<u>33,650</u>	<u>172,450</u>	<u>251,101</u>
Excess (deficiency) of revenues over expenditures	(4,560)	(35,660)	(29,728)	(167,449)	(237,397)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in from other funds	-	-	600,000	-	600,000
Transfer out to other funds	(187)	-	-	-	(187)
Total other financing sources (uses)	<u>(187)</u>	<u>-</u>	<u>600,000</u>	<u>-</u>	<u>699,813</u>
Excess (deficiency) of revenue and other financing sources over (under) expenditures and other financing uses	(4,747)	(35,660)	570,272	(167,449)	392,416
Fund balance - Beginning of year	174,646	576,589	-	797,405	1,548,652
Fund balance - End of year	<u>\$ 169,901</u>	<u>\$ 540,939</u>	<u>\$ 570,272</u>	<u>\$ 629,956</u>	<u>\$ 1,911,068</u>

**DESCHUTES COUNTY, OREGON**

**LOCAL IMPROVEMENT DISTRICT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Local				
Investment earnings	\$ 1,400	\$ 1,400	\$ 1,112	\$ (288)
Total revenues	<u>1,400</u>	<u>1,400</u>	<u>1,112</u>	<u>(288)</u>
<b>EXPENDITURES</b>				
Materials and services	15,000	15,000	5,672	9,328
Capital outlay	100	100	-	100
Total	<u>15,100</u>	<u>15,100</u>	<u>5,672</u>	<u>9,428</u>
Operating contingency	209,926	209,926	-	209,926
Total expenditures	<u>225,026</u>	<u>225,026</u>	<u>5,672</u>	<u>219,354</u>
Excess (deficiency) of revenues over expenditures	<u>(223,626)</u>	<u>(223,626)</u>	<u>(4,560)</u>	<u>219,068</u>
Other financing sources (uses)				
Transfer in	68,700	68,700	-	(68,700)
Transfer out	(20,000)	(20,000)	(187)	19,813
Total other financing sources (uses)	<u>48,700</u>	<u>48,700</u>	<u>(187)</u>	<u>(48,887)</u>
Net change in fund balance	<u>(174,926)</u>	<u>(174,926)</u>	<u>(4,747)</u>	<u>170,179</u>
Fund balance - Beginning of year	<u>174,926</u>	<u>174,926</u>	<u>174,648</u>	<u>(278)</u>
Fund balance - End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 169,901</u>	<u>\$ 169,901</u>

**DESCHUTES COUNTY, OREGON**

**JAMISON ACQUISITION & REMODEL  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Local				
Investment earnings	\$ 5,000	\$ 5,000	\$ 3,689	\$ (1,311)
Total revenues	<u>5,000</u>	<u>5,000</u>	<u>3,689</u>	<u>(1,311)</u>
<b>EXPENDITURES</b>				
Materials and services	60,721	60,721	34,328	26,392
Capital outlay	189,278	189,278	5,000	184,278
Total expenditures	<u>250,000</u>	<u>250,000</u>	<u>39,328</u>	<u>220,671</u>
Excess (deficiency) of revenues over expenditures	<u>(255,000)</u>	<u>(255,000)</u>	<u>(35,639)</u>	<u>219,340</u>
Other financing sources (uses)				
Transfer out	(345,000)	(345,000)	-	345,000
Total other financing sources (uses)	<u>(345,000)</u>	<u>(345,000)</u>	<u>-</u>	<u>345,000</u>
Net change in fund balance	<u>(600,000)</u>	<u>(600,000)</u>	<u>(35,639)</u>	<u>564,340</u>
Fund balance - Beginning of year	<u>600,000</u>	<u>600,000</u>	<u>575,599</u>	<u>(23,401)</u>
Fund balance - End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 540,939</u>	<u>\$ 540,939</u>

**DESCHUTES COUNTY, OREGON**

**NORTH COUNTY SERVICES BUILDING  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
<b>REVENUES</b>				
Local				
Investment earnings	\$ -	\$ -	\$ 3,922	\$ 3,922
Total revenues	<u>-</u>	<u>-</u>	<u>3,922</u>	<u>3,922</u>
<b>EXPENDITURES</b>				
Materials and services	401,653	401,653	33,650	368,013
Capital outlay	198,337	198,337	-	198,337
Total expenditures	<u>600,000</u>	<u>600,000</u>	<u>33,650</u>	<u>566,350</u>
Excess (deficiency) of revenues over expenditures	<u>(600,000)</u>	<u>(600,000)</u>	<u>(29,728)</u>	<u>570,272</u>
Other financing sources (uses)				
Transfers in	600,000	600,000	600,000	-
Total other financing sources (uses)	<u>600,000</u>	<u>600,000</u>	<u>600,000</u>	<u>-</u>
Net change in fund balance	-	-	570,272	570,272
Fund balance - Beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 570,272</u>	<u>\$ 570,272</u>

**DESCHUTES COUNTY, OREGON**

**CAMPUS IMPROVEMENT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Local				
Investment earnings	\$ 4,500	\$ 4,500	\$ 5,001	\$ 501
Total revenues	<u>4,500</u>	<u>4,500</u>	<u>5,001</u>	<u>501</u>
<b>EXPENDITURES</b>				
Materials and services	102,731	302,731	172,450	130,281
Capital outlay	831,000	631,000	-	631,000
Total	<u>933,731</u>	<u>933,731</u>	<u>172,450</u>	<u>761,281</u>
Operating contingency	51,768	51,768	-	51,768
Total expenditures	<u>985,500</u>	<u>985,500</u>	<u>172,450</u>	<u>813,050</u>
Net change in fund balance	(981,000)	(981,000)	(167,449)	813,551
Fund balance - Beginning of year	<u>981,000</u>	<u>981,000</u>	<u>797,405</u>	<u>(183,595)</u>
Fund balance - End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 629,956</u>	<u>\$ 829,956</u>

**DESCHUTES COUNTY, OREGON**

**SISTERS HEALTH CLINIC  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Intergovernmental				
Federal	\$ 500,000	\$ 500,000	\$ -	\$ (500,000)
Total revenues	<u>500,000</u>	<u>500,000</u>	<u>-</u>	<u>(500,000)</u>
<b>EXPENDITURES</b>				
Materials and services	100,000	100,000	-	100,000
Capital outlay	<u>400,000</u>	<u>400,000</u>	<u>-</u>	<u>400,000</u>
Total expenditures	<u>500,000</u>	<u>500,000</u>	<u>-</u>	<u>500,000</u>
Net change in fund balance	-	-	-	-
Fund balance - Beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

This page intentionally left blank.

**FIDUCIARY FUNDS**

**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -- AGENCY FUNDS**

This page intentionally left blank.

# DESCHUTES COUNTY, OREGON

## FIDUCIARY FUNDS STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUNDS - DETAIL ACTIVITY FOR THE YEAR ENDED JUNE 30, 2012

	Balance July 1, 2011	Additions	Deductions	Balance June 30, 2012
<b>Amounts Held for Others</b>				
<b>Assets</b>				
Cash, cash equivalents and investments, at market; plus accrued interest	\$ 11,270,598	\$ 271,923,579	\$ 272,309,573	\$ 10,884,603
Accounts receivable	125,744	171,593	38,406	258,932
	<u>\$ 11,396,342</u>	<u>\$ 272,095,172</u>	<u>\$ 272,347,979</u>	<u>11,143,535</u>
<b>Liabilities</b>				
Accounts payable	\$ 20,631	\$ 8,391,239	\$ 8,400,828	\$ 11,042
Due to other entities				
Governmental	1,459,163	263,289,332	263,627,564	1,120,931
Others	9,916,548	414,601	319,588	10,011,561
	<u>\$ 11,396,342</u>	<u>\$ 272,095,172</u>	<u>\$ 272,347,979</u>	<u>\$ 11,143,535</u>

This page intentionally left blank.



**COMBINING PROPRIETARY FUNDS**

**This page intentionally left blank.**

DESCHUTES COUNTY, OREGON

SUB-FUNDS OF SOLID WASTE ENTERPRISE  
COMBINING SCHEDULE OF NET ASSETS  
JUNE 30, 2012

	Solid Waste Operations	Landfill Closure	Landfill Postclosure	Solid Waste Capital Projects	Solid Waste Equipment Reserve	Total
<b>ASSETS</b>						
Current assets:						
Cash and cash equivalents	\$ 765,602	\$ 717,750	\$ 377,604	\$ 1,023,891	\$ 310,325	\$ 3,055,103
Investments, plus accrued interest	272,754	287,745	139,195	357,530	-	1,042,203
Accounts receivable	469,767	-	-	-	-	469,767
Due from other funds	-	3,862,227	-	-	-	3,859,227
Total current assets	1,508,123	4,867,722	516,800	1,471,721	310,325	8,614,256
Noncurrent assets:						
Capital assets:						
Capital assets not being depreciated:						
Land	1,791,353	-	-	-	-	1,791,353
Capital assets net of accumulated depreciation:						
Land improvements	14,365,613	-	-	-	-	14,365,613
Buildings and improvements	8,777,770	-	-	-	-	8,777,770
Equipment	2,070,460	-	-	-	-	2,070,460
Vehicles	76,452	-	-	-	-	76,452
Intangible	75,252	-	-	-	-	75,252
Total capital assets	26,053,900	-	-	-	-	26,053,900
Deferred financing costs	478,094	-	-	-	-	478,094
Total noncurrent assets	26,531,994	-	-	-	-	26,531,994
Total assets	32,034,117	4,867,722	516,800	1,471,721	310,325	38,140,272
<b>LIABILITIES</b>						
Current liabilities:						
Accounts payable	229,054	-	-	2,190	-	231,244
Interest payable	35,267	-	-	-	-	35,267
Current portion of bonds and notes payable	657,741	-	-	-	-	657,741
Total current liabilities	922,062	-	-	2,190	-	924,252
Noncurrent liabilities:						
Compensated leave	143,514	-	-	-	-	143,514
Net OPEB obligation	249,993	-	-	-	-	249,993
Bonds and notes payable (net of unamortized premiums and discounts)	12,914,610	-	-	-	-	12,914,610
Accrued closure / postclosure	4,013,182	4,264,263	512,870	-	-	8,789,915
Less current portion of noncurrent liabilities	(107,241)	-	-	-	-	(107,241)
Total noncurrent liabilities	16,793,958	4,264,263	512,870	-	-	21,571,091
Total liabilities	17,716,020	4,264,263	512,870	2,190	-	22,495,343
<b>NET ASSETS</b>						
Invested in capital assets, net of related debt:						
Unrestricted	15,300,276	-	-	1,469,531	148,812	16,918,619
Restricted	(2,671,859)	-	-	-	-	(2,671,859)
Total net assets	12,628,417	-	-	1,469,531	148,812	14,246,760

DESCHUTES COUNTY, OREGON

SUB-FUNDS OF FAIR & EXPO CENTER ENTERPRISE  
COMBINING SCHEDULE OF NET ASSETS  
JUNE 30, 2012

	Fair & Expo Center	Annual County Fair	Fair & Expo Center Reserve	Fairgrounds (G.O. Bonds Debt Service)	Total
<b>ASSETS</b>					
Current assets:					
Cash and cash equivalents	\$ 33,367	\$ 70,802	\$ 405,050	\$ 230,009	\$ 739,228
Investments, plus accrued interest	11,944	28,208	145,269	82,643	268,064
Accounts receivable	48,828	22	-	-	48,850
Taxes receivable	-	-	-	153,287	153,287
Prepaid expenses	-	145,651	-	-	145,651
Total current assets	94,139	244,893	550,319	465,939	1,355,290
Noncurrent assets:					
Capital assets:					
Capital assets not being depreciated:					
Land	132,885	-	-	-	132,885
Capital assets net of accumulated depreciation:					
Land improvements	5,061,726	-	50,035	-	5,111,761
Buildings and improvements	16,242,217	-	106,666	-	16,348,883
Equipment and vehicles	138,605	-	154,014	-	292,619
Total capital assets	22,533,140	-	310,715	-	22,843,855
Other - deferred financing costs	20,325	-	-	824,824	845,149
Total assets	22,544,404	244,893	865,034	906,033	24,500,364
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	29,819	5,909	-	-	35,728
Unearned revenues	53,888	199,575	-	-	253,463
Interest payable	12,478	-	-	44,967	57,445
Current portion of noncurrent liabilities	100,709	24,328	-	2,208,631	2,333,668
Total current liabilities	196,894	229,812	-	2,253,598	2,679,304
Noncurrent liabilities:					
Compensated leave	143,246	24,328	-	-	167,574
Net OPEB obligation	127,789	-	-	-	127,789
Bonds and notes payable (net of unamortized premiums and discounts)	1,252,841	-	-	12,250,823	13,503,664
Less current portion of noncurrent liabilities	(100,709)	(24,328)	-	(2,208,631)	(2,333,668)
Total noncurrent liabilities	1,422,967	-	-	10,042,192	11,465,169
Total liabilities	1,619,861	229,812	-	12,304,490	14,154,163
<b>NET ASSETS</b>					
Invested in capital assets, net of related debt:					
Restricted for debt service	21,180,469	-	310,715	(12,250,823)	9,239,361
Unrestricted	(255,833)	24,708	554,319	-	323,194
Total net assets	\$ 20,924,636	\$ 24,706	\$ 865,034	\$ (11,937,827)	\$ 10,086,549

# DESCHUTES COUNTY, OREGON

## SUB-FUNDS OF SOLID WASTE ENTERPRISE COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS FOR THE YEAR ENDED JUNE 30, 2012

	Solid Waste Operations	Landfill Closure	Landfill Post-Closure	Solid Waste Capital Projects	Solid Waste Equipment Reserve	Environmental Remediation	Total
<b>OPERATING REVENUES</b>							
Charges for services	\$ 6,427,800	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,427,800
Miscellaneous	75,473	-	-	-	-	-	75,473
Total operating revenues	6,503,273	-	-	-	-	-	6,503,273
<b>OPERATING EXPENSES</b>							
Personnel	1,637,767	-	-	-	-	-	1,637,767
Materials and services	2,827,963	-	-	50,565	13,052	-	2,891,380
Landfill closure/postclosure costs	419,762	-	-	-	-	-	419,762
Depreciation	2,870,166	-	-	-	-	-	2,870,166
Total operating expenses	7,755,658	-	-	50,565	13,052	-	7,819,275
Operating income (loss)	(749,232)	-	-	(50,565)	(13,052)	-	(812,849)
<b>NONOPERATING REVENUES (EXPENSES)</b>							
Grant	2,882	-	-	-	-	-	2,882
Investment earnings	19,664	29,312	1,749	6,495	2,244	-	59,464
Bond issuance costs	(12,334)	-	-	-	-	-	(12,334)
Interest expense	(412,628)	-	-	-	-	-	(412,628)
Intrafund transfer of assets	960,824	-	-	(15,000)	(855,324)	-	-
Gain (loss) on equipment disposition	(103,213)	-	-	46,000	-	-	(57,213)
Total nonoperating revenues (expenses)	584,892	29,312	1,749	(8,505)	(853,080)	-	(25,632)
Income (loss) before transfers	(164,340)	29,312	1,749	(57,065)	(866,132)	-	(1,046,476)
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	-	-	400,000	498,213	250,000	(75,213)	1,073,000
Transfers out	(1,396,773)	-	-	-	-	-	(1,396,773)
Equity transfer	431,028	(29,312)	(401,713)	-	-	-	-
Change in net assets	(1,283,291)	-	-	441,148	(636,132)	(75,213)	(1,553,488)
Total net assets - beginning	13,430,306	-	-	1,037,418	750,245	75,212	15,493,481
Total net assets - ending	\$ 12,147,015	\$ -	\$ -	\$ 1,478,566	\$ 114,113	\$ -	\$ 13,740,694

# DESCHUTES COUNTY, OREGON

## SUB-FUNDS OF FAIR & EXPO CENTER ENTERPRISE COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS FOR THE YEAR ENDED JUNE 30, 2012

	Fair & Expo Center	Annual County Fair	Fair & Expo Center Reserve	Fairgrounds G.O. Bonds Debt Service	Total Fair & Expo Center Funds
<b>OPERATING REVENUES</b>					
Charges for services	\$ 844,120	\$ 1,017,730	\$ -	\$ -	\$ 1,861,850
Miscellaneous	1,542	-	-	-	1,542
Total operating revenues	845,662	1,017,730	-	-	1,863,392
<b>OPERATING EXPENSES</b>					
Personnel	321,734	123,677	-	-	445,411
Materials and services	731,100	741,839	-	-	1,472,939
Depreciation	750,241	-	-	-	750,241
Total operating expenses	2,803,075	865,516	-	-	3,668,591
Operating income (loss)	(1,957,413)	(847,786)	-	-	(2,805,199)
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Grants	33,424	60,002	-	-	93,426
Property taxes	-	-	-	2,024,005	2,024,005
Investment earnings	105	720	4,375	3,025	8,225
Bond issuance costs	(963)	-	-	(131,209)	(132,172)
Interest expense	(52,304)	-	-	(502,232)	(554,536)
Total nonoperating revenues (expenses), net	(10,738)	60,722	4,375	1,709,542	1,763,801
Income (loss) before transfers	(1,968,151)	(787,064)	4,375	1,709,542	(511,298)
Intrafund contribution of assets	-	-	-	-	-
Transfers in	750,544	5,000	10,000	-	813,544
Transfers out	(10,000)	(220,000)	(100,000)	-	(330,000)
Change in net assets	(810,107)	(112,064)	(85,625)	1,709,542	906,032
Total net assets - beginning	21,534,606	34,456	851,291	(1,011,369)	9,409,094
Total net assets - ending	\$ 20,724,499	\$ 23,392	\$ 765,666	\$ (1,320,831)	\$ 10,402,726

# DESCHUTES COUNTY, OREGON

## SUB-FUNDS OF SOLID WASTE ENTERPRISE COMBINING SCHEDULE OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2012

	Solid Waste Operations	Landfill Closure	Landfill Post-Closure	Solid Waste Capital Projects	Solid Waste Equipment Reserve	Environmental Restoration	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
Receipts from customers	\$ 6,468,072	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,468,072
Payments to customers	(1,603,396)	-	-	(50,058)	(13,396)	-	(1,676,850)
Payments to suppliers	(5,079,527)	-	-	(50,058)	(13,396)	-	(5,143,036)
Net cash provided (used) by operating activities	<u>\$ 285,149</u>	<u>-</u>	<u>-</u>	<u>(100,116)</u>	<u>(26,792)</u>	<u>-</u>	<u>158,241</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>							
Grants	2,800	-	-	-	-	-	2,800
Individual loan repayments	-	(25,000)	-	-	-	-	(25,000)
Interest loan repayments	-	83,993	-	-	250,000	-	333,993
Interest loan income	(1,259,779)	-	(60,000)	(83,213)	-	(25,213)	(1,368,195)
Net cash provided (used) by noncapital financing activities	<u>(1,259,779)</u>	<u>58,993</u>	<u>(60,000)</u>	<u>(83,213)</u>	<u>250,000</u>	<u>(25,213)</u>	<u>(1,019,202)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>							
Acquisition and construction of capital assets	(170,636)	(381,328)	-	(148,481)	(685,004)	-	(1,385,449)
Proceeds from refunding debt	5,162,943	-	-	-	-	-	5,162,943
Debt service paid	(48,462)	-	-	-	-	-	(48,462)
Refund of capital assets	15,434	-	-	-	45,000	-	60,434
Principal paid on capital debt	(5,357,808)	-	-	-	-	-	(5,357,808)
Interest paid on capital debt	(654,846)	-	-	-	-	-	(654,846)
Net cash provided (used) by capital and related financing activities	<u>(1,005,472)</u>	<u>(381,328)</u>	<u>-</u>	<u>(148,481)</u>	<u>(685,004)</u>	<u>-</u>	<u>(2,220,285)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
State (purchase) of investments	428,886	459,034	(73,548)	246,889	387,704	43,786	1,593,659
Interest	1,095	9,700	67	8,688	4,297	247	33,234
Net cash provided (used) by investing activities	<u>430,981</u>	<u>468,734</u>	<u>(73,481)</u>	<u>255,577</u>	<u>392,001</u>	<u>44,033</u>	<u>1,624,806</u>
Net increase (decrease) in cash and cash equivalents	<u>745,358</u>	<u>121,395</u>	<u>(43,481)</u>	<u>155,070</u>	<u>(333,793)</u>	<u>44,033</u>	<u>688,582</u>
Balances - beginning of year	<u>621,421</u>	<u>965,681</u>	<u>55,258</u>	<u>527,731</u>	<u>341,000</u>	<u>34,126</u>	<u>3,575,137</u>
Balances - end of year	<u>\$ 705,779</u>	<u>\$ 717,286</u>	<u>\$ 377,834</u>	<u>\$ 1,053,801</u>	<u>\$ 110,207</u>	<u>\$ -</u>	<u>\$ 3,663,719</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:							
Operating income (loss)	\$ (745,232)	\$ -	\$ -	\$ (83,688)	\$ (18,362)	\$ -	\$ (843,172)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:							
Depreciation expense	3,570,166	-	-	-	-	-	3,570,166
Change in assets and liabilities	(18,284)	-	-	-	-	-	(18,284)
Accounts and other payables	(459,849)	-	-	-	-	-	(459,849)
Net cash provided (used) by operating activities	<u>\$ 3,067,569</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (83,688)</u>	<u>\$ (18,362)</u>	<u>\$ -</u>	<u>\$ 2,965,519</u>
<b>NONCASH INVESTING ACTIVITIES:</b>							
Change in fair value of investments	\$ (367)	\$ (322)	\$ 103	\$ (125)	\$ (380)	\$ (60)	\$ (1,121)

# DESCHUTES COUNTY, OREGON

## SUB-FUNDS OF FAIR & EXPO CENTER ENTERPRISE COMBINING SCHEDULE OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2012

	Fair & Expo Center	Annual County Fair	Fair & Expo Center Reserve	Fairgrounds G.O. Bonds Debt Service	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers	\$ 789,001	\$ 1,062,740	\$ -	\$ -	\$ 1,851,741
Payments to employees	(819,339)	(118,568)	-	-	(937,907)
Payments to suppliers	(758,728)	(757,858)	-	-	(1,516,586)
Net cash provided (used) by operating activities	<u>(789,066)</u>	<u>186,314</u>	<u>-</u>	<u>-</u>	<u>(602,752)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Property taxes	-	-	-	2,356,611	2,356,611
Grants	33,454	50,002	-	-	83,456
Statewide transfers in / out	310,000	(229,000)	(90,000)	-	-
Interest transfers in / out	278,545	5,000	-	-	283,545
Net cash provided (used) by noncapital financing activities	<u>622,000</u>	<u>(174,000)</u>	<u>(90,000)</u>	<u>2,356,611</u>	<u>2,714,611</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Acquisition and construction of capital assets	-	-	-	-	-
State of capital assets	-	-	-	-	-
Proceeds from refunding debt	87,797	-	-	-	87,797
Debt issue net costs	(1,492)	-	-	-	(1,492)
Principal paid on capital debt	(141,113)	-	-	(1,380,000)	(1,521,113)
Interest paid on capital debt	(58,882)	-	-	(571,200)	(630,082)
Net cash provided (used) by capital and related financing activities	<u>(113,690)</u>	<u>-</u>	<u>-</u>	<u>(2,451,200)</u>	<u>(2,564,890)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
State (purchase) of investments	59,748	12,822	202,553	136,232	411,355
Interest	414	981	4,885	3,658	9,938
Net cash provided (used) by investing activities	<u>60,162</u>	<u>13,803</u>	<u>207,438</u>	<u>140,890</u>	<u>424,293</u>
Net increase (decrease) in cash and cash equivalents	<u>(57,594)</u>	<u>4,117</u>	<u>117,438</u>	<u>48,129</u>	<u>108,190</u>
Balances - beginning of year	<u>59,997</u>	<u>38,890</u>	<u>291,141</u>	<u>182,761</u>	<u>572,789</u>
Balances - end of year	<u>\$ 2,357</u>	<u>\$ 76,002</u>	<u>\$ 408,579</u>	<u>\$ 230,890</u>	<u>\$ 717,728</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	\$ (1,277,922)	\$ 152,520	\$ -	\$ -	\$ (1,125,402)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation expense	750,741	-	-	-	750,741
Change in assets and liabilities	(18,787)	(22)	-	-	(18,809)
Prepaid expenses	-	11,741	-	-	11,741
Accounts and other payables	(148,088)	32,278	-	-	(115,810)
Net cash provided (used) by operating activities	<u>\$ (793,056)</u>	<u>\$ 196,517</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(596,539)</u>
<b>NONCASH INVESTING ACTIVITIES:</b>					
Change in fair value of investments	\$ (53)	\$ (4)	\$ (527)	\$ (103)	\$ (697)

**DESCHUTES COUNTY, OREGON**

**SOLID WASTE OPERATIONS ( sub-fund of Solid Waste Enterprise)  
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2012**

	Final Budgeted Amounts	Variance with Final Budget	Actual		
			Budget Basis	GAAP Adjustments	GAAP Basis
<b>OPERATING REVENUES</b>					
Charges for services	\$ 6,494,001	\$ (60,108)	\$ 6,437,893	\$ -	\$ 6,427,893
Miscellaneous	30,000	48,473	78,473	-	78,473
Total operating revenues	6,524,001	(17,535)	6,508,388	-	6,508,388
<b>OPERATING EXPENSES</b>					
Personnel	1,671,598	55,202	1,605,396	32,311	1,637,707
Materials and services	2,939,005	172,811	2,825,194	2,769	2,827,963
Landfill closure/postclosure care costs	-	-	-	418,762	418,762
Depreciation	-	-	-	2,370,166	2,370,166
Capital outlay	202,000	28,583	173,407	(173,407)	-
Debt service	971,202	82,743	888,458	(888,458)	-
Contingency	421,353	421,353	-	-	-
Total operating expenses	6,264,158	771,702	5,492,456	1,763,142	7,255,598
Operating income (loss)	259,843	764,667	1,013,913	(1,733,142)	(749,292)
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Donations	-	2,880	2,880	-	2,880
Investment earnings	7,000	2,684	10,684	-	10,684
Bond issuance costs	(85,467)	-	(88,467)	76,133	(12,334,00)
Interest expense	-	-	-	(412,828)	(412,828)
Sub-fund transfer of capital assets	-	-	-	15,000	15,000
Gain (loss) on equipment disposition	-	16,494	16,494	(118,707)	(109,213)
Total nonoperating revenues (expenses), net	(80,967)	21,938	(59,029)	(441,403)	(500,432)
Income (loss) before transfers	178,876	776,005	954,881	(2,204,545)	(1,249,664)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in (out)	(1,359,773)	-	(1,359,773)	-	(1,359,773)
Refunding bonds issued	5,192,734	208	5,192,943	(5,102,943)	-
Payment to refunded bond escrow agent	(5,104,345)	-	(5,104,345)	5,104,345	-
Sub-fund equity transfer	-	-	-	1,316,346	1,316,346
Change in net assets	(1,092,806)	776,214	(316,294)	(976,797)	(1,293,091)
Total net assets - beginning	1,032,608	1,866,780	2,862,288	10,668,521	13,630,809
Total net assets - ending	\$ -	\$ 2,645,994	\$ 2,545,994	\$ 9,691,724	\$ 12,337,718

**DESCHUTES COUNTY, OREGON**

**LANDFILL CLOSURE ( sub-fund of Solid Waste Enterprise)  
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2012**

	Final Budgeted Amounts	Variance with Final Budget	Actual		
			Budget Basis	GAAP Adjustments	GAAP
<b>OPERATING REVENUES</b>					
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -
Total operating revenues	-	-	-	-	-
<b>OPERATING EXPENSES</b>					
Materials and services	101,000	101,000	-	-	-
Capital outlay	1,000	1,000	-	-	-
Contingency	-	-	-	-	-
Total operating expenses	102,000	102,000	-	-	-
Operating income (loss)	(102,000)	102,000	-	-	-
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Investment earnings	5,528	1,528	6,528	22,784	29,312
Total nonoperating revenues (expenses), net	5,528	1,528	6,528	22,784	29,312
Income (loss) before transfers	(97,000)	103,528	6,528	22,784	29,312
Transfers in (out)	-	-	-	-	-
Sub-fund equity transfer	-	-	-	(29,312)	(29,312)
Change in net assets	(97,000)	103,528	6,528	(6,528)	-
Total net assets - beginning	882,416	3,642,714	4,832,132	(4,832,132)	-
Total net assets - ending	\$ 882,416	\$ 3,946,242	\$ 4,838,660	\$ (4,838,660)	\$ -

DESCHUTES COUNTY, OREGON

LANDFILL POSTCLOSURE ( sub-fund of Solid Waste Enterprise)  
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2012

	Final Budgeted Amounts	Variance with Final Budget	Actual		
			Budget Basis	GAAP Adjustments	GAAP Basis
OPERATING REVENUES					
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -
Total operating revenues	-	-	-	-	-
OPERATING EXPENSES					
Materials and services	1,000	1,000	-	-	-
Total operating expenses	1,000	1,000	-	-	-
Operating income (loss)	(1,000)	1,000	-	-	-
NONOPERATING REVENUES (EXPENSES)					
Investment earnings	1,000	710	1,710	-	1,710
Total nonoperating revenues (expenses), net	1,000	710	1,710	-	1,710
Income (loss) before transfers	-	1,710	1,710	-	1,710
Transfers in (out)	400,000	-	400,000	-	400,000
Sub-fund equity transfer	-	-	-	(401,710)	(401,710)
Change in net assets	400,000	1,710	401,710	(401,710)	-
Total net assets - beginning	111,087	73	111,160	(111,160)	-
Total net assets - ending	\$ 511,087	\$ 1,783	\$ 512,870	\$ (512,570)	\$ -

DESCHUTES COUNTY, OREGON

SOLID WASTE CAPITAL PROJECTS ( sub-fund of Solid Waste Enterprise)  
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2012

	Final Budgeted Amounts	Variance with Final Budget	Actual		
			Budget Basis	GAAP Adjustments	GAAP Basis
OPERATING REVENUES					
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -
Total operating revenues	-	-	-	-	-
OPERATING EXPENSES					
Materials and services	234,170	183,590	50,588	-	50,588
Capital outlay	650,000	635,000	15,000	(15,000)	-
Contingency	822,108	822,108	-	-	-
Total operating expenses	1,506,284	1,440,698	65,588	(15,000)	50,588
Operating income (loss)	(1,506,284)	1,440,698	(65,588)	15,000	(50,588)
NONOPERATING REVENUES (EXPENSES)					
Investment earnings	5,000	3,495	8,495	-	8,495
Sale of capital assets	-	-	-	-	-
Total nonoperating revenues (expenses), net	5,000	3,495	8,495	-	8,495
Income (loss) before transfers	(1,501,284)	1,444,193	(57,091)	15,000	(42,091)
Transfers in (out)	500,000	(787)	499,213	-	499,213
Sub-fund transfer of capital assets	-	-	-	(15,000)	(15,000)
Change in net assets	(1,001,284)	1,443,406	442,122	-	442,122
Total net assets - beginning	1,001,284	26,135	1,027,419	-	1,027,419
Total net assets - ending	\$ -	\$ 1,469,541	\$ 1,469,541	\$ -	\$ 1,469,541

DESCHUTES COUNTY, OREGON

SOLID WASTE EQUIPMENT RESERVE ( sub-fund of Solid Waste Enterprise)  
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2012

	Final Budgeted Amounts	Variance with Final Budget	Actual		
			Budget Basis	GAAP Adjustments	GAAP Basis
OPERATING REVENUES					
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -
Total operating revenues	-	-	-	-	-
OPERATING EXPENSES					
Materials and services	13,352	-	13,352	-	13,352
Capital outlay	850,000	64,676	885,324	(885,324)	-
Total operating expenses	863,352	64,676	898,676	(885,324)	13,352
Operating income (loss)	(863,352)	64,676	(898,676)	885,324	(13,352)
NONOPERATING REVENUES (EXPENSES)					
Investment earnings	2,000	244	2,244	-	2,244
Gain (loss) on equipment disposition	-	48,000	48,000	-	48,000
Total nonoperating revenues (expenses), net	2,000	48,244	48,244	-	48,244
Income (loss) before transfers	(861,352)	110,920	(850,432)	885,324	34,892
Transfers in (out)	250,000	-	250,000	-	250,000
Capital asset, equity transfer	-	-	-	(885,324)	(885,324)
Change in net assets	(711,352)	110,920	(600,432)	-	(600,432)
Total net assets - beginning	749,958	289	750,245	-	750,245
Total net assets - ending	\$ 38,604	\$ 111,209	\$ 149,813	\$ -	\$ 149,813

DESCHUTES COUNTY, OREGON

ENVIRONMENTAL REMEDIATION ( sub-fund of Solid Waste Enterprise)  
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2012

	Final Budgeted Amounts	Variance with Final Budget	Actual		
			Budget Basis	GAAP Adjustments	GAAP Basis
OPERATING REVENUES					
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -
Total operating revenues	-	-	-	-	-
OPERATING EXPENSES					
Materials and services	-	-	-	-	-
Total operating expenses	-	-	-	-	-
Operating income (loss)	-	-	-	-	-
NONOPERATING REVENUES (EXPENSES)					
Investment earnings	-	-	-	-	-
Total nonoperating revenues (expenses), net	-	-	-	-	-
Income (loss) before transfers	-	-	-	-	-
Transfers in (out)	(76,000)	787	(75,213)	-	(75,213)
Change in net assets	(76,000)	787	(75,213)	-	(75,213)
Total net assets - beginning	75,000	(787)	75,213	-	75,213
Total net assets - ending	\$ -	\$ -	\$ -	\$ -	\$ -

DESCHUTES COUNTY, OREGON

FAIR & EXPO CENTER (sub-fund of Fair & Expo Enterprise)  
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2012

	Final Budgeted Amounts	Variance with Final Budget	Actual		
			Budget Basis	GAAP Adjustments	GAAP Basis
OPERATING REVENUES					
Charges for services	\$ 1,084,807	\$ (148,683)	\$ 936,124	\$ 7,896	\$ 944,120
Other	-	1,542	1,542	-	1,542
Total operating revenues	1,084,807	(147,141)	937,666	7,896	945,562
OPERATING EXPENSES					
Personnel	846,018	26,679	819,339	2,385	821,734
Materials and services	766,060	34,951	751,109	-	751,109
Depreciation	-	-	-	750,741	750,741
Capital outlay	100	100	-	-	-
Debt service	115,068	1,373	113,695	(113,695)	-
Contingency	-	-	-	-	-
Total operating expenses	1,747,246	63,103	1,684,143	639,441	2,323,584
Operating income (loss)	(662,439)	(84,038)	(746,477)	(631,445)	(1,377,922)
NONOPERATING REVENUES (EXPENSES)					
Grants	-	33,424	33,424	-	33,424
Investment earnings	1,500	(1,385)	105	-	105
Bond issuance costs	(1,474)	(18)	(1,492)	500	(983)
Interest expense	-	-	-	(53,304)	(53,304)
Total nonoperating revenues (expenses), net	26	32,011	32,037	(52,795)	(20,758)
Income (loss) before transfers	(662,413)	(52,027)	(714,440)	(684,240)	(1,398,680)
OTHER FINANCING SOURCES (USES)					
Appropriation transfer	97,295	(97,295)	-	-	-
Transfers in	498,544	289,600	798,544	-	798,544
Transfers out	(10,000)	-	(10,000)	-	(10,000)
Refunding bonds issued	66,546	1,251	87,797	(87,797)	-
Payment to refunded bond escrow agent	(85,072)	(1,227)	(86,299)	86,299	-
Total other financing sources and uses	557,413	202,529	790,042	(1,498)	788,544
Change in net assets	(75,000)	150,802	75,602	(685,738)	(610,136)
Total net assets - beginning	75,000	(115,534)	(40,534)	21,575,253	21,534,699
Total net assets - ending	\$ -	\$ 35,068	\$ 35,068	\$ 20,889,495	\$ 20,924,563

DESCHUTES COUNTY, OREGON

ANNUAL COUNTY FAIR (sub-fund of Fair & Expo Enterprise)  
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2012

	Final Budgeted Amounts	Variance with Final Budget	Actual		
			Budget Basis	GAAP Adjustments	GAAP Basis
OPERATING REVENUES					
Charges for services	\$ 998,774	\$ 55,466	\$ 1,052,240	\$ (34,504)	\$ 1,017,736
Total operating revenues	998,774	55,466	1,052,240	(34,504)	1,017,736
OPERATING EXPENSES					
Personnel	120,806	2,241	118,665	5,012	123,677
Materials and services	733,068	3,745	729,323	12,318	741,639
Contingency	-	-	-	-	-
Total operating expenses	853,874	5,986	847,888	17,328	865,216
Operating income (loss)	142,900	61,452	204,352	(51,832)	152,520
NONOPERATING REVENUES (EXPENSES)					
Grants	20,000	30,002	50,002	-	50,002
Investment earnings	-	729	729	-	729
Total nonoperating revenues (expenses), net	20,000	30,731	50,731	-	50,731
Income (loss) before transfers	162,900	92,183	255,083	(51,832)	203,251
Appropriation transfers	48,100	(48,100)	-	-	-
Transfers in	5,000	-	5,000	-	5,000
Transfers out	(220,000)	-	(220,000)	-	(220,000)
Change in net assets	(6,000)	46,083	40,083	(51,832)	(11,749)
Total net assets - beginning	6,000	54,479	60,479	(26,021)	34,458
Total net assets - ending	\$ -	\$ 100,562	\$ 100,562	\$ (77,853)	\$ 22,709



**DESCHUTES COUNTY, OREGON**

**FAIR & EXPO CENTER RESERVE (sub-fund of Fair & Expo Enterprise)  
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2012**

	Final Budgeted Amounts	Variance with Final Budget	Actual		
			Budget Basis	GAAP Adjustments	GAAP Basis
OPERATING EXPENSES					
Materials and services	\$ 100	\$ 100	\$ -	\$ -	\$ -
Capital outlay	75,000	75,000	-	-	-
Total operating expenses	75,100	75,100	-	-	-
Operating income (loss)	(75,100)	75,100	-	-	-
NONOPERATING REVENUES (EXPENSES)					
Investment earnings	3,000	1,375	4,375	-	4,375
Total nonoperating revenues (expenses), net	3,000	1,375	4,375	-	4,375
Income (loss) before transfers	(72,100)	76,475	4,375	-	4,375
Transfers in	210,000	(200,000)	10,000	-	10,000
Transfers out	(100,100)	100	(100,000)	-	(100,000)
Change in net assets	37,800	(123,425)	(85,625)	-	(85,625)
Total net assets - beginning	600,000	40,545	640,545	310,746	951,291
Total net assets - ending	\$ 637,800	\$ (82,880)	\$ 554,920	\$ 310,746	\$ 865,666

**DESCHUTES COUNTY, OREGON**

**FAIRGROUNDS DEBT SERVICE FUND (sub-fund of Fair & Expo Enterprise)  
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2012**

	Final Budgeted Amounts	Variance with Final Budget	Actual		
			Budget Basis	GAAP Adjustments	GAAP Basis
OPERATING REVENUES					
Property taxes	\$ 2,225,000	\$ 139,023	\$ 2,364,023	\$ (30,018)	\$ 2,334,005
Total operating revenues	2,225,000	139,023	2,364,023	(30,018)	2,334,005
OPERATING EXPENSES					
Debt service	2,451,200	-	2,451,200	(2,451,200)	-
Total operating expenses	2,451,200	-	2,451,200	(2,451,200)	-
Operating income (loss)	(226,200)	139,023	(87,177)	2,421,182	2,334,005
NONOPERATING REVENUES (EXPENSES)					
Investment earnings	1,200	1,825	3,025	-	3,025
Bond issuance costs	-	-	-	(131,208)	(131,208)
Interest expense	-	-	-	(502,282)	(502,282)
Total nonoperating revenues (expenses), net	1,200	1,825	3,025	(633,488)	(630,463)
Change in net assets	(225,000)	140,848	(84,152)	1,787,694	1,703,542
Total net assets - beginning	325,000	93,289	418,289	(13,428,958)	(13,011,369)
Total net assets - ending	\$ 100,000	\$ 234,137	\$ 334,137	\$ (11,641,964)	\$ (11,307,827)

DESCHUTES COUNTY, OREGON

RV PARK  
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2012

	Final Budgeted Amounts	Variance with Final Budget	Actual		
			Budget Basis	GAAP Adjustments	GAAP Basis
<b>OPERATING REVENUES</b>					
Charges for services	\$ 193,493	\$ (38,880)	\$ 154,633	\$ -	\$ 154,633
Total operating revenues	193,493	(38,880)	154,633	-	154,633
<b>OPERATING EXPENSES</b>					
Materials and services	109,722	3,600	105,922	-	105,922
Depreciation	-	-	-	129,121	129,121
Debt service	242,829	1	242,828	(242,828)	-
Contingency	100,942	100,942	-	-	-
Total operating expenses	453,493	104,743	348,750	(113,707)	235,043
Operating income (loss)	(260,000)	65,883	(194,117)	113,707	(80,410)
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Investment earnings	-	75	75	-	75
Bond issuance costs	-	-	-	(3,177)	(3,177)
Interest expense	-	-	-	(98,783)	(98,783)
Total nonoperating revenues (expenses), net	-	75	75	(102,960)	(102,885)
Income (loss) before transfers	(260,000)	65,958	(194,042)	10,747	(183,295)
Transfers in	260,000	-	260,000	-	260,000
Change in net assets	(10,000)	65,958	55,958	10,747	66,705
Total net assets - beginning	10,000	(38,090)	(28,090)	607,912	579,822
Total net assets - ending	\$ -	\$ 27,868	\$ 27,868	\$ 618,659	\$ 646,527

DESCHUTES COUNTY, OREGON

INTERNAL SERVICE FUNDS  
COMBINING STATEMENTS OF NET ASSETS  
JUNE 30, 2012

	Building Services	Administrative Services	Board of Co Comm	Finance	Legal	Personnel
<b>ASSETS</b>						
Current assets:						
Cash and cash equivalents	\$ 320,036	\$ 165,732	\$ 33,483	\$ 432,047	\$ 138,456	\$ 246,329
Investments, at fair value; plus accrued interest	114,875	59,321	11,977	164,645	49,658	88,886
Accounts receivable	77,662	-	-	-	655	-
Prepaid expenses	-	-	-	-	375	-
Total current assets	512,573	225,053	45,460	596,692	189,144	335,215
Noncurrent assets:						
Capital assets:						
Capital assets net of accumulated depreciation:						
Land improvements	5,984	-	-	-	-	-
Equipment and vehicles	37,324	-	-	5,428	-	-
Intangible	1,283	-	-	-	-	-
Total noncurrent assets	44,591	-	-	5,428	-	-
Total assets	558,065	225,053	45,460	602,120	189,144	335,215
<b>LIABILITIES</b>						
Current liabilities:						
Accounts payable	57,334	17,773	7,519	2,870	1,181	9,830
Unearned revenues	-	-	-	-	-	-
Current portion of noncurrent liabilities	125,532	70,387	-	81,913	66,115	80,333
Total current liabilities	182,866	88,160	7,519	84,783	67,296	90,163
Noncurrent liabilities:						
Compensated leave	188,362	88,796	-	142,882	98,703	100,068
Net OPEB obligation	266,613	77,264	34,851	90,614	60,703	70,465
Accrued claims payable	(125,532)	(70,387)	-	(81,913)	(66,115)	(80,333)
Less current portion of noncurrent liab	328,443	95,663	34,851	151,583	112,291	101,861
Total noncurrent liabilities	512,309	183,823	42,370	236,475	165,597	180,864
Total liabilities	695,175	271,983	49,889	321,258	232,893	271,027
<b>NET ASSETS</b>						
Invested in capital assets, net of related debt	44,591	-	-	5,428	-	-
Unrestricted	1,156	41,230	3,070	350,217	19,747	156,351
Total net assets	\$ 45,747	\$ 41,230	\$ 3,070	\$ 355,645	\$ 19,747	\$ 156,351

# DESCHUTES COUNTY, OREGON

## INTERNAL SERVICE FUNDS COMBINING STATEMENTS OF NET ASSETS JUNE 30, 2012

	Information Technology	IT Reserve	Insurance	Health Benefits Trust	Total
<b>ASSETS</b>					
Current assets:					
Cash and cash equivalents	\$ 540,122	\$ 359,286	\$ 1,700,552	\$ 10,673,003	\$ 14,612,915
Investments, at fair value, plus accrued interest	183,320	128,501	605,795	3,820,274	6,230,361
Accounts receivable	3,012	-	280	352,387	434,286
Prepaid expenses	-	-	-	-	375
Total current assets	726,433	487,687	5,306,527	14,845,734	20,277,240
Noncurrent assets:					
Capital assets:					
Capital assets net of accumulated depreciation:	-	-	32,667	-	36,651
Land improvements	-	157,700	-	-	200,450
Equipment and vehicles	-	-	-	-	1,263
Intangibles	-	157,700	32,667	-	240,390
Total noncurrent assets	-	157,700	32,667	-	240,390
Total assets	726,433	645,383	5,344,894	14,845,734	20,517,630
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	4,000	7,535	53,401	250,115	467,277
Unearned revenues	-	-	-	-	-
Current portion of noncurrent liabilities	161,514	-	23,207	1,643,037	2,228,518
Total current liabilities	165,414	7,535	89,608	1,643,037	2,060,305
Noncurrent liabilities:					
Compensated leave	224,621	-	23,206	12,269	881,978
Net OPEB obligation	167,461	-	37,739	16,304	881,411
Accrued claims payable	-	-	3,203,551	1,632,001	9,941,302
Less current portion of noncurrent liab	(161,514)	-	(20,267)	(1,643,037)	(3,228,518)
Total noncurrent liabilities	227,568	-	3,255,056	17,267	4,364,493
Total liabilities	492,982	7,535	3,344,774	1,659,238	7,364,690
<b>NET ASSETS</b>					
Invested in capital assets, net of related debt	-	157,700	32,667	-	240,360
Unrestricted	233,451	480,362	(1,033,947)	12,894,515	13,212,242
Total net assets	\$ 233,451	\$ 638,062	\$ (1,001,280)	\$ 12,894,515	\$ 13,452,632

# DESCHUTES COUNTY, OREGON

## INTERNAL SERVICE FUNDS COMBINING STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS FOR THE YEAR ENDED JUNE 30, 2012

	Building Services	Administrative Services	Board of Co Comm	Finance	Legal	Personnel
<b>OPERATING REVENUES</b>						
Charges for services	\$ 2,485,204	\$ 891,843	\$ 320,890	\$ 887,839	\$ 759,556	\$ 732,847
Total operating revenues	2,485,204	891,843	320,890	887,839	759,556	732,847
<b>OPERATING EXPENSES</b>						
Personnel	1,772,816	917,191	343,273	892,487	719,121	615,181
Materials and services	625,698	110,617	105,254	237,093	47,793	177,559
Depreciation	15,605	-	-	4,390	-	-
Total operating expenses	2,614,119	1,027,808	448,527	1,134,402	766,914	792,740
Operating income (loss)	(148,225)	(145,265)	(87,737)	(236,854)	(17,358)	(59,893)
<b>NONOPERATING REVENUES (EXPENSES)</b>						
Grants	1,259	-	-	-	-	-
Investment earnings	3,427	763	560	4,400	1,345	2,438
Interfund transfer of assets	-	-	-	-	-	-
Total nonoperating revenues (expenses)	4,686	763	560	4,400	1,345	2,438
Income (loss) before transfers	(143,539)	(144,502)	(87,177)	(232,454)	(16,013)	(57,455)
Transfers in	38,705	197,117	5,201	10,154	10,806	12,483
Transfers out	(38,403)	(3,600)	-	-	-	-
	(5,935)	193,517	5,201	10,154	10,806	12,483
Change in net assets	(150,450)	48,015	(81,976)	(216,300)	4,793	(44,972)
Total net assets - beginning	109,185	(8,795)	84,410	871,943	14,651	201,332
Total net assets - ending	\$ 45,747	\$ 41,230	\$ 2,434	\$ 655,643	\$ 19,444	\$ 156,360

# DESCHUTES COUNTY, OREGON

## INTERNAL SERVICE FUNDS COMBINING STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS FOR THE YEAR ENDED JUNE 30, 2012

	Information Technology	IT Reserve	Insurance	Health Benefits Trust	Total
<b>OPERATING REVENUES</b>					
Charges for services	\$ 2,058,488	\$ 234,000	\$ 2,555,718	\$ 15,808,728	\$ 26,645,000
Total operating revenues	2,058,488	234,000	2,555,718	15,808,728	26,645,000
<b>OPERATING EXPENSES</b>					
Personnel	1,523,303	-	268,502	148,845	7,520,259
Materials and services	336,218	58,477	3,378,783	17,368,525	22,655,086
Depreciation	974	55,328	1,333	-	80,830
Total operating expenses	2,160,965	113,805	3,666,618	17,539,370	30,256,175
Operating Income (loss)	(102,507)	120,195	(1,110,900)	(1,930,644)	(3,711,175)
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Grants	-	5,140	-	150,431	158,823
Investment earnings	4,814	2,748	13,448	95,523	130,503
Interfund transfer of assets	-	-	-	-	-
Total nonoperating revenues (expenses), net	4,814	7,888	13,448	246,654	287,326
Income (loss) before transfers	(97,693)	128,083	(1,097,452)	(1,683,600)	(3,423,849)
Transfers in	97,851	-	200,000	-	573,800
Transfers out	-	-	(7,200)	-	(50,400)
	97,851	-	192,800	-	523,500
Change in net assets	158	128,083	(904,652)	(1,683,650)	(2,900,349)
Total net assets - beginning	299,293	509,975	(36,528)	14,578,205	16,352,881
Total net assets - ending	\$ 299,451	\$ 638,058	\$ (1,001,180)	\$ 12,894,515	\$ 13,452,832

# DESCHUTES COUNTY, OREGON

## INTERNAL SERVICE FUNDS COMBINING STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2012

	Building Services	Administrative Services	Board of Co Comm	Finance	Legal	Personnel
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Receipts from customers	\$ 2,527,408	\$ 881,843	\$ 360,890	\$ 837,768	\$ 781,326	\$ 732,847
Payments to employees	(1,714,782)	(916,287)	(338,315)	(885,741)	(680,703)	(603,760)
Payments to suppliers	(827,857)	(120,281)	(102,925)	(227,737)	(49,184)	(151,675)
Net cash provided (used) by operating activities	(15,230)	(154,705)	(80,350)	(225,700)	21,379	(81,988)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>						
Grants	1,252	-	-	-	-	-
Transfers in	33,705	197,117	5,801	16,154	10,809	12,463
Transfers out	(39,900)	(3,800)	-	-	-	-
Net cash provided by noncapital financing activities	(4,643)	193,517	5,801	16,154	10,809	12,463
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Purchase of capital assets	-	-	-	-	-	-
Net cash provided (used) by capital and related financing activities	-	-	-	-	-	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Sale (purchase) of investments	131,533	41,866	52,881	278,286	34,716	120,400
Interest	3,716	744	864	5,399	1,336	2,786
Net cash provided (used) by investing activities	135,249	42,610	53,745	283,685	36,052	123,186
Net increase (decrease) in cash and cash equivalents	115,376	81,424	(20,804)	72,140	68,240	73,660
Balances - beginning of year	209,562	84,308	54,267	359,907	70,216	174,969
Balances - end of year	\$ 320,938	\$ 165,732	\$ 33,463	\$ 432,047	\$ 138,456	\$ 248,629
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>						
Operating income (loss)	\$ (148,222)	\$ (146,265)	\$ (97,737)	\$ (236,854)	\$ (7,358)	\$ (59,893)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation expense	18,805	-	-	4,300	-	-
Change in assets and liabilities						
Receivables, net	63,480	-	-	131	1,770	-
Prepaid expenses	-	489	4,260	-	(375)	-
Accounts and other payables	51,727	(8,939)	3,128	6,633	27,342	(2,095)
Net cash provided (used) by operating activities	\$ (15,230)	\$ (154,705)	\$ (80,350)	\$ (225,700)	\$ 21,379	\$ (81,988)
<b>NONCASH INVESTING ACTIVITIES:</b>						
Change in fair value of investments	\$ (82)	\$ (23)	\$ (47)	\$ (218)	\$ (19)	\$ (89)

# DESCHUTES COUNTY, OREGON

## INTERNAL SERVICE FUNDS COMBINING STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2012

	Information Technology	IT Reserve	Insurance	Health Benefits Trust	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers	\$ 2,065,426	\$ 234,000	\$ 2,589,465	\$ 15,360,315	\$ 26,367,269
Payments to employees	(1,744,382)	-	(274,782)	(142,448)	(7,311,220)
Payments to suppliers	(335,279)	(81,057)	(2,394,304)	(16,783,392)	(21,120,031)
Net cash provided (used) by operating activities	(27,215)	92,943	(109,611)	(1,665,495)	(2,075,062)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Grants	-	5,140	200,000	150,431	355,623
Transfers in	57,691	-	(7,307)	-	36,766
Transfers out	-	-	-	-	(43,200)
Net cash provided by noncapital financing activities	57,691	5,140	192,693	150,431	680,323
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Purchase of capital assets	-	(40,845)	-	-	(40,845)
Net cash provided (used) by capital and related financing activities	-	(40,845)	-	-	(40,845)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Sale (purchase) of investments	168,446	78,262	697,423	4,784,641	6,252,487
Interest	4,383	2,860	14,375	156,006	163,419
Net cash provided (used) by investing activities	172,811	81,122	711,797	4,940,647	6,905,869
Net increase (decrease) in cash and cash equivalents	241,047	135,157	594,385	3,485,243	4,365,479
Balances - beginning of year	288,076	173,129	1,005,486	7,186,830	9,012,839
Balances - end of year	\$ 529,122	\$ 308,286	\$ 1,600,872	\$ 10,672,073	\$ 13,371,318
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>					
Operating income (loss)	\$ (102,807)	\$ 190,195	\$ (1,110,900)	\$ (1,830,046)	\$ (2,771,758)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:					
Depreciation expense	974	65,328	1,330	-	67,300
Change in assets and liabilities:					
Receivables, net	(3,212)	-	3,747	(248,411)	(182,319)
Prepaid expenses	-	-	-	-	4,373
Accounts and other payables	77,330	(32,590)	996,219	618,660	1,739,226
Net cash provided (used) by operating activities	\$ (27,215)	\$ 92,943	\$ (109,611)	\$ (1,665,495)	\$ (2,075,062)
<b>Non-cash activities</b>					
Change in the value of investments	\$ (103)	\$ (53)	\$ (340)	\$ (3,409)	\$ (4,496)

# DESCHUTES COUNTY, OREGON

## BUILDING SERVICES SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS FOR THE YEAR ENDED JUNE 30, 2012

	Final Budgeted Amounts	Variance with Final Budget	Actual Budget Basis	GAAP Adjustments	GAAP Basis
<b>OPERATING REVENUES</b>					
Charges for services	\$ 2,356,826	\$ 105,656	\$ 2,462,484	\$ -	\$ 2,462,484
Total operating revenues	2,356,826	105,656	2,462,484	-	2,462,484
<b>OPERATING EXPENSES</b>					
Personnel	1,726,076	11,250	1,714,782	50,094	1,772,816
Materials and services	872,550	49,868	822,896	-	822,896
Depreciation	-	-	-	18,806	18,806
Capital outlay	100	100	-	-	-
Contingency	178,097	178,997	-	-	-
Total operating expenses	2,777,730	240,053	2,537,677	76,830	2,614,510
Operating income (loss)	(421,105)	(334,322)	(72,383)	(76,830)	(149,222)
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Grants	-	1,282	1,252	-	1,252
Investment earnings	3,027	427	3,427	-	3,427
Total nonoperating revenues (expenses), net	3,027	1,679	4,579	-	4,579
Income (loss) before transfers	(418,105)	(336,401)	(67,704)	(76,830)	(144,543)
Transfers in	53,705	-	53,705	-	53,705
Transfers out	(39,690)	-	(39,690)	-	(39,690)
Change in net assets	(144,090)	(356,401)	(73,500)	(76,830)	(150,430)
Total net assets - beginning	624,000	106,752	529,732	(333,547)	196,185
Total net assets - ending	\$ -	\$ 458,133	\$ 456,133	\$ (410,982)	\$ 45,747

# DESCHUTES COUNTY, OREGON

## ADMINISTRATIVE SERVICES SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS FOR THE YEAR ENDED JUNE 30, 2012

	Actual				
	Final Budgeted Amounts	Variance with Final Budget	Budget Basis	GAAP Adjustments	GAAP Basis
OPERATING REVENUES					
Charges for services	\$ 881,738	\$ 105	\$ 881,843	\$ -	\$ 881,843
Total operating revenues	881,738	105	881,843	-	881,843
OPERATING EXPENSES					
Personnel	1,001,289	84,962	916,287	894	917,181
Materials and services	112,548	1,631	110,917	-	110,917
Capital outlay	100	100	-	-	-
Contingency	144,338	144,338	-	-	-
Total operating expenses	1,258,255	231,051	1,027,204	894	1,028,098
Operating income (loss)	(376,517)	231,156	(145,361)	(894)	(146,255)
NONOPERATING REVENUES (EXPENSES)					
Investment earnings	-	753	753	-	753
Total nonoperating revenues (expenses), net	-	753	753	-	753
Income (loss)	(376,517)	231,909	(144,608)	(894)	(145,502)
Transfers in	197,117	-	197,117	-	197,117
Transfers out	(3,600)	-	(3,600)	-	(3,600)
Change in net assets	(183,000)	231,909	48,909	(894)	48,015
Total net assets - beginning	183,000	(24,029)	158,971	(165,156)	(6,785)
Total net assets - ending	\$ -	\$ 207,280	\$ 207,280	\$ (166,050)	\$ 41,230

# DESCHUTES COUNTY, OREGON

## BOARD OF COUNTY COMMISSIONERS SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS FOR THE YEAR ENDED JUNE 30, 2012

	Actual				
	Final Budgeted Amounts	Variance with Final Budget	Budget Basis	GAAP Adjustments	GAAP Basis
OPERATING REVENUES					
Charges for services	\$ 360,820	\$ 70	\$ 360,890	\$ -	\$ 360,890
Total operating revenues	360,820	70	360,890	-	360,890
OPERATING EXPENSES					
Personnel	338,744	420	338,315	5,058	343,373
Materials and services	99,321	(5,933)	105,254	-	105,254
Capital outlay	100	100	-	-	-
Contingency	43,956	43,956	-	-	-
Total operating expenses	482,121	38,552	443,569	5,058	448,627
Operating income (loss)	(121,301)	38,622	(82,679)	(5,058)	(87,737)
NONOPERATING REVENUES (EXPENSES)					
Investment earnings	600	98	696	-	696
Total nonoperating revenues (expenses), net	600	98	696	-	696
Income (loss)	(120,801)	38,718	(82,083)	(5,058)	(87,141)
Transfers in	5,301	-	5,801	-	5,801
Change in net assets	(115,000)	38,718	(70,282)	(5,058)	(81,340)
Total net assets - beginning	115,000	(788)	114,204	(28,784)	84,410
Total net assets - ending	\$ -	\$ 37,022	\$ 37,022	\$ (34,852)	\$ 3,070

DESCHUTES COUNTY, OREGON

FINANCE  
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2012

	Final Budgeted Amounts	Variance with Final Budget	Actual Budget Basis	GAAP Adjustments	GAAP Basis
OPERATING REVENUES					
Charges for services	\$ 895,470	\$ (7,832)	\$ 897,632	\$ -	\$ 897,632
Total operating revenues	895,470	(7,832)	897,632	-	897,632
OPERATING EXPENSES					
Personnel	906,121	18,380	886,741	6,686	892,427
Materials and services	274,062	47,237	227,855	-	227,855
Depreciation	-	-	-	4,390	4,390
Capital outlay	10,000	10,000	-	-	-
Contingency	328,621	328,621	-	-	-
Total operating expenses	1,518,824	405,218	1,113,406	11,086	1,124,492
Operating income (loss)	(623,354)	397,386	(225,768)	(11,086)	(236,854)
NONOPERATING REVENUES (EXPENSES)					
Investment earnings	4,000	400	4,400	-	4,400
Total nonoperating revenues (expenses), net	4,000	400	4,400	-	4,400
Income (loss)	(619,354)	397,786	(221,368)	(11,086)	(232,454)
Transfers in	10,154	-	10,154	-	10,154
Change in net assets	(509,000)	397,786	(205,214)	(11,086)	(216,300)
Total net assets - beginning	603,000	208,391	809,391	(537,446)	571,945
Total net assets - ending	\$ -	\$ 804,177	\$ 804,177	\$ (249,534)	\$ 554,643

DESCHUTES COUNTY, OREGON

LEGAL  
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2012

	Final Budgeted Amounts	Variance with Final Budget	Actual Budget Basis	GAAP Adjustments	GAAP Basis
OPERATING REVENUES					
Charges for services	\$ 755,422	\$ (5,876)	\$ 759,558	\$ -	\$ 759,558
Total operating revenues	755,422	(5,876)	759,558	-	759,558
OPERATING EXPENSES					
Personnel	751,519	60,706	690,783	29,359	719,121
Materials and services	52,142	4,349	47,793	-	47,793
Capital outlay	100	100	-	-	-
Contingency	122,480	122,480	-	-	-
Total operating expenses	926,241	187,635	738,566	29,359	767,925
Operating income (loss)	(170,819)	181,808	21,992	(29,359)	(7,367)
NONOPERATING REVENUES (EXPENSES)					
Investment earnings	1,500	(155)	1,345	-	1,345
Total nonoperating revenues (expenses), net	1,500	(155)	1,345	-	1,345
Income (loss) before transfers	(169,319)	181,653	22,347	(29,359)	(6,012)
Transfers in	10,829	-	10,829	-	10,829
Change in net assets	(158,490)	181,653	33,154	(29,359)	3,795
Total net assets - beginning	140,500	3,809	152,509	(137,555)	14,954
Total net assets - ending	\$ -	\$ 185,662	\$ 185,662	\$ (105,916)	\$ 79,746

DESCHUTES COUNTY, OREGON

PERSONNEL  
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2012

	Final Budgeted Amounts	Variance with Final Budget	Actual		
			Budget Basis	GAAP Adjustments	GAAP Basis
OPERATING REVENUES					
Charges for services	\$ 720,330	\$ 6,517	\$ 732,847	\$ -	\$ 732,847
Total operating revenues	720,330	6,517	732,847	-	732,847
OPERATING EXPENSES					
Personnel	610,664	8,924	603,790	11,421	615,181
Materials and services	337,405	120,830	177,559	-	177,559
Capital outlay	100	100	-	-	-
Contingency	129,206	129,206	-	-	-
Total operating expenses	1,047,233	269,974	781,249	11,421	792,740
Operating income (loss)	(326,903)	272,461	(48,472)	(11,421)	(59,893)
NONOPERATING REVENUES (EXPENSES)					
Investment earnings	3,000	(561)	2,449	-	2,449
Total nonoperating revenues (expenses), net	3,000	(561)	2,449	-	2,449
Income (loss) before transfers	(317,903)	271,940	(48,023)	(11,421)	(57,444)
Transfers in	12,463	-	12,463	-	12,463
Change in net assets	(505,500)	271,940	(33,560)	(11,421)	(44,981)
Total net assets - beginning	305,500	37,989	342,960	(141,597)	201,332
Total net assets - ending	\$ -	\$ 309,909	\$ 309,399	\$ (152,958)	\$ 156,351

DESCHUTES COUNTY, OREGON

INFORMATION TECHNOLOGY  
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2012

	Final Budgeted Amounts	Variance with Final Budget	Actual		
			Budget Basis	GAAP Adjustments	GAAP Basis
OPERATING REVENUES					
Charges for services	\$ 2,023,246	\$ 34,243	\$ 2,055,493	\$ -	\$ 2,055,493
Total operating revenues	2,023,246	34,243	2,055,493	-	2,055,493
OPERATING EXPENSES					
Personnel	1,823,182	63,800	1,744,362	79,441	1,823,603
Materials and services	516,086	181,987	336,218	-	336,218
Depreciation	-	-	-	974	974
Capital outlay	100	100	-	-	-
Contingency	312,749	312,749	-	-	-
Total operating expenses	2,652,098	578,516	2,080,580	80,415	2,160,995
Operating income (loss)	(628,851)	613,759	(22,692)	(80,415)	(162,507)
NONOPERATING REVENUES (EXPENSES)					
Investment earnings	4,000	815	4,815	-	4,815
Rents	21,000	(21,000)	-	-	-
Total nonoperating revenues (expenses), net	25,000	(20,185)	4,815	-	4,815
Income (loss) before transfers	(603,851)	593,574	(17,277)	(80,415)	(97,892)
Transfers in	97,851	-	97,851	-	97,851
Change in net assets	(506,000)	593,574	80,574	(80,415)	159
Total net assets - beginning	513,500	137,981	650,991	(351,666)	299,295
Total net assets - ending	\$ -	\$ 781,595	\$ 731,565	\$ (432,113)	\$ 299,452



DESCHUTES COUNTY, OREGON

IT RESERVE  
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2012

	Final Budgeted Amounts	Variance with Final Budget	Actual		
			Budget Basis	GAAP Adjustments	GAAP Basis
OPERATING REVENUES					
Charges for services	\$ 234,000	\$ -	\$ 234,000	\$ -	\$ 234,000
Total operating revenues	234,000	-	234,000	-	234,000
OPERATING EXPENSES					
Materials and services	111,600	63,023	58,477	-	58,477
Depreciation	-	-	-	55,325	55,325
Capital outlay	89,000	55,152	43,848	(43,848)	-
Total operating expenses	210,600	118,175	102,325	11,480	113,805
Operating income (loss)	23,400	105,175	131,675	(11,480)	120,195
NONOPERATING REVENUES (EXPENSES)					
Grants	-	5,140	5,140	-	5,140
Investment earnings	1,500	1,248	2,748	-	2,748
Total nonoperating revenues (expenses), net	1,500	6,388	7,888	-	7,888
Change in net assets	25,000	111,563	139,563	(11,480)	128,083
Total net assets - beginning	354,896	35,893	340,789	169,128	509,917
Total net assets - ending	\$ 329,896	\$ 147,456	\$ 480,352	\$ 157,700	\$ 638,052

DESCHUTES COUNTY, OREGON

INSURANCE  
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2012

	Final Budgeted Amounts	Variance with Final Budget	Actual		
			Budget Basis	GAAP Adjustments	GAAP Basis
OPERATING REVENUES					
Charges for services	\$ 2,511,725	\$ 43,883	\$ 2,555,718	\$ -	\$ 2,555,718
Total operating revenues	2,511,725	43,883	2,555,718	-	2,555,718
OPERATING EXPENSES					
Personnel	284,357	19,695	274,762	11,740	286,502
Materials and services	2,404,428	207,679	2,286,748	1,092,037	\$ 3,378,785
Depreciation	-	-	-	1,335	1,335
Capital outlay	100	100	-	-	-
Contingency	2,050,683	2,050,683	-	-	-
Total operating expenses	4,810,875	2,258,057	2,561,508	1,105,110	3,666,618
Operating income (loss)	(2,307,650)	2,302,060	(5,790)	(1,105,110)	(1,110,800)
NONOPERATING REVENUES (EXPENSES)					
Investment earnings	15,050	(1,502)	13,448	-	13,448
Total nonoperating revenues (expenses), net	15,050	(1,502)	13,448	-	13,448
Income (loss) before transfers	(2,282,600)	2,300,458	7,858	(1,105,110)	(1,097,452)
Transfers in	200,000	-	200,000	-	200,000
Transfers out	(7,200)	-	(7,200)	-	(7,200)
Change in net assets	(2,100,000)	2,300,458	200,458	(1,105,110)	(904,652)
Total net assets - beginning	2,100,000	(54,832)	2,045,168	(2,187,590)	(86,528)
Total net assets - ending	\$ -	\$ 2,245,626	\$ 2,245,626	\$ (3,242,706)	\$ (1,001,180)

# DESCHUTES COUNTY, OREGON

## HEALTH BENEFITS TRUST SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS FOR THE YEAR ENDED JUNE 30, 2012

	Final Budgeted Amounts	Variance with Final Budget	Actual		
			Budget Basis	GAAP Adjustments	GAAP Basis
OPERATING REVENUES					
Charges for services	\$ 14,456,711	\$ 1,153,015	\$ 15,608,726	\$ -	\$ 15,608,726
Total operating revenues	<u>14,456,711</u>	<u>1,153,015</u>	<u>15,608,726</u>	<u>-</u>	<u>15,608,726</u>
OPERATING EXPENSES					
Personnel	151,218	8,770	142,448	7,397	146,845
Materials and services	17,889,070	903,508	16,995,562	363,953	17,389,525
Capital outlay	200	200	-	-	-
Contingency	11,985,223	11,985,223	-	-	-
Total operating expenses	<u>30,035,711</u>	<u>12,897,701</u>	<u>17,138,010</u>	<u>401,360</u>	<u>17,639,370</u>
Operating income (loss)	<u>(15,580,000)</u>	<u>14,050,716</u>	<u>(1,529,284)</u>	<u>(401,360)</u>	<u>(1,930,644)</u>
NONOPERATING REVENUES (EXPENSES)					
Grants	-	150,431	150,431	-	150,431
Investment earnings	80,000	10,523	90,523	-	90,523
Total nonoperating revenues (expenses), net	<u>80,000</u>	<u>160,954</u>	<u>240,954</u>	<u>-</u>	<u>240,954</u>
Change in net assets	<u>(15,500,000)</u>	<u>14,217,570</u>	<u>(1,282,330)</u>	<u>(401,360)</u>	<u>(1,683,690)</u>
Total net assets - beginning	<u>15,500,000</u>	<u>337,969</u>	<u>15,837,969</u>	<u>(1,259,764)</u>	<u>14,578,205</u>
Total net assets - ending	<u>\$ -</u>	<u>\$ 14,555,639</u>	<u>\$ 14,555,639</u>	<u>\$ (1,661,124)</u>	<u>\$ 12,894,515</u>

This page intentionally left blank.

**CAPITAL ASSETS USED IN THE OPERATION  
OF GOVERNMENTAL FUNDS**

This page intentionally left blank.

# DESCHUTES COUNTY, OREGON

## CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS COMPARATIVE SCHEDULE BY SOURCE <sup>1</sup> JUNE 30, 2012 AND 2011

	2012	2011
Governmental funds capital assets:		
Land	\$ 13,497,072	\$ 13,472,431
Land improvements	4,390,067	4,396,067
Construction in progress	5,022,636	7,114,588
Infrastructure	91,135,681	86,889,966
Buildings and improvements	74,494,053	74,901,024
Equipment and vehicles	33,109,269	29,168,227
Total governmental funds capital assets	<u>\$ 221,654,778</u>	<u>\$ 217,571,790</u>
Investments in governmental funds capital assets by source:		
General fund	\$ 2,131,215	\$ 1,991,708
Special revenue fund	131,789,234	127,845,753
Capital projects fund	<u>87,734,329</u>	<u>87,734,329</u>
Total governmental funds capital assets	<u>\$ 221,654,778</u>	<u>\$ 217,571,790</u>

<sup>1</sup> This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. The capital assets of internal service funds are included with the Governmental Activities in the Statement of Net Assets.

# DESCHUTES COUNTY, OREGON

## CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS SCHEDULE BY FUNCTION AND ACTIVITY<sup>1</sup> JUNE 30, 2012

Function and Activity	Land	Land Improvements	Buildings & Improvements	Equipment & Vehicles	Infrastructure	Construction in Progress	Total
General government	\$ 5,865,230	\$ 2,015,211	\$ 41,275,245	\$ 3,434,529	\$ -	\$ 1,566,971.00	\$ 57,086,296
County roads	1,559,451	736,085	3,514,403	10,047,105	91,135,681	11,739.00	105,544,436
Public protection	973,736	1,548,156	25,282,538	18,390,301	-	3,251,445	49,390,876
Health and welfare	1,627,615	95,615	4,940,667	1,267,953	-	392,450.00	8,225,151
Total governmental funds capital assets	<u>\$ 13,497,072</u>	<u>\$ 4,396,067</u>	<u>\$ 74,494,053</u>	<u>\$ 33,109,269</u>	<u>\$ 91,135,681</u>	<u>\$ 5,022,636</u>	<u>\$ 221,654,778</u>

<sup>1</sup> This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. The capital assets of internal service funds are included with the Governmental Activities in the Statement of Net Assets.

**DESCHUTES COUNTY, OREGON**

**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS  
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY <sup>1</sup>  
FOR THE YEAR ENDED JUNE 30, 2012**

Function and Activity	Governmental Funds Capital Assets	FY 2012	FY 2012	June 30, 2012
	July 1, 2011	Additions	Deductions	
General government	\$ 58,534,226	\$ 745,380	\$ 191,351	\$ 57,088,255
County roads	103,066,768	4,971,244	1,093,536	106,944,496
Public safety	50,076,267	4,431,800	5,111,191	49,396,876
Health and welfare	7,894,509	345,597	14,955	8,225,151
Total governmental funds capital assets	<u>\$ 217,571,790</u>	<u>10,494,021</u>	<u>\$ 6,411,033</u>	<u>\$ 221,654,778</u>

<sup>1</sup> This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. The capital assets of internal service funds are included with the Governmental Activities in the Statement of Net Assets.

This page intentionally left blank.

**OTHER FINANCIAL SCHEDULES**

**This page intentionally left blank.**

# DESCHUTES COUNTY, OREGON

## SCHEDULE OF PROPERTY TAXES TRANSACTIONS - ALL COUNTY TAXES FISCAL YEAR ENDED JUNE 30, 2012

Tax Year	Beginning Balance and FY 2012 Levy	Adjustments	Interest (Discount)	Turnovers from County Treasurer	Taxes Receivable June 30, 2012
FY 2003 & Prior	\$ 40,030	\$ (417)	\$ 4,169	\$ 8,203	\$ 35,579
FY 2004	6,079	1,612	3,115	6,852	3,954
FY 2005	14,119	(1,393)	25	1,217	11,534
FY 2006	34,923	(4,737)	8,722	22,456	16,452
FY 2007	67,055	(4,880)	15,401	44,493	33,083
FY 2008	523,560	(5,499)	148,980	529,988	137,055
FY 2009	2,542,637	(14,898)	394,807	1,674,036	1,248,410
FY 2010	5,639,589	(39,831)	513,503	3,127,185	2,986,076
FY 2011	10,969,918	(110,902)	478,555	6,860,385	4,477,186
FY 2012	267,120,046	(1,749,653)	(6,207,972)	250,875,970	8,286,451
<b>TOTALS</b>	<b>\$ 286,957,956</b>	<b>\$ (1,930,698)</b>	<b>\$ (4,640,695)</b>	<b>263,150,783</b>	<b>\$ 17,235,780</b>
Other Distributions:					
Interest earned on unsegregated taxes				25,960	
Other tax distribution				156	
<b>TOTAL CASH COLLECTIONS</b>				<b>\$ 263,176,899</b>	
Summary:					
Deschutes County					
General Fund					\$ 1,465,621
Special Revenue Funds					2,314,825
Debt Service Funds					212,251
Proprietary Funds					158,297
Other taxing jurisdictions					13,084,786
					<b>\$ 17,235,780</b>

# DESCHUTES COUNTY, OREGON

## SCHEDULE OF LONG-TERM DEBT TRANSACTIONS AS OF AND FOR THE YEAR ENDED JUNE 30, 2012

Series	Date of Issue	Final Maturity Date	Amount of Original Issue	Outstanding July 1, 2011	Bonds Issued	Bonds Called and Matured	Outstanding June 30, 2012
<b>BONDS PAYABLE</b>							
General Obligation Bonds							
Series 1996	10/01/1996	06/01/2016	\$ 1,145,000	\$ 406,000	\$ -	\$ 75,000	\$ 330,000
Refunding Series 1998	09/01/1998	12/01/2012	5,055,000	1,160,000	-	565,000	595,000
Refunding Series 2002	09/01/2002	12/01/2016	32,470,000	16,570,000	-	3,390,000	15,180,000
Refunding Series 2003	12/01/2003	06/01/2014	5,750,000	2,415,000	-	755,000	1,660,000
<b>Total General Obligation Bonds</b>			<b>44,420,000</b>	<b>22,650,000</b>	<b>-</b>	<b>4,785,000</b>	<b>17,765,000</b>
Pension Bonds							
Series 2002	03/26/2002	06/01/2028	5,420,586	4,438,137	-	72,854	4,365,283
Series 2004	05/27/2004	06/01/2028	7,080,000	6,859,000	-	90,000	6,869,000
<b>Total Pension Bonds</b>			<b>12,500,586</b>	<b>11,297,137</b>	<b>-</b>	<b>162,854</b>	<b>11,223,283</b>
Full Faith and Credit Bonds							
Series 2003	03/01/2003	12/01/2012	32,285,000	27,255,000	-	28,425,000	840,000
Refunding Series 2004	09/15/2004	12/01/2015	1,790,000	815,000	-	150,000	665,000
Series 2005	02/01/2005	12/01/2024	5,800,000	4,875,000	-	275,000	4,600,000
Refunding Series 2005	08/11/2005	09/01/2018	5,815,000	3,465,000	-	445,000	3,020,000
Series 2007	04/10/2007	06/02/2027	8,615,000	8,280,000	-	380,000	7,900,000
Series 2008	12/30/2008	09/01/2028	9,635,000	9,090,000	-	360,000	8,730,000
Series 2009	04/09/2009	06/01/2028	3,215,000	2,985,000	-	130,000	2,855,000
Series 2010	05/27/2010	12/01/2025	1,320,000	1,320,000	-	50,000	1,270,000
Refunding Series 2012	03/29/2012	12/01/2032	26,345,000	-	26,345,000	-	26,345,000
<b>Total Full Faith and Credit Bonds</b>			<b>98,420,000</b>	<b>58,190,000</b>	<b>26,345,000</b>	<b>26,235,000</b>	<b>56,215,000</b>
Full Faith and Credit LID Bonds							
Series 2005	02/13/2005	12/01/2011	370,000	13,855	-	13,855	-
Series 2007	03/20/2007	06/01/2017	1,077,000	479,850	-	105,000	573,650
Series 2008	01/15/2008	01/01/2018	502,250	283,300	-	55,000	228,040
<b>Total Full Faith and Credit LID Bonds</b>			<b>1,849,250</b>	<b>776,955</b>	<b>-</b>	<b>173,855</b>	<b>601,700</b>
<b>Total all Bonds</b>			<b>\$ 155,309,836</b>	<b>\$ 82,817,952</b>	<b>\$ 26,345,000</b>	<b>\$ 33,277,659</b>	<b>\$ 85,804,883</b>
Notes Payable							
Oregon Economic Development	01/01/2003	01/01/2027	\$ 650,000	\$ 416,741	\$ -	\$ 18,102	\$ 286,639
Oregon DEQ	03/01/2011	08/01/2015	500,000	40,000	-	8,666	31,334
Crook County	05/01/2003	06/01/2013	500,000	500,000	-	50,000	50,000
<b>Total Notes Payable</b>			<b>1,650,000</b>	<b>556,741</b>	<b>-</b>	<b>76,768</b>	<b>477,944</b>
<b>Total Long-Term Debt</b>			<b>\$ 156,959,836</b>	<b>\$ 83,374,693</b>	<b>\$ 26,345,000</b>	<b>\$ 33,424,786</b>	<b>\$ 86,284,027</b>

# DESCHUTES COUNTY, OREGON

## SCHEDULE OF LONG-TERM DEBT INTEREST TRANSACTIONS AS OF AND FOR THE YEAR ENDED JUNE 30, 2012

Series	Interest Rates on Outstanding Balances	Unmatured and Outstanding July 1, 2011	Bonds Issued	Coupons Called and Matured	Unmatured and Outstanding July 1, 2012
<b>BONDS PAYABLE</b>					
General Obligation Bonds					
Series 1996	5.70%	\$ 71,496	\$ -	\$ 23,048	\$ 48,450
Refunding Series 1998	4.75%	55,530	-	41,399	14,131
Refunding Series 2002	3.5% - 5%	2,531,272	-	774,034	1,757,238
Refunding Series 2003	3.3% - 3.4%	124,791	-	67,904	56,888
<b>Total General Obligation Bonds</b>		<b>2,783,091</b>	<b>-</b>	<b>906,384</b>	<b>1,876,706</b>
Pension Bonds					
Series 2002	6.35%	4,833,313	-	325,254	4,508,059
Series 2004	5.35% - 6.095%	4,667,309	-	416,946	4,240,363
<b>Total Pension Bonds</b>		<b>9,500,621</b>	<b>-</b>	<b>742,200</b>	<b>8,758,122</b>
Full Faith and Credit Bonds					
Series 2003	3.50%	8,286,192	-	6,271,492	14,700
Refunding Series 2004	3.1% - 3.4%	69,723	-	23,885	44,838
Series 2005	3.3% - 4.2%	1,465,439	-	177,739	1,277,701
Refunding Series 2005	3.375% - 4%	530,693	-	124,418	406,275
Series 2007	4 - 4.25%	3,164,975	-	336,425	2,828,550
Series 2008	3.5 - 4.825%	3,923,616	-	380,674	3,542,943
Series 2009	3 - 4.45%	1,225,614	-	117,328	1,108,286
Series 2010	2 - 4%	495,821	-	41,421	454,399
Refunding Series 2012	2 - 4%	-	9,344,257	132,347	9,211,911
<b>Total Full Faith and Credit Bonds</b>		<b>17,151,272</b>	<b>9,344,257</b>	<b>7,605,727</b>	<b>18,889,802</b>
Full Faith and Credit LID Bonds					
Series 2005	4.00%	273	-	273	-
Series 2007	4.75%	84,059	-	21,558	62,500
Series 2009	5.35%	57,995	-	14,167	43,828
<b>Total Full Faith and Credit LID Bonds</b>		<b>142,054</b>	<b>-</b>	<b>35,725</b>	<b>106,329</b>
<b>Total all Bonds</b>		<b>\$ 29,767,036</b>	<b>\$ 9,344,257</b>	<b>\$ 9,290,036</b>	<b>\$ 29,821,259</b>
Notes Payable					
Oregon Economic Development	5.00%	\$ 195,923	\$ -	\$ 20,268	\$ 175,655
Oregon DEQ	1.25%	1,262	-	473	789
Crook County	0.00%	-	-	-	-
<b>Total Notes Payable</b>		<b>197,185</b>	<b>-</b>	<b>20,741</b>	<b>176,444</b>
<b>Total Long-Term Debt</b>		<b>\$ 29,964,221</b>	<b>\$ 9,344,257</b>	<b>\$ 9,310,777</b>	<b>\$ 29,997,703</b>

# DESCHUTES COUNTY, OREGON

## SCHEDULE OF FUTURE DEBT SERVICE REQUIREMENTS OF GENERAL OBLIGATION BONDS JUNE 30, 2012

Year of Maturity	Total Requirements			Governmental Activities			
				Series 1996		Ref Series 1998	
	Principal	Interest	Total	Principal	Interest	Principal	Interest
2013	\$ 5,125,000	\$ 725,450	\$ 5,850,450	\$ 75,000	\$ 18,840	\$ 595,000	\$ 14,131
2014	4,855,000	535,445	5,390,445	90,000	14,535	-	-
2015	2,480,000	338,500	2,818,500	85,000	9,975	-	-
2016	2,705,000	208,505	2,913,505	90,000	5,150	-	-
2017	2,700,000	89,000	2,029,000	-	-	-	-
	<b>\$ 17,765,000</b>	<b>\$ 1,876,205</b>	<b>\$ 19,641,705</b>	<b>\$ 330,000</b>	<b>\$ 48,450</b>	<b>\$ 595,000</b>	<b>\$ 14,131</b>



# DESCHUTES COUNTY, OREGON

## SCHEDULE OF FUTURE DEBT SERVICE REQUIREMENTS OF GENERAL OBLIGATION BONDS JUNE 30, 2012

Year of Maturity	Governmental Activities				Business Activities	
	Ref Series 2002		Ref Series 2003		Ref Series 2002	
	Principal	Interest	Principal	Interest	Principal	Interest
2013	\$ 1,615,000	\$ 146,000	\$ 805,000	\$ 42,353	\$ 2,035,000	\$ 505,863
2014	1,660,000	78,000	855,000	14,535	2,300,000	428,376
2015	-	-	-	-	2,395,000	328,825
2016	-	-	-	-	2,815,000	203,379
2017	-	-	-	-	2,750,000	68,000
	<u>\$ 3,175,000</u>	<u>\$ 224,000</u>	<u>\$ 1,660,000</u>	<u>\$ 56,888</u>	<u>\$ 12,005,000</u>	<u>\$ 1,533,238</u>

# DESCHUTES COUNTY, OREGON

## SCHEDULE OF FUTURE DEBT SERVICE REQUIREMENTS OF PENSION OBLIGATION BONDS JUNE 30, 2012

Year of Maturity	Total Requirements			Series 2002		Series 2004	
	Principal	Interest	Total	Principal	Interest	Principal	Interest
2013	\$ 196,897	\$ 773,562	\$ 970,458	\$ 78,897	\$ 361,341	\$ 120,000	\$ 412,221
2014	227,215	768,893	996,108	82,215	860,893	145,000	405,801
2015	263,223	777,607	1,040,830	83,223	379,885	180,000	387,723
2016	300,634	788,989	1,089,623	85,834	402,474	215,000	387,515
2017	335,902	797,313	1,133,215	85,902	422,206	250,000	375,107
2018	377,660	805,878	1,183,537	87,660	445,448	280,000	380,430
2019	423,138	813,170	1,236,308	88,138	469,969	335,000	343,201
2020	503,816	792,544	1,296,360	118,615	469,493	395,000	323,051
2021	805,000	850,261	1,655,261	395,000	250,388	440,000	299,803
2022	928,000	498,792	1,426,792	420,000	225,356	500,000	273,427
2023	1,040,000	438,847	1,478,847	480,000	196,595	550,000	243,352
2024	1,170,000	373,383	1,543,383	540,000	163,715	630,000	208,668
2025	700,000	287,986	987,986	-	126,725	700,000	171,270
2026	1,465,000	255,330	1,720,330	685,000	126,725	780,000	128,605
2027	1,540,000	160,886	1,800,886	770,000	79,803	870,000	81,064
2028	855,000	55,095	910,095	395,000	27,058	460,000	28,037
	<u>\$ 11,223,283</u>	<u>\$ 8,948,422</u>	<u>\$ 20,171,705</u>	<u>\$ 4,363,283</u>	<u>\$ 4,508,039</u>	<u>\$ 8,960,000</u>	<u>\$ 4,440,363</u>

# DESCHUTES COUNTY, OREGON

## SCHEDULE OF FUTURE DEBT SERVICE REQUIREMENTS OF FULL FAITH & CREDIT BONDS AS OF AND FOR THE YEAR ENDED JUNE 30, 2012

Year of Maturity	Total Requirements			Series 2002		Ref Series 2004		Series 2005	
	Principal	Interest	Total	Principal	Interest	Principal	Interest	Principal	Interest
2013	\$ 2,985,000	\$ 1,921,810	\$ 4,906,810	\$ 840,000	\$ 14,700	\$ 160,000	\$ 19,155	\$ 285,000	\$ 169,339
2014	2,970,000	1,829,830	4,799,830	-	-	165,000	14,005	290,000	180,279
2015	3,060,000	1,733,623	4,793,623	-	-	164,000	8,673	300,000	150,394
2016	3,160,000	1,629,066	4,809,066	-	-	175,000	2,978	310,000	130,660
2017	3,115,000	1,519,549	4,634,549	-	-	-	-	325,000	130,564
2018	3,220,000	1,418,300	4,638,300	-	-	-	-	335,000	116,872
2019	2,765,000	1,298,754	4,064,754	-	-	-	-	350,000	104,058
2020	2,855,000	1,201,806	4,056,806	-	-	-	-	360,000	90,500
2021	2,950,000	1,105,671	4,055,671	-	-	-	-	375,000	78,025
2022	3,045,000	1,004,349	4,059,349	-	-	-	-	390,000	66,725
2023	3,185,000	891,223	4,076,223	-	-	-	-	410,000	44,650
2024	3,175,000	771,754	3,946,754	-	-	-	-	425,000	27,403
2025	3,255,000	656,671	3,950,671	-	-	-	-	445,000	9,345
2026	3,355,000	538,063	3,494,063	-	-	-	-	-	-
2027	3,080,000	429,415	3,499,415	-	-	-	-	-	-
2028	2,480,000	318,180	2,773,380	-	-	-	-	-	-
2029	1,535,000	232,800	1,767,800	-	-	-	-	-	-
2030	1,490,000	175,920	1,765,920	-	-	-	-	-	-
2031	1,445,000	126,748	1,571,748	-	-	-	-	-	-
2032	1,890,000	77,800	1,877,800	-	-	-	-	-	-
2033	1,850,000	26,400	1,876,400	-	-	-	-	-	-
	<u>\$ 58,215,000</u>	<u>\$ 10,868,802</u>	<u>\$ 75,104,802</u>	<u>\$ 640,000</u>	<u>\$ 14,700</u>	<u>\$ 885,000</u>	<u>\$ 44,838</u>	<u>\$ 4,600,000</u>	<u>\$ 1,277,761</u>

Continued

# DESCHUTES COUNTY, OREGON

## SCHEDULE OF FUTURE DEBT SERVICE REQUIREMENTS OF FULL FAITH & CREDIT BONDS AS OF AND FOR THE YEAR ENDED JUNE 30, 2012

Year of Maturity	Ref Series 2005		Series 2007		Series 2008		Series 2009	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2013	\$ 480,000	\$ 109,895	\$ 395,000	\$ 321,226	\$ 395,000	\$ 367,374	\$ 135,000	\$ 113,428
2014	480,000	94,430	410,000	305,425	410,000	353,548	140,000	109,378
2015	485,000	77,670	425,000	289,026	425,000	337,149	145,000	104,828
2016	510,000	60,545	445,000	272,028	450,000	320,149	150,000	89,934
2017	590,000	41,875	460,000	254,225	465,000	302,149	155,000	64,684
2018	645,000	21,800	480,000	235,695	485,000	285,149	160,000	69,101
2019	-	-	600,000	216,625	500,000	264,149	165,000	83,601
2020	-	-	820,000	193,825	525,000	244,149	170,000	78,901
2021	-	-	840,000	175,809	545,000	223,149	175,000	70,101
2022	-	-	850,000	154,229	565,000	200,531	180,000	63,101
2023	-	-	895,000	131,805	580,000	178,519	190,000	55,470
2024	-	-	610,000	107,694	615,000	151,149	200,000	47,633
2025	-	-	635,000	82,531	640,000	124,243	210,000	39,383
2026	-	-	650,000	56,398	670,000	98,763	215,000	30,038
2027	-	-	685,000	29,113	700,000	65,613	225,000	20,470
2028	-	-	-	-	730,000	33,793	235,000	10,458
2029	-	-	-	-	-	-	-	-
2030	-	-	-	-	-	-	-	-
2031	-	-	-	-	-	-	-	-
2032	-	-	-	-	-	-	-	-
2033	-	-	-	-	-	-	-	-
	<u>\$ 3,020,000</u>	<u>\$ 400,275</u>	<u>\$ 7,910,000</u>	<u>\$ 2,828,350</u>	<u>\$ 6,710,000</u>	<u>\$ 5,542,813</u>	<u>\$ 2,855,000</u>	<u>\$ 1,108,188</u>

Continued

**DESCHUTES COUNTY, OREGON**

**SCHEDULE OF FUTURE DEBT SERVICE REQUIREMENTS OF FULL FAITH & CREDIT BONDS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2012**

Year of Maturity	Series 2010		Ref Series 2012	
	Principal	Interest	Principal	Interest
2013	\$ 55,000	\$ 40,371	\$ 240,000	\$ 796,064
2014	65,000	39,371	1,020,000	753,484
2015	55,000	38,171	1,050,000	727,514
2016	55,000	37,071	1,085,000	695,489
2017	61,000	35,809	1,120,000	662,414
2018	60,000	34,509	1,155,000	634,054
2019	65,000	32,828	1,185,000	598,814
2020	65,000	30,799	1,225,000	602,864
2021	65,000	28,858	1,260,000	631,714
2022	70,000	26,713	1,295,000	490,054
2023	70,000	24,384	1,340,000	450,495
2024	75,000	21,836	1,350,000	416,079
2025	80,000	19,000	1,285,000	381,170
2026	80,000	15,500	1,330,000	341,845
2027	85,000	12,790	1,365,000	301,820
2028	90,000	9,220	1,405,000	266,970
2029	90,000	5,620	1,445,000	217,220
2030	95,000	1,820	1,495,000	173,120
2031	-	-	1,545,000	126,748
2032	-	-	1,600,000	77,800
2033	-	-	1,650,000	29,400
	<u>\$ 1,270,000</u>	<u>\$ 404,399</u>	<u>\$ 25,345,000</u>	<u>\$ 9,211,911</u>

This page intentionally left blank.

# DESCHUTES COUNTY, OREGON

## SCHEDULE OF FUTURE DEBT SERVICE REQUIREMENTS OF FF&C LID BONDS AS OF AND FOR THE YEAR ENDED JUNE 30, 2012

Year of Maturity	Total Requirements			Governmental Activities			
	Principal	Interest	Total	Series 2007		Series 2008	
				Principal	Interest	Principal	Interest
2013	\$ 20,000	\$ 29,561	\$ 49,561	\$ -	\$ 17,749	\$ 20,000	\$ 11,833
2014	79,000	29,279	107,279	54,000	17,416	25,000	10,885
2015	126,000	23,435	149,435	88,000	14,544	30,000	9,361
2016	175,000	16,976	191,976	110,000	9,318	65,000	7,653
2017	183,060	7,450	190,510	113,650	3,974	70,000	3,605
2018	19,040	483	19,523	-	-	19,040	483
	<u>\$ 601,700</u>	<u>\$ 106,329</u>	<u>\$ 708,029</u>	<u>\$ 373,650</u>	<u>\$ 62,500</u>	<u>\$ 228,040</u>	<u>\$ 43,828</u>

# DESCHUTES COUNTY, OREGON

## SCHEDULE OF FUTURE DEBT SERVICE REQUIREMENTS OF NOTES AS OF AND FOR THE YEAR ENDED JUNE 30, 2012

Year of Maturity	Total Requirements			Governmental Activities			
	Principal	Interest	Total	OR DEQ		Creek County	
				Principal	Interest	Principal	Interest
2013	\$ 77,041	\$ 19,644	\$ 96,685	\$ 6,004	\$ 384	\$ 50,000	\$ -
2014	27,285	18,923	46,208	8,914	264	-	-
2015	27,561	17,974	45,535	8,023	142	-	-
2016	26,260	17,000	43,260	4,561	25	-	-
2017	23,675	15,846	39,521	-	-	-	-
2018	24,058	14,711	38,769	-	-	-	-
2019	24,256	13,644	37,900	-	-	-	-
2020	24,435	12,565	37,000	-	-	-	-
2021	25,683	11,457	37,140	-	-	-	-
2022	26,918	10,322	37,240	-	-	-	-
2023	28,153	9,177	37,330	-	-	-	-
2024	29,422	8,028	37,450	-	-	-	-
2025	30,726	6,874	37,600	-	-	-	-
2026	32,067	5,713	37,780	-	-	-	-
2027	33,444	4,544	37,988	-	-	-	-
	<u>\$ 479,844</u>	<u>\$ 170,444</u>	<u>\$ 650,288</u>	<u>\$ 31,305</u>	<u>\$ 760</u>	<u>\$ 50,000</u>	<u>\$ -</u>

# DESCHUTES COUNTY, OREGON

## SCHEDULE OF FUTURE DEBT SERVICE REQUIREMENTS OF NOTES AS OF AND FOR THE YEAR ENDED JUNE 30, 2012

Year of Maturity	Business Activities	
	OR Economic Development	
	Principal	Interest
2013	\$ 18,237	\$ 19,480
2014	18,381	18,868
2015	18,536	17,832
2016	23,699	16,871
2017	23,875	15,845
2018	24,059	14,711
2019	24,235	13,544
2020	24,405	12,355
2021	25,583	11,157
2022	29,918	9,672
2023	30,163	8,177
2024	30,422	6,868
2025	30,693	5,147
2026	35,977	3,813
2027	39,278	1,814
	<u>\$ 398,639</u>	<u>\$ 175,655</u>

This page intentionally left blank.

**STATISTICAL SECTION**

**This page intentionally left blank.**

## DESCHUTES COUNTY, OREGON

### STATISTICAL SECTION CONTENTS

This part of Deschutes County's statistical comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall health.

	Pages
<b>Financial Trends</b> .....	284-293
<i>These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.</i>	
<b>Revenue Capacity</b> .....	294-299
<i>These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.</i>	
<b>Debt Capacity</b> .....	300-307
<i>These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.</i>	
<b>Demographic and Economic Information</b> .....	308-309
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.</i>	
<b>Operating Information</b> .....	311-315
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.</i>	

**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The County implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.

## DESCHUTES COUNTY, OREGON

### NET ASSETS BY COMPONENT LAST TEN FISCAL YEARS (accrual basis of accounting)

	Fiscal Year				
	2003 Restated	2004	2005 Restated	2006	2007
<b>Governmental activities</b>					
Invested in capital assets, net of related debt	\$ 16,778,521	\$ 21,977,138	\$ 40,512,761	\$ 42,889,115	\$ 45,887,100
Restricted	14,849,031	21,635,161	15,300,732	2,215,621	2,292,308
Unrestricted	18,202,780	18,382,189	33,928,281	52,915,414	60,027,183
<b>Total governmental activities net assets</b>	<b>\$ 47,630,332</b>	<b>\$ 62,174,488</b>	<b>\$ 89,741,774</b>	<b>\$ 98,000,150</b>	<b>\$ 111,206,591</b>
<b>Business-type activities</b>					
Invested in capital assets, net of related debt	\$ 8,403,452	\$ 12,500,715	\$ 12,364,858	\$ 12,336,714	\$ 12,921,454
Restricted	-	-	897,205	3,822,723	7,004,402
Unrestricted	4,154,503	3,386,574	5,180,223	5,951,233	5,320,637
<b>Total business-type activities net assets</b>	<b>\$ 12,557,955</b>	<b>\$ 15,887,289</b>	<b>\$ 18,442,286</b>	<b>\$ 22,110,670</b>	<b>\$ 25,245,893</b>
<b>Primary government</b>					
Invested in capital assets, net of related debt	\$ 25,181,973	\$ 34,477,853	\$ 52,877,619	\$ 55,205,829	\$ 61,808,554
Restricted	14,649,031	21,635,161	15,197,937	6,038,344	9,296,710
Unrestricted	20,357,283	21,748,763	39,108,504	58,866,647	65,347,220
<b>Total primary government net assets</b>	<b>\$ 60,188,287</b>	<b>\$ 78,061,777</b>	<b>\$ 108,184,060</b>	<b>\$ 120,110,820</b>	<b>\$ 136,452,484</b>

n/a - Not available

# DESCHUTES COUNTY, OREGON

## NET ASSETS BY COMPONENT LAST TEN FISCAL YEARS (accrual basis of accounting)

	Fiscal Year				
	2008	2009	2010	2011	2012
Governmental activities					
Invested in capital assets, net of related debt	\$ 70,023,840	\$ 76,240,077	\$ 89,584,853	\$ 92,525,275	\$ 95,512,157
Restricted	2,281,887	2,411,903	3,755,874	3,979,815	4,015,788
Unrestricted	83,957,826	67,437,330	72,849,870	73,592,055	71,206,363
Total governmental activities net assets	\$ 136,243,553	\$ 146,089,310	\$ 166,187,397	\$ 170,098,945	\$ 170,734,308
Business-type activities					
Invested in capital assets, net of related debt	\$ 17,577,695	\$ 20,821,757	\$ 23,311,911	\$ 25,780,444	\$ 25,824,953
Restricted	1,172,262	1,130,284	1,177,729	1,191,785	951,686
Unrestricted	8,835,465	4,004,099	615,719	(1,389,646)	(1,687,939)
Total business-type activities net assets	\$ 27,585,422	\$ 26,956,140	\$ 25,105,369	\$ 25,572,583	\$ 25,108,710
Primary government					
Invested in capital assets, net of related debt	\$ 87,601,535	\$ 97,061,834	\$ 112,896,564	\$ 118,305,719	\$ 121,337,110
Restricted	3,434,149	3,542,187	4,933,603	5,171,400	4,967,484
Unrestricted	72,793,291	71,441,429	73,462,589	72,192,406	69,535,424
Total primary government net assets	\$ 163,828,975	\$ 172,045,450	\$ 191,292,766	\$ 195,669,528	\$ 195,843,018

n/a - Not available

# DESCHUTES COUNTY, OREGON

## CHANGES IN NET ASSETS, LAST TEN FISCAL YEARS (accrual basis of accounting)

	Fiscal Year				
	2003	2004	2005	2006	2007
Expenses					
Governmental activities					
General government	\$ 18,209,224	\$ 14,947,947	\$ 18,923,561	\$ 26,751,915	\$ 24,151,621
Public protection	29,831,340	36,784,762	33,598,104	36,598,067	39,666,432
County roads	9,226,189	6,241,978	3,193,369	14,369,681	13,860,074
Health and welfare	20,256,319	19,222,151	20,471,269	21,977,467	23,823,726
Education	1,136,827	1,145,489	1,151,284	1,598,885	1,217,969
Interest on long-term debt	2,648,595	3,225,500	3,485,134	3,370,840	3,221,880
Total governmental activities expenses	81,849,483	82,615,736	80,027,737	102,185,037	104,940,632
Business-type activities:					
Solid waste	3,779,853	3,611,080	5,291,801	5,909,747	7,033,143
Fair & expo center	4,411,707	3,828,532	4,203,671	4,160,863	4,275,272
RV park	-	-	-	-	-
Total business-type activities expenses	8,191,560	7,439,612	9,495,472	10,069,740	11,308,415
Total primary government expenses	\$ 86,540,953	\$ 90,032,408	\$ 89,520,209	\$ 112,254,777	\$ 116,249,047
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 10,767,348	\$ 14,653,690	\$ 17,215,679	\$ 14,339,662	\$ 14,001,619
Public safety	2,910,176	5,145,054	4,906,459	6,387,798	5,836,901
County roads	1,437,910	1,127,068	12,686,561	13,907,252	15,208,686
Health and welfare	856,636	2,000,193	2,989,392	5,079,797	4,813,531
Education	-	1,142,875	1,150,241	1,184,230	1,022,549
Operating grants and contributions	38,718,894	21,516,880	23,128,369	29,453,909	24,221,239
Capital grants and contributions	1,369,312	645,324	1,400,650	1,015,624	1,801,010
Total governmental activities program revenues	54,088,233	50,243,084	62,896,889	61,165,532	67,013,321
Business-type activities:					
Charges for services:					
Solid waste	8,008,033	8,061,736	7,102,323	7,939,965	8,221,483
Fair & expo center	1,561,048	1,015,780	1,905,640	2,149,531	2,199,795
RV park	-	-	-	-	-
Operating grants and contributions	188,611	103,555	75,796	159,000	106,808
Capital grants and contributions	-	-	-	-	-
Total business-type activities program revenues	2,767,722	8,372,071	9,083,659	10,219,114	10,528,086
Total primary government program revenues	\$ 61,828,945	\$ 61,800,135	\$ 71,863,048	\$ 71,373,803	\$ 77,540,377
Net (Expense)/Revenue					
Governmental activities	\$ (27,368,370)	\$ (28,972,732)	\$ (26,153,249)	\$ (38,046,345)	\$ (37,922,311)
Business-type activities	(428,638)	390,458	(413,813)	149,374	(780,359)
Total primary government net expense	\$ (27,888,908)	\$ (25,412,273)	\$ (26,567,161)	\$ (37,896,971)	\$ (38,702,670)
General Revenues and Other Changes in Net Assets					
Governmental activities:					
Taxes					
Property Taxes, levied for general purpose	\$ 17,778,414	\$ 19,969,734	\$ 21,637,875	\$ 23,505,720	\$ 25,894,192
Property Taxes, levied for debt/ services	9,040,940	9,601,418	12,559,158	14,080,227	15,368,010
Property Taxes, levied for bonded debt	9,661,708	2,912,505	2,824,854	3,075,676	2,898,056
Territorial room tax	2,987,211	3,004,567	3,048,662	3,283,905	3,289,965
Unrestricted grants and contributions	1,106,469	-	-	-	-
Investment earnings	1,413,598	1,144,302	1,758,433	2,852,719	4,250,120
Interfund equity transfer	-	-	-	-	(6,016)
Interfund gain (loss) on transfer of capital assets	-	-	67*	(109,896)	-
Gain (loss) on sale of capital assets	-	4,817,835	(22,183)	-	(27,064)
Transfers	(260,742)	(254,227)	(682,085)	(485,230)	(584,556)
Total governmental activities	34,773,609	41,207,152	41,456,944	46,286,719	61,146,747
Business-type activities:					
Taxes					
Property Taxes, levied for bonded debt	1,892,115	1,844,967	1,604,156	2,072,731	2,013,593
Investment earnings	321,822	229,703	427,760	881,352	1,321,531
Interfund equity transfer	-	-	-	-	0,016
Interfund gain (loss) on transfer of capital assets	-	-	(671)	109,899	-
Gain (loss) on sale of capital assets	-	-	(45,046)	-	(12,944)
Miscellaneous	2,340,666	-	-	-	-
Transfers	830,742	234,227	682,685	485,230	584,556
Total business-type activities	5,061,636	2,989,877	2,989,800	3,918,011	3,915,582
Total primary government	\$ 39,795,231	\$ 43,576,029	\$ 44,424,852	\$ 49,815,729	\$ 65,044,329
Change in Net Assets					
Governmental activities	\$ 7,510,326	\$ 14,834,420	\$ 15,302,090	\$ 8,253,373	\$ 13,205,430
Business-type activities	4,697,997	3,320,336	3,695,989	3,693,395	3,135,223
Total primary government	\$ 12,108,323	\$ 18,103,756	\$ 17,857,891	\$ 11,926,768	\$ 16,341,659

n/a - Not available

Continued



# DESCHUTES COUNTY, OREGON

## CHANGES IN NET ASSETS, LAST TEN FISCAL YEARS (accrual basis of accounting)

	2008	2009	2010	2011	2012
<b>Expenses</b>					
Governmental activities:					
General government	\$ 26,442,445	\$ 27,241,379	\$ 24,782,105	\$ 22,540,880	\$ 24,096,722
Public protection	45,723,290	47,433,147	50,035,277	52,944,001	56,660,103
County roads	14,600,667	17,476,873	14,791,820	16,062,753	16,438,347
Health and welfare	22,743,837	23,823,431	23,891,920	28,823,822	32,416,140
Education	1,213,696	1,137,875	1,076,768	879,880	607,641
Interest on long-term debt	9,160,571	5,371,435	2,457,366	2,275,789	2,719,112
Total governmental activities expenses	114,884,506	113,484,140	117,035,956	124,170,225	133,448,665
Business-type activities:					
Solid waste	6,852,935	8,414,657	7,533,688	7,347,951	7,661,612
Fair & expo center	4,840,224	4,142,433	3,710,074	2,879,300	3,470,675
RV park	-	315,842	323,175	963,286	834,638
Total business-type activities expenses	11,693,159	12,872,932	11,566,947	11,190,537	11,966,925
Total primary government expenses	\$ 126,577,665	\$ 126,357,072	\$ 128,602,903	\$ 135,360,762	\$ 145,415,590
<b>Program Revenues</b>					
Governmental activities:					
Charges for services:					
General government	\$ 9,652,648	\$ 14,600,354	\$ 12,772,431	\$ 11,744,242	\$ 9,975,492
Public safety	11,620,488	9,945,496	7,969,694	7,434,816	6,347,924
County roads	14,600,443	12,822,590	13,115,125	13,668,469	15,917,719
Health and welfare	5,134,211	1,146,444	1,747,716	-	2,082,039
Education	1,871,363	818,845	-	-	-
Operating grants and contributions	22,845,444	20,389,519	20,197,520	32,165,732	33,430,272
Capital grants and contributions	16,306,611	1,290,500	6,206,407	765,863	292,259
Total governmental activities program revenues	80,622,513	60,311,118	72,255,127	67,669,758	88,136,153
Business-type activities:					
Charges for services:					
Solid waste	7,749,609	6,533,633	6,302,100	6,665,467	6,606,305
Fair & expo center	2,704,603	1,512,771	1,530,229	1,902,782	1,983,369
RV park	84,955	84,005	116,126	182,049	154,833
Operating grants and contributions	84,955	84,005	85,785	30,721	85,308
Capital grants and contributions	84,955	-	-	-	-
Total business-type activities program revenues	10,559,177	8,095,014	8,034,240	9,581,019	8,730,102
Total primary government program revenues	\$ 91,181,690	\$ 68,406,132	\$ 80,289,367	\$ 77,250,777	\$ 96,866,255
<b>Net (Expense)/Revenue</b>					
Governmental activities	\$ (35,811,011)	\$ (54,351,360)	\$ (55,357,779)	\$ (62,473,323)	\$ (53,704,703)
Business-type activities	(35,382)	(4,194,820)	(3,331,687)	(1,608,768)	(3,206,787)
Total primary government net expense	\$ (36,176,393)	\$ (58,546,180)	\$ (58,689,466)	\$ (64,082,091)	\$ (56,911,490)
<b>General Revenues and Other Changes in Net Assets</b>					
Governmental activities:					
Taxes:					
Property Taxes, levied for general purposes	\$ 26,369,320	\$ 21,653,253	\$ 19,441,245	\$ 22,843,722	\$ 20,282,346
Property Taxes, levied for short-term services	21,640,214	22,975,586	24,940,637	28,648,639	23,681,915
Property Taxes, levied for bonded debt	5,602,860	2,763,344	3,519,631	3,492,658	3,290,213
Transient lodging tax	3,235,228	3,212,173	2,553,407	3,181,674	3,267,369
Unallocated grants and contributions	-	-	-	-	-
Intergovernmental transfers	4,658,561	2,692,642	1,880,633	981,659	928,179
Intergovernmental equity transfers	-	-	-	-	-
Intergovernmental gain (loss) on transfer of capital assets	-	-	-	-	-
Gain (loss) on sale of capital assets	-	-	-	-	-
Transfers	243,431	229,739	219,033	(541,243)	(447,771)
Total governmental activities	59,647,492	64,907,111	66,672,627	84,333,077	64,842,140
Business-type activities:					
Taxes:					
Property Taxes, levied for bonded debt	1,619,894	2,292,085	2,456,814	2,635,832	2,344,005
Intergovernmental transfers	639,331	511,414	170,817	71,678	40,424
Intergovernmental equity transfers	-	-	-	-	-
Intergovernmental gain (loss) on transfer of capital assets	-	-	-	-	-
Gain (loss) on sale of capital assets	-	-	-	-	-
Miscellaneous	(645,431)	(246,733)	(212,863)	541,385	447,271
Total business-type activities	2,762,810	2,566,546	2,412,748	3,119,113	2,841,610
Total primary government	\$ 62,410,302	\$ 67,473,657	\$ 69,085,375	\$ 87,452,190	\$ 67,683,750
<b>Change in Net Assets</b>					
Governmental activities	\$ (35,811,011)	\$ (54,351,360)	\$ (55,357,779)	\$ (62,473,323)	\$ (53,704,703)
Business-type activities	(35,382)	(4,194,820)	(3,331,687)	(1,608,768)	(3,206,787)
Total primary government	\$ (36,176,393)	\$ (58,546,180)	\$ (58,689,466)	\$ (64,082,091)	\$ (56,911,490)
n/a - Not available					

# DESCHUTES COUNTY, OREGON

## PROGRAM REVENUES BY FUNCTION/PROGRAM LAST TEN FISCAL YEARS (accrual basis of accounting) (dollars in thousands)

	2003	2004	2005	2006	2007
<b>Function/Program</b>					
Governmental activities:					
General government	\$ 14,180	\$ 17,044	\$ 20,744	\$ 18,042	\$ 17,283
Public safety	9,365	8,540	6,789	8,694	9,400
County roads	11,782	12,133	13,212	14,388	17,251
Health and welfare	17,713	16,383	18,975	21,638	21,570
Education	1,106	1,143	1,150	1,194	1,213
Subtotal governmental activities	54,986	56,243	62,870	64,156	67,017
Business-type activities:					
Solid waste	6,008	6,667	7,102	7,643	8,241
Fair & expo center	1,780	1,710	1,961	2,276	2,287
RV park	-	-	-	-	-
Subtotal business-type activities	7,788	8,377	9,063	10,219	10,528
Total primary government	\$ 62,774	\$ 64,620	\$ 71,933	\$ 74,375	\$ 77,545

n/a - Not available

# DESCHUTES COUNTY, OREGON

## PROGRAM REVENUES BY FUNCTION/PROGRAM LAST TEN FISCAL YEARS (accrual basis of accounting) (dollars in thousands)

Function/Program	FISCAL YEAR				
	2008	2009	2010	2011	2012
Governmental activities:					
General government	\$ 13,331	\$ 19,437	\$ 17,486	\$ 17,686	\$ 14,668
Public safety	17,399	12,252	13,556	12,940	11,535
County roads	30,189	14,514	21,354	13,827	15,918
Health and welfare	18,522	17,975	18,781	22,263	25,329
Education	1,212	1,137	1,078	980	887
Subtotal governmental activities	<u>80,623</u>	<u>65,315</u>	<u>72,255</u>	<u>67,696</u>	<u>68,137</u>
Business-type activities:					
Solid waste	7,862	6,640	6,406	6,669	6,509
Fair & expo center	2,776	1,867	1,578	2,028	2,047
RV park	-	89	115	182	155
Subtotal business-type activities	<u>10,638</u>	<u>8,696</u>	<u>8,099</u>	<u>8,859</u>	<u>8,711</u>
Total primary government	<u>\$ 91,261</u>	<u>\$ 74,011</u>	<u>\$ 80,354</u>	<u>\$ 76,555</u>	<u>\$ 76,848</u>

n/a - Not available

# DESCHUTES COUNTY, OREGON

## FUND BALANCES - GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS (modified accrual basis of accounting)

	Fiscal Year				
	2003	2004	2005	2006	2007
General Fund					
Unreserved	\$ 4,749,789	\$ 5,114,327	\$ 5,669,705	\$ 6,830,482	\$ 6,841,976
Committed	n/a	n/a	n/a	n/a	n/a
Assigned	n/a	n/a	n/a	n/a	n/a
Unassigned	n/a	n/a	n/a	n/a	n/a
Total General Fund	<u>\$ 4,749,789</u>	<u>\$ 5,114,327</u>	<u>\$ 5,669,705</u>	<u>\$ 6,830,482</u>	<u>\$ 6,841,976</u>
All Other Governmental Funds					
Reserved/Nonspendable	\$ 652,289	\$ 761,961	\$ 766,609	\$ 857,174	\$ 792,928
Unreserved, reported in:					
Special revenue funds	22,893,463	27,280,233	41,773,226	46,203,558	50,401,270
Capital projects funds	24,675,640	10,832,184	2,056,324	287,502	677,141
Debt service funds	2,841,323	1,843,771	1,638,674	1,330,609	1,157,785
Total Unreserved	<u>50,610,426</u>	<u>39,956,188</u>	<u>45,478,224</u>	<u>47,821,659</u>	<u>52,236,196</u>
Restricted, reported in:					
Special revenue funds	n/a	n/a	n/a	n/a	n/a
Capital projects funds	n/a	n/a	n/a	n/a	n/a
Debt service funds	n/a	n/a	n/a	n/a	n/a
Total Restricted	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Committed, reported in:					
Special revenue funds	n/a	n/a	n/a	n/a	n/a
Capital projects funds	n/a	n/a	n/a	n/a	n/a
Debt service funds	n/a	n/a	n/a	n/a	n/a
Total Committed	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Assigned, reported in:					
Special revenue funds	n/a	n/a	n/a	n/a	n/a
Capital projects funds	n/a	n/a	n/a	n/a	n/a
Debt service funds	n/a	n/a	n/a	n/a	n/a
Total Assigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unassigned, reported in:					
Capital projects funds	n/a	n/a	n/a	n/a	n/a
Total Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	<u>\$ 51,262,715</u>	<u>\$ 40,718,149</u>	<u>\$ 46,244,833</u>	<u>\$ 48,678,873</u>	<u>\$ 53,029,124</u>

n/a - Not available

# DESCHUTES COUNTY, OREGON

## FUND BALANCES - GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS

(modified accrual basis of accounting)

	Fiscal Year				
	2008	2009	2010	2011	2012
General Fund					
Unreserved	\$ 8,729,202	\$ 7,119,757	\$ 9,933,612	\$ -	\$ -
Committed	n/a	n/a	n/a		
Assigned	n/a	n/a	n/a	9,481,113	10,082,716
Unassigned	n/a	n/a	n/a	4,623,757	5,244,633
Total General Fund	\$ 8,729,202	\$ 7,119,757	\$ 9,933,612	\$ 14,104,870	\$ 15,327,349
All Other Governmental Funds					
Reserved/Nonspendable					
Unreserved, reported in:					
Special revenue funds	50,481,712	49,541,406	58,071,242	-	-
Capital projects funds	(2,878,998)	7,228,678	958,911	-	-
Debt service funds	1,127,264	959,147	1,101,183	-	-
Total Unreserved	48,738,978	57,729,231	60,131,336	888,106	894,228
Restricted, reported in:					
Special revenue funds	n/a	n/a	n/a	38,777,325	42,713,782
Capital projects funds	n/a	n/a	n/a	1,251,643	1,048,534
Debt service funds	n/a	n/a	n/a	661,358	585,900
Total Restricted	-	-	-	38,690,327	44,348,216
Committed, reported in:					
Special revenue funds	n/a	n/a	n/a	13,396,391	11,821,005
Capital projects funds	n/a	n/a	n/a	122,361	122,361
Debt service funds	n/a	n/a	n/a	-	-
Total Committed	-	-	-	13,518,752	11,943,367
Assigned, reported in:					
Special revenue funds	n/a	n/a	n/a	6,238,570	5,803,050
Capital projects funds	n/a	n/a	n/a	174,647	740,173
Debt service funds	n/a	n/a	n/a	839,529	752,599
Total Assigned	-	-	-	7,250,746	7,395,822
Unassigned, reported in:					
Capital projects funds	n/a	n/a	n/a	(3,223,574)	(3,989,721)
Total Unassigned	-	-	-	(3,223,574)	(3,989,721)
Total all other governmental funds	\$ 48,728,790	\$ 58,600,717	\$ 60,938,032	\$ 57,124,357	\$ 80,591,912

n/a - Not available

# DESCHUTES COUNTY, OREGON

## CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS

(modified accrual basis of accounting)

	Fiscal Year				
	2003	2004	2005	2006	2007
Revenues					
Taxes	\$ 32,613,617	\$ 35,614,972	\$ 40,410,781	\$ 44,182,536	\$ 47,100,658
Licenses and permits	439,384	515,516	539,345	541,430	621,774
Fines, forfeitures, and penalties	1,336,903	1,208,681	1,331,035	1,508,203	1,573,822
Special assessments	899,061	715,535	629,407	375,827	270,151
Interest and rents	1,570,185	1,651,061	2,580,051	3,792,331	4,974,934
Intergovernmental	38,781,879	38,981,949	41,342,653	42,330,291	43,230,353
Charges for services	15,105,643	17,660,187	19,221,523	20,460,721	20,983,902
Other	1,674,880	1,043,269	3,128,943	2,230,837	978,935
Total revenues	92,196,532	97,369,050	109,483,718	115,410,176	119,734,529
Expenditures					
General government	17,213,454	22,727,728	16,992,512	23,776,374	23,946,449
Public safety	29,026,478	32,938,286	35,177,076	34,933,093	38,127,862
County roads	9,998,658	9,654,024	11,190,724	12,699,890	13,274,087
Health and welfare	22,759,749	21,552,352	23,252,183	25,039,345	26,828,472
Education	1,106,637	1,143,488	1,151,264	1,196,665	1,217,999
Debt service					
Principal	2,889,026	4,259,579	4,024,705	4,746,584	4,003,240
Interest	2,108,443	3,442,499	3,340,049	3,243,567	3,089,252
Trustee fees	-	-	7,685	3,430	5,710
Debt issuance costs	-	-	130,918	133,598	12,280
Capital outlay	10,505,046	20,545,860	11,882,823	5,515,548	5,110,510
Total expenditures	95,607,491	116,263,894	107,130,639	111,286,082	115,595,811
Excess of revenues over (under) expenditures	(3,410,959)	(18,894,844)	2,353,079	4,122,084	4,138,718
Other Financing Sources (Uses)					
Transfers in	15,513,525	17,023,022	18,486,400	20,514,819	20,769,508
Transfers out	(15,838,130)	(17,428,174)	(19,183,564)	(21,348,431)	(22,203,870)
Debt issuance	27,719,411	7,068,508	3,876,382	-	1,077,000
Bond premium/discount	-	-	-	-	-
Refunding bonds issued	-	-	1,793,514	5,915,000	-
Payments to escrow agent	-	-	(1,736,354)	(5,777,404)	-
Proceeds of sale of assets	564,945	2,321,725	492,602	166,950	580,384
Total other financing sources (uses)	27,959,751	9,005,081	3,728,990	(527,266)	223,022
Net change in fund balances	\$ 24,548,792	\$ (9,889,783)	\$ 6,082,059	\$ 3,594,818	\$ 4,361,740
Debt service as a percentage of noncapital expenditures	5.9%	8.0%	7.8%	7.5%	6.8%

n/a - Not available

Continued

# DESCHUTES COUNTY, OREGON

## CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS (modified accrual basis of accounting)

	Fiscal Year				
	2008	2009	2010	2011	2012
<b>Revenues</b>					
Taxes	\$ 63,885,750	\$ 69,788,686	\$ 63,729,316	\$ 53,806,103	\$ 64,548,883
Licenses and permits	561,662	462,660	549,013	589,142	778,227
Fines, forfeitures, and penalties	1,696,805	1,648,124	1,645,313	1,595,821	1,417,245
Special assessments	482,483	474,556	257,916	193,605	181,466
Interest and rents	4,721,688	4,000,683	2,360,035	2,995,848	2,559,272
Intergovernmental	75,575,276	77,123,066	77,247,814	82,326,719	65,883,994
Charges for services	18,698,800	16,990,531	17,515,561	17,515,832	16,159,889
Other	477,816	357,166	925,647	505,740	439,259
Total revenues	155,801,485	166,821,787	164,370,915	168,228,578	171,726,015
<b>Expenditures</b>					
General government	26,918,775	24,916,432	22,473,173	22,814,321	22,609,034
Public safety	73,765,397	74,219,306	74,020,653	78,159,484	81,610,766
County roads	15,263,147	17,004,216	16,808,002	16,648,991	16,632,188
Health and welfare	25,969,357	26,198,244	25,940,307	31,725,577	32,905,053
Education	1,213,869	1,137,973	1,078,769	979,950	987,511
Debt service					
Principal	4,340,617	4,533,312	4,595,659	5,678,728	5,296,870
Interest	3,051,380	3,060,228	3,286,705	3,157,964	2,631,321
Trustee fees	5,210	3,086	2,455	3,218	2,950
Debt issuance costs	-	237,857	49,471	-	372,216
Capital outlay	9,658,464	11,558,896	12,598,751	8,245,442	3,692,419
Total expenditures	159,213,813	164,891,332	160,385,345	167,213,695	166,437,319
Excess of revenues over (under) expenditure	(3,322,028)	(4,069,545)	4,004,970	2,015,883	5,288,697
<b>Other Financing Sources (Uses)</b>					
Transfers in	16,214,344	23,331,232	19,838,328	12,313,818	10,701,766
Transfers out	(18,421,236)	(23,297,732)	(20,008,236)	(14,012,126)	(11,673,036)
Debt issuance	-	13,362,260	1,320,000	40,000	-
Bond premium/discount	-	46,277	(4,838)	-	-
Refunding bonds issued	-	-	-	-	21,863,382
Payments to escrow agent	-	-	-	-	(21,520,747)
Proceeds of sale of assets	115,835	-	-	-	-
Total other financing sources (uses)	(91,077)	13,332,027	1,148,290	(1,658,310)	(988,658)
Net change in fund balances	\$ (3,413,105)	\$ 9,262,482	\$ 5,151,170	\$ 357,583	\$ 4,690,041
Debt service as a percentage of noncapital expenditures	5.5%	5.0%	5.5%	5.6%	14.4%

n/a - Not available

# DESCHUTES COUNTY, OREGON

## ASSESSED VALUE AND ESTIMATED VALUE OF TAXABLE PROPERTY LAST TEN FISCAL YEARS (in thousands of dollars)

	Real Property		Personal Property		Manufactured Homes	
Fiscal Year Ended June 30,	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
2003	9,655,677	13,585,512	289,037	289,240	71,257	76,665
2004	10,494,956	15,182,041	289,950	289,962	72,507	80,448
2005	11,497,220	16,890,285	308,985	308,069	73,771	82,344
2006	12,640,050	20,207,657	350,458	339,496	82,959	87,088
2007	13,870,767	27,011,546	383,447	363,447	81,946	87,563
2008	15,020,692	38,009,199	415,390	415,548	58,896	65,957
2009	15,988,780	38,759,449	466,766	488,336	55,969	61,302
2010	16,729,486	32,244,472	438,290	438,290	54,578	60,723
2011	16,875,589	22,613,780	411,330	411,330	48,238	51,783
2012	16,785,626	20,892,642	390,053	390,053	44,522	47,327

Sources: Deschutes County Assessor's Department and Oregon Department of Revenue

(a) includes tax-exempt property

Continued

# DESCHUTES COUNTY, OREGON

## ASSESSED VALUE AND ESTIMATED VALUE OF TAXABLE PROPERTY LAST TEN FISCAL YEARS (In thousands of dollars)

Public Utilities		Exemptions	Total		Range of Total Direct Tax Rates Paid	Assessed Value(a) as a Percentage of Estimated Actual Value
Assessed Value	Estimated Actual Value	Assessed Value	Taxable Assessed Value	Estimated Actual Value		
325,968	335,247	14,017	10,357,922	14,286,684	2.6185-5.6755	72.599%
327,493	330,462	15,452	11,159,454	15,893,813	2.6807-5.6440	70.310%
346,627	351,843	16,242	12,212,561	17,633,471	2.7001-5.6609	69.350%
323,329	327,647	16,319	13,349,475	20,942,678	2.6938-5.7206	63.821%
331,845	338,869	22,612	14,625,393	28,401,615	2.6548-5.7385	51.575%
352,616	369,411	23,638	15,823,948	38,940,082	2.9780-5.8087	42.901%
386,836	403,599	25,803	16,874,560	37,691,489	2.8170-6.1060	44.838%
417,996	430,990	28,577	17,612,789	33,175,484	2.7805-6.2059	53.176%
436,787	450,305	31,009	17,740,725	23,527,176	2.8947-6.2588	75.537%
436,134	453,696	33,166	17,626,169	21,583,718	2.8816-6.2468	81.818%

# DESCHUTES COUNTY, OREGON

## DIRECT OVERLAPPING PROPERTY TAX RATES LAST TEN FISCAL YEARS (rate per \$1,000 of assessed value)

	Fiscal Year Taxes are Payable				
	2003	2004	2005	2006	2007
County direct rates					
Rates levied to all taxable County properties:					
General	1.2783	1.2783	1.2783	1.2783	1.2783
Jail Bond	0.1919	0.1780	0.1658	0.1612	0.1402
Fairgrounds Bond	0.1847	0.1702	0.1617	0.1601	0.1421
Sheriff (Countywide)	-	-	-	-	-
County Extension/4H CSD	0.0224	0.0224	0.0224	0.0224	0.0224
911 CSD	0.1618	0.1618	0.1618	0.1618	0.1618
911 Local Option	-	0.0900	0.0900	0.0900	0.0900
County districts paid by all properties	1.8365	1.9007	1.8801	1.8738	1.8348
Rates levied to taxable rural County properties:					
Sheriff (County)	1.1200	1.1200	1.6000	1.6000	1.6000
Sheriff (Rural)	-	-	-	-	-
Rates levied to incorporated and CSD tax codes:					
Sheriff (Incorporated)	0.7800	0.7800	0.8200	0.8200	0.8200
Certain County properties are subject to one of the following rates:					
Bend Library Bond	0.1182	0.1188	0.0925	0.0991	0.0858
Redmond Library Bond	0.0849	0.0916	0.0762	0.0723	0.0616
Survivor Library Bond	0.0770	0.0733	0.0706	0.0668	0.0637
Paid by Black Butte properties only:					
Black Butte Ranch CSD	1.0499	1.0499	1.0499	1.0499	1.0499
Black Butte Ranch CSD Local Opt	-	-	-	-	0.4000
Paid by Survivor properties only:					
Survivor Service District	2.9800	2.8800	2.9100	2.9800	3.0200
Range of County Direct Rates Paid	2.6185 - 5.6755	2.6507 - 5.6440	2.7001 - 5.5809	2.6938 - 5.7206	2.6548 - 5.7385
City and town rates					
Bend	2.8035	2.8035	2.8035	2.8035	2.8035
Redmond	6.1643	6.0643	6.0643	6.0643	6.0643
Sisters	2.6417	2.6417	2.6417	2.6417	2.6417
La Pine	-	-	-	-	-
Bond Urban Renewal Special Levy	0.1919	0.2045	0.2358	0.2192	0.2268
City of Redmond Bond	0.8230	0.1778	0.1438	0.1196	0.0893
Survivor Service District	3.4600	2.8900	2.9100	2.9800	3.0200
Redmond Downtown Urban Renewal Levy	0.5784	0.6500	0.4718	0.4676	0.3248
Redmond Airport Urban Renewal Levy	0.2529	0.2848	-	-	-
Library district rates	0.5500	0.5500	0.5500	0.5500	0.5500
Fire district rates	1.0924 - 2.7317	1.0924 - 2.7317	1.0924 - 2.7317	1.0924 - 2.7317	1.0924 - 2.7317
Parks and recreation district rates	0.2200 - 1.4610	0.2200 - 1.4610	0.2200 - 1.4610	0.2200 - 1.4610	0.2200 - 1.4610
School district rates	5.5109 - 7.6787	5.5025 - 7.4751	5.4946 - 7.5716	5.4915 - 7.5031	5.4665 - 7.3835
Road district rates	0.4836 - 4.2147	0.4430 - 3.6500	0.4246 - 3.6500	0.7831 - 3.8500	0.7831 - 3.8500
Other special district rates	0.2895	0.2895	0.2895	0.2895	0.2895

Sources: Deschutes County Assessor's Office and Deschutes County Finance Department

## DESCHUTES COUNTY, OREGON

### DIRECT OVERLAPPING PROPERTY TAX RATES LAST TEN FISCAL YEARS (rate per \$1,000 of assessed value)

	Fiscal Year Taxes are Payable				
	2008	2009	2010	2011	2012
<b>County direct rates</b>					
Rates levied to all taxable County properties:					
General	1.2783	1.2783	1.2783	1.2783	1.2783
Jail Bond	0.1370	0.1385	0.1385	0.1388	0.1324
Fairgrounds Bond	0.1265	0.1410	0.1441	0.1464	0.1369
Sherriff (Countywide)	0.9500	0.9500	0.9500	0.9200	0.9200
County Extension/4H CSD	0.0224	0.0224	0.0224	0.0224	0.0224
#11 CSD	0.1618	0.1618	0.1618	0.1618	0.1618
911 Local Option	-	0.2300	0.2300	0.2300	0.2300
County districts paid by all properties	2.6780	2.9170	2.9261	2.8947	2.8818
Rates levied to taxable rural County properties:					
Sherriff (County)	-	-	-	-	-
Sherriff (Rural)	1.4000	1.4000	1.4000	1.4000	1.4000
Rates levied to incorporated and CSD tax codes:					
Sherriff (Incorporated)	-	-	-	-	-
Certain County properties are subject to one of the following rates:					
Bond Library Bond	0.0658	0.0652	0.0668	0.0860	0.0836
Redmond Library Bond	0.0588	0.0567	0.0572	0.0558	0.0498
Sunriver Library Bond	0.0607	0.0580	0.0588	0.0551	0.0550
Paid by Black Butte properties only:					
Black Butte Ranch CSD	1.0499	1.0499	1.0409	1.0499	1.0499
Black Butte Ranch CSD Local Opt	0.4000	0.4000	0.4000	0.5500	0.5500
Paid by Sunriver properties only:					
Sunriver Service District	3.0700	3.1300	3.2200	3.3100	3.3100
Range of County Direct Rates Paid	2.6780 - 5.8087	2.9170 - 6.1060	2.7505 - 6.2059	2.8947 - 6.2698	2.8818 - 6.2468
<b>City and town rates</b>					
Bend	2.8035	2.8035	2.8035	2.8035	2.8035
Redmond	6.1643	6.1643	6.1643	6.1643	4.4101
Sisters	2.6417	2.6417	2.6417	2.6417	2.6417
Lo Pino	1.8800	1.9800	1.9800	1.8000	1.8000
Bend Urban Renewal Special Levy	0.2686	0.2700	0.2686	0.2791	-
City of Redmond Bond	0.0755	0.1020	0.1168	0.0947	0.0831
Sunriver Service District	3.0700	3.1300	3.2200	3.3100	3.3100
Redmond Downtown Urban Renewal Levy	0.1719	-	-	-	-
Redmond Airport Urban Renewal Levy	-	-	-	-	-
<b>Library district rates</b>					
	0.5500	0.5500	0.5500	0.5500	0.5500
<b>Fire district rates</b>					
	1.0924 - 3.2087	1.0924 - 3.0742	1.0924 - 3.0705	1.0924 - 3.0744	1.0924 - 3.0744
<b>Parks and recreation district rates</b>					
	0.2200 - 1.4610	0.2200 - 1.4610	0.2200 - 1.4610	0.2200 - 1.4610	0.2200 - 1.4610
<b>School district rates</b>					
	8.4474 - 7.2751	8.8851 - 7.2424	8.5907 - 8.4371	8.4823 - 8.1208	8.6649 - 8.4065
<b>Road district rates</b>					
	0.7631 - 3.6500	0.7631 - 3.6500	0.8600 - 3.6500	0.5248 - 3.6500	0.5180 - 2.7331
<b>Other special district rates</b>					
	0.3895	0.3848	0.3609	0.3793	0.3776

## DESCHUTES COUNTY, OREGON

### PRINCIPAL PROPERTY TAXPAYERS CURRENT FISCAL AND NINE YEARS AGO

	2012			2003		
	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value
<b>Taxpayer</b>						
Pacificorp (P&L)	\$ 80,627,000	1	0.46%	\$ 48,785,400	3	0.47%
Gas Transmission Northwest Corporation*	70,353,600	2	0.40%	68,255,581	2	0.66%
Oswell Corporation	52,224,400	3	0.30%	79,368,713	1	0.77%
Cascade Natural Gas Corporation	47,852,000	4	0.27%	25,458,220	7	0.25%
Bend Cable Communications LLC	35,868,400	5	0.20%	-	-	-
Touchmark at Mount Bachelor Village LLC	34,081,880	6	0.19%	-	-	-
Sunriver Resort Limited Partnership	32,811,480	7	0.19%	30,384,458	6	0.29%
CVSC LLC	32,147,800	8	0.18%	-	-	-
Suterra LLC	31,860,240	9	0.18%	-	-	-
Deschutes Brewery Inc	28,982,100	10	0.15%	-	-	-
Eagle Creek Inc	-	-	-	35,873,268	4	0.35%
Mt. Bachelor Inc	-	-	-	34,343,853	5	0.33%
Willamette Industries Inc	-	-	-	20,591,882	8	0.20%
Sims Mountain View LLC	-	-	-	20,346,604	9	0.20%
River Bend Limited Partnership	-	-	-	19,885,348	10	0.19%
<b>Total</b>	<b>\$ 446,518,090</b>		<b>2.53%</b>	<b>\$ 363,412,486</b>		<b>3.71%</b>

\* Formerly known as PG & E Gas Transmission NW

Source: Deschutes County Assessor's Department  
n/a - Not available

# DESCHUTES COUNTY, OREGON

## PROPERTY TAXES LEVIES AND COLLECTIONS LAST TEN FISCAL YEARS (amounts expressed in thousands)

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year <sup>1</sup>	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2003	31,644	30,611	96.736%	1,030	31,641	99.989%
2004	34,408	33,412	97.105%	996	34,408	100.000%
2005	40,721	39,718	97.537%	1,000	40,719	99.993%
2006	42,784	41,871	97.866%	909	42,780	99.991%
2007	46,212	44,875	97.107%	1,329	46,204	99.983%
2008	53,123	50,752	95.537%	2,339	53,091	99.940%
2009	60,474	56,643	93.996%	3,326	60,169	99.495%
2010	63,162	60,015	95.018%	2,435	62,450	98.872%
2011	63,166	60,557	95.870%	1,544	62,101	98.314%
2012	62,532	60,527	96.794%	-	60,527	96.794%

<sup>1</sup> Net of discounts and adjustments.

# DESCHUTES COUNTY, OREGON

## RATIOS OF OUTSTANDING DEBT BY TYPE LAST TEN FISCAL YEARS (dollars in thousands, except per capita)

Fiscal Year	Governmental Activities					
	General Obligation Bonds	Limited Tax Bonds	Special Assessment Bonds	Certificates of Participation	Full Faith and Credit Obligations	Capital Leases  Loans
2003	26,531	5,615	1,100	10,435	27,505	526
2004	26,219	12,486	347	9,700	29,884	342
2005	23,264	12,460	286	7,380	31,624	43
2006	21,181	12,424	136	955	35,987	22
2007	18,974	12,380	77	670	35,656	186
2008	16,628	12,329	30	370	34,050	-
2009	14,160	12,246	-	-	45,830	-
2010	11,631	12,137	-	-	45,293	-
2011	8,733	11,386	-	-	43,183	-
2012	5,760	11,223	-	-	41,591	-

<sup>1</sup> See page 294 for personal income and population data.

n/a - Not available.

# DESCHUTES COUNTY, OREGON

## RATIOS OF OUTSTANDING DEBT BY TYPE LAST TEN FISCAL YEARS

(dollars in thousands, except per capita)

Fiscal Year	Business-Type Activities			Total Primary Government	Percentage of Personal Income <sup>1</sup>	Per Capita <sup>1</sup>
	General Obligation Bonds	Full Faith and Credit Obligations	Loans			
2003	24,050	6,180	538	103,328	2.86%	824.01
2004	23,190	6,190	525	105,745	2.63%	820.05
2005	22,230	8,553	513	107,033	2.36%	769.39
2006	21,155	8,555	501	101,367	2.03%	707.30
2007	19,955	18,037	488	105,725	1.98%	710.95
2008	18,635	17,529	470	100,292	1.79%	647.38
2009	17,185	16,944	453	107,018	1.68%	680.73
2010	15,610	16,342	435	101,498	1.70%	642.78
2011	13,865	15,719	417	93,443	n/a	588.15
2012	12,005	15,225	399	86,284	n/a	n/a

# DESCHUTES COUNTY, OREGON

## RATIOS OF GENERAL BONDED DEBT OUTSTANDING LAST TEN FISCAL YEARS

(dollars in thousands, except per capita)

Fiscal Year	General Bonded Debt Outstanding	Percentage of Actual Taxable Value <sup>1</sup> of Property	Per Capita <sup>2</sup>
	General Obligation Bonds		
2003	\$ 50,581	0.35%	411.92
2004	48,409	0.30%	386.05
2005	45,494	0.26%	352.81
2006	42,336	0.20%	312.24
2007	38,929	0.14%	271.63
2008	35,264	0.10%	234.92
2009	31,345	0.08%	202.33
2010	27,141	0.06%	172.64
2011	22,618	0.10%	143.24
2012	17,765	0.08%	111.82

<sup>1</sup> See page 284 for property value data.

<sup>2</sup> Population data can be found on page 294.

n/a - Not available.



# DESCHUTES COUNTY, OREGON

## DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT AS OF JUNE 30, 2012 (dollars in thousands)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
<b>Debt repaid with property taxes</b>			
Central Oregon Community College	\$ 40,360	82.7190%	\$ 33,410
City of Bend	32,165	100.0000%	32,165
City of La Pine	510	100.0000%	510
City of Redmond	2,527	100.0000%	2,527
Crook County School District	23,127	1.2531%	292
Crooked River Ranch RFPD VI-503	2,550	8.5804%	228
Crooked River Ranch Special Road District	530	8.7205%	46
Deschutes County RFPD 1 (Redmond)	825	98.9362%	824
Deschutes County RFPD 2 (Bend)	1,610	100.0000%	1,610
Deschutes County School District 1 (Bend-La Pine)	210,168	100.0000%	210,165
Deschutes County School District 2 (Redmond)	158,518	93.5798%	167,698
Deschutes County School District 6 (Sisters)	22,337	99.9583%	22,329
Howell Hilltop Acres Special Road District	10	100.0000%	10
La Pine Parks & Recreation District	505	100.0000%	505
La Pine RFPD	385	98.2706%	378
La Pine Special Sewer District	160	100.0000%	160
Lazy River Special Road District	25	100.0000%	25
Redmond Area Park & Recreation District	825	100.0000%	825
Sisters RFPD (Camp Sherman)	2,250	84.5346%	1,902
Terrebonne Water District	615	100.0000%	615
<b>Subtotal, overlapping debt</b>			<b>468,246</b>
<b>Deschutes County direct debt</b>			<b>58,855</b>
<b>Total direct and overlapping debt</b>			<b>\$ 524,901</b>

Sources: Oregon State Treasury, Debt Management Information System

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the County. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Deschutes County. This process recognizes that, when considering the County's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government. Net property-tax backed debt was used as the Debt Outstanding which is derived from the gross property-tax backed debt less self-supporting unlimited general obligations and self-supporting limited tax general obligation debt. The direct debt is the total amount of the governmental activities from the "Ratios of Outstanding Debt by Type" Schedule.

# DESCHUTES COUNTY, OREGON

## LEGAL DEBT MARGIN INFORMATION, LAST TEN FISCAL YEARS (dollars in thousands)

### Legal Debt Margin Calculation for Fiscal Year 2012

Estimated Actual Value	\$ 21,583,718	Estimated Actual Value	\$ 21,583,718
Debt limit (2% of estimated actual value) *	431,674	Debt limit (1% of estimated actual value) *	215,837
Debt applicable to limit:		Debt applicable to limit:	
General obligation bonds	17,765	Limited tax bonds	52,814
		Lower Amount set aside for repayment of debt	677
<b>Total net debt applicable to limit</b>	<b>17,765</b>	<b>Total net debt applicable to limit</b>	<b>52,137</b>
<b>Legal debt margin</b>	<b>\$ 413,909</b>	<b>Legal debt margin</b>	<b>\$ 183,703</b>

	Fiscal Year				
	2003	2004	2005	2006	2007
Debt Limit (2%) *	\$ 285,734	\$ 317,876	\$ 352,669	\$ 418,854	\$ 588,030
Total net debt applicable to limit	50,581	48,409	45,948	42,336	38,929
Legal debt margin	\$ 235,153	\$ 269,467	\$ 306,720	\$ 376,518	\$ 628,101
Total net debt applicable to the limit as a percentage of debt limit	17.70%	15.23%	13.03%	10.11%	6.66%
Debt Limit (1%) *	\$ 142,867	\$ 158,938	\$ 176,335	\$ 209,427	\$ 284,015
Total net debt applicable to limit	40,410	45,842	53,033	48,147	47,758
Legal debt margin	\$ 102,457	\$ 113,096	\$ 123,302	\$ 161,280	\$ 236,256
Total net debt applicable to the limit as a percentage of debt limit	28.29%	28.84%	30.00%	22.99%	16.81%

\* ORS 287A.105 provides a debt limit on general obligation bonds of 2% of the real market value of all taxable property within the County's boundaries. This became effective January 1, 2008 superseding ORS 287.064.

\* ORS 287A.106 provides a debt limit on full faith and credit bonds of 1% of the real market value of all taxable property within the County's boundaries. This became effective January 1, 2008 superseding ORS 287.063.

# DESCHUTES COUNTY, OREGON

## LEGAL DEBT MARGIN INFORMATION, LAST TEN FISCAL YEARS *(dollars in thousands)*

Fiscal Year				
2008	2009	2010	2011	2012
\$ 738,802	\$ 753,830	\$ 663,510	\$ 470,544	\$ 431,674
35,264	31,345	27,141	22,618	17,765
<u>\$ 703,538</u>	<u>\$ 722,485</u>	<u>\$ 636,369</u>	<u>\$ 447,926</u>	<u>\$ 413,909</u>
4.77%	4.16%	4.09%	4.81%	4.12%
\$ 369,401	\$ 376,915	\$ 331,755	\$ 235,272	\$ 215,837
46,139	57,509	56,953	53,806	52,137
<u>\$ 323,262</u>	<u>\$ 319,406</u>	<u>\$ 274,802</u>	<u>\$ 181,466</u>	<u>\$ 163,700</u>
12.49%	15.26%	17.17%	22.87%	24.16%

# DESCHUTES COUNTY, OREGON

## PLEDGED-REVENUE COVERAGE LAST TEN FISCAL YEARS *(dollars in thousands)*

Fiscal Year	Limited Tax Bonds - (Series 1952 & 1960)				Special Assessment Bonds - (Series 2000)			
	Special Assessment Collections	Debt Service		Coverage	Special Assessment Collections	Debt Service		Coverage
		Principal	Interest			Principal	Interest	
2003	36	175	20	0.18	203	80	67	1.38
2004	10	205	5	0.05	129	753	44	0.16
2005	-	-	-	-	75	61	19	0.94
2006	-	-	-	-	168	148	15	0.95
2007	-	-	-	-	43	60	7	0.64
2008	-	-	-	-	49	47	4	0.95
2009	-	-	-	-	26	30	1	0.84
2010	-	-	-	-	-	-	-	-
2011	-	-	-	-	-	-	-	-
2012	-	-	-	-	-	-	-	-

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements.

# DESCHUTES COUNTY, OREGON

## PLEGDED-REVENUE COVERAGE LAST TEN FISCAL YEARS (dollars in thousands)

Full Faith and Credit Obligations (Series 2003, 2005, 2011, 2012)			
Special Assessment Collections	Debt Service		Coverage
	Principal	Interest	
2003	-	-	-
2004	621	52	0.72
2005	300	30	1.14
2006	340	33	0.79
2007	176	18	1.08
2008	344	70	0.84
2009	223	40	1.42
2010	289	71	0.70
2011	263	48	0.83
2012	175	36	0.98

# DESCHUTES COUNTY, OREGON

## DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN CALENDAR YEARS

Year	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2003	122,794	3,511,578	27,860	38.09	20,914	7.0%
2004	125,398	4,018,770	29,553	38.09	21,342	8.8%
2005	128,948	4,534,433	32,094	38.06	22,044	5.8%
2006	135,660	4,995,527	33,522	38.45	22,668	4.6%
2007	143,316	5,391,673	35,057	38.79	23,652	4.9%
2008	150,113	5,835,347	35,728	40.15	24,421	7.1%
2009	154,920	5,705,290	35,958	39.95	24,578	15.3%
2010	157,211	6,756,539	35,449	40.21	24,106	14.5%
2011	157,905	n/a	n/a	40.46	24,437	13.5%
2012	159,875	n/a	n/a	40.29	24,186	11.0%

**Sources:** Population, personal income and per capita personal income information provided by Portland State University, Population Research Center and the Bureau of Economic Analysis. Median age based on data obtained from Portland State University. School enrollment provided by the Oregon Department of Education. Unemployment provided by Oregon Employment Department, Oregon Labor Market Information System.

**Note:** Population information are Census Bureau midyear population estimates. Estimates for July 1, 2011 reflect county population estimates available as of March 2012. Median age figures for 2003-2012 based on midyear data tables. School enrollment is based on the census at the start of the 2011-12 school year. Unemployment rate information, reported as an annual average, is not seasonally adjusted. Unemployment rate for 2012 is an average of January through June 2012.

n/a - Not available.

## DESCHUTES COUNTY, OREGON

### PRINCIPAL EMPLOYERS CURRENT YEAR AND NINE YEARS AGO

Employer	2012			2003		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
St. Charles Medical Center	2,842	1	4.55%	n/a	n/a	n/a
Bend/La Pine School District	1,723	2	2.76%	n/a	n/a	n/a
Deschutes County	1,039	3	1.66%	n/a	n/a	n/a
Sunriver Resort	900	4	1.44%	n/a	n/a	n/a
Mt. Bachelor	749	5	1.20%	n/a	n/a	n/a
Redmond School District	735	6	1.18%	n/a	n/a	n/a
Walmart	591	7	0.95%	n/a	n/a	n/a
Bend Memorial Clinic	575	8	0.92%	n/a	n/a	n/a
NorthView Hotel Group (formerly Eagle Crest)	530	9	0.85%	n/a	n/a	n/a
Fred Meyer	472	10	0.76%	n/a	n/a	n/a
Total Employees of Principal Employers	10,166		16.27%	-		-
Total County Nonfarm Employment	62,410		100.00%			

Sources: Bend-La Pine School District, Deschutes County Finance Department, Economic Development for Central Oregon, and the Oregon Employment Department

n/a - Not available.

This page intentionally left blank.

# DESCHUTES COUNTY, OREGON

## FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM LAST TEN FISCAL YEARS

Function/Program	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General government										
Executive	8.15	8.15	8.50	9.90	8.93	9.65	9.65	9.65	9.65	8.60
General services										
Judicial	42.40	43.10	47.00	48.25	48.75	49.75	51.00	49.82	46.45	47.35
Financial	36.78	37.78	38.15	40.73	39.78	39.58	38.58	38.68	38.43	36.88
Assessment	29.75	30.75	32.25	32.75	33.75	33.25	32.15	29.90	30.00	30.50
Community development	30.05	29.15	29.15	31.68	33.20	30.00	24.50	21.05	17.50	17.50
Building services	20.25	20.25	20.50	22.60	22.65	22.85	23.85	22.95	21.85	21.85
Information technology	16.41	18.41	14.84	15.68	15.50	15.44	15.68	15.80	14.80	16.00
Other	10.66	10.61	12.33	8.29	7.47	8.23	8.84	8.42	6.42	6.32
Public protection										
Law enforcement	98.35	101.68	101.68	100.75	104.75	112.75	114.50	115.50	111.75	108.15
Corrections	145.95	147.45	153.30	151.80	155.55	152.45	190.10	184.30	182.68	178.40
Protective inspection	27.10	27.35	29.35	34.32	36.80	30.10	23.60	19.55	11.00	11.10
Public works										
Streets & highways	57.00	57.00	57.00	65.50	83.50	81.50	59.50	58.50	57.50	56.50
Sanitation	21.00	23.00	23.00	24.00	24.00	26.00	23.00	22.00	21.75	19.75
Health & welfare										
Health	51.73	50.55	49.45	49.50	50.35	54.85	53.15	55.00	70.10	71.55
Welfare	90.95	88.49	89.85	89.50	94.03	102.70	101.75	104.55	118.80	129.55
Recreation & culture										
Fair & expo center	14.00	14.00	13.00	14.00	13.00	13.00	12.00	12.00	11.00	10.00
Other										
Economic development	0.85	0.65	0.85	1.15	1.08	1.10	1.10	1.10	1.10	1.10
Total	701.22	708.27	721.43	737.30	752.09	804.10	780.85	767.80	770.98	770.20

Source: Deschutes County Finance Department  
Above amounts are for Primary Government

n/a - Not available

# DESCHUTES COUNTY, OREGON

## OPERATING INDICATORS BY FUNCTION/PROGRAM LAST TEN FISCAL YEARS

Function/Program	2003	Fiscal Year			
	2003	2004	2005	2006	2007
Police					
Physical arrests	1,633	1,454	1,714	1,715	1,586
Traffic Violations					
Citations issued	5,397	6,503	7,122	5,936	5,486
Warnings	3,977	4,885	6,371	6,275	5,623
Calls for service	35,723	38,477	37,170	37,077	37,677
Traffic stops	9,939	11,420	13,380	12,467	11,023
Solid waste					
Solid waste collected (tons)	176,655	202,040	207,225	243,986	247,652
Average annual per capita waste generation (pounds)	2,793	2,780	2,904	3,058	3,111
Recyclables collected (tons)	46,857	48,857	54,225	55,400	62,523
Road					
Street resurfacing (miles)	10.19	26.69	22.41	14.06	10.13
911 emergency services					
Emergency calls	66,000	63,500	63,994	68,403	70,104
Police officer initiated calls	209,737	226,471	232,700	235,829	244,633
Fire department initiated calls	14,253	15,324	16,603	16,478	19,491

Source: Deschutes County Sheriff's Office, Deschutes County Solid Waste Department,  
Deschutes County Road Department, and 911 County Service District

n/a - Not available

# DESCHUTES COUNTY, OREGON

## OPERATING INDICATORS BY FUNCTION/PROGRAM LAST TEN FISCAL YEARS

Function/Program	Fiscal Year				
	2003	2004	2005	2006	2007
Police					
Physical arrests	1,508	1,542	1,592	1,375	1,384
Traffic violations					
Citations issued	6,165	4,813	3,596	2,504	2,517
Warnings	7,401	6,042	5,081	4,727	4,317
Calls for service	28,731	25,243	33,315	32,661	33,409
Traffic stops	15,809	14,744	12,558	10,202	10,507
Solid waste					
Solid waste collected (tons)	227,853	253,418	207,515	152,657	177,113
Average annual per capita waste generation (pounds)	3,379	3,152	2,485	2,257	1,457
Recyclables collected (tons)	59,717	73,825	55,118	75,305	82,083
Road					
Street resurfacing (miles)	10.52	23.53	28.11	6.28	18.10
911 emergency services					
Emergency calls	52,004	59,703	57,378	54,395	59,697
Police officer initiated calls	251,420	251,675	242,851	241,785	249,032
Fire department initiated calls	19,028	20,820	19,350	19,597	21,048

Source: Deschutes County Sheriff's Office, Deschutes County Solid Waste Department, Deschutes County Road Department, and 911 County Service District.

NA = Not available

# DESCHUTES COUNTY, OREGON

## CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM LAST TEN FISCAL YEARS

Function/Program	2003	2004	2005	2006	2007
Police					
Stations	4	4	4	4	4
Adult correctional facilities	1	1	1	1	1
Special services complex	1	1	1	1	1
Road					
Streets (miles)	892	898	904	904	911
Streetlights	4	4	4	4	4
Fashing lights	6	6	6	6	6
Signals	1	2	2	2	2

Sources: Deschutes County Road Department and the Deschutes County Sheriff's Office

# **DESCHUTES COUNTY, OREGON**

## **CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM LAST TEN FISCAL YEARS**

<u>Function/Program</u>	<u>Fiscal Year</u>				
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Police					
Stations	4	4	4	4	4
Adult correctional facilities	2	2	2	2	2
Special services complex	1	1	1	1	1
Road					
Streets (miles)	927	927	927	927	927
Streetlights	4	4	4	4	4
Flashing lights	6	6	6	6	6
Signals	2	3	3	3	3

Sources: Deschutes County Road Department and the Deschutes County Sheriff's Office

This page intentionally left blank.

**AUDIT COMMENTS AND DISCLOSURES  
REQUIRED BY STATE REGULATIONS**

This page intentionally left blank.



## AUDIT COMMENTS AND DISCLOSURES REQUIRED BY STATE REGULATIONS

### *Internal Control*

We have audited the financial statements of Deschutes County, Oregon, as of and for the year ended June 30, 2012, and have issued our report thereon dated November 20, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. In planning and performing our audit, we considered the County's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Management is responsible for establishing and maintaining effective internal controls, including monitoring ongoing activities. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

### *Accounting Records*

We found the condition of the accounting records adequate for audit purposes.

### *Collateral*

All cash on deposit with banks was in financial institutions enrolled in the Oregon State Treasurer's Public Treasurer's Public Funds Collateralization Program, and therefore, met the statutory requirement for adequate collateralization.

### *Indebtedness*

The County's short-term and long-term debt was found to be within legal limitations on the amount of debt which may be incurred, liquidation of debts were within the prescribed period of time and indebtedness was in compliance with provisions of bond indentures and other agreements, including restrictions on the use of monies available to retire indebtedness.

### *Budgeting*

We reviewed the County's procedures for preparation, adoption and execution of its budget for the year ended June 30, 2012, and the procedures for preparation and adoption of their budget for the year beginning July 1, 2012. All procedures were found to be in compliance with statutory requirements, with the following exceptions.

## AUDIT COMMENTS AND DISCLOSURES REQUIRED BY STATE REGULATIONS

For the year ended June 30, 2012, expenditures exceed appropriations by category as follows:

	Original Budget	Final Budget	Actual	Over- expenditure
<b>Personnel</b>				
Sunriver Service District	\$ 10,970	\$ 12,970	\$ 13,151	\$ (181)
<b>Materials and Services</b>				
General Support Services - BOCC	89,661	89,321	103,424	(4,103)
Behavioral Health	3,929,205	5,805,749	5,975,457	(169,708)
Law Library	114,314	114,314	114,367	(53)
Sunriver Service District - Fire and Emergency Services	324,489	324,489	327,043	(2,554)
Total Materials and Services	4,457,569	6,343,873	6,520,291	(176,418)
	\$ 4,468,539	\$ 6,356,843	\$ 6,533,442	\$ (176,599)

### *Insurance Coverage and Fidelity Bonds*

Insurance coverage and fidelity bonds were reviewed and found to be in compliance with statutory requirements.

### *Programs Funded From Outside Sources.*

All material programs funded from outside sources were reviewed and found to be in substantial compliance with appropriate laws, rules and regulations governing those programs. Reports filed with grantor agencies were agreed to the County's records, and we found the County to be in substantial compliance with program requirements. See the Single Audit Compliance section of this report.

### *Public Contracts and Purchasing*

We reviewed the County's procedures for awarding public contracts and construction of public improvements and found them to be in compliance with statutory requirements.

### *Investments*

Investments were reviewed and found to be in compliance with statutory requirements.

### *Highway Funds*

Taxes on fuel and motor vehicle use were reviewed and found to be used in compliance with constitutional and statutory requirements.

**AUDIT COMMENTS AND DISCLOSURES  
REQUIRED BY STATE REGULATIONS**

---

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

HARRIGAN PRICE FRONK & CO. LLP  
Certified Public Accountants & Consultants

By:   
Candace S. Fronk - a partner

November 20, 2012

This page intentionally left blank.

**SINGLE AUDIT COMPLIANCE**

**This page intentionally left blank.**



John P. Harrigan, CPA  
Wesley B. Price, B. CPA  
Candace S. Fronk, CPA

**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**

Board of Commissioners  
Deschutes County, Oregon

915 SW Columbia  
Suite 200  
Bend, OR 97702

Tel: (541) 382-4791  
Fax: (541) 388-1124

www.harriganpricefronk.com  
cpas@harriganpricefronk.com

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Deschutes County, Oregon, as of and for the year ended June 30, 2012, which collectively comprise Deschutes County, Oregon's (the County) basic financial statements and have issued our report thereon dated November 20, 2012. 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**

Management of the County is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

**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 – CONTINUED**

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and 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 the Board of Commissioners, Audit Committee, management, others within the County, 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.

HARRIGAN PRICE FRONK & CO. LLP  
Certified Public Accountants & Consultants

By:   
Candace S. Fronk - a partner

November 20, 2012





**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS  
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
IN ACCORDANCE WITH OMB CIRCULAR A-133**

John W. Harrigan, CPA  
Wesley B. Price III, CPA  
Candace S. Fronk, CPA

Board of Commissioners  
Deschutes County, Oregon

**Compliance**

We have audited Deschutes County, Oregon's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Deschutes County, Oregon's (the County) major federal programs for the year ended June 30, 2012. The County's major federal programs are identified in the summary of auditors' 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 the County's management. Our responsibility is to express an opinion on the County's 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 the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the County's compliance with those requirements.

In our opinion, Deschutes County, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012.

**Internal Control Over Compliance**

Management of the County 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 the County's internal control over compliance with the requirements that

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS  
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
IN ACCORDANCE WITH OMB CIRCULAR A-133 -- CONTINUED**

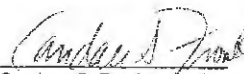
could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing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

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 was not designed to identify all deficiencies in internal control that might be deficiencies, 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 the Board of Commissioners, Audit Committee, management, others within the County, 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.

HARRIGAN PRICE FRONK & CO. LLP  
Certified Public Accountants & Consultants

By:   
Candace S. Fronk - a partner

November 20, 2012

**DESCHUTES COUNTY, OREGON**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2012**

**Section I – Summary of Auditor's Results**

*Financial Statements*

Type of auditors' report issued: Unqualified

Internal Control over financial reporting:

- Material weakness(es) identified? ☐ yes ☒ no
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? ☐ yes ☒ none reported

Noncompliance material to financial statements noted? ☐ yes ☒ no

*Federal Awards*

Internal control over major programs:

- Material weakness(es) identified? ☐ yes ☒ no
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? ☐ 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 section 510(a) of Circular A-133? ☐ yes ☒ no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.665	Schools and Roads: Grants to States
15.228	Payments in Lieu of Taxes
20.205-ARRA	Highway Planning and Construction
95.001	High Intensity Drug Traffic Area (HIDTA)

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

Auditee qualified as low-risk auditee? ☒ yes ☐ no

**DESCHUTES COUNTY, OREGON**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2012**

**Section II – Financial Statement Findings**

No matters were reported

**Section III – Federal Award Findings and Questioned Costs**

No matters were reported.

DESCHUTES COUNTY, OREGON

STATUS OF PRIOR YEAR (2011) FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2012

There were no findings or questioned costs for the fiscal year ended June 30, 2011.

DESCHUTES COUNTY, OREGON

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2012

Federal Grantor / Pass Through Grantor / Program Title	FEDERAL CFDA Number	Award or Pass Through Number	Program or Award Period	Accrued or (Deferred) Revenues July 1, 2011	Receipts	Expenditures	Accrued or (Deferred) Revenues July 1, 2012
<b>U.S. Department of Agriculture</b>							
<b>Direct Programs</b>							
<b>Forest Service</b>							
Cooperative Forestry Assistance- Surface Lumber Fuel Reduction Program-East County Communities	10.894	09-030-11408702-051	3 200.000	\$ 65,242	\$ 65,202	\$ 21,261	\$ -
Cooperative Forestry Assistance-Suppl. Equity	10.894	11-040-11042759-051	200.000	-	-	68,945	68,945
Schools and Roads-Public Instruction and Outreach for	10.908	11-040-11050120-004	28,500	-	16,378	16,378	-
Cooperative Forest Restoration-Deschutes County	10.879	11-040-11050120-020	3,657	-	3,657	3,657	-
Cooperative Forest Restoration-Deschutes County	10.879	11-040-11050120-020	3,657	-	3,657	3,657	-
Cooperative Forest Restoration-Deschutes County	10.879	11-040-11050120-020	3,657	-	3,657	3,657	-
Cooperative Forest Restoration-Deschutes County	10.879	11-040-11050120-020	3,657	-	3,657	3,657	-
Cooperative Forest Restoration-Deschutes County	10.879	11-040-11050120-020	3,657	-	3,657	3,657	-
Forest Health Protection	10.880	11-040-11060120-000	23,000	-	1,572	1,572	-
Forest Health Protection	10.880	11-040-11060120-000	23,000	-	1,572	1,572	-
<b>Pass Through Programs</b>							
<b>State Department of Education</b>							
Special Education Program	10.553	09-040-0904001	8,400	704	8,704	9,532	952
ARPA National Lunch Subsidy Program	10.555	09-040-0904001	16,825	1,638	17,463	16,625	1,838
<b>State Department of Agriculture</b>							
Special Supplemental Nutrition Program for	10.557	200559	569,172	89,038	470,134	480,172	57,628
WIC Grants to States	10.578	200559	11,313	-	8,618	11,313	5,690
<b>State Department of Administrative Services</b>							
Schools and Roads-Grants to States	10.695	None	1,762,848	-	1,762,848	1,762,848	-
TRIS II	10.695	None	300,125	(264,885)	140,234	300,125	(237,808)
<b>State Department of Forestry</b>							
Cooperative Forestry Assistance-National Wetland	10.694	10-040-11050120-020	25,000	-	-	25,000	25,000
ARPA Wetland Fire Management-Deschutes County	10.698	11-040-11050120-020	670,040	174,141	387,895	162,868	54,164
<b>Total Expenditures of Agriculture</b>							
						3,121,092	
<b>U.S. Department of the Interior</b>							
<b>Direct Programs</b>							
<b>Bureau of Land Management</b>							
Payments in Lieu of Taxes	10.220	None	471,823	-	471,823	471,823	-
Wildland Fire Prevention-Deschutes County	10.220	11-040-11050120-020	189,725	73,418	116,306	99,960	7,446
<b>Pass Through Programs</b>							
<b>State Department of Administrative Services</b>							
Non-Federal Disposition of Mineral	10.214	None	110,057	-	109,350	109,350	-
Disposition of Revenues to State and Local	10.227	None	4,103	(12,970)	4,103	-	(14,373)
State Department of Forestry	10.304	11-040-11050120-020	14,400	-	6,800	14,400	7,600
<b>Total Expenditures of the Interior</b>							
						641,066	
<b>U.S. Department of Justice</b>							
<b>Direct Programs</b>							
<b>Department of Corrections</b>							
Corrections	10.527	2010-040-04000	240,000	34,877	155,638	170,274	11,833
Enforcement of Probation Orders Program	10.500	2010-040-04000	320,000	27,879	148,655	144,118	22,378

DESCHUTES COUNTY, OREGON

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2012

Federal Grantor / Pass Through Grantor / Program Title	Federal CFDA Number	Award or Pass-Through Number	Program or Award Amount	Accrued or (Deferred) Revenues July 1, 2011	Receipts	Expenditures	Accrued or (Deferred) Revenues July 1, 2012
<b>U.S. Department of Justice (Continued)</b>							
<b>Bureau of Justice Assistance</b>							
State General Agent Assistance Program	18.004		30,784	-	59,704	59,704	-
Substance Use Treatment Program	18.007	None	81,807	-	7,779	8,567	4,819
Offender Control Public Monitoring Unit	18.004	2011-DJ-BJA-2229	17,947	-	17,947	17,947	-
<b>Pass Through Programs</b>							
<b>Oregon Commission on Children and Families</b>							
Juvenile Accountability Block Grant	18.923	2010-0545	15,327	3,967	10,204	8,676	2,744
<b>State Department of Justice</b>							
Crime Victim Assistance	18.575	VOCA-10-HC-0202	67,028	10,888	43,867	45,007	10,430
Drug Courts Diversionary Grant	16.090	LOA No. 2011-110	57,000	-	32,947	32,947	-
Drug Court Diversionary Grant	16.090	LOA No. 2012-104	37,000	-	-	795	795
<b>Oregon State Police</b>							
Domestic Capacity Development Office	16.595	None	8,520	-	5,565	3,556	-
<b>State Judicial Justice Commission</b>							
Robert Borne Memorial Justice Assistance Grant Program	16.739	DC009-12	352,340	-	164,243	245,539	51,290
Edward Byrne Memorial Justice Assistance Grant Program	16.739	TC031-10	104,708	19,019	42,893	23,245	-
Edward Byrne Memorial Justice Assistance Grant Program	16.739	DC030-14	859,046	196,127	125,122	-	-
<b>Total Department of Justice</b>						<u>859,147</u>	
<b>U.S. Department of Transportation</b>							
<b>Rural Outreach Programs</b>							
State Department of Transportation							
ARRA Highway Planning and Construction	20.305	TCM 16-0001	70,000	7,838	7,004	-	-
ARRA Highway Planning and Construction	20.305	DTT170-11-E-0001	600,000	-	500,000	-	-
Formula Grants for Other Than Urbanized Areas	20.308	12-AP000011	218	-	216	-	-
Capital Assistance Program for Elderly Persons and Persons with Disabilities	20.513	26504	49,718	42,073	42,973	-	-
Capital Assistance Program for Elderly Persons and Persons with Disabilities	20.513	58903	49,718	49,719	49,719	-	-
State and Community Highway Safety	20.600	SD-10-05-14-000	4,500	-	4,500	4,500	-
State and Community Highway Safety	20.600	DE-11-04-14-000	4,500	-	4,425	-	-
<b>Total Department of Transportation</b>						<u>879,221</u>	
<b>U.S. General Services Administration (Cont. Through Programs)</b>							
State Department of Administration							
Consolidated Federal Surplus Real Property	38.003	None	164	-	164	164	-
Division of Federal Surplus Personal Property	38.003	None	339	-	339	339	-
<b>Total General Services Administration</b>						<u>570</u>	
<b>U.S. Environmental Protection Agency</b>							
<b>Pass Through Programs</b>							
<b>Oregon Health Authority</b>							
State Public Water System Supervision	06.402	200657	65,762	-	37,544	37,544	-
ARRA Capitalization Grants for Drinking Water State Revolving Fund	06.403	702656	98,867	-	14,742	25,087	8,946
<b>Total Environmental Protection Agency</b>						<u>62,631</u>	
<b>U.S. Department of Energy</b>							
<b>Direct Programs</b>							
Office of Energy Efficiency and Renewable Energy							
ARRA Energy Efficiency 3 Construction Block Grants	51.128	Y08-040000169	225,790	198,138	269,148	31,262	21,451
<b>Total Department of Energy</b>						<u>81,262</u>	
<b>U.S. Department of Homeland Security</b>							
<b>Pass Through Programs</b>							
<b>State Department of Human Services</b>							
State and Drug Abuse Services and Corrections State Grants	04.105	230301	55,000	-	55,000	55,000	-
<b>Total Department of Homeland Security</b>						<u>55,000</u>	

DESCHUTES COUNTY, OREGON

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2012

Federal Grantor / Pass Through Grantor / Program Title	Federal CFDA Number	Award or Pass-Through Number	Program or Award Amount	Accrued or (Deferred) Revenues July 1, 2011	Receipts	Expenditures	Accrued or (Deferred) Revenues July 1, 2012
<b>U.S. Department of Health and Human Services</b>							
<b>Direct Programs</b>							
<b>Substance Abuse and Mental Health Services Administration</b>							
Drug Free Communities Support Program	93.270	61978	100,000	25,545	51,498	25,803	-
Centers for Medicare and Medicaid Services							
Early Release Reimbursement Program	93.068	None	150,001	-	150,431	150,431	-
<b>Pass Through Programs</b>							
<b>Oregon Health Authority/Department of Human Services</b>							
Public Health Emergency Preparedness	93.780	230916	110,260	26,509	125,699	116,350	6,307
Environmental Public Health and Emergency Response	93.070	230919	8,418	-	8,416	8,416	-
ACA Personal Responsibility Education Program	93.070	280029	64,684	-	64,684	64,684	316
Prevent Abuse and Cooperative Agreements for Unsubstantiated Child Abuse	93.116	261948	1,996	184	1,707	1,723	189
Projects for Assistance in Transition from Homelessness (PATH)	93.150	077001	72,701	-	72,701	72,701	-
Family Planning Services	93.217	280568	106,731	11,321	164,422	20,407	-
Linking Agencies to Local Needs in Children's Health	93.243	11-030409/0009-01	850,000	65,403	656,895	638,145	65,713
Youth Suicide Prevention/Intervention	93.243	280582	44,171	7,414	28,000	12,496	-
Youth Suicide Prevention/Intervention	93.243	280580	180,000	-	180,000	180,000	-
Immunization Cooperative Agreements	93.268	280542	600	-	600	600	-
Center for Disease Control and Prevention							
Investigative and Technical Assistance	93.270	Various	50,994	17,375	27,425	50,584	5,434
2009-2012 National Public Health Improvement Initiative	93.207	11-030409/0009-01	50,000	-	41,896	40,000	8,335
Rural Chronic Disease Grant	93.667	111082	48,199	-	48,192	48,195	-
Medical Assistance Program	93.776	060103	20,000	-	19,099	20,000	1,787
HR Care Partners Grant	93.847	260544	-	10,000	10,000	-	-
HR Prevention Activities Grant	93.846	260539/260540	70,000	1,263	61,848	20,903	700
Community Based	93.962	110048	100,000	-	166,200	106,200	-
Block Grants for Community Mental Health Services	93.962	110048	100,000	-	166,200	106,200	-
Block Grants for Prevention and Treatment of Substance Abuse	93.962	110048	644,117	-	644,117	644,117	-
Mental and Child Health Services Block Grant in States	93.964	160214	75,562	74,710	74,710	75,562	11,250
<b>State Commission on Children and Families</b>							
Promoting Safe and Stable Families	93.556	199902252-001	78,067	1,062	56,805	36,884	3,416
ARRA Foster Care Title IV-E	93.556	199904252-001	3,000	-	650	2,637	1,811
Social Services State Grant	93.807	100902252-001	601,705	16,158	101,103	108,808	39,317
Medicaid Assistance Program	93.776	160902252-001	54,137	21,048	53,147	-	-
<b>Total Department of Health and Human Services</b>						<u>2,760,586</u>	
<b>Department of Homeland Security</b>							
<b>Pass Through Programs</b>							
<b>Oregon State Police</b>							
Border Safety Financial Assistance	97.612	None	142,081	117,670	117,670	51,473	51,473
<b>Department of Public Safety</b>							
Emergency Management Performance Grant	97.612	None	82,894	30,121	79,898	77,203	28,859
<b>Oregon Health Authority</b>							
Pre-Disaster Mitigation-Disasters and Crisis Counseling Initiative	97.617	PMAC-PJ-10-04-2007-004	1,010,031	4,704	-	-	4,704
<b>State Fire Training Institute</b>							
State Fire Training Institute	97.617	PMAC-PJ-10-04-2007-004	467,374	23,663	-	42,094	75,982
<b>State Fire Training Institute</b>							
State Fire Training Institute	97.617	PMAC-PJ-10-04-2007-004	467,374	23,663	-	42,094	75,982
<b>Emergency Operations Center Grant Program</b>							
Emergency Operations Center Grant Program	97.603	06-100	10,000	-	2,817	2,817	-
State Homeland Security Program	97.613	07-004	31,000	-	24,529	24,529	34,029
State Homeland Security Program	97.613	11-031	8,543	-	8,546	8,480	-
State Homeland Security Program	97.613	10-032	44,100	-	16,008	15,074	-
State Homeland Security Program	97.613	10-033	24,907	-	24,907	24,907	-
State Homeland Security Program	97.613	08-021	16,000	150	11,518	10,610	-
State Homeland Security Program	97.613	08-016	784,385	46,457	104,077	81,620	-
<b>Total Department of Homeland Security</b>						<u>424,110</u>	



# DESCHUTES COUNTY, OREGON

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2012

Federal Grantor / Pass Through Grantor / Program Title	Federal CFDA Number	Award or Pass- Through Number	Program or Award Amount	Accrued or (Deferred) Revenues July 1, 2011	Receipts	Expenditures	Accrued or (Deferred) Revenues July 1, 2012
<u>Office of National Drug Control Policy</u>							
Pass Through Programs							
State Department of Justice							
High Intensity Drug Traffic Area (HIDTA) <sup>1</sup>	95.001	None		<u>\$9,575</u>	<u>437,728</u>	<u>433,858</u>	<u>65,763</u>
Total Office of National Drug Control Policy						<u>433,858</u>	
Total Federal Assistance				<u>\$ 968,935</u>	<u>\$ 9,273,564</u>	<u>\$ 8,797,595</u>	<u>\$ 492,896</u>

<sup>1</sup> HIDTA Grant amount includes funds utilized by a fiduciary organization in the amount of \$268,577.

This page intentionally left blank.

This Page Intentionally Left Blank

# Appendix C

**Book-Entry Only System**

This Page Intentionally Left Blank

# The Depository Trust Company

A subsidiary of The Depository Trust & Clearing Corporation

## Sample Offering Document Language Describing DTC and Book-Entry-Only Issuance

1. The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the securities (the “Securities”). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for [each issue of] the Securities, [each] in the aggregate principal amount of such issue, and will be deposited with DTC. [If, however, the aggregate principal amount of [any] issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.]

2. DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has Standard & Poor’s highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com) and [www.dtc.org](http://www.dtc.org).

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC’s records. The ownership interest



**The Depository Trust &  
Clearing Corporation**

of each actual purchaser of each Security (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. [Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.]

6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC’s practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC’s MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.’s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC’s practice is to credit Direct Participants’ accounts upon DTC’s receipt of funds and



**The Depository Trust &  
Clearing Corporation**

corresponding detail information from Issuer or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to [Tender/Remarketing] Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to [Tender/Remarketing] Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to [Tender/Remarketing] Agent's DTC account.

10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

11. Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.



**The Depository Trust &  
Clearing Corporation**

This Page Intentionally Left Blank



# Appendix D

Form of Continuing Disclosure Certificate

This Page Intentionally Left Blank

## CONTINUING DISCLOSURE CERTIFICATE

**\$8,405,000**

**Deschutes County, Oregon  
Full Faith and Credit Bonds  
Series 2013**

This Continuing Disclosure Certificate (the “Certificate”) is executed and delivered by Deschutes County, Oregon (the “Issuer”) in connection with the issuance of the Issuer’s Full Faith and Credit Bonds, Series 2013 (the “Securities”).

Section 1. Purpose of Certificate. This Certificate constitutes the Issuer’s written undertaking for the benefit of the holders of the Securities and to assist the underwriters of the Securities in complying with paragraph (b)(5) of the United States Securities and Exchange Commission Rule 15c2-12 (17 C.F.R. § 240.15c2-12) as amended (the “Rule”).

Section 2. Definitions. Unless the context otherwise requires, the terms defined in this Section shall, for purposes of this Certificate, have the meanings herein specified.

“Beneficial Owner” means any person who has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of any Securities, including persons holding Securities through nominees or depositories.

“Commission” means the United States Securities and Exchange Commission.

“MSRB” means the United States Municipal Securities Rulemaking Board or any successor to its functions.

“Official Statement” means the final official statement for the Securities dated July 24, 2013.

“Rule” means the Commission’s Rule 15c2-12 under the Securities Exchange Act of 1934, as it has been and may be amended.

Section 3. Financial Information. The Issuer agrees to provide or cause to be provided to the MSRB, the Issuer’s latest publicly available annual financial statements prepared in accordance with the Oregon Local Budget Law (or any successor statute) and in accordance with generally accepted accounting principles so prescribed by the Governmental Accounting Standards Board (or its successors) and generally of the type included in the Official Statement under the heading “Comprehensive Annual Financial Report As of and for the Fiscal Year Ended June 30, 2012” (Appendix B).

To the extent not included in its annual financial statements, the Issuer shall also provide information, of the type set forth in the Official Statement, containing: (1) the total real market value and total assessed value of property within the Issuer (as indicated in the records of the county assessor); (2) the amount or rate of property taxes levied by the Issuer for the fiscal year, and the amount of property taxes the Issuer received during the fiscal year; (3) the aggregate tax

rate for all ad valorem property taxes levied within the boundaries of the Issuer; and, (4) the total principal amount of general obligation bonds and other tax-supported obligations of the Issuer which are outstanding at the end of the fiscal year.

Section 4. Timing. The information described in the preceding paragraph shall be provided on or before nine months after the end of the Issuer's fiscal year, commencing with information for fiscal year 2012-2013. The information described in the preceding paragraph will be provided in the form of reviewed or audited financial statements if they are then available, and otherwise will be provided in the form of unreviewed financial statements. The Issuer's current fiscal year ends June 30. The Issuer may adjust this fiscal year by providing written notice of the change of fiscal year to the MSRB. In lieu of providing this annual financial information separately, the Issuer may cross-reference to other documents provided to the MSRB.

The Issuer agrees to provide or cause to be provided, in a timely manner, to the MSRB notice of its failure to provide the annual financial information described in Section 3 on or prior to the time set forth in the preceding paragraph.

If not provided as part of the annual financial information discussed above, the Issuer shall provide the Issuer's reviewed or audited annual financial statement prepared in accordance with the Oregon Local Budget Law (or any successor statute) and in accordance with generally accepted accounting principles so prescribed by the Governmental Accounting Standards Board (or its successors) when and if available to the MSRB.

Section 5. Material Events. The Issuer agrees to provide or cause to be provided to the MSRB, in a timely manner not in excess of ten business days after the occurrence of the event, notice of any of the following events with respect to the Securities:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the Security;
7. Modifications to the rights of Security holders, if material;

8. Bond calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution or sale of property securing repayment of the Securities, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the obligated person; (Note: For the purposes of the event identified in this paragraph 12, the event is considered to occur when any of the following occur: The appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.);
13. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

Section 6. Termination. The Issuer's obligation to provide notices of material events shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Securities. This Certificate, or any provision hereof, shall be null and void if the Issuer (a) obtains an opinion of nationally recognized bond counsel to the effect that those portions of the Rule which require this Certificate, or any provision of this Certificate, are invalid, have been repealed retroactively or otherwise do not apply to the Securities; and (b) notifies the MSRB of such opinion and the termination of its obligations under this Certificate.

Section 7. Amendment. Notwithstanding any other provision of this Certificate, the Issuer may amend this Certificate, provided that the following conditions are satisfied:

A. If the amendment relates to the provisions of Sections 3 or 5 hereof, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the Issuer with respect to the Securities, or the type of business conducted; and,

B. If this Certificate, as amended, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Securities, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

C. The amendment either (i) is approved by the owners of the Securities pursuant to the terms of the Bond Declaration as it is in effect at the time of the amendment or (ii) does not materially impair the interests of the owners or Beneficial Owners of the Securities as determined by a party unaffiliated with the Obligated Person.

In the event of any amendment of a provision of this Certificate, the Issuer shall describe such amendment in its next annual filing pursuant to Section 3 of this Certificate, and shall include, as applicable, a narrative explanation of the reason for the amendment and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of the amendment shall be given in the same manner as for a material event under Section 5 hereof, and (ii) the annual filing pursuant to Section 3 of this Certificate for the first fiscal year that is affected by the change in accounting principles should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 8. Securities Owner's Remedies Under This Certificate. The right of any holder of Securities or Beneficial Owner of Securities to enforce the provisions of this Certificate shall be limited to a right to obtain specific enforcement of the Issuer's obligations hereunder, and any failure by the Issuer to comply with the provisions of this undertaking shall not be an event of default with respect to the obligations hereunder.

Section 9. Form of Information. All information required to be provided under this certificate will be provided in an electronic format as prescribed by the MSRB and with the identifying information prescribed by the MSRB.

Section 10. Submitting Information Through EMMA. So long as the MSRB continues to approve the use of the Electronic Municipal Market Access ("EMMA") continuing disclosure service, any information required to be provided to the MSRB under this Certificate may be provided through EMMA. As of the date of this Certificate, the web portal for EMMA is [emma.msrb.org](http://emma.msrb.org).

Section 11. Dissemination Agent. The Issuer may, from time to time, engage or appoint an agent to assist the Issuer in disseminating information hereunder (the "Dissemination Agent"). The Issuer may discharge any Dissemination Agent with or without appointing a successor Dissemination Agent.

Section 12. Choice of Law. This Certificate shall be governed by and construed in accordance with the laws of the State of Oregon, provided that to the extent this Certificate addresses matters of federal securities laws, including the Rule, this Certificate shall be construed in accordance with such federal securities laws and official interpretations thereof.

Dated as of the 8<sup>th</sup> day of August, 2013.

**Deschutes County, Oregon**

---

County Official

This Page Intentionally Left Blank



# Appendix E

## Form of Bond Declaration

This Page Intentionally Left Blank

# **BOND DECLARATION**

**Deschutes County, Oregon**

**\$8,405,000 Full Faith and Credit Bonds, Series 2013**

**Executed on behalf of Deschutes County**

**as of August 8, 2013**

## ***Table of Contents***

<b><i>Section 1.</i></b>	<b><i>Definitions.</i></b>	<b><i>1</i></b>
<b><i>Section 2.</i></b>	<b><i>Bonds Authorized.</i></b>	<b><i>2</i></b>
<b><i>Section 3.</i></b>	<b><i>Security for Bonds.</i></b>	<b><i>3</i></b>
<b><i>Section 4.</i></b>	<b><i>Tax Covenants for the Bonds.</i></b>	<b><i>3</i></b>
<b><i>Section 5.</i></b>	<b><i>Book Entry System</i></b>	<b><i>3</i></b>
<b><i>Section 6.</i></b>	<b><i>Redemption of Bonds.</i></b>	<b><i>4</i></b>
<b><i>Section 7.</i></b>	<b><i>Authentication, Registration and Transfer.</i></b>	<b><i>7</i></b>
<b><i>Section 8.</i></b>	<b><i>Amendment of Bond Declaration.</i></b>	<b><i>8</i></b>
<b><i>Section 9.</i></b>	<b><i>Default and Remedies.</i></b>	<b><i>8</i></b>
<b><i>Section 10.</i></b>	<b><i>Defeasance.</i></b>	<b><i>9</i></b>
<b><i>Section 11.</i></b>	<b><i>Form.</i></b>	<b><i>10</i></b>
<b><i>Section 12.</i></b>	<b><i>Rules of Construction.</i></b>	<b><i>10</i></b>
<b><i>Exhibit A</i></b>	<b><i>Bond Form</i></b>	

This table of contents is not a part of the bond declaration but is provided for reference only.

## **BOND DECLARATION**

THIS BOND DECLARATION is executed as of August 8, 2013, on behalf of Deschutes County, Oregon (the “County”) by its Finance Director, acting as the “County Official” pursuant to the Resolution, as defined below. The Resolution authorizes the County Official to execute a bond declaration which contains the terms of the Bonds, and the covenants of the County relating to those Bonds.

### **Section 1. Definitions.**

Unless the context clearly requires otherwise, the following terms shall have the following meanings:

“BEO” means “book-entry-only” and refers to a system for clearance and settlement of securities transactions through electronic book-entry changes, which eliminates the need for physical movement of securities.

“Bond Declaration” means this Bond Declaration, including any amendments made in accordance with Section 8 of this Bond Declaration.

“Bonds” means the County’s Full Faith and Credit Bonds, Series 2013 that are described in 0 of this Bond Declaration and that are authorized by the Resolution.

“Business Day” means any day except a Saturday, a Sunday, a legal holiday, a day on which the Paying Agent or offices of banks in Oregon or New York are authorized or required by law or executive order to remain closed, or a day on which the New York Stock Exchange is closed.

“Code” means the Internal Revenue Code of 1986, as amended.

“County Official” means the Finance Director, the County Administrator or the person designated by the Finance Director to act on behalf of the County under the Resolution.

“DTC” means The Depository Trust Company, New York, New York (“DTC”), acting as securities depository for the Bonds.

“Event of Default” refers to an Event of Default listed in Section 9(1) of this Bond Declaration.

“Government Obligations” means direct noncallable obligations of the United States, or obligations the principal of and interest on which are fully and unconditionally guaranteed by the United States.

“Outstanding” refers to all Bonds authorized and delivered pursuant to this Bond Declaration except Bonds which have been paid, canceled, or defeased pursuant to Section 10 of this Bond Declaration, and Bonds which have matured but have not been presented for payment for the payment of which adequate money has been transferred to the Paying Agent.

“Owner” means the person shown on the Bond register maintained by the Paying Agent as the registered owner of a Bond.

“Paying Agent” means the registrar and paying agent for the Bonds, which, at the time of execution of this Bond Declaration, is Union Bank, N.A.

“Resolution” means County Resolution No. 2013-033 adopted April 24, 2013, as amended by County Resolution No. 2013-036 adopted May 6, 2013, and which authorize the execution of this Bond Declaration and the issuance and sale of the Bonds.

## **Section 2. Bonds Authorized.**

- (1) Pursuant to the Resolution, the County hereby authorizes the issuance, sale and delivery of its Full Faith and Credit Bonds, Series 2013 in accordance with this Bond Declaration and in a principal amount of \$8,405,000. The Bonds shall be dated August 8, 2013, shall bear interest which is payable on June 1 and December 1 of each year commencing December 1, 2013, and shall mature as follows:

<u>Due June 1</u>	<u>Principal Amount (\$)</u>	<u>Interest Rate (%)</u>	<u>CUSIP No. (250316)</u>
6/1/2014	220,000	3.000%	PV2
6/1/2015	220,000	3.000%	PW0
6/1/2016	225,000	3.000%	PX8
6/1/2017	235,000	3.000%	PY6
6/1/2018	240,000	3.000%	PZ3
6/1/2019	250,000	3.500%	QA7
6/1/2020	255,000	3.500%	QB5
6/1/2021	265,000	3.500%	QC3
6/1/2022	275,000	3.500%	QD1
6/1/2023	285,000	3.500%	QE9
6/1/2025	600,000	4.000%	QF6
6/1/2027	650,000	4.000%	QG4
6/1/2029	705,000	4.000%	QH2
6/1/2031	765,000	4.000%	QJ8
6/1/2033	825,000	4.125%	QK5
6/1/2035	890,000	4.500%	QL3
6/1/2038	1,500,000	4.500%	QM1

\* Term bond subject to mandatory redemption, see below.

- (2) Bond proceeds shall be used to finance a jail expansion project, including a new, medium/maximum security inmate housing unit, improvements and renovations to the existing jail facility and related site work, and to pay the cost of issuance of the Bonds.

### **Section 3. Security for Bonds.**

- (1) The Bonds are unconditional obligations of the County, which are payable from all legally available funds of the County. The County hereby pledges its full faith and credit and taxing power within the limitations of Sections 11 and 11b of Article XI of the Oregon Constitution to pay amounts due under the Bonds.
- (2) This Bond Declaration shall constitute a contract with the Owners and shall be enforceable by the Owners.

### **Section 4. Tax Covenants for the Bonds.**

The County covenants for the benefit of the owners of the Bonds to comply with all provisions of the Code which are required for Bond interest to be excluded from gross income for federal income tax purposes. The County makes the following specific covenants with respect to the Code:

- (1) the County shall not take any action or omit any action, if it would cause the Bonds to become “arbitrage bonds” under Section 148 of the Code.
- (2) the County shall operate the facilities financed or refinanced with the Bonds so that the Bonds are not “private activity bonds” within the meaning of Section 141 of the Code.
- (3) the County shall pay any rebates due under Section 148 of the Code in connection with the Bonds.

### **Section 5. Book Entry System**

The Bonds shall be initially issued in BEO form and shall be governed by this Section 5. While Bonds are in BEO form no physical Bonds shall be provided to the Owners. A representative of the County has executed and delivered a Blanket Issuer Letter of Representations to DTC (the “Letter of Representations”). While the Bonds are in BEO form, registration and transfer of beneficial interests in the Bonds shall be governed by the Letter of Representations and the Operational Arrangements of DTC, as they may be amended from time to time. So long as Bonds are in BEO form:

- (1) DTC shall be treated as the Owner for all purposes, including payment and the giving of notices to Owners of Bonds. Bond payments shall be made, and notices shall be given, to DTC in accordance with the Letter of Representations. Any failure of DTC to advise any of its participants, or of any participant to notify the beneficial owner, of any such notice and its content or effect will not affect the validity of the redemption of Bonds or of any other action premised on such notice.
- (2) The County may discontinue maintaining the Bonds in the BEO form at any time. The County shall discontinue maintaining the Bonds in BEO form if DTC determines not to continue to act as securities depository for the Bonds, or fails to perform satisfactorily as depository, and a satisfactory substitute depository cannot reasonably be found.

- (3) If the County discontinues maintaining the Bonds in book-entry only form, the County shall cause the Paying Agent to authenticate and deliver replacement Bonds in fully registered form in authorized denominations in the names of the beneficial owners or their nominees; thereafter the provisions set forth in Section 7 below, regarding registration, transfer and exchange of Bonds shall apply.
- (4) The County and the Paying Agent shall have no responsibility or obligation to any participant or correspondent of DTC or to any beneficial owner on behalf of which such participants or correspondents act as agent for the beneficial owner with respect to:
  - (A) the accuracy of the records of DTC, the nominee or any participant or correspondent with respect to any beneficial owner's interest in the Bonds;
  - (B) the delivery to any participant or correspondent or any other person of any notice with respect to the Bonds, including any notice of prepayment;
  - (C) the selection by DTC of the beneficial interest in Bonds to be redeemed prior to maturity; or
  - (D) the payment to any participant, correspondent, or any other person other than the registered owner of the Bonds as shown in the registration books maintained by the Paying Agent, of any amount with respect to principal, any premium or interest on the Bonds.
- (5) The provisions of this Section 5 may be modified without the consent of the beneficial owners in order to conform this Section to the standard practices of DTC or any successor depository for bonds issued in book-entry only form.

## **Section 6. Redemption of Bonds.**

- (1) The Bonds are subject to optional redemption prior to their stated maturities. Bonds maturing on or after June 1, 2024 are subject to redemption prior to maturity at the option of the County, in whole or in part, on June 1, 2023 and on any date thereafter (with maturities selected by the County and DTC or by lot within a maturity) at a price of par, plus accrued interest to the date of redemption.

The Bonds maturing on June 1 in the years 2025, 2027, 2029, 2031, 2033, 2035, and 2038 are subject to mandatory redemption by lot by the Paying Agent on June 1 of the following years in the following principal amounts, at a price of par, without premium, plus accrued interest to the date of redemption:



**Bonds Maturing 2025**

<b>June 1</b>	<b>Amount</b>
2024	\$295,000
2025*	<u>305,000</u>
	<u>\$600,000</u>

\*Final maturity

**Bonds Maturing 2027**

<b>June 1</b>	<b>Amount</b>
2026	\$320,000
2027*	<u>330,000</u>
	<u>\$650,000</u>

\*Final maturity

**Bonds Maturing 2029**

<b>June 1</b>	<b>Amount</b>
2028	\$345,000
2029*	<u>360,000</u>
	<u>\$705,000</u>

\*Final maturity

**Bonds Maturing 2031**

<b>June 1</b>	<b>Amount</b>
2030	\$375,000
2031*	<u>390,000</u>
	<u>\$765,000</u>

\*Final maturity

**Bonds Maturing 2033**

<b>June 1</b>	<b>Amount</b>
2032	\$405,000
2033*	<u>420,000</u>
	<u>\$825,000</u>

\*Final maturity

**Bonds Maturing 2035**

<b>June 1</b>	<b>Amount</b>
2034	\$435,000
2035*	<u>455,000</u>
	<u>\$890,000</u>

\*Final maturity

**Bonds Maturing 2038**

<b>June 1</b>	<b>Amount</b>
2036	\$480,000
2037	500,000
2038*	<u>520,000</u>
	<u>\$1,500,000</u>

\*Final maturity

- (2) The County reserves the right to purchase Bonds in the open market.
- (3) If any Bonds are subject to mandatory redemption, the County may credit against the mandatory redemption requirement any Bonds of the same maturity which the County has previously purchased or which the County has previously redeemed pursuant to any optional redemption provision.
- (4) Any notice of optional redemption given for the Bonds pursuant to this Section 6 may state that the optional redemption is conditional upon receipt by the Paying Agent of moneys sufficient to pay the redemption price of such Bonds or upon the satisfaction of any other condition, and/or that such notice may be rescinded upon the occurrence of any other event, and any conditional notice so given may be rescinded at any time before payment of such redemption price if any such condition so specified is not satisfied or if any such other event occurs. Notice of such rescission or of the failure of any such condition shall be given by the Paying Agent to affected owners of the Bonds as promptly as practicable.
- (5) So long as Bonds are in book-entry only form, and unless DTC consents to a shorter period the Paying Agent shall notify DTC of any early redemption not less than 20 days nor more than 60 days prior to the date fixed for redemption, and shall provide such information in connection therewith as required by the Letter of Representations.
- (6) During any period in which the Bonds are not in book-entry only form, unless waived by any Owner of the Bonds to be redeemed, official notice of any redemption of Bonds shall be given by the Paying Agent on behalf of the County by mailing a copy of an official redemption notice by first class mail postage prepaid at least 20 days and not more than 60 days prior to the date fixed for redemption to the Owner of the Bond or Bonds to be redeemed at the address shown on the Bond register or at such other address as is furnished in writing by such Owner to the Paying Agent. All such official notices of redemption shall be dated and shall state:
  - (A) the redemption date,
  - (B) the redemption price,
  - (C) if less than all outstanding Bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed,

- (D) that on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date, and
- (E) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the principal office of the Paying Agent.

## **Section 7. Authentication, Registration and Transfer.**

- (1) No Bond shall be entitled to any right or benefit under this Bond Declaration unless it shall have been authenticated by an authorized officer of the Paying Agent. The Paying Agent shall authenticate all Bonds to be delivered at closing of the Bonds, and shall additionally authenticate all Bonds properly surrendered for exchange or transfer pursuant to this Bond Declaration.
- (2) The ownership of all Bonds shall be entered in the Bond register maintained by the Paying Agent, and the County and the Paying Agent may treat the person listed as owner in the Bond register as the owner of the Bond for all purposes.
- (3) While the Bonds are in book-entry only form, the Paying Agent shall transfer Bond principal and interest payments in the manner required by DTC.
- (4) If the Bonds cease to be in book-entry only form, the Paying Agent shall mail each interest payment on the interest payment date (or the next Business Day if the payment date is not a Business Day) to the name and address of the Owners as they appear on the Bond register as of the record date for the Bonds. If payment is so mailed, neither the County nor the Paying Agent shall have any further liability to any party for such payment.
- (5) Bonds may be exchanged for an equal principal amount of Bonds of the same maturity which are in different denominations, and Bonds may be transferred to other Owners if the Owner submits the following to the Paying Agent:
  - (A) written instructions for exchange or transfer satisfactory to the Paying Agent, signed by the Owner or attorney in fact and guaranteed or witnessed in a manner satisfactory to the Paying Agent and
  - (B) the Bonds to be exchanged or transferred.
- (6) The Paying Agent shall not be required to exchange or transfer any Bonds submitted to it during any period beginning with a record date and ending on the next following payment date; however, such Bonds shall be exchanged or transferred promptly following that payment date.
- (7) The Paying Agent shall note the date of authentication on each Bond. The date of authentication shall be the date on which the Owner's name is listed on the Bond register.

- (8) For purposes of this Section 7, Bonds shall be considered submitted to the Paying Agent on the date the Paying Agent actually receives the materials described in Section 7(5), above.
- (9) The County may alter these provisions regarding registration and transfer by mailing notification of the altered provisions to all Owners. The altered provisions shall take effect on the date stated in the notice, which shall not be earlier than 45 days after notice is mailed.

#### **Section 8. Amendment of Bond Declaration.**

- (1) The County may amend this Bond Declaration without the consent of any Owner for any one or more of the following purposes:
  - (A) To cure any ambiguity or formal defect or omission in this Bond Declaration;
  - (B) To add to the covenants and agreements of the County in this Bond Declaration other covenants and agreements to be observed by the County which are not contrary to or inconsistent with this Bond Declaration as theretofore in effect;
  - (C) To confirm, as further assurance, any security interest or pledge created under this Bond Declaration or any Supplemental Declaration;
  - (D) To make any change which, in the reasonable judgment of the County, does not materially and adversely affect the rights of the Owners.
- (2) This Bond Declaration may be amended for any other purpose only upon consent of Owners representing not less than fifty-one percent (51%) in aggregate principal amount of the adversely affected Bonds then Outstanding. However, no amendment shall be valid which:
  - (A) Extends the maturity of any Bonds, reduces the rate of interest upon any Bonds, extends the time of payment of interest on any Bonds, reduces the amount of principal payable on any Bonds, or reduces any premium payable on any Bonds, without the consent of the affected Owner; or
  - (B) Reduces the percent of Owners required to approve amendments to this Bond Declaration.

#### **Section 9. Default and Remedies.**

- (1) The occurrence of one or more of the following shall constitute an Event of Default under this Bond Declaration:
  - (A) Failure by the County to pay Bond principal, interest or premium when due (whether at maturity, or upon redemption after a Bond has been properly called for redemption); or

- (B) Failure by the County to observe and perform any covenant, condition or agreement on its part to be observed or performed for the benefit of Owners of Bonds, for a period of 60 days after written notice to the County by the Owners of fifty-one percent or more of the principal amount of Bonds then Outstanding specifying such failure and requesting that it be remedied; provided however, that if the failure stated in the notice cannot be corrected within such 60 day period, it shall not constitute an Event of Default so long as corrective action is instituted by the County within the 60 day period and diligently pursued, and the default is corrected as promptly as practicable after the written notice referred to in this Section 9(1)(B); or
  - (C) The County is adjudged insolvent by a court of competent jurisdiction, admits in writing its inability to pay its debts generally as they become due, files a petition in bankruptcy, or consents to the appointment of a receiver for the payments.
- (2) The Owners of fifty-one percent or more of the principal amount of Bonds then Outstanding may waive any Event of Default and its consequences, except a Event of Default described in Section 9(1)(A).
  - (3) Upon the occurrence and continuance of any Event of Default hereunder the Owners of fifty-one percent or more of the principal amount of Bonds then Outstanding may take whatever action may appear necessary or desirable to enforce or to protect any of the rights of the Owners of Bonds, either at law or in equity or in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Bond Declaration or in aid of the exercise of any power granted in this Bond Declaration or for the enforcement of any other legal or equitable right vested in the Owners of Bonds by this Bond Declaration or by law. However, the Bonds shall not be subject to acceleration.
  - (4) No remedy in this Bond Declaration conferred upon or reserved to Owners of Bonds is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Bond Declaration or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. To entitle the Owners of Bonds to exercise any remedy reserved to them, it shall not be necessary to give any notice other than such notice as may be required by this Bond Declaration or by law.

#### **Section 10. Defeasance.**

The County shall be obligated to pay Bonds which are defeased pursuant to this Section solely from the money and Government Obligations deposited with an independent trustee or escrow agent, and the County shall have no further obligation to pay the defeased Bonds from any source except the amounts deposited in the escrow. Bonds shall be deemed defeased if the County:

- (1) irrevocably deposits money or noncallable Government Obligations in escrow with an independent trustee or escrow agent which are calculated to be sufficient without reinvestment for the payment of Bonds which are to be defeased; and
- (2) files with the escrow agent or trustee an opinion from an independent, certified public accountant to the effect that the money and the principal and interest to be received from the Government Obligations are calculated to be sufficient, without further reinvestment, to pay the defeased Bonds when due; and
- (3) files with the escrow agent or trustee an opinion of nationally recognized bond counsel that the proposed defeasance will not cause the interest component of the Bonds to be includable in gross income under the Code.

**Section 11. Form.**

The Bonds shall be issued in substantially the form attached to this Bond Declaration as Exhibit A, with any changes that are approved by a County Official. The Bonds shall be executed on behalf of the County with the manual or facsimile signatures of the Chair of the Board of County Commissioners and a County Official.

**Section 12. Rules of Construction.**

In determining the meaning of provisions of this Bond Declaration, the following rules shall apply unless the context clearly requires application of a different meaning:

- (1) References to section numbers shall be construed as references to sections of this Bond Declaration unless otherwise indicated.
- (2) References to one gender shall include all genders.
- (3) References to the singular shall include the plural, and references to the plural shall include the singular.

*[The remainder of this page is left blank intentionally.]*

Dated as of the 8<sup>th</sup> day of August, 2013.

**Deschutes County, Oregon**

By: \_\_\_\_\_  
Finance Director

No. R-«BondNumber»

Exhibit A

\$«PrincipalAmtNumber»

United States of America  
State of Oregon  
**Deschutes County**  
**Full Faith and Credit Bonds**  
**Series 2013**

**Dated Date:** August 8, 2013

**Interest Rate Per Annum:** «CouponRate»%

**Maturity Date:** June 1, «MaturityYear»

**CUSIP Number:** 250316«CUSIPNumbr»

**Registered Owner:** -----Cede & Co.-----

**Principal Amount:** -----«PrincipalAmtSpelled» Dollars-----

Deschutes County, Oregon (the "County"), a municipal corporation of the State of Oregon, for value received, acknowledges itself indebted and hereby promises to pay to the Registered Owner hereof, or registered assigns, the Principal Amount indicated above on the Maturity Date indicated above together with interest thereon from the date hereof at the Interest Rate Per Annum indicated above, computed on the basis of a 360-day year of twelve 30-day months. Interest is payable semiannually on June 1 and December 1 in each year until maturity or prior redemption, commencing December 1, 2013. Payment of each installment of principal or interest shall be made to the Registered Owner hereof whose name appears on the registration books of the County maintained by the County's paying agent and registrar, which is currently Union Bank, N.A. (the "Paying Agent") as of the close of business on the fifteenth day of the calendar month immediately preceding the applicable interest payment date. For so long as this Bond is subject to a book-entry-only system, principal and interest payments shall be payable in same-day funds on each payment date to the nominee of the securities depository for the Bonds. On the date of issuance of this Bond, the securities depository for the Bonds is The Depository Trust Company, New York, New York ("DTC"), and Cede & Co. is the nominee of DTC. Such payments shall be made payable to the order of "Cede & Co."

This Bond is one of a duly authorized series of bonds of the County aggregating \$8,405,000 in principal amount and designated as Full Faith and Credit Bonds, Series 2013 (the "Bonds"). The Bonds are issued pursuant to County Resolution No. 2013-033 adopted April 24, 2013, as amended by County Resolution No. 2013-036 adopted May 6, 2013 (collectively, the "Resolution") and a Bond Declaration dated as of August 8, 2013, and under the authority of and in full compliance with the Constitution and Statutes of the State of Oregon. Capitalized terms used but not defined herein shall have the meanings assigned them in the Resolution.

This Bond is an unconditional obligation of the County, which is payable from all legally available funds of the County. The County hereby pledges its full faith and credit and taxing power within the limitations of Sections 11 and 11b of Article XI of the Oregon Constitution to pay amounts due under this Bond. The Bonds do not constitute a debt or indebtedness of the State of Oregon, or any political subdivision thereof other than the County.

The Bonds are initially issued as a book-entry-only security issue with no certificates provided to the beneficial owners. Records of ownership of beneficial interests in the Bonds will be maintained by DTC and its participants. Should the book-entry-only security system be discontinued, the County shall cause the Paying Agent to authenticate and deliver replacement Bonds in fully registered form in authorized denominations in the names of the beneficial owners or their nominees, as provided in the Resolution.

The Bonds shall mature and be subject to redemption as described in the final Official Statement for the Bonds.

Unless the book-entry-only system is discontinued, notice of any call for redemption shall be given as required by the Blanket Issuer Letter of Representations to DTC, as referenced in the Resolution. Unless conditional notice was given, interest on any Bond or Bonds so called for redemption shall cease on the redemption date designated in the notice. If the book-entry-only system is discontinued, notice of redemption shall be given by first-





THIS BOND SHALL NOT BE VALID UNLESS PROPERLY AUTHENTICATED BY THE  
PAYING AGENT IN THE SPACE INDICATED BELOW.

**CERTIFICATE OF AUTHENTICATION**

This Bond is one of the \$8,405,000 aggregate principal amount of Deschutes County, Oregon, Full Faith  
and Credit Bonds, Series 2013, and is authorized to be issued under the terms of the Resolution described herein.

Date of authentication: August 8, 2013.

**Union Bank, N.A.**, as Paying Agent

\_\_\_\_\_  
Authorized Officer

**ASSIGNMENT**

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto \_\_\_\_\_  
\_\_\_\_\_

(Please insert social security or other identifying number of assignee)

this Bond and does hereby irrevocably constitute and appoint \_\_\_\_\_ as attorney to  
transfer this Bond on the books kept for registration thereof with the full power of substitution in the premises.

Dated: \_\_\_\_\_

-----  
NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears  
upon the face of this Bond in every particular, without alteration or enlargement or any change whatever.

NOTICE: Signature(s) must be guaranteed by a member of  
the New York Stock Exchange or a commercial bank or trust  
company

Signature Guaranteed

\_\_\_\_\_  
(Bank, Trust Company or Brokerage Firm)

\_\_\_\_\_  
Authorized Officer

The following abbreviations, when used in the inscription on the face of this Bond, shall be  
construed as though they were written out in full according to applicable laws or regulations.

TEN COM -- tenants in common

TEN ENT -- as tenants by the entireties

JT TEN -- as joint tenants with right of survivorship  
and not as tenants in common

OREGON CUSTODIANS use the following

\_\_\_\_\_ CUST UL OREG \_\_\_\_\_ MIN  
as custodian for (name of minor)

OR UNIF TRANS MIN ACT

under the Oregon Uniform Transfer to Minors Act

Additional abbreviations may also be used though not in the list above.