

**CHEHALEM PARK AND RECREATION DISTRICT
YAMHILL COUNTY, OREGON**

**FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2012**



12700 SW 72nd Ave.
Tigard, OR 97223

CHEHALEM PARKS AND RECREATION DISTRICT
YAMHILL COUNTY, OREGON

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2012

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CHEHALEM PARKS AND RECREATION DISTRICT
YAMHILL COUNTY, OREGON

2011-12 FINANCIAL REPORT

Mike McBride, President	June 30, 2013
Peter Siderius, Vice President	June 30, 2013
Larry Anderson, Secretary-Treasurer	June 30, 2015
Don Loving, Director	June 30, 2015
Mike Ragsdale, Director	June 30, 2013

Board members receive mail at the District address listed below

ADMINISTRATION

W. Don Clements, Superintendent and Registered Agent
125 S Elliott Road
Newberg, Oregon 97132

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CHEHALEM PARKS AND RECREATION DISTRICT
YAMHILL COUNTY, OREGON

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PAULY, ROGERS AND CO., P.C.

® CERTIFIED PUBLIC ACCOUNTANTS

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

November 19, 2012

To the Board of Directors
Chehalem Parks and Recreation District
Newberg, Oregon

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of the governmental activities and each major fund of the Chehalem Parks and Recreation District as of and for the year ended June 30, 2012, which collectively comprise the basic financial statements as listed in the table of contents. These financial statements are the responsibility of management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control over financial reports. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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 financial statements referred to previously present fairly, in all material respects, the financial position of the governmental activities and each major fund of the Chehalem Park and Recreation District, as of June 30, 2012, and the respective changes in financial position thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the required supplementary information, as listed in the table of contents, 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 Management's Discussion and Analysis, as listed in the table of contents, 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 Management's Discussion and Analysis, as listed in the table of contents, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The budgetary comparison schedules presented as Required Supplemental Information, as listed in the table of contents, have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting 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, and in our opinion are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates 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 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information, as listed in the table of contents, is fairly stated in all material respects in relation to the basic financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The listing of board members containing their term expiration dates, located before the table of contents, and the other information, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.


PAULY, ROGERS AND CO., P.C.

**CHEHALEM PARKS AND RECREATION DISTRICT
NEWBERG, OREGON
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**

This section of Chehalem Parks and Recreation District's annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year ended June 30, 2012. Please read it in conjunction with the District's financial statements and notes, which follow this section.

FINANCIAL HIGHLIGHTS

- The District's total net assets were \$16,083,621 at June 30, 2012.
- During the year, the District's net assets decreased by \$122,136.
- The general fund reported a fund balance this year of \$686,652.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

This annual report consists of three parts: *management's discussion and analysis* (this section), the *basic financial statements* and *supplementary information*. The basic financial statements include two kinds of statements that present different views of the District:

Government-wide Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business. These statements include:

The *Statement of Net Assets*: The statement of net assets presents information on all of the assets and liabilities of the District at year-end. Net assets are what remain after the liabilities have been paid or otherwise satisfied. Over time, increases or decreases in net assets serve as a useful indicator of whether the financial position of the District is improving or deteriorating. It also provides the basis for evaluating the capital structure of the District and assessing the liquidity and financial flexibility of the District.

The *Statement of Activities*: The statement of activities presents information showing how the net assets of the District changed over the year tracking revenues, expenses and other transactions that increase or reduce net assets. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

In the government-wide financial statements the District's activities are shown in one category:

- *Governmental activities* - The District's basic functions are shown here, such as parks and facilities expense. These activities are primarily financed through user fees and property taxes.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's most significant *funds* - not the District as a whole. Funds are accounting devices that the District uses to keep track of specific sources of funding and spending for particular purposes. The District has three funds, all of which are considered to be major funds under the provisions of GASB 34.

Most of the District's basic services are included in governmental funds, which focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

The District's main sources of revenue are taxes. The District's main disbursements are personnel services.

	<u>2011-12</u>	<u>2010-11</u>
ASSETS		
Current Assets	\$ 1,446,940	\$ 1,760,399
Capital Assets	<u>21,079,172</u>	<u>21,607,694</u>
Total Assets	<u>22,526,112</u>	<u>23,368,093</u>
LIABILITIES		
Current Liabilities	747,491	987,336
Noncurrent Liabilities	<u>5,695,000</u>	<u>6,175,000</u>
Total Liabilities	<u>6,442,491</u>	<u>7,162,336</u>
NET ASSETS		
Invested in Capital Assets	14,904,172	14,857,694
Restricted	179,220	71,227
Unrestricted	<u>1,000,229</u>	<u>1,276,836</u>
Total Net Assets	<u>\$ 16,083,621</u>	<u>\$ 16,205,757</u>

	2011-12	2010-11
REVENUES		
Charges for Services	\$ 2,722,467	\$ 2,827,895
Property Taxes	2,287,941	2,292,129
Interest and Investment Earnings	4,149	5,853
Contribution Revenue	-	198,000
Miscellaneous	323,429	213,457
Total Revenues	5,337,986	5,537,334
EXPENSES		
Parks	5,170,703	4,740,820
Interest on Long-Term Debt	289,419	324,003
Total Expenses	5,460,122	5,064,823
Change in Net Assets	(122,136)	472,511
Beginning Net Assets	16,205,757	15,733,246
Ending Net Assets	\$ 16,083,621	\$ 16,205,757

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Governmental fund balances totaled \$895,969 at June 30, 2012. A summary of changes in governmental fund balances follows:

	June 30, 2012	June 30, 2011	Change
General Fund	\$ 686,652	\$ 982,556	\$ (295,904)
System Development Fund	179,220	71,227	107,993
Debt Service	30,097	29,922	175
	<u>\$ 895,969</u>	<u>\$ 1,083,705</u>	<u>\$ (187,736)</u>

CAPITAL ASSETS

At June 30, 2012, the District had \$21,079,172 invested in capital assets net of depreciation. More detailed information about the District's capital assets is presented in the notes to the financial statements.

LONG-TERM DEBT

At June 30, 2012, the District had outstanding debt payable of \$6,175,000. More detailed information about the District's long-term debt is presented in the notes to the financial statements.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

Our financial report is designed to provide our taxpayers, ratepayers, investors and creditors with an overview of the District's finances. If you have any questions about this report or need any clarification of information please contact the Chehalis Parks and Recreation District. Our address is 125 S Elliott Rd., Newberg, OR 97132.

A handwritten signature in black ink, appearing to read "Walter Canen", is written over a horizontal line.

Superintendent

CHEHALEM PARKS AND RECREATION DISTRICT
YAMHILL COUNTY, OREGON

BASIC FINANCIAL STATEMENTS

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CHEHALEM PARKS AND RECREATION DISTRICT
YAMHILL COUNTY, OREGON

STATEMENT OF NET ASSETS
June 30, 2012

ASSETS

Cash and Cash Equivalents	\$ 925,302
Accounts Receivable	179,503
Taxes Receivable	223,536
Supply Inventory	72,341
Prepaid Expenditures	46,258
Capital Assets not being depreciated	11,824,811
Capital Assets, net of accumulated depreciation	<u>9,254,361</u>

Total Assets	<u>22,526,112</u>
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LIABILITIES

Current Liabilities:

Accounts Payable	141,769
Payroll Liabilities	7,847
Unearned Revenue	60,068
Compensated Absences	57,807
Long-term Debt - Current Portion	<u>480,000</u>

Total Current Liabilities	<u>747,491</u>
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Noncurrent Liabilities:

Long-term Debt	<u>5,695,000</u>
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Total Liabilities	<u>6,442,491</u>
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NET ASSETS

Invested in Capital Assets, net of related debt	14,904,172
Restricted for Acquisition and Development	179,220
Unrestricted	<u>1,000,229</u>

Total Net Assets	<u><u>\$ 16,083,621</u></u>
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See accompanying notes to basic financial statements

CHEHALEM PARKS AND RECREATION DISTRICT
YAMHILL COUNTY, OREGON

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2012

<u>FUNCTIONS</u>	<u>EXPENSES</u>	<u>PROGRAM REVENUES CHARGES FOR SERVICES</u>	<u>NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS</u>
Parks	\$ 5,170,703	\$ 2,722,467	\$ (2,448,236)
Interest on Long-Term Debt	<u>289,419</u>	<u>-</u>	<u>(289,419)</u>
Total Governmental Activities	<u>\$ 5,460,122</u>	<u>\$ 2,722,467</u>	<u>(2,737,655)</u>
General Revenues:			
Property Taxes			2,287,941
Interest and Investment Earnings			4,149
Miscellaneous			<u>323,429</u>
Total General Revenues			<u>2,615,519</u>
Changes in Net Assets			(122,136)
Net Assets - Beginning			<u>16,205,757</u>
Net Assets - Ending			<u>\$ 16,083,621</u>

See accompanying notes to basic financial statements

CHEHALEM PARK AND RECREATION DISTRICT
YAMHILL COUNTY, OREGON

BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2012

	GENERAL	SYSTEM DEVELOPMENT FUND	DEBT SERVICE	TOTAL
ASSETS				
Cash and Investments	\$ 733,775	\$ 161,430	\$ 30,097	\$ 925,302
Accounts Receivable	161,713	17,790	-	179,503
Taxes Receivable	223,536	-	-	223,536
Prepaid Expenditures	46,258	-	-	46,258
Total Assets	\$ 1,165,282	\$ 179,220	\$ 30,097	\$ 1,374,599
LIABILITIES AND FUND BALANCE				
Liabilities				
Payroll Liabilities	\$ 7,847	\$ -	\$ -	\$ 7,847
Accounts Payable	141,769	-	-	141,769
Deferred Revenues	329,014	-	-	329,014
Total Liabilities	478,630	-	-	478,630
Fund Balance				
Nonspendable	46,258	-	-	46,258
Restricted for Acquisition and Development	-	179,220	-	179,220
Committed for Maintenance	53,178	-	-	53,178
Committed for Debt Service	-	-	30,097	30,097
Unassigned	587,216	-	-	587,216
Total Fund Balance	686,652	179,220	30,097	895,969
Total Liabilities and Fund Balance	\$ 1,165,282	\$ 179,220	\$ 30,097	\$ 1,374,599

See accompanying notes to basic financial statements

CHEHALEM PARK AND RECREATION DISTRICT
YAMHILL COUNTY, OREGON

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets
June 30, 2012

Total Fund Balances - Governmental Funds	\$	895,969
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The cost of capital assets (land, buildings, furniture and equipment) purchased or constructed is reported as an expenditure in governmental funds. The Statement of Net Assets includes those capital assets among the assets as a whole.

Net Capital Assets		21,079,172
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Inventory is not accounted for in the governmental funds as it is recorded on the purchase method instead of the consumption method.

		72,341
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Long-term liabilities applicable to the governmental activities are not due and payable in the current period, and accordingly, are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the Statement of Net Assets.

Long term Liabilities		
Bonds payable	\$ (5,835,000)	
Capital lease obligations payable	<u>(340,000)</u>	
		(6,175,000)

Compensated Absences Payable not accounted for in governmental funds		(57,807)
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Property taxes receivable and other receivables will be collected this year, but are not available soon enough to pay for the current period's expenditures, and therefore are deferred in the funds.

		<u>268,946</u>
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Net Assets	\$	<u><u>16,083,621</u></u>
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See accompanying notes to basic financial statements

CHEHALEM PARK AND RECREATION DISTRICT
YAMHILL COUNTY, OREGON

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2012

	GENERAL	SYSTEM DEVELOPMENT FUND	DEBT SERVICE	TOTALS
REVENUES				
Taxes	\$ 2,289,962	\$ -	\$ -	\$ 2,289,962
Parks	31,585	-	-	31,585
Pool Receipts	414,383	-	-	414,383
Sports Receipts	294,305	-	-	294,305
Recreation Income	118,322	-	-	118,322
Earnings on Investments	3,821	153	175	4,149
Concession Income	14,245	-	-	14,245
Preschool Income	51,221	-	-	51,221
Quilt Club Income	2,484	-	-	2,484
Community School	49,752	-	-	49,752
Community Center	68,291	-	-	68,291
Golf Club House	1,366,927	-	-	1,366,927
Playgrounds/Centers	329,319	-	-	329,319
Miscellaneous Income	128,023	123,928	-	251,951
Total Revenues	5,162,640	124,081	175	5,286,896
EXPENDITURES				
Current:				
Personal Services	2,007,474	-	-	2,007,474
Materials and Services	1,997,595	-	-	1,997,595
Capital Outlay	589,056	16,088	-	605,144
Debt Service:				
Principal	-	-	575,000	575,000
Interest	-	-	289,419	289,419
Total Expenditures	4,594,125	16,088	864,419	5,474,632
Excess of Revenues Over (Under) Expenditures	568,515	107,993	(864,244)	(187,736)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	864,419	864,419
Transfers Out	(864,419)	-	-	(864,419)
Total Other Financing Sources (Uses)	(864,419)	-	864,419	-
Net Change in Fund Balance	(295,904)	107,993	175	(187,736)
Beginning Fund Balance	982,556	71,227	29,922	1,083,705
Ending Fund Balance	\$ 686,652	\$ 179,220	\$ 30,097	\$ 895,969

See accompanying notes to basic financial statements

CHEHALEM PARK AND RECREATION DISTRICT
YAMHILL COUNTY, OREGON

**Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and
Changes in Fund Balances to the Statement of Activities
For the Year Ended June 30, 2012**

Total Net Changes in Fund Balances - Governmental Funds	\$	(187,736)
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Repayment of bond principal, capital leases and post-retirement obligations is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. Additions to bond principal, capital leases and post-retirement obligations is an expense for the Statement of Net Assets, but not the governmental funds.

Long-Term Debt Principal Reduction	\$	575,000	
Compensated Absences		<u>(540)</u>	574,460

Capital asset additions are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is capitalized and allocated over their estimated useful lives as depreciation expense. This is the amount by which capital asset additions exceeds depreciation.

Capital Asset Additions		92,390	
Depreciation Expense		<u>(620,912)</u>	(528,522)

In the governmental funds, inventory is accounted for with a reserve account. In the Statement of Activities, the changes in inventory during the year is recognized as an expense. In prior years, prepaids was handled the same way, but is removed in this reconciliation as it is reported in the governmental funds.

Change in Prepaids		(41,705)	
Change in Inventory		<u>10,277</u>	(31,428)

Because some property taxes and other receivables will not be collected for several months after the District's fiscal year end, they are not considered as "available" revenues in the governmental funds, and are instead recorded as deferred revenue. They are, however, recorded as revenue in the Statement of Activities.

51,090

Change in Net Assets of Governmental Activities	\$	<u><u>(122,136)</u></u>
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See accompanying notes to basic financial statements

CHEHALEM PARKS AND RECREATION DISTRICT
YAMHILL COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the accounting policies are described below.

A. THE FINANCIAL REPORTING ENTITY

The Chehalem Parks and Recreation District is a municipal corporation governed by an elected five-member board. Accounting principles generally accepted in the United States of America require that these financial statements present Chehalem Parks and Recreation District (the primary government) and all component units, if any. Component units, as established by the GASB Statement No. 39, are separate organizations that are included in the reporting entity because of the significance of their operational or financial relationships with the District. All significant activities and organizations with which the District exercises oversight responsibility have been considered for inclusion in the basic financial statements. There are no component units.

B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND BASIS OF PRESENTATION

GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)

The Statement of Net Assets and Statement of Activities display information about the reporting government as a whole.

The Statement of Net Assets and Statement of Activities are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

Program revenues included in the Statement of Activities derive directly from the program itself or from parties outside the District's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the general revenues.

All direct expenses are reported by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

In the process of aggregating data for the Statement of Net Assets and Statement of Activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities.

CHEHALEM PARKS AND RECREATION DISTRICT
YAMHILL COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND BASIS OF PRESENTATION (continued)

FUND FINANCIAL STATEMENTS

The accounts are organized and operated on the basis of fund accounting. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

FUND EQUITY

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

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

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

There were no assigned fund balances as of June 30, 2012.

CHEHALEM PARKS AND RECREATION DISTRICT
YAMHILL COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND BASIS OF PRESENTATION (continued)

GOVERNMENTAL FUNDS

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 measureable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, revenues are considered to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

There are the following major funds:

GENERAL FUND

This fund accounts for all financial resources and expenditures, except those required to be accounted for in another fund. The principal revenue sources are property taxes, pool receipts, golf receipts, recreational income and state grants.

SYSTEM DEVELOPMENT FUND

The System Development Fund was established to handle monies received from new homes built within the District limits to help fund expansions due to a larger volume of residents in the area utilizing the facilities.

DEBT SERVICE FUND

The Debt Service Fund was established to account for payments made to retire lease purchases. The principal financing source is transfers from the General Fund.

C. BUDGET

A budget is prepared and legally adopted for each governmental fund type on the modified accrual basis of accounting in the main program categories required by Oregon Local Budget Law. The budgets for all budgeted funds are adopted on a basis consistent with generally accepted accounting principles, except for budgetary purposes, depreciation is not recorded; capital outlay, prepaid items and supply inventory are expensed when purchased; taxes are recorded as revenue when received and debt is an expenditure when paid.

CHEHALEM PARKS AND RECREATION DISTRICT
YAMHILL COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. BUDGET (continued)

Expenditure budgets are appropriated at the following levels for each fund:

- Personnel Services
- Materials and Services
- Capital Outlay, Development, Improvement and Acquisition
- Interfund Transfers
- Debt Service
- Contingency

Expenditures cannot legally exceed appropriations except in the case of grants which could not be estimated at the time of budget adoption. Appropriations lapse at the fiscal year-end. Management may amend line items in the budget without Board approval as long as appropriation levels (the legal levels of control) are not changed. Supplemental appropriations may occur if the Board approves them due to a need which exists which was not determined at the time the budget was adopted.

Budget amounts shown in the basic financial statements include the original budget amounts and approved transfers between appropriations. Appropriations lapse at the end of the year.

Expenditures of the various funds were within authorized appropriations, except for the General Fund Capital Outlay being over expended by \$40,557.

D. PROPERTY TAXES RECEIVABLE

In the government-wide financial statements, uncollected property taxes are recorded on the Statement of Net Assets. In the fund financial statements, property taxes that are collected within 60 days after year-end are considered measurable and available and, therefore, are recognized as revenue. The remaining balance is recorded as deferred revenue because it is not deemed available to finance operations of the current period. An allowance for doubtful accounts is not deemed necessary by management, as uncollectible taxes become a lien on the property. Property taxes are levied on all taxable property as of July 1, the beginning of the fiscal year, and become a lien on that date. Property taxes are payable on November 15, February 15 and May 15. Discounts are allowed if the amount due is received by November 15 or February 15. Taxes unpaid and outstanding on May 16 are considered delinquent.

E. CAPITAL ASSETS

Capital assets are recorded at their original or estimated cost. Donated capital assets are recorded at their estimated fair market value on the date donated. Capital assets are defined as assets with an initial cost of more than \$5,000 and an estimated life in excess of one year. Interest incurred during construction, maintenance and repairs that do not add to the value of the asset or materially extend assets' lives is not capitalized. Costs of normal maintenance and repairs that do not add to the value of the assets or materially extend assets' lives are not capitalized.

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

Buildings	30 years
Equipment	10 to 20 years

CHEHALEM PARKS AND RECREATION DISTRICT
YAMHILL COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. PENSION PLAN

A defined contribution 401(k) pension plan is participated in through Principal Mutual Life Insurance Company. Employees have the option of whether to participate in the plan.

G. VESTED COMPENSATED ABSENCES

It is the policy to permit employees to accumulate earned unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since there is no policy to pay any amounts when employees separate from service. All unused vacation pay is accrued when earned in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignation and retirement.

H. SUPPLY INVENTORIES

Inventories purchased are valued at cost (first-in, first-out method). Any donated inventories are valued at their estimated fair market value. Inventories purchased have been charged as expenditures in the financial statements when purchased in the budgetary statements.

I. ESTIMATES

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

J. LONG-TERM DEBT

In the government-wide financial statements, long-term debt is reported as a liability in the Statement of Net Assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, bond premiums and discounts, as well as bond issuance costs, are recognized when incurred and not deferred. The face amount of the debt issued, premiums received on debt issuances and discounts are reported as other financing sources and uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

CHEHALEM PARKS AND RECREATION DISTRICT
YAMHILL COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

K. NET ASSETS

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

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

Restricted - consists of external constraints placed on net asset use by creditors, grantors, contributors or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

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

When both restricted and unrestricted assets are available, it is policy to first use restricted assets, then unrestricted as needed.

2. CASH AND INVESTMENTS

Cash and investments at June 30, 2012 (recorded at fair value) consisted of:

	<u>2012</u>
Deposits with Financial Institutions	
Petty Cash	\$ 25
Demand Deposits	444,342
Investments	<u>480,935</u>
Total	<u>\$ 925,302</u>

There are the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturity (in months)</u>		
		<u>Less than 3</u>	<u>3 - 17</u>	<u>18 - 59</u>
State Treasurer's Investment Pool	<u>\$ 480,935</u>	<u>\$ 480,935</u>	<u>\$ -</u>	<u>\$ -</u>

CHEHALEM PARKS AND RECREATION DISTRICT
YAMHILL COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

2. CASH AND INVESTMENTS (continued)

DEPOSITS

Deposits with financial institutions consist of bank demand deposits. For the fiscal year ended June 30, 2012, the bank balances were \$526,617. Of the bank balance, all \$526,617 was covered by Federal Depository Insurance. Oregon Revised Statutes require deposits to be adequately covered by federal depository insurance or deposited at an approved depository as identified by the Treasury. Effective July 1, 2008, state statutes (ORS 295.002) allow public officials to deposit public funds in one or more depositories currently qualified pursuant to ORS 295.001 to 295.108. As long as the bank depository has entered in an agreement [ORS 295.008(2)(b)] and has deposited securities pursuant to state statutes [ORS 295.015(1)], there may now be on deposit at any one bank depository and its branches a sum in excess of the amount insured by the Federal Deposit Insurance Corporation.

CUSTODIAL CREDIT RISK - DEPOSITS

In the case of deposits, this is the risk that in the event of a bank failure, the deposits may not be returned. There is no deposit policy for custodial credit risk. As of June 30, 2012, none of the bank balance was exposed to custodial credit risk because it was insured or collateralized.

INVESTMENTS

State statutes governing cash management are followed. Statutes authorize investing in banker's acceptances, time certificates of deposit, repurchase agreements, obligations of the United States and its agencies and instrumentalities and the Oregon State Treasurer's Local Government Investment Pool.

The State Treasurer's Local Government Investment Pool is not registered with the U. S. Securities and Exchange Commission as an investment company. The Oregon Revised Statutes and the Oregon Investment Council govern the state's investment policies. The State Treasurer is the investment office for the Council and is responsible for all funds in the State Treasury. These funds must be invested, and the investments managed, as a prudent investor would, exercising reasonable care, skill and caution. Investments in the Fund are further governed by portfolio guidelines issued by the Oregon Short-term Fund Board (OSTFB), which establish diversification percentages and specify the types and maturities of investments. The portfolio guidelines permit securities lending transactions, as well as investments in repurchase agreements and reverse repurchase agreements.

Amounts in the State Treasurer's Local Government Investment Pool are not required to be collateralized. As of June 30, 2012, there is not material difference between the fair value of the District's position in the State Treasurer's Local Investment Pool and the value of the pool shares.

Interest Rate Risk

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

Custodial Credit Risk

Oregon Revised Statutes do not limit investments as to credit rating for securities purchased from U. S. Government agencies or USGSE. The State Investment Pool is not rated.

CHEHALEM PARKS AND RECREATION DISTRICT
YAMHILL COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

2. CASH AND INVESTMENTS (continued)

Concentration of Credit Risk

At June 30, 2012, 100% of total investments were in the State Treasurer's Investment Pool. State statutes do not limit the percentage of investments in either of these instruments. Oregon Revised Statutes require no more than 25% of the monies of local government to be invested in banker's acceptances or any qualified financial institution. At June 30, 2012, all percentage restrictions were complied with.

3. CAPITAL ASSETS

The changes in capital assets for the 2011-12 fiscal year are as follows:

	<u>Balance at</u> <u>July 1, 2011</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at</u> <u>June 30, 2012</u>
Land	\$ 11,824,811	\$ -	\$ -	\$ 11,824,811
Land Improvements	562,239	-	-	562,239
Buildings and Improvements	7,495,148	-	-	7,495,148
Golf Course	5,332,132	-	-	5,332,132
Vehicles and Equipment	<u>2,187,408</u>	<u>92,390</u>	<u>-</u>	<u>2,279,798</u>
Subtotal	27,401,738	92,390	-	27,494,128
Accumulated Depreciation				
Buildings and Improvements	3,768,628	232,500	-	4,001,128
Golf Course	469,113	-	-	469,113
Vehicles and Equipment	<u>1,556,303</u>	<u>388,412</u>	<u>-</u>	<u>1,944,715</u>
Subtotal	<u>5,794,044</u>	<u>620,912</u>	<u>-</u>	<u>6,414,956</u>
Capital Assets, net	<u>\$ 21,607,694</u>	<u>\$ (528,522)</u>	<u>\$ -</u>	<u>\$ 21,079,172</u>

Depreciation of \$620,912 was allocated to the Parks function.

4. PENSION PLAN

Pension benefits are provided to all full-time employees through a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. An employee may participate in the plan, which is a 401(k) plan offered through Principal Mutual Life Insurance. They can contribute 1 to 10 percent of their salary to the plan. In addition, the District will pay 8 percent of the employee's salary if the employee contributes 4 or more percent. If the employee contributes less than 4 percent, the District will pay according to a sliding scale. Contributions paid for by the District for 2011-12 and 2010-11 were \$113,058 and \$126,051, respectively. The plan was fully funded on June 30, 2012.

CHEHALEM PARKS AND RECREATION DISTRICT
YAMHILL COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

5. JOINT VENTURES

During 1994-95, an inter-governmental agreement was entered into with the Newberg School District and the City of Newberg. The agreement was made to undertake the Combined Crater Site Projects, which include, among other things, construction of an elementary school, a middle school, a Senior Center and four official tournament-sized softball fields on property owned by the School District and the District. The District is responsible for costs related to operation of the Senior Center and softball fields. The agreement also includes an operating lease whereby the District leases the property for the Senior Center from the School District for \$1 per year for a term of 99 years.

Both the District and the School District shall have sole responsibility for the cost of maintenance of the facilities located upon the property owned by each party, except that the District shall have the sole responsibility for the cost of maintenance for the Senior Center on property leased from the School District. The District and the School District have each capitalized their own portion of the above projects; therefore, there is not a separate financial statement of the joint venture.

6. RISK MANGEMENT

There is no exposure to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omission; injuries to employees; and natural disasters. Commercial insurance is purchased to minimize its exposure to these risks. Settled claims for the last three years have not exceeded this commercial coverage.

7. LONG-TERM DEBT

All long-term debt obligations are payable from the General Fund and the Debt Service Fund. The following changes occurred in long-term debt for the year ended June 30, 2012:

	Capital Leases	Refunding COP	Full Faith & Credit Bonds	Total	Interest Rates (4.2-6.5%)
Balance at July 1, 2011	\$ 350,000	\$ 225,000	\$ 6,175,000	\$ 6,750,000	
Additions	-	-	-	-	
Reductions	(80,000)	(155,000)	(340,000)	(575,000)	
Balance at June 30, 2012	<u>\$ 270,000</u>	<u>\$ 70,000</u>	<u>\$ 5,835,000</u>	<u>\$ 6,175,000</u>	
Amounts Payable in Fiscal Year					
2012-13	\$ 85,000	\$ 35,000	\$ 360,000	\$ 480,000	\$ 267,925
2013-14	90,000	35,000	375,000	500,000	249,175
2014-15	95,000	-	390,000	485,000	235,400
2015-16	-	-	405,000	405,000	215,643
2016-17	-	-	425,000	425,000	199,098
2017-22	-	-	2,390,000	2,390,000	678,376
2022-27	-	-	1,490,000	1,490,000	215,063
Total	<u>\$ 270,000</u>	<u>\$ 70,000</u>	<u>\$ 5,835,000</u>	<u>\$ 6,175,000</u>	<u>\$ 2,060,680</u>

CHEHALEM PARKS AND RECREATION DISTRICT
YAMHILL COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

7. LONG-TERM DEBT (continued)

REFUNDING CERTIFICATES OF PARTICIPATION

In February 2002, a refunding certificate of participation was issued. The proceeds of the new debt were placed in an irrevocable trust to provide for future debt service payments on the 1995, 1996 and 1997 capital leases. Accordingly, the trust account assets and liability for the defeased capital leases are not included in the basic financial statements. The amount payable represents future payments payable to U. S. Bank.

FULL FAITH AND CREDIT BONDS

Full faith and credit obligation bonds are direct obligations and pledge the full faith and credit of the District. Full faith and credit obligation bonds are issued to provide funds for the acquisition and construction of a golf course.

There are the following full faith and credit obligations outstanding at June 30, 2012:

<u>Original Amount</u>	<u>Interest Rates</u>	<u>Final Maturity</u>	<u>Principal Balance</u>
\$ 1,665,000	4.00%	5/1/2022	\$ 1,220,000
3,200,000	4.30-5.00%	2/1/2026	2,600,000
2,750,000	2.00-4.80%	8/1/2024	2,015,000

FLEX LEASES

There are the following flex lease issues outstanding at June 30, 2012:

<u>Original Amount</u>	<u>Interest Rates</u>	<u>Final Maturity</u>	<u>Principal Balance</u>
\$ 775,000	4.50-6.50%	1/1/2015	\$ 270,000
140,000	1.50-2.50%	7/1/2014	70,000

8. PROPERTY TAX LIMITATIONS

The State of Oregon imposes a constitutional limit on property taxes for schools and non-school government operations. School operations include community colleges, local school districts and education service districts. The limitation provides that property taxes for non-school operations are limited to \$10.00 for each \$1,000 of property market value. This limitation does not apply to taxes levied for principal and interest on general obligation bonded debt.

The State further reduced property taxes by replacing the previous constitutional limits on tax bases with a rate and value limit in 1997. This reduction is accomplished by rolling property values back to their 1995-96 values, less 10%, and limiting future tax value growth of each property to no more than 3% per year, subject to certain exceptions. Taxes levied to support bonded debt are exempted from the reductions. The State Constitution sets restrictive voter approval requirement for most tax and many fee increases and now bond issues, and requires the State to minimize the impact to school districts from the impact of the tax cuts.

CHEHALEM PARKS AND RECREATION DISTRICT
YAMHILL COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

9. OPERATING AND OTHER LEASES

Several parks are leased from the City of Newberg at no cost. During 1994-95, these leases were extended for 99 years. Crabtree Park is leased from Yamhill County at no cost for a 25-year period ending on May 9, 2018. Leasehold improvements made to these parks will revert to the owners of the property in the event of non-renewal of the lease.

Operating lease agreements have been entered into for seven copiers and printers for use throughout the District's facilities. The monthly payments range from \$46 to \$813. One lease will be completed in the 2011-12 fiscal year, one in 2012-13 and the other five will be completed in the 2014-15 fiscal year.

At June 30, 2012, the approximate minimum rental commitments under the operating leases are as follows:

2012-13	\$	14,601
2013-14		12,751
2014-15		3,921
2015-16		<u>92</u>
Total	\$	<u>31,365</u>

10. INTERFUND TRANSFERS

The following transfers occurred during fiscal year 2011-12 to fund debt payments:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ -	\$ 864,419
Debt Service Fund	<u>864,419</u>	<u>-</u>
Total	<u>\$ 864,419</u>	<u>\$ 864,419</u>

11. POST-EMPLOYMENT BENEFITS

The actuary has determined that there is no implicit rate subsidy required to be recognized under GASB 45.

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CHEHALEM PARKS AND RECREATION DISTRICT
YAMHILL COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION

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CHEHALEM PARK AND RECREATION DISTRICT
YAMHILL COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
For the Year Ended June 30, 2012

	<u>GENERAL FUND</u>			
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET</u>
REVENUES:				
Property Tax:				
Current Year	\$ 2,216,733	\$ 2,216,733	\$ 2,188,900	\$ (27,833)
Prior Years	33,000	33,000	101,062	68,062
Parks	5,837	5,837	31,585	25,748
Pool Receipts	403,470	403,470	414,383	10,913
Sports Receipts	326,185	326,185	294,305	(31,880)
Recreation Income	152,500	152,500	118,322	(34,178)
Earnings on Investments	8,000	8,000	3,660	(4,340)
Grant Income	500,000	500,000	-	(500,000)
Concession Income	51,000	51,000	14,245	(36,755)
Preschool Income	44,240	44,240	51,221	6,981
Bambino League Income	22,000	22,000	-	(22,000)
Chehalem Tiger Volleyball Income	20,000	20,000	-	(20,000)
Newberg Theatre Group	10,000	10,000	-	(10,000)
Quilt Club Income	1,500	1,500	2,484	984
CPT Income	20,000	20,000	-	(20,000)
NDOT Income	8,500	8,500	-	(8,500)
Babe Ruth Income	8,000	8,000	-	(8,000)
Historic Friends of Newberg	30,000	30,000	-	(30,000)
Community School	70,100	70,100	49,752	(20,348)
Community Center	110,000	110,000	68,291	(41,709)
Golf Club House	1,745,563	1,745,563	1,366,927	(378,636)
Playgrounds/Centers	382,500	382,500	329,319	(53,181)
Miscellaneous Income	-	-	128,023	128,023
Total Revenues	6,169,128	6,169,128	5,162,479	(1,006,649)

Continued on page 25

CHEHALEM PARK AND RECREATION DISTRICT
YAMHILL COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
For the Year Ended June 30, 2012

	<u>GENERAL FUND</u>			VARIANCE WITH FINAL BUDGET
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
EXPENDITURES				
Personnel Services	\$ 2,195,993	\$ 2,195,993 (1)	\$ 2,007,474	\$ 188,519
Materials and Services	2,534,079	2,534,079 (1)	1,997,595	536,484
Capital Outlay, Development, Improvement and Acquisition	548,499	548,499 (1)	589,056	(40,557)
Contingency	100,000	100,000 (1)	-	100,000
Total Expenditures *	<u>5,378,571</u>	<u>5,378,571</u>	<u>4,594,125</u>	<u>784,446</u>
Excess of Revenues Over (Under) Expenditures	790,557	790,557	568,354	(222,203)
OTHER FINANCING SOURCES (USES)				
Loan Proceeds	500,000	500,000	-	(500,000)
Transfers Out	<u>(1,370,000)</u>	<u>(1,370,000) (1)</u>	<u>(864,419)</u>	<u>505,581</u>
Total Other Financing Sources (Uses)	<u>(870,000)</u>	<u>(870,000)</u>	<u>(864,419)</u>	<u>5,581</u>
Net Change in Fund Balance	(79,443)	(79,443)	(296,065)	(216,622)
Beginning Fund Balance	<u>179,443</u>	<u>179,443</u>	<u>929,539</u>	<u>750,096</u>
Ending Fund Balance	<u>\$ 100,000</u>	<u>\$ 100,000</u>	633,474	<u>\$ 533,474</u>
Reconciliation to Governmental Fund Balance as required by GASB 54				
Ending Fund Balance:				
Reserve for Equipment			<u>53,178</u>	
			<u>\$ 686,652</u>	

Continued from page 24

(1) Appropriation level

* Expenditure detail by Department follows on pages 30a through 30n.

CHEHALEM PARKS AND RECREATION DISTRICT
YAMHILL COUNTY, OREGON

SUPPLEMENTARY INFORMATION

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CHEHALEM PARK AND RECREATION DISTRICT
YAMHILL COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
For the Year Ended June 30, 2012

SYSTEM DEVELOPMENT FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
SDC Income	\$ 107,000	\$ 107,000	\$ 123,928	\$ 16,928
Interest Earned	1,000	1,000	153	(847)
Total Revenues	108,000	108,000	124,081	16,081
EXPENDITURES				
Acquisition and Development	118,000	118,000	16,088	101,912
Total Expenditures	118,000	118,000 (1)	16,088	101,912
Net Change in Fund Balance	(10,000)	(10,000)	107,993	117,993
Beginning Fund Balance	10,000	10,000	71,227	61,227
Ending Fund Balance	\$ -	\$ -	\$ 179,220	\$ 179,220

(1) Appropriation level

CHEHALEM PARK AND RECREATION DISTRICT
YAMHILL COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
For the Year Ended June 30, 2012

DEBT SERVICE FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES:				
Interest	\$ -	\$ -	\$ 175	\$ 175
Total Revenue	-	-	175	175
EXPENDITURES:				
Capital Outlay	30,000	30,000 (1)	-	30,000
Debt Service	1,370,000	1,370,000 (1)	864,419	505,581
Total Expenditures	1,400,000	1,400,000	864,419	535,581
Excess of Revenues Over (Under) Expenditures	(1,400,000)	(1,400,000)	(864,244)	535,756
OTHER FINANCING SOURCES (USES)				
Transfers In	870,000	870,000	864,419	(5,581)
Loan Proceeds	500,000	500,000	-	(500,000)
Total Other Financing Sources (Uses)	1,370,000	1,370,000	864,419	(505,581)
Net Change in Fund Balance	(30,000)	(30,000)	175	30,175
Beginning Fund Balance	30,000	30,000	29,922	(78)
Ending Fund Balance	\$ -	\$ -	\$ 30,097	\$ 30,097

(1) Appropriation level

CHEHALEM PARK AND RECREATION DISTRICT
YAMHILL COUNTY, OREGON

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

RESERVE FOR EQUIPMENT AND
MAJOR MAINTENANCE FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Interest Earned	\$ 120	\$ 120	\$ 161	\$ 41
Total Revenue	120	120	161	41
EXPENDITURES				
Maintenance and Equipment	53,134	53,134 (1)	-	53,134
Total Expenditures	53,134	53,134	-	53,134
Net Change in Fund Balance	(53,014)	(53,014)	161	53,175
Beginning Fund Balance	53,014	53,014	53,017	3
Ending Fund Balance	\$ -	\$ -	\$ 53,178	\$ 53,178

(1) Appropriation level

Note: This fund's activities have been combined with the General Fund activities in accordance with GASB 54 because there are no restricted or committed revenues.

CHEHALEM PARK AND RECREATION DISTRICT
YAMHILL COUNTY, OREGON

SCHEDULE OF PROPERTY TAX TRANSACTIONS AND BALANCES
OF TAXES UNCOLLECTED
For the Year Ended June 30, 2012

<u>TAX YEAR</u>	<u>ORIGINAL LEVY OR BALANCE UNCOLLECTED 7/1/2011</u>	<u>DEDUCT DISCOUNTS</u>	<u>ADJUSTMENTS TO ROLLS</u>	<u>ADD INTEREST</u>	<u>CASH COLLECTION BY COUNTY TREASURER</u>	<u>BALANCE UNCOLLECTED/ UNSEGREGATED 06/30/12</u>
<u>GENERAL FUND</u>						
CURRENT						
2011-12	\$ 2,356,940	\$ 57,652	\$ (12,649)	\$ 1,590	\$ 2,183,260	\$ 104,969
PRIOR YEARS						
2010-11	117,500	-	(16,102)	4,476	44,275	61,599
2009-10	48,992	-	(6,413)	4,604	14,993	32,190
2008-09	23,721	-	(4,931)	4,656	13,847	9,599
2007-08	9,213	-	(2,219)	2,175	5,588	3,581
Prior	13,273	-	(1,173)	1,110	1,612	11,598
Total Prior	212,699	-	(30,838)	17,021	80,315	118,567
Total	\$ 2,569,639	\$ 57,652	\$ (43,487)	\$ 18,611	\$ 2,263,575	\$ 223,536

	<u>GENERAL FUND</u>
RECONCILIATION OF REVENUE	
Cash Collections by County Treasurer Above	\$ 2,263,575
Accrual of Receivables	
Taxes In Lieu	13,529
June 30, 2011	(15,010)
June 30, 2012	27,868
Total Revenue	\$ 2,289,962

CHEHALEM PARKS AND RECREATION DISTRICT
YAMHILL COUNTY, OREGON

OTHER INFORMATION

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CHEHALEM PARK AND RECREATION DISTRICT
YAMHILL COUNTY, OREGON

SCHEDULE OF EXPENDITURES BY DEPARTMENT
For the Year Ended June 30, 2012

	<u>GENERAL FUND</u>			VARIANCE WITH FINAL BUDGET
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
EXPENDITURES				
ADMINISTRATION				
Personnel Services				
Superintendent	\$ 93,108	\$ 93,108	\$ 93,108	\$ -
Administrative Coordinator	29,122	29,122	29,121	1
Public Information Coordinator	41,990	41,990	41,997	(7)
Part-time Clerk	17,597	17,597	11,759	5,838
Payroll Taxes and Benefits	80,813	80,813	76,548	4,265
Total Personnel Services	262,630	262,630	252,533	10,097
Materials and Services				
Office Supplies	8,000	8,000	5,631	2,369
Postage Supplies	1,500	1,500	392	1,108
Program Supplies	7,500	7,500	6,998	502
Classifieds	1,200	1,200	789	411
Brochures	1,000	1,000	12	988
Flyers and Schedules	200	200	618	(418)
Directors Fees	360	360	-	360
Professional Dues	8,000	8,000	5,082	2,918
Conferences/Workshops	6,000	6,000	2,646	3,354
Staff Mileage	500	500	282	218
Staff Expenses	6,500	6,500	4,482	2,018
Telephone	5,250	5,250	3,880	1,370
Miscellaneous	6,300	6,300	4,810	1,490
Maintenance	2,000	2,000	-	2,000
Legal Services	35,000	44,900	61,432	(16,532)
Audit Services	16,000	16,000	14,320	1,680
Program Contracts	16,000	16,000	16,610	(610)
Insurance Services	7,750	7,750	3,795	3,955
Interest	1,500	1,500	-	1,500
Equipment Maintenance Contracts	3,000	3,000	-	3,000
Consultants	10,000	39,900	44,319	(4,419)
Property Taxes	5,750	5,750	4,574	1,176
Elections	500	500	-	500
Rental/Lease	2,000	2,000	885	1,115
Total Materials and Services	151,810	191,610	181,557	10,053
TOTAL ADMINISTRATION	414,440	454,240	434,090	20,150

CHEHALEM PARK AND RECREATION DISTRICT
YAMHILL COUNTY, OREGON

SCHEDULE OF EXPENDITURES BY DEPARTMENT
For the Year Ended June 30, 2012

	GENERAL FUND			VARIANCE WITH FINAL BUDGET
EXPENDITURES	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	
PARKS DEPARTMENT				
Personnel Services				
Park Supervisor	\$ 63,609	\$ 63,609	\$ 63,609	\$ -
Park Lead Man	35,419	35,419	35,407	12
Park Technicians	52,271	52,271	40,002	12,269
Maintenance Supervisor	54,956	54,956	54,956	-
Park Laborer/Secretaries	62,511	62,511	64,900	(2,389)
Payroll Taxes and Benefits	98,983	98,983	90,461	8,522
Total Personnel Services	367,749	367,749	349,335	18,414
Materials and Services				
Office Supplies	2,750	2,750	1,870	880
Postage Supplies	650	650	544	106
Program Supplies	2,200	2,200	2,009	191
Small Tools	2,000	2,000	2,039	(39)
Janitorial Supplies	16,196	16,196	16,463	(267)
Chemical andAgricultural Supplies	6,109	6,109	5,174	935
Gas and Oil Supplies	17,500	17,500	16,789	711
Classifieds	225	225	177	48
Brochures	1,000	1,000	435	565
Flyers	1,500	1,500	603	897
Professional Dues	3,525	3,525	4,078	(553)
Conferences/Workshops	1,800	1,800	1,508	292
Staff Mileage	600	600	566	34
Staff Expense	700	700	685	15
Electricity	48,748	48,748	42,328	6,420
Natural Gas	31,271	31,271	23,505	7,766
Water/Sewer	130,000	130,000	100,062	29,938
Telephone	4,550	4,550	3,828	722
Fees	650	650	692	(42)
Garbage Expense	7,800	7,800	7,240	560
Building Maintenance	16,500	16,500	18,304	(1,804)
Structure Maintenance	9,750	9,750	9,768	(18)
Equipment Maintenance	38,000	38,000	38,152	(152)
Grounds Maintenance	25,000	25,000	23,735	1,265
Program Contracts	95,651	95,651	101,413	(5,762)
Insurance Services	24,440	24,440	11,915	12,525
Equipment Rental	2,000	2,000	925	1,075
Buildings and Structures	20,000	20,000	19,206	794
Total Materials and Services	511,115	511,115	454,013	57,102
TOTAL PARKS DEPARTMENT	878,864	878,864	803,348	75,516

CHEHALEM PARK AND RECREATION DISTRICT
YAMHILL COUNTY, OREGON

SCHEDULE OF EXPENDITURES BY DEPARTMENT
For the Year Ended June 30, 2012

	GENERAL FUND			VARIANCE WITH FINAL BUDGET
EXPENDITURES	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	
AQUATICS				
Personnel Services				
Aquatic Coordinator	\$ 35,425	\$ 35,425	\$ 35,424	\$ 1
Secretary	25,935	25,935	22,815	3,120
Guards, Instructors and Cashiers	139,322	139,322	134,322	5,000
Coaches	1,000	1,000	4,056	(3,056)
Payroll Taxes and Benefits	66,195	66,195	59,391	6,804
Total Personnel Services	267,877	267,877	256,008	11,869
Materials and Services				
Office Supplies	3,000	3,000	2,855	145
Postage Supplies	550	550	368	182
Program Supplies	14,200	14,200	13,874	326
Chemical and Agricultural Supplies	13,000	13,000	11,568	1,432
Store Supplies	5,500	5,500	5,486	14
Classifieds	300	300	297	3
Flyers	3,000	3,000	1,150	1,850
Professional Dues	2,000	2,000	2,276	(276)
Conferences/Workshops	750	750	496	254
Staff Mileage	400	400	249	151
Staff Expenses	400	400	283	117
Electricity	51,500	51,500	45,832	5,668
Natural Gas	75,500	75,500	61,062	14,438
Water/Sewer	26,400	26,400	23,352	3,048
Telephone	5,500	5,500	5,154	346
Fees	12,500	12,500	15,827	(3,327)
Program Contracts	19,000	19,000	20,343	(1,343)
Insurance Services	22,000	22,000	11,603	10,397
Refunds	1,500	1,500	351	1,149
Total Materials and Services	257,000	257,000	222,426	34,574
TOTAL AQUATICS	524,877	524,877	478,434	46,443

CHEHALEM PARK AND RECREATION DISTRICT
YAMHILL COUNTY, OREGON

SCHEDULE OF EXPENDITURES BY DEPARTMENT
For the Year Ended June 30, 2012

	<u>GENERAL FUND</u>			VARIANCE WITH FINAL BUDGET
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
EXPENDITURES				
RECREATION - ADULT SPORTS				
Personnel Services				
Sports Supervisor	\$ 9,541	\$ 9,541	\$ 9,541	\$ -
Sports Technician	7,651	7,651	7,651	-
Sports Leaders/Secretaries	4,291	4,291	2,519	1,772
Payroll Taxes and Benefits	10,269	10,269	8,733	1,536
Total Personnel Services	31,752	31,752	28,444	3,308
Materials and Services				
Office Supplies	1,200	1,200	1,269	(69)
Postage Supplies	500	500	168	332
Program Supplies	1,848	1,848	2,905	(1,057)
Classifieds	100	100	-	100
Brochures	850	850	-	850
Flyers and Schedules	400	400	315	85
Professional Dues	545	545	397	148
Conferences/Workshops	250	250	59	191
Staff Mileage	250	250	28	222
Staff Expenses	395	395	286	109
Electricity	3,500	3,500	2,094	1,406
Telephone	1,000	1,000	753	247
Fees	1,550	1,550	1,088	462
Equipment Maintenance	225	225	56	169
Program Contracts	9,738	9,738	9,922	(184)
Insurance	3,200	3,200	1,680	1,520
Refunds	950	950	562	388
Equipment Rental	350	350	-	350
Buildings and Structures	350	350	-	350
Total Materials and Services	27,201	27,201	21,582	5,619
TOTAL ADULT SPORTS	58,953	58,953	50,026	8,927

CHEHALEM PARK AND RECREATION DISTRICT
YAMHILL COUNTY, OREGON

SCHEDULE OF EXPENDITURES BY DEPARTMENT
For the Year Ended June 30, 2012

	GENERAL FUND			VARIANCE
	ORIGINAL	FINAL		WITH FINAL
	BUDGET	BUDGET	ACTUAL	BUDGET
EXPENDITURES				
RECREATION - YOUTH SPORTS				
Personnel Services				
Sports Supervisor	\$ 33,079	\$ 33,079	\$ 33,078	\$ 1
Sports Technician	22,948	22,948	22,948	-
Sports Leaders/Secretaries	49,060	49,060	37,111	11,949
Payroll Taxes and Benefits	36,980	36,980	34,585	2,395
Total Personnel Services	142,067	142,067	127,722	14,345
Materials and Services				
Office Supplies	5,200	5,200	3,233	1,967
Postage Supplies	800	800	285	515
Program Supplies	47,686	47,686	51,748	(4,062)
Gas and Oil Supplies	1,000	1,000	194	806
Classifieds	100	100	-	100
Brochures	2,300	2,300	-	2,300
Flyers	1,500	1,500	315	1,185
Professional Dues	874	874	865	9
Conferences/Workshops	400	400	153	247
Staff Mileage	325	325	165	160
Staff Expenses	425	425	458	(33)
Electricity	2,200	2,200	1,730	470
Telephone	2,250	2,250	2,030	220
Fees	8,500	8,500	5,738	2,762
Equipment Maintenance	400	400	135	265
Program Contracts	55,848	55,848	48,931	6,917
Insurance Services	6,000	6,000	2,926	3,074
Refunds	4,500	4,500	2,917	1,583
Equipment Rental	6,000	6,000	4,166	1,834
Total Materials and Services	146,308	146,308	125,989	20,319
TOTAL YOUTH SPORTS	288,375	288,375	253,711	34,664

CHEHALEM PARK AND RECREATION DISTRICT
YAMHILL COUNTY, OREGON

SCHEDULE OF EXPENDITURES BY DEPARTMENT
For the Year Ended June 30, 2012

	<u>GENERAL FUND</u>			VARIANCE WITH FINAL BUDGET
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
EXPENDITURES				
RECREATION - CLASSES & ACTIVITIES				
Personnel Services				
Recreation Supervisor	\$ 10,813	\$ 10,813	\$ 10,811	\$ 2
Recreation Coordinator	29,143	29,143	29,142	1
Special Events Staff/Secretaries	40,782	40,782	36,000	4,782
Payroll Taxes and Benefits	37,042	37,042	35,799	1,243
Total Personnel Services	117,780	117,780	111,752	6,028
Materials and Services				
Office Supplies	2,000	2,000	2,113	(113)
Postage Supplies	600	600	299	301
Program Supplies	5,250	5,250	4,389	861
Gas and Oil Supplies	50	50	-	50
Classifieds	300	300	102	198
Brochures	4,000	4,000	806	3,194
Flyers	800	800	270	530
Professional Dues	350	350	283	67
Conferences/Workshops	600	600	515	85
Staff Mileage	600	600	340	260
Staff Expenses	550	550	445	105
Telephone	1,800	1,800	1,309	491
Fees	4,200	4,200	3,562	638
Equipment Maintenance	650	650	401	249
Program Contracts	59,800	59,800	32,899	26,901
Insurance Services	4,500	4,500	2,278	2,222
Equipment Maintenance Contract	100	100	38	62
Refunds	450	450	268	182
Equipment Rental	50	50	-	50
Total Materials and Services	86,650	86,650	50,317	36,333
TOTAL CLASSES & ACTIVITIES	204,430	204,430	162,069	42,361

CHEHALEM PARK AND RECREATION DISTRICT
YAMHILL COUNTY, OREGON

SCHEDULE OF EXPENDITURES BY DEPARTMENT
For the Year Ended June 30, 2012

	<u>GENERAL FUND</u>			VARIANCE WITH FINAL BUDGET
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
EXPENDITURES				
RECREATION - PLAYGROUNDS & CENTERS				
Personnel Services				
Recreation Supervisor	\$ 10,179	\$ 10,179	\$ 10,179	\$ -
Recreation Coordinator	35,424	35,424	35,424	-
After School Staff	186,126	186,126	176,221	9,905
Payroll Taxes and Benefits	52,442	52,442	44,547	7,895
Total Personnel Services	284,171	284,171	266,371	17,800
Materials and Services				
Office Supplies	2,500	2,500	3,691	(1,191)
Postage Supplies	900	900	383	517
Program Supplies	31,500	31,500	25,273	6,227
Gas and Oil Supplies	1,600	1,600	1,659	(59)
Classifieds	250	250	204	46
Brochures	1,900	1,900	410	1,490
Flyers	1,600	1,600	585	1,015
Professional Dues	266	266	219	47
Conferences/Workshops	600	600	554	46
Staff Mileage	100	100	30	70
Staff Expenses	425	425	279	146
Telephone	4,750	4,750	4,283	467
Fees	7,500	7,500	9,286	(1,786)
Equipment Maintenance	150	150	31	119
Professional Services	400	400	306	94
Program Contracts	4,500	4,500	2,441	2,059
Insurance Services	3,200	3,200	1,181	2,019
Refunds	100	100	-	100
Contracts - Admissions	9,000	9,000	5,378	3,622
Equipment Rental	7,000	7,000	6,030	970
Total Materials and Services	78,241	78,241	62,223	16,018
TOTAL PLAYGROUNDS & CENTERS	362,412	362,412	328,594	33,818

CHEHALEM PARK AND RECREATION DISTRICT
YAMHILL COUNTY, OREGON

SCHEDULE OF EXPENDITURES BY DEPARTMENT
For the Year Ended June 30, 2012

	GENERAL FUND			VARIANCE WITH FINAL BUDGET
EXPENDITURES	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	
COMMUNITY CENTER/SCOUT HOUSE				
Personnel Services				
Senior Center Specialist	\$ 27,749	\$ 27,749	\$ 27,748	\$ 1
Building Leaders	40	40	-	40
Payroll Taxes and Benefits	20,880	20,880	20,248	632
Total Personnel Services	48,669	48,669	47,996	673
Materials and Services				
Office Supplies	1,400	1,400	1,307	93
Postage Supplies	700	700	580	120
Program Supplies	4,500	4,500	3,743	757
Gas and Oil Supplies	1,200	1,200	993	207
Classifieds	700	700	599	101
Brochures	2,000	2,000	563	1,437
Flyers	3,500	3,500	2,908	592
Professional Dues	310	310	292	18
Conferences/Workshops	600	600	480	120
Staff Mileage	400	400	7	393
Staff Expense	650	650	450	200
Electricity	8,500	8,500	6,956	1,544
Natural Gas	3,000	3,000	1,999	1,001
Water/Sewer	10,500	10,500	9,155	1,345
Telephone	1,750	1,750	1,533	217
Fees	900	900	946	(46)
Equipment Maintenance	200	200	98	102
Program Contracts	10,000	10,000	12,477	(2,477)
Equipment Maintenance Contracts	300	300	-	300
Insurance Services	22,825	22,825	12,390	10,435
Senior Trips	5,027	5,027	1,331	3,696
Refunds	150	150	-	150
Total Materials and Services	79,112	79,112	58,807	20,305
TOTAL COMMUNITY CENTER/ SCOUT HOUSE	127,781	127,781	106,803	20,978

CHEHALEM PARK AND RECREATION DISTRICT
YAMHILL COUNTY, OREGON

SCHEDULE OF EXPENDITURES BY DEPARTMENT
For the Year Ended June 30, 2012

	<u>GENERAL FUND</u>			VARIANCE WITH FINAL BUDGET
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
EXPENDITURES				
COMMUNITY SCHOOLS				
Personnel Services				
Part-time, Temporary and Full-time	\$ 27,670	\$ 27,670	\$ 29,594	\$ (1,924)
Payroll Taxes and Benefits	3,666	3,666	2,625	1,041
Total Personnel Services	31,336	31,336	32,219	(883)
Materials and Services				
Office Supplies	1,700	1,700	858	842
Postage Supplies	400	400	263	137
Program Supplies	5,300	5,300	3,321	1,979
Gas and Oil Supplies	-	-	-	-
Snacks and Food	1,000	1,000	519	481
Classifieds	300	300	256	44
Brochures	1,000	1,000	136	864
Flyers	1,750	1,750	1,515	235
Professional Dues	100	100	74	26
Conferences/Workshops	300	300	285	15
Staff Mileage	150	150	43	107
Staff Expense	-	-	32	(32)
Telephone	1,400	1,400	1,250	150
Fees	1,050	1,050	972	78
Program Contracts	12,500	12,500	9,983	2,517
Insurance Services	1,200	1,200	625	575
Total Materials and Services	28,150	28,150	20,132	8,018
TOTAL COMMUNITY SCHOOLS PROGRAM	59,486	59,486	52,351	7,135

CHEHALEM PARK AND RECREATION DISTRICT
YAMHILL COUNTY, OREGON

SCHEDULE OF EXPENDITURES BY DEPARTMENT
For the Year Ended June 30, 2012

	<u>GENERAL FUND</u>			VARIANCE WITH FINAL BUDGET
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
EXPENDITURES				
GOLF COURSE MAINTENANCE				
Personnel Services				
Golf Course Supervisor	\$ 63,609	\$ 63,609	\$ 63,609	\$ -
Golf Course Technician	25,170	25,170	25,169	1
Golf Mechanic	20,878	20,878	9,177	11,701
Part-time and Temporary	131,890	131,890	114,913	16,977
Payroll Taxes and Benefits	78,148	78,148	51,978	26,170
Total Personnel Services	319,695	319,695	264,846	54,849
Materials and Services				
Office Supplies	1,384	1,384	1,630	(246)
Postage Supplies	400	400	-	400
Program Supplies	15,500	15,500	20,110	(4,610)
Small Tools	6,724	6,724	6,529	195
Janitorial Supplies	1,482	1,482	337	1,145
Chemical and Agricultural Supplies	120,890	120,890	76,335	44,555
Gas and Oil Supplies	53,460	53,460	28,353	25,107
Snacks and Food	660	660	420	240
Uniforms	1,760	1,760	-	1,760
Classifieds	400	400	31	369
Professional Dues	1,355	1,355	2,058	(703)
Conferences & Workshops	3,865	3,865	2,661	1,204
Staff Mileage	200	200	44	156
Staff Expense	290	290	362	(72)
Electric	15,354	15,354	10,721	4,633
Water & Sewer	254,441	254,441	159,370	95,071
Telephone	2,050	2,050	1,785	265
Garbage Expense	1,200	1,200	-	1,200
Buildings Maintenance	2,650	2,650	1,665	985
Equipment	30,681	30,681	42,307	(11,626)
Structures	2,000	2,000	1,300	700
Grounds	111,744	111,744	81,746	29,998
Vehicles	1,000	1,000	887	113
Program Contracts	4,575	4,575	5,333	(758)
Insurance Services	5,450	5,450	2,950	2,500
Equipment Rentals	7,156	7,156	6,613	543
Total Materials and Services	646,671	646,671	453,547	193,124
TOTAL GOLF COURSE MAINTENANCE	966,366	966,366	718,393	247,973

CHEHALEM PARK AND RECREATION DISTRICT
YAMHILL COUNTY, OREGON

SCHEDULE OF EXPENDITURES BY DEPARTMENT
For the Year Ended June 30, 2012

EXPENDITURES	GENERAL FUND			VARIANCE WITH FINAL BUDGET
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	
GOLF CLUB HOUSE				
Personnel Services				
Club House Supervisor	\$ 63,609	\$ 63,609	\$ 63,609	\$ -
Club House Assistants	47,541	47,541	35,174	12,367
Part-time and Temporary	126,334	126,334	99,289	27,045
Payroll Taxes and Benefits	60,779	60,779	56,023	4,756
Total Personnel Services	298,263	298,263	254,095	44,168
Materials and Services				
Office Supplies	1,700	1,700	1,503	197
Postage Supplies	800	800	431	369
Program Supplies	45,200	45,200	37,294	7,906
Small Tools	600	600	-	600
Janitorial Supplies	3,600	3,600	1,595	2,005
Store Supplies	173,277	173,277	145,225	28,052
Gas and Oil Supplies	600	600	117	483
Snacks and Food	1,100	1,100	48	1,052
Uniforms	4,076	4,076	2,697	1,379
Classifieds	225	225	595	(370)
Brochures	1,250	1,250	-	1,250
Flyers	19,950	19,950	13,584	6,366
Professional Dues	5,450	5,450	4,017	1,433
Conferences/Workshops	7,400	7,400	1,274	6,126
Staff Mileage	450	450	330	120
Staff Expense	1,900	1,900	1,069	831
Electric	18,000	18,000	15,970	2,030
Water/Sewer	1,800	1,800	-	1,800
Telephone	5,100	5,100	1,101	3,999
Fees	36,225	36,225	29,139	7,086
Computer and Cable	4,100	4,100	3,785	315
Garbage Expense	5,480	5,480	4,827	653
Buildings Maintenance	6,000	6,000	4,775	1,225
Structures	750	750	-	750
Equipment	10,100	10,100	8,159	1,941
Grounds	4,200	4,200	-	4,200
Legal Services	2,500	2,500	-	2,500
Program Contracts	25,587	25,587	15,211	10,376
Insurance Services	4,200	4,200	3,145	1,055
Consultant Services	6,000	6,000	-	6,000
Refunds	20,200	20,200	18,786	1,414
Equipment Rentals	30,000	30,000	21,197	8,803
Total Materials and Services	447,820	447,820	335,874	111,946
TOTAL GOLF CLUB HOUSE	746,083	746,083	589,969	156,114

CHEHALEM PARK AND RECREATION DISTRICT
YAMHILL COUNTY, OREGON

SCHEDULE OF EXPENDITURES BY DEPARTMENT
For the Year Ended June 30, 2012

	<u>GENERAL FUND</u>			VARIANCE WITH FINAL BUDGET
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
EXPENDITURES				
JAQUITH CONCESSION				
Personnel Services				
Concession Manager	\$ 10	\$ 10	\$ -	\$ 10
Payroll Taxes and Benefits	30	30	-	30
Total Personnel Services	40	40	-	40
Materials and Services				
Office Supplies	50	50	60	(10)
Postage	30	30	-	30
Program Supplies	500	500	-	500
Classifieds	75	75	-	75
Flyers	125	125	-	125
Conferences/Workshops	675	675	-	675
Professional Dues	750	750	-	750
Concession Mileage	200	200	-	200
Concession Telephone	1,440	1,440	-	1,440
Concession Insurance	1,600	1,600	900	700
Concession Electricity	1,550	1,550	90	1,460
Equipment Maintenance	300	300	44	256
Total Materials and Services	7,295	7,295	1,094	6,201
TOTAL JAQUITH CONCESSION	7,335	7,335	1,094	6,241

CHEHALEM PARK AND RECREATION DISTRICT
YAMHILL COUNTY, OREGON

SCHEDULE OF EXPENDITURES BY DEPARTMENT
For the Year Ended June 30, 2012

	<u>GENERAL FUND</u>			VARIANCE WITH FINAL BUDGET
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
EXPENDITURES				
PRESCHOOL				
Personnel Services				
Head Instructor	\$ 21,854	\$ 21,854	\$ 14,958	\$ 6,896
Payroll Taxes and Benefits	2,010	2,010	1,196	814
Total Personnel Services	23,864	23,864	16,154	7,710
Materials and Services				
Office Supplies	950	950	971	(21)
Postage	375	375	251	124
Program Supplies	2,100	2,100	1,629	471
Classifieds	200	200	102	98
Brochures	700	700	146	554
Flyers	200	200	-	200
Dues	50	50	34	16
Conferences/Workshops	175	175	165	10
Electricity	400	400	290	110
Natural Gas	1,100	1,100	791	309
Water/Sewer	850	850	752	98
Telephone	800	800	690	110
Fees	1,400	1,400	1,210	190
Insurance	1,100	1,100	519	581
Total Materials and Services	10,400	10,400	7,550	2,850
TOTAL PRESCHOOL	34,264	34,264	23,704	10,560
MISCELLANEOUS DEPARTMENTS				
Materials and Services				
Dundee Community Progress Team	50	50	-	50
Babe Ruth League	8,000	8,000	-	8,000
Bambino League	1,000	1,000	-	1,000
Chehalem Volleyball Club	496	496	-	496
Quilt Club	1,500	1,500	2,484	(984)
Ewing Young	5,260	5,260	-	5,260
Newberg Historic Friends	10,000	100	-	100
Newberg Theatre Group	30,000	100	-	100
TOTAL MISCELLANEOUS DEPARTMENTS	56,306	16,506	2,484	14,022
NDOT				
Personnel Services				
Payroll	100	100	-	100
TOTAL NDOT	100	100	-	100

CHEHALEM PARK AND RECREATION DISTRICT
YAMHILL COUNTY, OREGON

SCHEDULE OF EXPENDITURES BY DEPARTMENT
For the Year Ended June 30, 2012

	<u>GENERAL FUND</u>			VARIANCE WITH FINAL BUDGET
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
EXPENDITURES:				
ACQUISITION AND IMPROVEMENT				
Capital Outlay, Development,				
Improvement, and Acquisition	\$ 548,499	\$ 548,499	\$ 589,056	\$ (40,557)
Contingency	100,000	100,000	-	100,000
TOTAL ACQUISITION AND IMPROVEMENT	<u>648,499</u>	<u>648,499</u>	<u>589,056</u>	<u>59,443</u>
TOTAL EXPENDITURES	<u>\$ 5,378,571</u>	<u>\$ 5,378,571</u>	<u>\$ 4,594,125</u>	<u>\$ 784,446</u>

CHEHALEM PARKS AND RECREATION DISTRICT
YAMHILL COUNTY, OREGON

INDEPENDENT AUDITORS' REPORT REQUIRED BY OREGON STATE REGULATIONS

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PAULY, ROGERS AND CO., P.C.

® CERTIFIED PUBLIC ACCOUNTANTS

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

November 19, 2012

Independent Auditors' Report Required by Oregon State Regulations

We have audited the basic financial statements of the Chehalem Parks and Recreation District as of and for the year ended June 30, 2012 and have issued our report thereon dated November 19, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Compliance

As part of obtaining reasonable assurance about whether the financial statement are free of material misstatement, we performed tests of compliance with certain provisions of laws, regulations, contracts and grants, including the provision of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial 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.

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

- **Deposit of public funds with financial institutions (ORS Chapter 295)**
- **Indebtedness limitations, restrictions and repayment**
- **Budgets legally required (ORS Chapter 294)**
- **Insurance and fidelity bonds in force or required by law**
- **Authorized investment of surplus funds (ORS Chapter 294)**
- **Public contracts and purchasing (ORS Chapters 279A, 279B and 279C)**

In connection with our testing, nothing came to our attention that caused us to believe the Chehalem Parks and Recreation District was not in substantial compliance with certain provisions of laws, regulations, contracts and grants, including the provisions of Oregon Revised Statutes as specific in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, except as follows:

1. Expenditures of the various funds were within authorized appropriations, except as noted on page 16.

OAR 162-10-0230 Internal Control

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

We noted matters involving the internal control structure and its operation that we consider significant deficiencies under standards established by the American Institute of Certified Public Accountants, which are noted in our management letter dated November 19, 2012.

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

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