

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

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2011



12700 SW 72nd Ave.
Tigard, OR 97223

CHEHALEM PARK AND RECREATION DISTRICT
YAMHILL COUNTY, OREGON

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2011

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CHEHALEM PARK AND RECREATION DISTRICT
YAMHILL COUNTY, OREGON

2010-11 FINANCIAL REPORT

Mike Ragsdale, President	June 30, 2013
Deona Twenge, Vice President	June 30, 2013
Larry Anderson, Secretary-Treasurer	June 30, 2011
Don Loving, Director	June 30, 2011
Mike McBride, Director	June 30, 2013

Board members receive mail at the District address listed below

ADMINISTRATION

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

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CHEHALEM PARKS AND RECREATION DISTRICT
YAMHILL COUNTY, OREGON
TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTORY SECTION:	
Independent Auditors' Report	1
Management's Discussion and Analysis	2
BASIC FINANCIAL STATEMENTS:	
Government - wide Financial Statements:	
Statement of Net Assets	6
Statement of Activities	7
Fund Financial Statements:	
Balance Sheet – Governmental Funds	8
Reconciliation of the Governmental Funds Balance Sheet To the Statement of Net Assets	9
Statement of Revenues, Expenditures and Changes in Fund Balances - Government Funds	10
Reconciliation of the Governmental Funds Statements of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities	11
Notes to Basic Financial Statements	12
SUPPLEMENTARY INFORMATION:	
General Fund:	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Actual and Budget	23
Schedule of Expenditures By Department	25
System Development Fund:	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Actual and Budget	26
Debt Service Fund:	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Actual and Budget	27
Reserve for Equipment and Major Maintenance Fund:	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Actual and Budget	28
Schedule of Property Tax Transactions and Balances of Taxes Uncollected	29
Independent Auditors' Report Required by Oregon State Regulations	30

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CHEHALEM PARKS AND RECREATION DISTRICT
YAMHILL COUNTY, OREGON

INTRODUCTORY SECTION

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PAULY, ROGERS AND CO., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

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

December 7, 2011

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, 2011, which collectively comprise the basic financial statements as listed in the table of contents. These financial statements are the responsibility of management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control over financial reporting. Accordingly, we express no such opinion. An audit 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 above present fairly, in all material respects, the financial position of the governmental activities and each major fund of the Chehalem Parks and Recreation District, Newberg, Oregon, at June 30, 2011, and the results of its operations for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The Supplementary Information, except as noted below, including budgetary comparison schedules (which are required supplementary information for major governmental funds) 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 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 financial statements taken as a whole.

The schedule of expenditures by department on pages 25a through 25n has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

Pauly, Rogers and Co., P.C.

PAULY, ROGERS AND CO., P.C.

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

This section of Chehalem Park 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, 2011. 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 \$16,205,757 at June 30, 2011.
- During the year, the District's net assets increased by \$472,511.
- The general fund reported a fund balance this year of \$982,556.

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 four funds, three 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.

	2010-11	2009-2010
ASSETS:		
Current Assets	\$ 1,760,399	\$ 1,456,891
Capital Assets	21,607,694	21,584,913
Total Assets	23,368,093	23,041,804
LIABILITIES:		
Current Liabilities	412,336	143,558
Noncurrent Liabilities	6,750,000	7,165,000
Total Liabilities	7,162,336	7,308,558
NET ASSETS:		
Invested in Capital Assets	14,857,694	14,419,913
Restricted	71,227	82,623
Unrestricted	1,276,836	1,230,710
Total Net Assets	\$ 16,205,757	\$ 15,733,246

	<u>2010-2011</u>	<u>2009-2010</u>
REVENUES:		
General Revenues		
Charges for Services	\$ 2,827,895	\$ 2,917,168
Property Taxes	2,292,129	2,066,175
Interest and Investment Earnings	5,853	7,039
Contribution Revenue	198,000	-
Miscellaneous	213,457	264,107
Total Revenues	<u>5,537,334</u>	<u>5,254,489</u>
EXPENSES:		
Parks	4,740,820	4,700,606
Interest on Long-Term Debt	<u>324,003</u>	<u>328,407</u>
Total Expenses	<u>5,064,823</u>	<u>5,029,013</u>
Change in Net Assets	472,511	225,476
Beginning Net Assets	<u>15,733,246</u>	<u>15,507,770</u>
Ending Net Assets	<u>\$ 16,205,757</u>	<u>\$ 15,733,246</u>

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Governmental fund balances totaled \$1,083,705 at June 30, 2011. A summary of changes in governmental fund balances follows:

CHANGES IN GOVERNMENTAL FUND BALANCES

	<u>June 30,</u> <u>2011</u>	<u>June 30,</u> <u>2010</u>	<u>Change</u>
General Fund	\$ 929,539	\$ 706,270	\$ 223,269
System Development Fund	71,227	183,894	(112,667)
Reserve for Equipment	53,017	52,864	153
Debt Service	<u>29,922</u>	<u>29,759</u>	<u>163</u>
	<u>\$ 1,083,705</u>	<u>\$ 972,787</u>	<u>\$ 110,918</u>

CAPITAL ASSETS


At June 30, 2011, the District had \$21,607,694 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, 2011, the District had outstanding debt payable of \$6,750,000. 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 Chehalem Park and Recreation District. Our address is: 125 S Elliott Rd, Newberg, OR 97132.

A handwritten signature in black ink, appearing to read "William Rosenthal", written over a horizontal line.

Superintendent

CHEHALEM PARKS AND RECREATION DISTRICT
YAMHILL COUNTY, OREGON

BASIC FINANCIAL STATEMENTS

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CHEHALEM PARK AND RECREATION DISTRICT
YAMHILL COUNTY, OREGON

STATEMENT OF NET ASSETS
At June 30, 2011

ASSETS

Cash and Cash Equivalents	\$ 1,328,950
Accounts Receivable	114,981
Taxes Receivable	212,699
Supply Inventory	62,064
Prepaid Expenditures	41,705
Capital Assets not being depreciated	11,824,811
Capital Assets, net of accumulated depreciation	<u>9,782,883</u>

Total Assets	<u>23,368,093</u>
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LIABILITIES:

Accounts Payable	238,769
Payroll Liabilities	32,174
Unearned Revenue	84,126
Compensated Absences	57,267
Noncurrent Liabilities	
Due within one year	575,000
Due in more than one year	<u>6,175,000</u>

Total Liabilities	<u>7,162,336</u>
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NET ASSETS:

Invested in capital assets, net of related debt	14,857,694
Restricted for acquisition and development	71,227
Unrestricted	<u>1,276,836</u>

Total Net Assets	<u><u>\$ 16,205,757</u></u>
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See accompanying notes to basic financial statements

CHEHALEM PARK AND RECREATION DISTRICT
YAMHILL COUNTY, OREGON

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2011

FUNCTIONS	EXPENSES	PROGRAM REVENUES	NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS
		CHARGES FOR SERVICES	
Parks	\$ 4,740,820	\$ 2,827,895	\$ (1,912,925)
Interest on Long-Term Debt	324,003	-	(324,003)
Total Governmental Activities	<u>\$ 5,064,823</u>	<u>\$ 2,827,895</u>	<u>(2,236,928)</u>
General Revenues			
Property Taxes			
			2,292,129
Interest and Investment Earnings			
			5,853
Contribution Revenue			
			198,000
Miscellaneous			
			<u>213,457</u>
Total General Revenues			<u>2,709,439</u>
Changes in Net Assets			472,511
Net Assets - Beginning			<u>15,733,246</u>
Net Assets - Ending			<u>\$ 16,205,757</u>

See accompanying notes to basic financial statements

CHEHALEM PARK AND RECREATION DISTRICT
YAMHILL COUNTY, OREGON

BALANCE SHEET - GOVERNMENTAL FUNDS

At June 30, 2011

ASSETS:	GENERAL	SYSTEM DEVELOPMENT FUND	DEBT SERVICE	TOTAL GOVERNMENTAL FUNDS
Cash and Investments	\$ 1,240,387	\$ 58,641	\$ 29,922	\$ 1,328,950
Accounts Receivable	102,395	12,586	-	114,981
Taxes Receivable	212,699	-	-	212,699
Total Assets	<u>\$ 1,555,481</u>	<u>\$ 71,227</u>	<u>\$ 29,922</u>	<u>\$ 1,656,630</u>
LIABILITIES AND FUND BALANCE:				
Liabilities:				
Payroll Liabilities	\$ 32,174	\$ -	\$ -	\$ 32,174
Accounts Payable	238,769	-	-	238,769
Deferred Revenues	301,982	-	-	301,982
Total Liabilities	<u>572,925</u>	<u>-</u>	<u>-</u>	<u>572,925</u>
Fund Balance:				
Restricted for acquisition and development	-	71,227	-	71,227
Committed for Maintenance	53,017	-	-	53,017
Committed for Debt Service	-	-	29,922	29,922
Unassigned	929,539	-	-	929,539
Total Fund Balance	<u>982,556</u>	<u>71,227</u>	<u>29,922</u>	<u>1,083,705</u>
Total Liabilities and Fund Balance	<u>\$ 1,555,481</u>	<u>\$ 71,227</u>	<u>\$ 29,922</u>	<u>\$ 1,656,630</u>

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, 2011

Total Fund Balances - Governmental Funds	\$ 1,083,705
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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	21,607,694
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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	62,064
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Prepaid expenses are not accounted for in the governmental funds because all expenses are charged currently instead of to the period they apply	41,705
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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	\$ (6,175,000)	
Capital lease obligations payable	<u>(575,000)</u>	
		(6,750,000)

Compensated Absences Payable not accounted for in governmental funds	(57,267)
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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>217,856</u>
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Net Assets	<u><u>\$ 16,205,757</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, 2011**

REVENUES:	GENERAL	SYSTEM DEVELOPMENT FUND	DEBT SERVICE	TOTALS
Taxes	\$ 2,285,588	\$ -	\$ -	\$ 2,285,588
Parks	8,732	-	-	8,732
Pool Receipts	408,880	-	-	408,880
Sports Receipts	276,595	-	-	276,595
Recreation Income	127,345	-	-	127,345
Earnings on Investments	5,545	145	163	5,853
Concession Income	13,070	-	-	13,070
Preschool Income	36,289	-	-	36,289
Quilt Club Income	2,531	-	-	2,531
Community School	36,705	-	-	36,705
Community Center	64,732	-	-	64,732
Golf Club House	1,551,139	-	-	1,551,139
Playgrounds/Centers	306,187	-	-	306,187
Miscellaneous Income	201,042	68,663	-	269,705
Total Revenues	5,324,380	68,808	163	5,393,351
EXPENDITURES:				
Personnel Services	1,959,204	-	-	1,959,204
Materials and Services	2,066,925	-	-	2,066,925
Capital Outlay	335,826	181,475	-	517,301
Debt Service:				
Principal	-	-	1,156,799	1,156,799
Interest	-	-	322,204	322,204
Total Expenditures:	4,361,955	181,475	1,479,003	6,022,433
Excess of Revenues Over, -Under Expenditures	962,425	(112,667)	(1,478,840)	(629,082)
Other Financing Sources, -Uses:				
Loan Proceeds	740,000	-	-	740,000
Transfers In	-	-	1,479,003	1,479,003
Transfers Out	(1,479,003)	-	-	(1,479,003)
Total Other Financing Sources, -Uses	(739,003)	-	1,479,003	740,000
Net Change in Fund Balance	223,422	(112,667)	163	110,918
Beginning Fund Balance	759,134	183,894	29,759	972,787
Ending Fund Balance	\$ 982,556	\$ 71,227	\$ 29,922	\$ 1,083,705

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, 2011

Total Net Changes in Fund Balances - Governmental Funds \$ 110,918

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.

Additions to Long-Term Debt	(140,000)	
Long-Term Debt Principal Reduction	555,000	
Compensated Absences	<u>(5,567)</u>	
		409,433

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	590,342	
Depreciation Expense	<u>(567,561)</u>	
		22,781

In the governmental funds inventory and prepaid insurance are accounted for with a reserve account. In the Statement of Activities the changes in these assets during the year are recognized as expenses.

Change in Prepaids	(10,146)	
Change in Inventory	<u>(6,458)</u>	
		(16,604)

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.

	<u>(54,017)</u>
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Change in Net Assets of Governmental Activities	<u>\$ 472,511</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 Park 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 Park and Recreation District (the primary government) and all component units, if any. Component units, as established by the Governmental Accounting Standards Board (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 the 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 the 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)

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

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 non-spendable or assigned fund balances as of 6/30/2011.

CHEHALEM PARKS AND RECREATION DISTRICT
YAMHILL COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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 measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, 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 due within the current fiscal period is considered to be measurable to accrue as revenue of the current period. All other revenue items are considered to be measurable 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.

CHEHALEM PARKS AND RECREATION DISTRICT
YAMHILL COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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

- Personnel Services
- Material 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. Appropriations lapse at the end of the year.

Expenditures of the various funds were within authorized appropriations except in the General Fund where capital outlay was over expended by \$1,222.

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.

CHEHALEM PARKS AND RECREATION DISTRICT
YAMHILL COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. CAPITAL ASSETS

Capital assets are recorded at the 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 three years. Interest incurred during construction, maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are 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

F. PENSION PLAN

A defined contribution 401K 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 retirements.

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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the reporting period. Actual results could differ from those estimates.

CHEHALEM PARKS AND RECREATION DISTRICT
YAMHILL COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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 net assets – 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 the District's policy to first use restricted assets, then unrestricted as needed.

2. CASH AND INVESTMENTS

Cash and Investments at June 30, 2011 (recorded at fair value) consisted of:

Deposits With Financial Institutions:	2011
Petty Cash	\$ 25
Demand Deposits	479,418
Investments	<u>849,507</u>
Total	<u>\$ 1,328,950</u>

CHEHALEM PARKS AND RECREATION DISTRICT
YAMHILL COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

2. CASH AND INVESTMENTS (CONTINUED)

There are the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Less than 3</u>	<u>3-17</u>	<u>18-59</u>
State Treasurer's Investment Pool	\$ 849,507	\$ 849,507	\$ 0	\$ 0
Total	<u>\$ 849,507</u>	<u>\$ 849,507</u>	<u>\$ 0</u>	<u>\$ 0</u>

DEPOSITS

Deposits with financial institutions consist of bank demand deposits. For the fiscal year ended June 30, 2011, the bank balances were \$545,632. Of the bank balance, \$545,632 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 into 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, 2011, 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 officer 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, 2011, there is no 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.

CHEHALEM PARKS AND RECREATION DISTRICT
YAMHILL COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

2. CASH AND INVESTMENTS (CONTINUED)

Custodial Credit Risk

Oregon Revised Statutes does not limit investments as to credit rating for securities purchased from US Government Agencies or USGSE. The State Investment Pool is not rated.

Concentration of Credit Risk

At June 30, 2011, 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 percent of the moneys of local government to be invested in bankers' acceptances of any qualified financial institution. At June 30, 2011, all percentage restrictions were complied with.

3. CAPITAL ASSETS

The changes in capital assets for the 2010-11 fiscal year are as follows:

	BALANCE JULY 1, 2010	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2011
Land	\$ 11,326,811	\$ 498,000	\$ -	\$ 11,824,811
Land Improvements	519,610	42,629	-	562,239
Buildings & Improvements	7,485,242	9,906	-	7,495,148
Golf Course	5,332,132	-	-	5,332,132
Vehicles & Equipment	2,147,601	39,807	-	2,187,408
Subtotal	26,811,396	590,342	-	27,401,738
Accumulated Depreciation:				
Buildings & Improvements	3,584,870	183,758	-	3,768,628
Golf Course	469,113	-	-	469,113
Vehicles & Equipment	1,172,500	383,803	-	1,556,303
Subtotal	5,226,483	567,561	-	5,794,044
Capital Assets, Net	\$ 21,584,913	\$ 22,781	\$ -	\$ 21,607,694

Depreciation of \$567,561 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 401K 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 2010-11 and 2009-10 were \$126,051 and \$115,240, respectively. The plan was fully funded on June 30, 2011.

CHEHALEM PARKS AND RECREATION DISTRICT
YAMHILL COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

5. JOINT VENTURES

During 1994-95 an intergovernmental 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.

7. RISK MANAGEMENT

There is exposure 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. Commercial insurance is purchased to minimize its exposure to these risks. Settled claims for the last three years have not exceeded this commercial coverage.

8. 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, 2011:

	CAPITAL LEASES	REFUNDING COP	FULL FAITH & CREDIT BONDS	TOTAL	INTEREST RATES (4.2-6.5%)
Balance 7/01/10	\$ 430,000	\$ 230,000	\$ 6,505,000	\$ 7,165,000	
Additions	-	140,000	-	140,000	
Reductions	(80,000)	(145,000)	(330,000)	(555,000)	
Balance 6/30/11	<u>350,000</u>	<u>225,000</u>	<u>6,175,000</u>	<u>6,750,000</u>	

Amounts Payable in Fiscal Year:

2011-2012	80,000	155,000	340,000	575,000	271,430
2012-2013	85,000	35,000	360,000	480,000	257,115
2013-2014	90,000	35,000	375,000	500,000	241,680
2014-2015	95,000	-	390,000	485,000	231,505
2015-2016	-	-	405,000	405,000	215,643
2016-2021	-	-	2,295,000	2,295,000	775,399
2021-2026	-	-	2,010,000	2,010,000	304,888
	<u>\$ 350,000</u>	<u>\$ 225,000</u>	<u>\$ 6,175,000</u>	<u>\$ 6,750,000</u>	<u>\$ 2,297,660</u>

Refunding Certificates of Participation

In February of 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.

CHEHALEM PARKS AND RECREATION DISTRICT
YAMHILL COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

8. LONG-TERM DEBT (CONTINUED)

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, 2011:

<u>AMOUNT</u>	<u>RATES</u>	<u>MATURITY</u>	<u>BALANCE</u>
\$ 1,665,000	4.00%	05/01/22	\$ 1,315,000
\$ 3,200,000	4.3-5.0%	02/01/26	\$ 2,730,000
\$ 2,750,000	2.0-4.8%	08/01/24	\$ 2,130,000

Flex Leases

There are the following Flex Lease issues outstanding at June 30, 2011:

<u>ORIGINAL AMOUNT</u>	<u>INTEREST RATES</u>	<u>FINAL MATURITY</u>	<u>PRINCIPAL BALANCE</u>
\$ 775,000	4.5-6.5%	01/01/15	\$ 350,000
\$ 140,000	1.5-2.5%	07/01/14	\$ 225,000

9. SHORT-TERM OBLIGATIONS

The following changes occurred in short-term obligations during the year ended June 30, 2011:

	<u>Interest Rates</u>	<u>Original Issue</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Tax Anticipated Note	2.10%	July 14, 2010	\$ -	\$ 600,000	\$ 600,000	\$ -

The Tax and Revenue Anticipated Note was issued to meet cash flow requirements during the year.

10. PROPERTY TAX LIMITATIONS

The State of Oregon imposes a constitutional limit on property taxes for schools and nonschool government operations. School operations include community colleges, local school districts, and education service districts. The limitation provides that property taxes for nonschool 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 requirements for most tax and many fee increases and new 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

11. OPERATING & 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 copier 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, 2011, the approximate minimum rental commitments under the operating leases are as follows:

2011-12	\$	23,409
2012-13		14,151
2013-14		12,751
2014-15		3,921
2015-16		92
		<u>92</u>
	\$	<u>54,324</u>

12. INTERFUND TRANSFERS

The following transfers occurred during fiscal year 2010-11 to fund debt payments:

	Transfers In	Transfers Out
General Fund	\$ -	\$ 1,479,003
Debt Service Fund	1,479,003	-
Total	<u>\$ 1,479,003</u>	<u>\$ 1,479,003</u>

The internal transfers were budgeted and recorded to show legal and operational commitments between funds such as debt service payments.

13. POST EMPLOYMENT BENEFITS

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

14. SUBSEQUENT EVENT

A parking lot will be installed at the Chehalem Cultural Center. The contract was awarded in September for approximately \$250,000.

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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, 2011

	<u>GENERAL FUND</u>			VARIANCE POSITIVE -NEGATIVE
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
REVENUES:				
Property Tax:				
Current Year's	\$ 2,131,274	\$ 2,131,274	\$ 2,219,098	\$ 87,824
Prior Year's	33,000	33,000	66,490	33,490
Parks	5,837	5,837	8,732	2,895
Pool Receipts	397,840	397,840	408,880	11,040
Sports Receipts	318,705	318,705	276,595	(42,110)
Recreation Income	154,000	154,000	127,345	(26,655)
Earnings on Investments	8,000	8,000	5,392	(2,608)
Concession Income	50,500	50,500	13,070	(37,430)
Preschool Income	44,540	44,540	36,289	(8,251)
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	2,531	1,031
Historic Friends of Newberg	30,000	30,000	-	(30,000)
Community School	64,150	64,150	36,705	(27,445)
Community Center	101,300	101,300	64,732	(36,568)
Golf Club House	1,884,107	1,884,107	1,551,139	(332,968)
Playgrounds/Centers	379,200	379,200	306,187	(73,013)
Miscellaneous Income	36,500	36,500	201,042	164,542
Total Revenues	<u>5,692,453</u>	<u>5,692,453</u>	<u>5,324,227</u>	<u>(368,226)</u>

Continue on Page 24

CHEHALEM PARK AND RECREATION DISTRICT
YAMHILL COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

For the Year Ended June 30, 2011

	<u>GENERAL FUND</u>			VARIANCE POSITIVE -NEGATIVE
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
EXPENDITURES:				
Personnel Services	\$ 2,217,229	\$ 2,217,229 (1)	\$ 1,959,204	\$ 258,025
Materials & Services	2,520,563	2,570,063 (1)	2,066,925	503,138
Capital Outlay, Development, Improvement & Acquisition	284,104	334,604 (1)	335,826	(1,222)
Total Expenditures *	5,021,896	5,121,896	4,361,955	759,941
Excess of Revenues Over, -Under Expenditures	670,557	570,557	962,272	391,715
Other Financing Sources, -Uses:				
Loan Proceeds	640,000	640,000	740,000	100,000
Transfers Out	(1,490,000)	(1,490,000) (1)	(1,479,003)	10,997
Contingency	(100,000)	- (1)	-	-
Total Other Financing Sources, -Uses:	(950,000)	(850,000)	(739,003)	110,997
Change in Fund Balance	(279,443)	(279,443)	223,269	502,712
Beginning Fund Balance	279,443	279,443	706,270	426,827
Ending Fund Balance	\$ -	\$ -	929,539	\$ 929,539
Reconciliation to Governmental Fund Balance as required by GASB 54				
Ending Fund Balance				
Reserve for Equipment			53,017	
			\$ 982,556	

(1) Appropriation level

* Expenditure detail by Department follows on pages 25a through 25n.

CHEHALEM PARK AND RECREATION DISTRICT
YAMHILL COUNTY, OREGON

SCHEDULE OF EXPENDITURES BY DEPARTMENT
For the Year Ended June 30, 2011

	<u>GENERAL FUND</u>			VARIANCE POSITIVE -NEGATIVE
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
EXPENDITURES:				
ADMINISTRATION:				
Personnel Services:				
Superintendent	\$ 93,104	\$ 93,109	\$ 93,108	\$ 1
Administrative Coordinator	32,125	30,000	29,087	913
Public Information Coordinator	37,191	40,916	40,915	1
Part-time Clerk	25,366	22,362	16,994	5,368
Payroll Taxes, Benefits	71,941	73,340	71,458	1,882
Total Personnel Services	<u>259,727</u>	<u>259,727</u>	<u>251,562</u>	<u>8,165</u>
Materials and Services:				
Office Supplies	10,000	12,000	11,583	417
Postage Supplies	1,500	1,500	647	853
Program Supplies	1,500	3,500	2,328	1,172
Classified Ads	1,200	1,200	977	223
Brochure	1,000	2,000	2,172	(172)
Flyers and Schedules	200	200	150	50
Directors Fees	360	360	-	360
Professional Dues	9,000	9,000	9,504	(504)
Conferences/Workshops	6,000	6,000	4,146	1,854
Staff Mileage	300	300	450	(150)
Staff Expenses	6,000	8,000	7,720	280
Telephone	6,250	6,250	4,103	2,147
Miscellaneous	300	300	376	(76)
Maintenance	3,500	3,500	895	2,605
Legal Services	35,000	57,500	68,960	(11,460)
Audit Services	14,000	22,000	27,070	(5,070)
Program Contracts	16,000	16,000	15,954	46
Insurance Services	7,750	7,750	6,708	1,042
Interest	1,500	1,500	-	1,500
Equipment Maintenance Contracts	3,000	3,000	955	2,045
Consultants	12,000	34,500	33,484	1,016
Property Taxes	5,750	7,250	7,240	10
Elections	8,500	8,500	3,113	5,387
Rental/Lease	2,000	2,000	655	1,345
Total Materials and Services	<u>152,610</u>	<u>214,110</u>	<u>209,190</u>	<u>4,920</u>
TOTAL ADMINISTRATION	<u>412,337</u>	<u>473,837</u>	<u>460,752</u>	<u>13,085</u>

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

**SCHEDULE OF EXPENDITURES BY DEPARTMENT
For the Year Ended June 30, 2011**

	<u>GENERAL FUND</u>			VARIANCE POSITIVE -NEGATIVE
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
EXPENDITURES:				
PARKS DEPARTMENT				
Personnel Services:				
Park Supervisor	\$ 65,513	\$ 65,513	\$ 63,609	\$ 1,904
Park Lead Man	36,304	36,304	35,424	880
Park Technicians	45,714	51,067	49,626	1,441
Maintenance Supervisor	54,960	54,960	53,318	1,642
Park Laborer/Secretaries	68,409	68,409	46,435	21,974
Payroll Taxes, Benefits	130,940	125,587	100,081	25,506
Total Personnel Services	<u>401,840</u>	<u>401,840</u>	<u>348,493</u>	<u>53,347</u>
Materials and Services:				
Office Supplies	2,000	2,000	1,622	378
Postage Supplies	300	300	313	(13)
Program Supplies	2,000	2,000	2,278	(278)
Small Tools	2,000	2,000	2,134	(134)
Janitorial Supplies	15,300	15,300	14,347	953
Chemical/Agricultural Supplies	5,009	5,009	5,661	(652)
Gas/Oil Supplies	13,000	13,000	13,500	(500)
Classifieds	225	225	205	20
Brochures	2,000	2,000	1,383	617
Flyers	1,500	1,500	1,429	71
Professional Dues	3,525	3,525	3,437	88
Conferences/Workshops	1,500	1,500	1,006	494
Staff Mileage	600	600	695	(95)
Staff Expense	700	700	870	(170)
Electricity	48,748	48,748	42,530	6,218
Natural Gas	21,271	21,271	26,406	(5,135)
Water/Sewer	123,569	123,569	104,827	18,742
Telephone	3,878	3,878	3,600	278
Fees	350	350	438	(88)
Garbage Expense	7,800	7,800	6,961	839
Building Maintenance	14,500	14,500	14,551	(51)
Structure Maintenance	6,750	6,750	5,687	1,063
Equipment Maintenance	38,000	38,000	34,963	3,037
Grounds Maintenance	11,600	11,600	12,665	(1,065)
Program Contracts	99,104	99,104	106,184	(7,080)
Insurance Services	24,440	24,440	20,753	3,687
Equipment Rental	2,000	2,000	1,252	748
Buildings and Structures	8,500	8,500	10,445	(1,945)
Total Materials and Services	<u>460,169</u>	<u>460,169</u>	<u>440,142</u>	<u>20,027</u>
TOTAL PARKS DEPARTMENT	<u>862,009</u>	<u>862,009</u>	<u>788,635</u>	<u>73,374</u>

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

**SCHEDULE OF EXPENDITURES BY DEPARTMENT
For the Year Ended June 30, 2011**

	<u>GENERAL FUND</u>			VARIANCE POSITIVE -NEGATIVE
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
EXPENDITURES:				
AQUATICS:				
Personnel Services:				
Aquatic Coordinator	\$ 36,304	\$ 36,304	\$ 35,424	\$ 880
Secretary	26,429	26,429	19,569	6,860
Guards, Instructors, and Cashiers	139,322	139,322	124,330	14,992
Coaches	500	2,500	2,959	(459)
Payroll Taxes, Benefits	63,795	61,795	56,018	5,777
Total Personnel Services	<u>266,350</u>	<u>266,350</u>	<u>238,300</u>	<u>28,050</u>
Materials and Services:				
Office Supplies	2,500	2,500	2,140	360
Postage Supplies	200	200	423	(223)
Program Supplies	10,200	10,200	9,791	409
Chemical and Agricultural Supplies	10,300	10,300	11,768	(1,468)
Store Supplies	5,000	5,000	4,896	104
Classifieds	250	250	-	250
Brochure	6,000	6,000	2,267	3,733
Flyers	1,500	1,500	1,240	260
Professional Dues	2,090	2,090	2,339	(249)
Conferences/Workshops	750	750	330	420
Staff Mileage	400	400	187	213
Staff Expenses	400	400	307	93
Electricity	50,000	50,000	48,725	1,275
Natural Gas	91,400	91,400	70,774	20,626
Water/Sewer	16,500	16,500	24,203	(7,703)
Telephone	5,100	5,100	5,475	(375)
Fees	11,600	11,600	14,586	(2,986)
Program Contracts	19,000	19,000	18,923	77
Insurance Services	22,000	22,000	20,860	1,140
Refunds	1,500	1,500	190	1,310
Total Materials and Services	<u>256,690</u>	<u>256,690</u>	<u>239,424</u>	<u>17,266</u>
TOTAL AQUATICS	<u>523,040</u>	<u>523,040</u>	<u>477,724</u>	<u>45,316</u>

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

**SCHEDULE OF EXPENDITURES BY DEPARTMENT
For the Year Ended June 30, 2011**

	<u>GENERAL FUND</u>			VARIANCE
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>POSITIVE -NEGATIVE</u>
EXPENDITURES:				
RECREATION - ADULT SPORTS:				
Personnel Services:				
Sports Supervisor	\$ 9,827	\$ 9,827	\$ 9,541	\$ 286
Sports Technician	7,808	7,808	7,650	158
Sports Leaders/Secretaries	4,242	4,242	3,885	357
Payroll Taxes, Benefits	10,291	10,291	9,741	550
Total Personnel Services	32,168	32,168	30,817	1,351
Materials and Services				
Office Supplies	1,200	1,200	779	421
Postage Supplies	75	75	22	53
Program Supplies	1,663	1,663	2,249	(586)
Classified Ads	100	100	-	100
Brochure	850	850	845	5
Flyers and Schedules	200	200	213	(13)
Professional Dues	575	575	414	161
Conferences/Workshops	250	250	48	202
Staff Mileage	250	250	21	229
Staff Expenses	95	95	175	(80)
Electricity	1,400	1,400	1,299	101
Telephone	1,000	1,000	716	284
Fees	950	950	1,353	(403)
Equipment Maintenance	225	225	66	159
Program Contracts	13,338	13,338	13,098	240
Insurance	3,400	3,400	2,729	671
Refunds	650	650	-	650
Equipment Rental	300	300	-	300
Buildings and Structures	300	300	-	300
Total Materials and Services	26,821	26,821	24,027	2,794
TOTAL ADULT SPORTS	58,989	58,989	54,844	4,145

CHEHALEM PARK AND RECREATION DISTRICT
YAMHILL COUNTY, OREGON

SCHEDULE OF EXPENDITURES BY DEPARTMENT
For the Year Ended June 30, 2011

	<u>GENERAL FUND</u>			VARIANCE POSITIVE -NEGATIVE
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
EXPENDITURES:				
RECREATION - YOUTH SPORTS:				
Personnel Services:				
Sports Supervisor	\$ 34,067	\$ 34,067	\$ 33,079	\$ 988
Sports Technician	23,423	23,423	22,948	475
Sports Leaders/Secretaries	15,960	22,760	20,696	2,064
Payroll Taxes, Benefits	33,308	33,308	32,297	1,011
Total Personnel Services	<u>106,758</u>	<u>113,558</u>	<u>109,020</u>	<u>4,538</u>
Materials and Services				
Office Supplies	1,800	1,800	1,742	58
Postage Supplies	290	290	96	194
Program Supplies	42,675	42,675	31,529	11,146
Gas and Oil Supplies	1,000	1,000	537	463
Classifieds	100	100	-	100
Brochures	2,400	2,400	986	1,414
Flyers	1,000	1,000	637	363
Professional Dues	874	874	873	1
Conferences/Workshops	400	400	212	188
Staff Mileage	325	325	74	251
Staff Expenses	300	300	419	(119)
Electricity	2,200	2,200	1,643	557
Telephone	2,450	2,450	2,000	450
Fees	4,500	4,500	5,404	(904)
Equipment Maintenance	400	400	188	212
Program Contracts	49,726	49,726	49,146	580
Insurance Services	6,500	6,500	4,726	1,774
Refunds	2,000	2,000	1,631	369
Equipment Rental	8,500	8,500	7,606	894
Total Materials and Services	<u>127,440</u>	<u>127,440</u>	<u>109,449</u>	<u>17,991</u>
TOTAL YOUTH SPORTS	<u>234,198</u>	<u>240,998</u>	<u>218,469</u>	<u>22,529</u>

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

**SCHEDULE OF EXPENDITURES BY DEPARTMENT
For the Year Ended June 30, 2011**

	<u>GENERAL FUND</u>			VARIANCE
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>POSITIVE -NEGATIVE</u>
EXPENDITURES:				
RECREATION - CLASSES & ACTIVITIES				
Personnel Services:				
Recreation Supervisor	\$ 11,137	\$ 11,137	\$ 10,857	\$ 280
Recreation Coordinator	29,990	29,990	29,142	848
Special Events Staff/Secretaries	18,000	18,000	7,529	10,471
Payroll Taxes, Benefits	28,619	28,619	26,084	2,535
Total Personnel Services	87,746	87,746	73,612	14,134
Materials and Services				
Office Supplies	1,700	1,700	2,574	(874)
Postage Supplies	500	500	211	289
Program Supplies	2,450	2,450	4,550	(2,100)
Gas and Oil Supplies	50	50	-	50
Classifieds	200	200	78	122
Brochures	6,500	6,500	2,731	3,769
Flyers	800	800	327	473
Professional Dues	350	350	144	206
Conferences/Workshops	600	600	401	199
Staff Milcage	300	300	308	(8)
Staff Expenses	250	250	383	(133)
Telephone	1,800	1,800	1,553	247
Fees	3,000	3,000	4,303	(1,303)
Equipment Maintenance	100	100	254	(154)
Program Contracts	61,000	61,000	66,456	(5,456)
Insurance Services	4,500	4,500	3,337	1,163
Equipment Maintenance Contract	100	100	-	100
Refunds	150	150	42	108
Equipment Rental	50	50	-	50
Total Materials and Services	84,400	84,400	87,652	(3,252)
TOTAL CLASSES & ACTIVITIES	172,146	172,146	161,264	10,882

CHEHALEM PARK AND RECREATION DISTRICT
YAMHILL COUNTY, OREGON

SCHEDULE OF EXPENDITURES BY DEPARTMENT
For the Year Ended June 30, 2011

	<u>GENERAL FUND</u>			VARIANCE POSITIVE -NEGATIVE
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
EXPENDITURES:				
RECREATION - PLAYGROUNDS & CENTERS				
Personnel Services:				
Recreation Supervisor	\$ 10,482	\$ 10,482	\$ 10,133	\$ 349
Recreation Coordinator	36,159	36,159	35,424	735
After School Staff	199,909	199,909	175,897	24,012
Payroll Taxes, Benefits	45,384	45,384	41,297	4,087
Total Personnel Services	<u>291,934</u>	<u>291,934</u>	<u>262,751</u>	<u>29,183</u>
Materials and Services				
Office Supplies	2,000	2,000	2,735	(735)
Postage Supplies	600	600	171	429
Program Supplies	32,000	32,000	26,861	5,139
Gas and Oil Supplies	1,000	1,000	1,450	(450)
Classifieds	100	100	33	67
Brochures	1,200	1,200	1,204	(4)
Flyers	900	900	730	170
Professional Dues	250	250	81	169
Conferences/Workshops	500	500	592	(92)
Staff Mileage	50	50	51	(1)
Staff Expenses	300	300	225	75
Telephone	5,500	5,500	4,300	1,200
Fees	6,000	6,000	5,863	137
Equipment Maintenance	200	200	26	174
Professional Services	500	500	-	500
Program Contracts	4,500	4,500	4,036	464
Insurance Services	3,000	3,000	2,120	880
Refunds	100	100	835	(735)
Contracts-Admissions	10,000	10,000	6,008	3,992
Equipment Rental	6,000	6,000	4,446	1,554
Total Materials and Services	<u>74,700</u>	<u>74,700</u>	<u>61,767</u>	<u>12,933</u>
TOTAL PLAYGROUNDS & CENTERS	<u>366,634</u>	<u>366,634</u>	<u>324,518</u>	<u>42,116</u>

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

**SCHEDULE OF EXPENDITURES BY DEPARTMENT
For the Year Ended June 30, 2011**

	<u>GENERAL FUND</u>			VARIANCE POSITIVE -NEGATIVE
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
EXPENDITURES:				
COMMUNITY CENTER/SCOUT HOUSE				
Personnel Services:				
Senior Center Specialist	\$ 27,751	\$ 27,751	\$ 27,748	\$ 3
Building Leaders	9,254	9,254	3,285	5,969
Payroll Taxes, Benefits	21,516	21,516	20,317	1,199
Total Personnel Services	58,521	58,521	51,350	7,171
Materials and Services				
Office Supplies	1,400	1,400	1,653	(253)
Postage Supplies	1,200	1,200	436	764
Program Supplies	4,000	4,000	3,797	203
Gas and Oil	1,800	1,800	509	1,291
Classifieds	400	400	567	(167)
Brochures	3,100	3,100	1,619	1,481
Flyers	2,000	2,000	3,038	(1,038)
Professional Dues	250	250	95	155
Conferences/Workshops	600	600	354	246
Staff Mileage	400	400	158	242
Staff Expense	400	400	235	165
Electricity	7,600	7,600	7,182	418
Natural Gas	3,300	3,300	1,966	1,334
Water/Sewer	7,500	7,500	9,463	(1,963)
Telephone	1,300	1,300	1,655	(355)
Fees	400	400	632	(232)
Equipment Maintenance	200	200	231	(31)
Program Contracts	20,000	20,000	8,919	11,081
Equipment Maintenance Contracts	500	500	159	341
Insurance Services	22,000	22,000	20,885	1,115
Senior Trips	5,000	5,000	541	4,459
Refunds	50	50	-	50
Total Materials and Services	83,400	83,400	64,094	19,306
TOTAL COMMUNITY CENTER SCOUT HOUSE	141,921	141,921	115,444	26,477

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

**SCHEDULE OF EXPENDITURES BY DEPARTMENT
For the Year Ended June 30, 2011**

	<u>GENERAL FUND</u>		<u>ACTUAL</u>	<u>VARIANCE POSITIVE -NEGATIVE</u>
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>		
EXPENDITURES:				
COMMUNITY SCHOOLS				
Personnel Services:				
Part-time & Temp & Full-time	\$ 22,034	\$ 30,533	\$ 33,310	\$ (2,777)
Payroll Taxes, Benefits	2,860	2,860	3,186	(326)
Total Personnel Services	24,894	33,393	36,496	(3,103)
Materials and Services:				
Office Supplies	1,650	1,650	3,031	(1,381)
Postage Supplies	400	400	35	365
Program Supplies	5,000	5,000	5,121	(121)
Gas and Oil	-	-	47	(47)
Snacks & Food	1,800	1,800	947	853
Classifieds	100	100	-	100
Brochures	1,600	1,600	1,204	396
Flyers	1,000	1,000	181	819
Professional Dues	100	100	45	55
Conferences/Workshops	200	200	204	(4)
Staff Mileage	150	150	82	68
Staff Expense	-	-	152	(152)
Telephone	850	850	1,342	(492)
Fees	850	850	899	(49)
Equipment Maintenance	100	100	79	21
Program Contracts	19,500	19,500	7,719	11,781
Insurance Services	1,400	1,400	1,085	315
Refunds	100	100	-	100
Total Materials and Services	34,800	34,800	22,173	12,627
TOTAL COMMUNITY SCHOOLS PROGRAM	59,694	68,193	58,669	9,524

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

**SCHEDULE OF EXPENDITURES BY DEPARTMENT
For the Year Ended June 30, 2011**

	<u>GENERAL FUND</u>			VARIANCE POSITIVE -NEGATIVE
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
EXPENDITURES:				
GOLF COURSE MAINTENANCE				
Personnel Services:				
Golf Course Supervisor	\$ 65,513	\$ 65,513	\$ 63,609	\$ 1,904
Golf Course Technician	26,429	26,429	25,169	1,260
Golf Mechanic	30,599	30,599	28,286	2,313
Part-time & Temp	133,247	133,247	97,100	36,147
Payroll Taxes, Benefits	77,957	77,957	70,562	7,395
Total Personnel Services	333,745	333,745	284,726	49,019
Materials and Services:				
Office Supplies	1,177	1,177	1,780	(603)
Postage Supplies	400	400	26	374
Program Supplies	15,500	15,500	11,823	3,677
Small Tools	7,780	7,780	7,592	188
Janitorial Supplies	1,400	1,400	428	972
Chemical & Agricultural Supplies	123,072	123,072	48,752	74,320
Gas & Oil Supplies	46,333	46,333	33,791	12,542
Snacks & Food	600	600	129	471
Uniforms	1,900	1,900	2	1,898
Classifieds	400	400	25	375
Brochures/Flyers	-	-	178	(178)
Professional Dues	1,200	1,200	866	334
Conferences & Workshops	4,505	4,505	2,046	2,459
Staff Mileage	200	200	-	200
Staff Expense	170	170	581	(411)
Electric	21,080	21,080	9,215	11,865
Water & Sewer	251,000	251,000	191,012	59,988
Telephone	2,400	2,400	1,964	436
Garbage Expense	1,200	1,200	93	1,107
Computer & Cable	-	-	176	(176)
Buildings Maintenance	2,900	2,900	728	2,172
Equipment	32,000	32,000	30,610	1,390
Structures	-	-	9,874	(9,874)
Grounds	105,921	105,921	72,847	33,074
Vehicles	1,000	1,000	841	159
Program Contracts	2,136	2,136	826	1,310
Insurance Services	12,720	12,720	5,161	7,559
Equipment Rentals	1,300	1,300	504	796
Consultant Services	-	-	615	(615)
Total Materials and Services	638,294	638,294	432,485	205,809
TOTAL GOLF COURSE MAINTENANCE	972,039	972,039	717,211	254,828

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

**SCHEDULE OF EXPENDITURES BY DEPARTMENT
For the Year Ended June 30, 2011**

	<u>GENERAL FUND</u>			VARIANCE
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>POSITIVE -NEGATIVE</u>
EXPENDITURES:				
GOLF CLUB HOUSE				
Personnel Services:				
Club House Supervisor	\$ 65,513	\$ 65,513	\$ 63,609	\$ 1,904
Club House Assistants	52,342	52,342	46,230	6,112
Part-time & Temp	126,334	126,334	88,795	37,539
Payroll Taxes, Benefits	61,404	61,404	55,103	6,301
Total Personnel Services	305,593	305,593	253,737	51,856
Materials and Services:				
Office Supplies	1,200	1,200	1,782	(582)
Postage Supplies	800	800	419	381
Program Supplies	32,850	32,850	37,442	(4,592)
Small Tools	500	500	28	472
Janitorial Supplies	3,600	3,600	2,752	848
Store Supplies	163,256	163,256	161,877	1,379
Gas & Oil Supplies	600	600	56	544
Snacks & Food	600	600	164	436
Uniforms	3,600	3,600	2	3,598
Classifieds	300	300	50	250
Brochures	1,500	1,500	289	1,211
Flyers	12,000	12,000	8,329	3,671
Professional Dues	6,300	6,300	6,646	(346)
Conferences & Workshops	5,604	5,604	1,984	3,620
Staff Mileage	1,200	1,200	376	824
Staff Expense	900	900	969	(69)
Electric	15,000	15,000	16,181	(1,181)
Water & Sewer	1,200	1,200	50	1,150
Telephone	3,900	3,900	805	3,095
Fees	33,770	33,770	32,267	1,503
Computer & Cable	2,400	2,400	4,277	(1,877)
Garbage Expense	3,360	3,360	2,646	714
Buildings Maintenance	3,600	3,600	2,898	702
Structures	1,200	1,200	-	1,200
Equipment	4,800	4,800	7,069	(2,269)
Grounds	2,650	2,650	-	2,650
Legal Services	1,200	1,200	-	1,200
Program Contracts	29,720	29,720	16,166	13,554
Insurance Services	15,000	15,000	5,425	9,575
Consultant Services	3,000	3,000	492	2,508
Refunds	-	-	7,746	(7,746)
Equipment Rentals	80,424	80,424	45,804	34,620
Total Materials and Services	436,034	436,034	364,991	71,043
TOTAL GOLF CLUB HOUSE	741,627	741,627	618,728	122,899

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

**SCHEDULE OF EXPENDITURES BY DEPARTMENT
For the Year Ended June 30, 2011**

	<u>GENERAL FUND</u>		<u>ACTUAL</u>	<u>VARIANCE POSITIVE -NEGATIVE</u>
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>		
EXPENDITURES:				
JAQUITH CONCESSION				
Personnel Services:				
Concession Manager	\$ 13,440	\$ 6,640	\$ -	\$ 6,640
Payroll Taxes, Benefits	1,745	1,745	-	1,745
Total Personnel Services	15,185	8,385	-	8,385
Materials and Services:				
Office Supplies	50	50	1	49
Postage	30	30	-	30
Program Supplies	13,200	13,200	-	13,200
Classifieds	75	75	-	75
Flyers	125	125	-	125
Conferences & Workshops	675	675	-	675
Professional Dues	700	700	-	700
Concession Mileage	200	200	-	200
Concession Telephone	1,440	1,440	-	1,440
Concession Insurance	1,600	1,600	835	765
Concession Electricity	1,550	1,550	-	1,550
Equipment Maintenance	300	300	-	300
Total Materials and Services	19,945	19,945	836	19,109
TOTAL JAQUITH CONCESSION	35,130	28,330	836	27,494

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

**SCHEDULE OF EXPENDITURES BY DEPARTMENT
For the Year Ended June 30, 2011**

	<u>GENERAL FUND</u>			VARIANCE POSITIVE -NEGATIVE
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
EXPENDITURES:				
PRESCHOOL				
Personnel Services:				
Head Instructor	\$ 22,253	\$ 22,253	\$ 16,792	\$ 5,461
Payroll Taxes, Benefits	2,015	2,015	1,548	467
Total Personnel Services	24,268	24,268	18,340	5,928
Materials and Services:				
Office Supplies	700	700	1,248	(548)
Postage	300	300	23	277
Program Supplies	2,000	2,000	1,633	367
Classifieds	100	100	99	1
Brochures	600	600	728	(128)
Flyers	100	100	-	100
Dues	50	50	-	50
Conferences & Workshops	50	50	27	23
Staff Expenses	-	-	152	(152)
Electricity	400	400	273	127
Natural Gas	900	900	782	118
Water/Sewer	500	500	752	(252)
Telephone	700	700	742	(42)
Fees	1,000	1,000	815	185
Insurance	1,100	1,100	890	210
Total Materials and Services	8,500	8,500	8,164	336
TOTAL PRESCHOOL	32,768	32,768	26,504	6,264
MISCELLANEOUS DEPARTMENTS				
Materials and Services:				
Dundee Community Progress Team	20,000	8,000	-	8,000
Babe Ruth League	8,000	8,000	-	8,000
Bambino League	22,000	22,000	-	22,000
Chehalem Volleyball Club	20,000	20,000	-	20,000
Quilt Club	1,500	1,500	2,531	(1,031)
Ewing Young	5,260	5,260	-	5,260
Newberg Historic Friends	30,000	30,000	-	30,000
Newberg Theatre Group	10,000	10,000	-	10,000
TOTAL MISCELLANEOUS DEPARTMENTS	116,760	104,760	2,531	102,229
NDOT				
Personnel Services:				
Payroll	8,500	1	-	1
TOTAL NDOT	8,500	1	-	1

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

**SCHEDULE OF EXPENDITURES BY DEPARTMENT
For the Year Ended June 30, 2011**

	<u>GENERAL FUND</u>			VARIANCE POSITIVE -NEGATIVE
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
EXPENDITURES:				
ACQUISITION AND IMPROVEMENT				
Capital Outlay, Development, Improvement, and Acquisition	<u>\$ 284,104</u>	<u>\$ 334,604</u>	<u>\$ 335,826</u>	<u>\$ (1,222)</u>
TOTAL ACQUISITION AND IMPROVEMENT	<u> 284,104</u>	<u> 334,604</u>	<u> 335,826</u>	<u> (1,222)</u>
TOTAL EXPENDITURES	<u><u>\$ 5,021,896</u></u>	<u><u>\$ 5,121,896</u></u>	<u><u>\$ 4,361,955</u></u>	<u><u>\$ 759,941</u></u>

CHEHALEM PARK AND RECREATION DISTRICT
YAMHILL COUNTY, OREGON

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

SYSTEM DEVELOPMENT FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE -NEGATIVE
REVENUES:				
SDC Income	\$ 300,000	\$ 300,000	\$ 68,663	\$ (231,337)
Interest Earned	1,000	1,000	145	(855)
Total Revenues	301,000	301,000	68,808	(232,192)
EXPENDITURES:				
Acquisition and Development	551,000	551,000	181,475	369,525
Total Expenditures	551,000	551,000 (1)	181,475	369,525
Change in Fund Balance	(250,000)	(250,000)	(112,667)	137,333
Beginning Fund Balance	250,000	250,000	183,894	(66,106)
Ending Fund Balance	\$ -	\$ -	\$ 71,227	\$ 71,227

(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

DEBT SERVICE FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE -NEGATIVE
REVENUES:				
Interest	\$ -	\$ -	\$ 163	\$ 163
Total Revenues	-	-	163	163
EXPENDITURES:				
Capital Outlay	30,000	30,000 (1)	-	30,000
Debt Service	1,490,000	1,490,000 (1)	1,479,003	10,997
Total Expenditures	1,520,000	1,520,000	1,479,003	40,997
Excess of Revenues Over, -Under Expenditures	(1,520,000)	(1,520,000)	(1,478,840)	41,160
Other Financing Sources, -Uses:				
Transfers In	850,000	850,000	1,479,003	629,003
Loan Proceeds	640,000	640,000	-	(640,000)
Total Other Financing Sources, -Uses	1,490,000	1,490,000	1,479,003	(10,997)
Change in Fund Balance	(30,000)	(30,000)	163	30,163
Beginning Fund Balance	30,000	30,000	29,759	(241)
Ending Fund Balance	\$ -	\$ -	\$ 29,922	\$ 29,922

(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 POSITIVE -NEGATIVE
REVENUES:				
Interest Earned	\$ 150	\$ 150	\$ 153	\$ 3
Total Revenues	150	150	153	3
EXPENDITURES:				
Maintenance and Equipment	54,190	54,190	-	54,190
Total Expenditures	54,190	54,190	(1) -	54,190
Change in Fund Balance	(54,040)	(54,040)	153	54,193
Beginning Fund Balance	54,040	54,040	52,864	(1,176)
Ending Fund Balance	\$ -	\$ -	\$ 53,017	\$ 53,017

(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, 2011**

<u>TAX YEAR</u>	<u>ORIGINAL LEVY OR BALANCE UNCOLLECTED 07/01/10</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 AT 6/30/11</u>
<u>GENERAL FUND:</u>						
CURRENT:						
2010-11	\$ 2,341,988	\$ 56,251	\$ (5,937)	\$ 1,443	\$ 2,163,743	\$ 117,500
PRIOR YEARS:						
2009-10	\$ 114,686	\$ -	\$ (5,982)	\$ 4,978	\$ 64,690	\$ 48,992
2008-09	46,235	-	(5,447)	4,232	21,299	23,721
2007-08	21,593	-	(4,048)	3,841	12,173	9,213
2006-07	6,862	-	(1,515)	1,318	3,397	3,268
Prior	10,813	-	(736)	391	463	10,005
Total Prior	200,189	-	(17,728)	14,760	102,022	95,199
Total General Fund	<u>\$ 2,542,177</u>	<u>\$ 56,251</u>	<u>\$ (23,665)</u>	<u>\$ 16,203</u>	<u>\$ 2,265,765</u>	<u>\$ 212,699</u>

RECONCILIATION OF REVENUE:

	<u>GENERAL FUND</u>
Cash Collections by County Treasurer Above	\$ 2,265,765
Accrual of Receivables:	
Taxes In Lieu	13,852
June 30, 2010	(9,039)
June 30, 2011	<u>15,010</u>
Total Revenue	<u>\$ 2,285,588</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, OREGON 97223
• (503) 620-2632 • FAX (503) 684-7523

December 7, 2011

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, 2011, and have issued our report thereon dated December 7, 2011. 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 statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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

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

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

1. Expenditures were within authorized appropriations, except as noted on page 15.

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 to be significant deficiencies under standards established by the American Institute of Certified Public Accountants, which are noted in our management letter dated December 7, 2011.

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.

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