

CHEHALEM PARK AND RECREATION DISTRICT
YAMHILL COUNTY, OREGON

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2017



12700 SW 72nd Ave.
Tigard, OR 97223

CHEHALEM PARKS AND RECREATION DISTRICT
YAMHILL COUNTY, OREGON

2016-17 FINANCIAL REPORT

<u>BOARD MEMBERS</u>	<u>TERM EXPIRES</u>
Peter Siderius, President	June 30, 2017
Bart Rierson, Vice President	June 30, 2019
Mike McBride, Secretary / Treasurer	June 30, 2017
Don Loving	June 30, 2019
Mike Ragsdale	June 30, 2017

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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November 15, 2017

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

INDEPENDENT AUDITORS' REPORT

Report on the Basic Financial Statements

We have audited the accompanying basic financial statements of the governmental activities and each major fund of Chehalem Parks and Recreation District, as of and for the year ended June 30, 2017, and the related notes to the basic financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

Management's Responsibility for the Basic Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these basic 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 basic financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Chehalem Parks and Recreation District, as of June 30, 2017, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

The District adopted the provisions of GASB Statement No. 77 *Tax Abatement Disclosures* for the year ended June 30, 2017. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that 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 them to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the management's discussion and analysis 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 Supplementary Information, as listed in the table of contents, 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 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, and in our opinion are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Supplementary Information

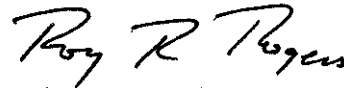
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary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

Other Information

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, have 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 them.

Report on Other Legal and Regulatory Requirements

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated November 15, 2017, on our consideration of compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.



ROY R. ROGERS, CPA
PAULY, ROGERS AND CO., P.C.

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

This section of Chehalis 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, 2017. Please read it in conjunction with the District's financial statements and notes, which follow this section.

FINANCIAL HIGHLIGHTS

- The District's total net position was \$9,561,735 at June 30, 2017.
- During the year, the District's net position decreased by \$6,787,304.
- The general fund reported a fund balance this year of \$1,178,474.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is 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 four parts: *management's discussion and analysis* (this section), the *basic financial statements*, *supplementary information*, and *other 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 Position: The Statement of Net Position presents information on all of the assets and liabilities of the District at year-end. Net position is what remains after the liabilities have been paid or otherwise satisfied. Over time, increases or decreases in net position serves 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 position of the District changed over the year tracking revenues, expenses and other transactions that increase or reduce net position. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused 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 *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 five funds, all of which are considered to be major funds under the provisions of GASB 34.

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>2016-17</u>	<u>2015-16</u>
ASSETS		
Current Assets	\$ 14,024,434	\$ 21,040,257
Capital Assets	<u>18,851,668</u>	<u>19,315,162</u>
Total Assets	32,876,102	40,355,419
DEFERRED OUTFLOWS	<u>38,982</u>	<u>43,853</u>
Total Assets and Deferred Outflows	<u>32,915,084</u>	<u>40,399,272</u>
LIABILITIES		
Current Liabilities	1,381,049	1,087,933
Noncurrent Liabilities	<u>21,972,300</u>	<u>22,962,300</u>
Total Liabilities	<u>23,353,349</u>	<u>24,050,233</u>
Net Position		
Net Investment in Capital Assets	(4,071,650)	(4,547,579)
Restricted	12,309,884	19,627,045
Unrestricted	<u>1,323,501</u>	<u>1,269,573</u>
Total Net Position	<u>\$ 9,561,735</u>	<u>\$ 16,349,039</u>

	<u>2016-17</u>	<u>2015-16</u>
REVENUES		
General Revenues		
Charges for Services	\$ 3,305,441	\$ 3,465,994
Property Taxes	4,074,073	3,832,941
Interest and Investment Earnings	203,942	169,202
	<u>7,583,456</u>	<u>7,468,137</u>
EXPENSES		
Parks	13,374,671	6,430,150
Interest on Long-Term Debt	996,089	969,416
	<u>14,370,760</u>	<u>7,399,566</u>
Change in Net Position	(6,787,304)	68,571
Beginning Net Position	<u>16,349,039</u>	<u>16,280,468</u>
Ending Net Position	<u>\$ 9,561,735</u>	<u>\$ 16,349,039</u>

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Governmental fund balances totaled \$13,488,358 at June 30, 2017. A summary of changes in governmental fund balances follows:

	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>Change</u>
General Fund	\$ 1,178,474	\$ 1,020,899	\$ 157,575
System Development Fund	347,665	274,632	73,033
2015 Bond Debt Service Fund	14,229	(27,674)	41,903
Debt Service	31,269	30,867	402
Pool Bond Fund	11,916,721	19,349,220	(7,432,499)
	<u>\$ 13,488,358</u>	<u>\$ 20,647,944</u>	<u>\$ (7,159,586)</u>

CAPITAL ASSETS

At June 30, 2017, the District had \$18,851,668 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, 2017, the District had outstanding debt payable of \$23,060,606. 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 Don Clements at the Chehalem Parks and Recreation District. Our address is 125 S Elliott Rd., Newberg, OR 97132.

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 POSITION
June 30, 2017

ASSETS	
Cash and Cash Equivalents	\$ 13,265,019
Accounts Receivable	334,116
Taxes Receivable	304,023
Interest Receivable	28,382
Supply Inventory	40,838
Prepaid Expenses	52,056
Capital Assets not being depreciated	12,115,425
Capital Assets, net of accumulated depreciation	<u>6,736,243</u>
 Total Assets	 32,876,102
 DEFERRED OUTFLOWS OF RESOURCES	
Deferred Charge on Refunding	<u>38,982</u>
 Total Assets and Deferred Outflows of Resources	 <u>32,915,084</u>
 LIABILITIES	
Current Liabilities:	
Accounts Payable	179,751
Accrued Interest Payable	85,819
Unearned Revenue	27,173
Compensated Absences	98,306
Long-term Debt – Current Portion	<u>990,000</u>
 Total Current Liabilities	 1,381,049
 Noncurrent Liabilities:	
Long-term Debt	<u>21,972,300</u>
 Total Liabilities	 <u>23,353,349</u>
 NET POSITION	
Net Investment in Capital Assets	(4,071,650)
Restricted	12,309,884
Unrestricted	<u>1,323,501</u>
 Total Net Position	 <u>\$ 9,561,735</u>

CHEHALEM PARKS AND RECREATION DISTRICT
YAMHILL COUNTY, OREGON

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2017

<u>FUNCTIONS</u>	<u>EXPENSES</u>	<u>PROGRAM REVENUES CHARGES FOR SERVICES</u>	<u>NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION</u>
Parks	\$ 13,374,671	\$ 3,305,441	\$ (10,069,230)
Interest on Long-term Debt	<u>996,089</u>	<u>-</u>	<u>(996,089)</u>
Total Governmental Activities	<u>\$ 14,370,760</u>	<u>\$ 3,305,441</u>	<u>\$ (11,065,319)</u>
General Revenues:			
			2,781,760
			1,292,313
			<u>203,942</u>
			<u>4,278,015</u>
			(6,787,304)
			<u>16,349,039</u>
			<u>\$ 9,561,735</u>

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

BALANCE SHEET – GOVERNMENTAL FUNDS

June 30, 2017

	GENERAL FUND	SYSTEM DEVELOPMENT FUND	DEBT SERVICE FUND	2015 BOND DEBT SERVICE FUND	POOL BOND FUND	TOTAL
ASSETS						
Cash and Investments	\$ 1,072,110	\$ 270,407	\$ 31,269	\$ 577	\$ 11,890,656	\$ 13,265,019
Accounts Receivable	248,155	77,258	-	8,703	-	334,116
Taxes Receivable	238,781	-	-	65,242	-	304,023
Interest Receivable	2,317	-	-	-	26,065	28,382
Prepaid Expenditures	52,056	-	-	-	-	52,056
Total Assets	\$ 1,613,419	\$ 347,665	\$ 31,269	\$ 74,522	\$ 11,916,721	\$ 13,983,596
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE						
Liabilities						
Accounts Payable	\$ 179,751	\$ -	\$ -	\$ -	\$ -	\$ 179,751
Deferred Revenue	27,173	-	-	-	-	27,173
Total Liabilities	206,924	-	-	-	-	206,924
Deferred Inflows of Resources						
Unavailable Revenue - Property Taxes	228,021	-	-	60,293	-	288,314
Total Deferred Inflows of Resources	228,021	-	-	60,293	-	288,314
Fund Balance						
Nonspendable	52,056	-	-	-	-	52,056
Restricted for Acquisition and Development	-	347,665	-	-	11,916,721	12,264,386
Restricted for Debt Service	-	-	31,269	14,229	-	45,498
Unassigned	1,126,418	-	-	-	-	1,126,418
Total Fund Balance	1,178,474	347,665	31,269	14,229	11,916,721	13,488,358
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 1,613,419	\$ 347,665	\$ 31,269	\$ 74,522	\$ 11,916,721	\$ 13,983,596

CHEHALEM PARK AND RECREATION DISTRICT
YAMHILL COUNTY, OREGON

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2017

Total Fund Balances - Governmental Funds	\$	13,488,358
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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 Position includes those capital assets among the assets as a whole.

Net Capital Assets		18,851,668
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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.		40,838
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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 Position.

Long term Liabilities			
Bonds payable	\$	(22,885,000)	
Bond premium		(77,300)	
Deferred charge on refunding		<u>38,982</u>	(22,923,318)

Compensated Absences Payable not accounted for in governmental funds		(98,306)
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Accrued Interest Payable not accounted for in governmental funds		(85,819)
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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 reported as deferred inflows of resource in the fund financial statements.		<u>288,314</u>
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Net Position	\$	<u><u>9,561,735</u></u>
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**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, 2017**

	GENERAL FUND	SYSTEM DEVELOPMENT FUND	DEBT SERVICE FUND	2015 BOND DEBT SERVICE FUND	POOL BOND FUND	TOTALS
REVENUES						
Taxes	\$ 2,794,065	\$ -	\$ -	\$ 1,274,067	\$ -	\$ 4,068,132
Earnings on Investments	13,644	3	402	5,815	184,078	203,942
Parks	40,342	-	-	-	-	40,342
Concession Income	14,815	-	-	-	-	14,815
Sports Receipts	305,363	-	-	-	-	305,363
Recreation	103,284	-	-	-	-	103,284
Preschool	39,410	-	-	-	-	39,410
Community School	31,553	-	-	-	-	31,553
Community Center/Scout House	122,968	-	-	-	-	122,968
Paddle Launch	14,293	-	-	-	-	14,293
Pool Receipts	447,916	-	-	-	-	447,916
Playgrounds/Centers	647,905	-	-	-	-	647,905
Golf Club House	1,177,846	-	-	-	-	1,177,846
SDC Income	-	279,989	-	-	-	279,989
Miscellaneous Income	42,426	-	-	-	37,330	79,756
Total Revenues	5,795,830	279,992	402	1,279,882	221,408	7,577,514
EXPENDITURES						
Current:						
Personal Services	2,309,755	-	-	-	-	2,309,755
Materials and Services	2,185,274	-	-	-	-	2,185,274
Capital Outlay	431,513	206,959	-	-	7,753,907	8,392,379
Debt Service	-	-	611,713	1,237,979	-	1,849,692
Total Expenditures	4,926,542	206,959	611,713	1,237,979	7,753,907	14,737,100
Excess of Revenues Over (Under) Expenditures	869,288	73,033	(611,311)	41,903	(7,532,499)	(7,159,586)
OTHER FINANCING SOURCES (USES)						
Transfers In	-	-	611,713	-	100,000	711,713
Transfers Out	(711,713)	-	-	-	-	(711,713)
Total Other Financing Sources (Uses)	(711,713)	-	611,713	-	100,000	-
Net Change in Fund Balance	157,575	73,033	402	41,903	(7,432,499)	(7,159,586)
Beginning Fund Balance	1,020,899	274,632	30,867	(27,674)	19,349,220	20,647,944
Ending Fund Balance	\$ 1,178,474	\$ 347,665	\$ 31,269	\$ 14,229	\$ 11,916,721	\$ 13,488,358

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, 2017

Total Net Changes in Fund Balances - Governmental Funds \$ (7,159,586)

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 Position. Additions to bond principal, capital leases and post-retirement obligations is an expense for the Statement of Net Position, but not the governmental funds.

Long-term Debt Principal Reduction	\$ 940,000	
Reduction in Premium	4,294	
Deferred Charge on Refunding	(4,872)	
Compensated Absences	<u>(12,317)</u>	927,105

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	\$ 202,483	
Depreciation Expense	<u>(665,977)</u>	(463,494)

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 Inventory		(11,451)
Change in accrued interest		(85,819)

Because some property taxes 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 unavailable revenue. They are, however, recorded as revenue in the Statement of Activities.

5,941

Change in Net Position of Governmental Activities

\$ (6,787,304)

CHEHALEM PARKS AND RECREATION DISTRICT
YAMHILL COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENT

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CHEHALEM PARKS AND RECREATION DISTRICT
YAMHILL COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic 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 board. Accounting principles general 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. 61, 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 Position and Statement of Activities display information about the District as a whole.

The Statement of Net Position 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 for exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets and liabilities resulting for 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 Position 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.

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.

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 EQUITY

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund-type Definitions*, is followed. The objective of this statement was 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, there are five balance classifications: *non-spendable*, *restricted*, *committed*, *assigned* and *unassigned*.

- Non-spendable represents amounts that are not in a spendable form. The Non-spendable fund balance represents prepaid items.
- Restricted 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 represents funds formally set aside by the governing body for a particular purpose. The use of committed funds would be approved by resolution.
- Assigned 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 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 District 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 or committed fund balances as of June 30, 2017.

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, except as noted above, 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.

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 (continued)

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. It helps 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.

2015 BOND DEBT SERVICE FUND

This fund provides for the payment of principal and interest on the 2015 General Obligation Bond. The principal revenue source is property taxes.

POOL BOND FUND

The Pool Bond Fund was established to account for the revenues and expenditures related to the bond which was issued to replace or upgrade the existing swimming pool.

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

CHEHALEM PARKS AND RECREATION DISTRICT
YAMHILL COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. BUDGET (continued)

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 2015 Bond Debt Service Fund where \$4 was over-expended in the Debt Service expense category.

D. PROPERTY TAXES RECEIVABLE

In the government-wide financial statements, uncollected property taxes are recorded in the Statement of Net Position. 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 unavailable 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 original 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 and Improvements	30 years
Vehicle and Equipment	5 to 20 years
Land Improvements	5 to 51 years
Golf Courses	5 to 30 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 may contribute 1 to 10 percent of their salary to the plan, and the District will pay up to 8 percent of the employee's salary, based on the amount the employee elects to contribute.

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 the basic 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 reported 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 Position. Bond premiums and discounts 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 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.

K. NET POSITION

Net position comprises the various net earnings from operations, nonoperating revenues, expenses and contributions of capital. Net position is classified in the following three categories:

Net Investment in Capital Assets – 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.

CHEHALEM PARKS AND RECREATION DISTRICT
YAMHILL COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

K. NET POSITION (continued)

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

Unrestricted – consists of all other 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.

L. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the basic financial statements will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods, and so will not be recognized as an outflow of resources (expenditure) until then. The District has only one item that qualifies for reporting in this category. It is the deferred charge on refunding in the amount of \$38,982 reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the basic financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The District has only one type of item which qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. Unavailable revenues for property taxes are \$288,314. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available.

M. CASH AND CASH EQUIVALENTS

The cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

N. FAIR VALUE INPUTS AND METHODOLOGIES AND HIERARCHY

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Observable inputs are developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are developed based on the best information available about the assumptions market participants would use in pricing the asset. The classification of securities within the fair value hierarchy is based upon the activity level in the market for the security type and the inputs used to determine their fair value, as follows:

Level 1 – unadjusted price quotations in active markets/exchanges for identical assets or liabilities that each Fund has the ability to access

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

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

N. FAIR VALUE INPUTS AND METHODOLOGIES AND HIERARCHY (continued)

Level 2 – other observable inputs (including, but not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, loss severities, credit risks and default rates) or other market-corroborated inputs)

Level 3 – unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including each Fund’s own assumptions used in determining the fair value of investments)

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the fair value hierarchy classification is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

2. CASH AND INVESTMENTS

Cash and investments at June 30, 2017 (recorded at fair value) consisted of:

Deposits with Financial Institutions	
Demand Deposits	\$ 523,092
Investments	<u>12,741,927</u>
 Total	 <u>\$ 13,265,019</u>

There are the following investments and maturities:

Investment Type	Fair Value	Maturity (in months)		
		Less than 3	3 - 17	18 - 59
State Treasurer's Investment Pool	\$ 12,741,927	\$ 12,741,927	\$ -	\$ -

DEPOSITS

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

CHEHALEM PARKS AND RECREATION DISTRICT
YAMHILL COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

2. CASH AND INVESTMENTS (Continued)

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, 2017, the bank balance of \$696,919 was fully insured or collateralized under the Oregon Public Funds Collateralization Program.

INVESTMENTS

Investments in the Local Government Investment Pool (LGIP) are included in the Oregon Short-Term Fund, which is an external investment pool that is not a 2a-7-like external investment pool, and is not registered with the U.S. Securities and Exchange Commission as an investment company. Fair value of the LGIP is calculated at the same value as the number of pool shares owned. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held. Investments in the Short-Term Fund are governed by ORS 294.135, Oregon Investment Council, and portfolio guidelines issued by the Oregon Short-Term Fund Board, 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. The fund's compliance with all portfolio guidelines can be found in their annual report when issued. The LGIP seeks to exchange shares at \$1.00 per share; an investment in the LGIP is neither insured nor guaranteed by the FDIC or any other government agency. Although the LGIP seeks to maintain the value of share investments at \$1.00 per share, it is possible to lose money by investing in the pool. We intend to measure these investments at book value since it approximates fair value. The pool is comprised of a variety of investments. These investments are characterized as a level 2 fair value measurement in the Oregon Short Term Fund's audited financial report. Amounts in the State Treasurer's Local Government Investment Pool are not required to be collateralized. The audited financial reports of the Oregon Short Term Fund can be found here:

[http://www.oregon.gov/treasury/Divisions/Investment/Pages/Oregon-Short-Term-Fund-\(OSTF\).aspx](http://www.oregon.gov/treasury/Divisions/Investment/Pages/Oregon-Short-Term-Fund-(OSTF).aspx)

If the link has expired please contact the Oregon Short Term Fund directly.

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.

CONCENTRATION OF CREDIT RISK

At June 30, 2017, 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 a local government to be invested in banker's acceptances or any qualified financial institution. At June 30, 2017, investments appeared to be compliant with all percentage restrictions.

CHEHALEM PARKS AND RECREATION DISTRICT
YAMHILL COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

3. CAPITAL ASSETS

The changes in capital assets for the year ended June 30, 2017 are as follows:

	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017
Non-Depreciable:				
Land	\$ 12,115,425	\$ -	\$ -	\$ 12,115,425
Depreciable:				
Land Improvements	1,708,530	-	-	1,708,530
Buildings and Improvements	6,905,444	72,721	-	6,978,165
Golf Course	6,815,974	129,762	-	6,945,736
Vehicles and Equipment	645,135	-	-	645,135
Total Capital Assets	28,190,508	202,483	-	28,392,991
Accumulated Depreciation				
Land Improvements	1,166,137	74,280	-	1,240,417
Buildings and Improvements	4,274,999	206,927	-	4,481,926
Golf Course	3,077,113	358,989	-	3,436,102
Vehicles and Equipment	357,097	25,781	-	382,878
Total Accumulated Depreciation	8,875,346	665,977	-	9,541,323
Capital Assets, Net	<u>\$ 19,315,162</u>			<u>\$ 18,851,668</u>

Depreciation of \$665,977 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. A 401(k) plan offered through Principal Mutual Life Insurance is available to employees. Employees may 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 by the District were \$131,790, \$128,374 and \$122,430, respectively, for the years ended June 30, 2017, 2016, and 2015. The plan was fully funded on June 30, 2017. The assets of the plan are held by the Plan Administrator for the benefit of the employees and thus are not included in the District's basic financial statements.

CHEHALEM PARKS AND RECREATION DISTRICT
YAMHILL COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

5. JOINT VENTURES

During the year ended June 30, 1995, 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 includes, 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.

The School District shall have sole responsibility for the cost of maintenance of the facilities located upon the school site, 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 no separate financial statement for the joint venture.

6. RISK MANAGEMENT

There is exposure to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omission; injuries to employees; or natural disasters. Commercial insurance is purchased to minimize exposure to these risks. Settled claims for the last three fiscal years have not exceeded this commercial coverage.

7. PROPERTY TAX LIMITATIONS

The voters of the State of Oregon imposed 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 voters further reduced property taxes by replacing the previous constitutional limits on tax bases with a rate and value limit in 1997. This reduction was 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 now bond issues, and requires the State to minimize the impact to school districts from the impact of the tax cuts.

8. SHORT-TERM DEBT

The District has an available line of credit agreement with KeyBank which can be used to borrow up to \$300,000. Interest rates are based on the prime rate of the bank for the month(s) outstanding. As of June 30, 2017, there was \$0 outstanding.

CHEHALEM PARKS AND RECREATION DISTRICT
YAMHILL COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

9. LONG-TERM DEBT

All long-term debt obligations are payable from the General Fund and the Debt Service Fund. Interest rates vary between 4.0 percent and 6.5 percent.

The following changes occurred in long-term debt for the year ended June 30, 2017:

	Outstanding 7/1/2016	Issued	Matured and Redeemed	Outstanding 6/30/2017	Due Within One Year
Governmental Activities:					
Full Faith and Credit Bonds 2006	\$ 2,010,000	\$ -	\$ 165,000	\$ 1,845,000	\$ 170,000
Full Faith and Credit Bonds 2007	790,000		120,000	670,000	125,000
Full Faith and Credit 2014 Refunding	1,545,000		160,000	1,385,000	160,000
Pool GO Bond 2015	19,480,000		495,000	18,985,000	535,000
Total Debt	<u>23,825,000</u>	-	<u>940,000</u>	<u>22,885,000</u>	<u>990,000</u>
Bond Premium	81,594	-	4,294	77,300	-
Total Premium	<u>81,594</u>	-	<u>4,294</u>	<u>77,300</u>	-
Compensated Absences	85,989	98,306	85,989	98,306	-
Total Compensated Absences	<u>85,989</u>	<u>98,306</u>	<u>85,989</u>	<u>98,306</u>	-
Total governmental activities	<u>\$ 23,992,583</u>	<u>\$ 98,306</u>	<u>\$ 1,030,283</u>	<u>\$ 23,060,606</u>	<u>\$ 990,000</u>

Future Governmental bonds debt service requirements are as follows:

Year Ending June 30	FF & Credit 2007		Year Ending June 30	FF & Credit 2006	
	Principal	Interest		Principal	Interest
2018	\$ 125,000	\$ 26,800	2018	\$ 170,000	\$ 89,113
2019	125,000	21,800	2019	175,000	81,463
2020	135,000	16,800	2020	185,000	36,794
2021	140,000	11,400	2021	195,000	65,263
2022	145,000	5,800	2022	200,000	56,000
2023-2027	-	-	2023-2026	920,000	117,500
2028-2032	-	-	2028-2032	-	-
2033-2035	-	-	2033-2035	-	-
Total	<u>\$ 670,000</u>	<u>\$ 82,600</u>	Total	<u>\$ 1,845,000</u>	<u>\$ 446,133</u>

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

NOTES TO BASIC FINANCIAL STATEMENTS

9. LONG-TERM DEBT (Continued)

Year Ending June 30	FF & Credit 2014 Refunding		Year Ending June 30	Pool GO Bond 2015	
	Principal	Interest		Principal	Interest
2018	\$ 160,000	\$ 34,820	2018	\$ 535,000	\$ 723,175
2019	160,000	32,140	2019	575,000	701,775
2020	165,000	28,886	2020	620,000	678,775
2021	170,000	24,987	2021	660,000	653,975
2022	175,000	20,412	2022	715,000	620,975
2023-2025	555,000	27,913	2023-2027	4,460,000	2,530,875
2028-2032	-	-	2028-2032	6,400,000	1,607,463
2033-2035	-	-	2033-2035	5,020,000	371,925
Total	<u>\$1,385,000</u>	<u>\$ 169,158</u>	Total	<u>\$18,985,000</u>	<u>\$7,888,938</u>

Year Ending June 30	Refunding Charge 2014		Year Ending June 30	2015 GO Bond Premium	
	Amortization			Amortization	
2018	\$	4,873	2018	\$	4,294
2019		4,872	2019		4,294
2020		4,873	2020		4,294
2021		4,873	2021		4,294
2022		4,872	2022		4,294
2023-2025		14,619	2023-2027		21,472
			2028-2032		21,472
			2033-2036		12,886
Total	<u>\$</u>	<u>38,982</u>	Total	<u>\$</u>	<u>77,300</u>

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.

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.

In May 2014, \$1,735,000 of full faith and credit obligation bonds were issued to refinance \$1,640,000 of the 2004 full faith and credit obligation bonds. A portion of the net proceeds of \$1,676,528 were deposited in an irrevocable trust with an escrow agent to provide funds for the future debt service payments on the refunded bonds.

The following full faith and credit obligations were outstanding at June 30, 2017:

Amount	Rates	Maturity	Balance
\$ 1,665,000	4.00%	2022	\$ 670,000
3,200,000	4.25-5.00%	2026	1,845,000
1,735,000	4.00-4.75%	2024	1,385,000
Total			<u>\$3,900,000</u>

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

NOTES TO BASIC FINANCIAL STATEMENTS

9. LONG-TERM DEBT (Continued)

POOL GENERAL OBLIGATION BOND 2015

In April of 2015, general obligation bonds-Series 2015 were issued in the amount of \$19,900,000 with current interest bonds at 4%. Bond interest payments begin June 15, 2016 and end June 15, 2035.

10. OPERATING AND OTHER LEASES

Several parks are leased from the City of Newberg at no cost. During the year ended June 30, 1995 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 five copiers and printers. The monthly payments range from \$207 to \$845. Lease payments for the year ending June 30, 2017 were \$13,395.

The future minimum operating lease payments are as follows:

<u>Year Ended</u> <u>June 30,</u>	<u>Amount</u>
2018	\$ 14,232
2019	8,740
2020	2,436
2021	1,608
2022	603
Total	<u>\$ 27,619</u>

11. INTERFUND TRANSFERS AND INTERFUND RECEIVABLES/PAYABLES

Interfund transfers and interfund receivables/payables consist of the following:

	<u>Transfers Out</u>	<u>Transfers In</u>
General Fund	\$ 711,713	\$ -
Debt Service Fund	-	611,713
Pool Bond Fund	-	100,000
Total	<u>\$ 711,713</u>	<u>\$ 711,713</u>

12. TAX ABATEMENTS

As of June 30, 2017, the District potentially had tax abatements through various state allowed programs that impacted levied taxes. Based on the information available from the county as of the date of issuance of these financial statements, the amount of abatements for the year ended June 30, 2017 is deemed immaterial.

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CHEHALEM PARKS AND RECREATION DISTRICT
YAMHILL COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION

CHEHALEM PARK AND RECREATION DISTRICT
YAMHILL COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2017

<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	\$ 2,521,969	\$ 2,521,969	\$ 2,673,584	151,615
Prior Years	60,000	60,000	120,481	60,481
Earnings on Investments	3,500	3,500	13,644	10,144
Parks	42,500	42,500	40,342	(2,158)
Sports:				
Concession Income	50,240	50,240	14,815	(35,425)
Sports Receipts	350,800	350,800	305,363	(45,437)
Recreation:				
Recreation	147,300	147,300	103,284	(44,016)
Preschool	51,375	51,375	39,410	(11,965)
Community School	65,500	65,500	31,553	(33,947)
Community Center/Scout House	162,000	162,000	122,968	(39,032)
Paddle Launch	-	-	14,293	14,293
Pool Receipts	487,780	487,780	447,916	(39,864)
Playgrounds/Centers	485,500	485,500	647,905	162,405
Golf Club House	1,509,948	1,509,948	1,177,846	(332,102)
Rec Adjustment	61,500	61,500	-	(61,500)
Miscellaneous Income	550,000	550,000	42,426	(507,574)
Total Revenues	<u>6,549,912</u>	<u>6,549,912</u>	<u>5,795,830</u>	<u>(754,082)</u>

Continued on page 24b

CHEHALEM PARK AND RECREATION DISTRICT
YAMHILL COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2017

	<u>GENERAL FUND</u>			VARIANCE WITH FINAL BUDGET
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
EXPENDITURES				
Personnel Services	\$ 2,650,817	\$ 2,650,817 (1)	\$ 2,309,755	\$ 341,062
Materials and Services	2,638,841	2,638,841 (1)	2,185,274	453,567
Capital Outlay, Development, Improvement and Acquisition	476,481	476,481 (1)	431,513	44,968
Contingency	100,000	100,000 (1)	-	100,000
Total Expenditures	<u>5,866,139</u>	<u>5,866,139</u>	<u>4,926,542</u>	<u>939,597</u>
Excess of Revenues Over (Under) Expenditures	683,773	683,773	869,288	185,515
OTHER FINANCING SOURCES (USES)				
Transfers Out	<u>(1,106,773)</u>	<u>(1,106,773) (1)</u>	<u>(711,713)</u>	<u>395,060</u>
Total Other Financing Sources (Uses)	<u>(1,106,773)</u>	<u>(1,106,773)</u>	<u>(711,713)</u>	<u>395,060</u>
Net Change in Fund Balance	(423,000)	(423,000)	157,575	580,575
Beginning Fund Balance	<u>450,000</u>	<u>450,000</u>	<u>1,020,899</u>	<u>570,899</u>
Ending Fund Balance	<u>\$ 27,000</u>	<u>\$ 27,000</u>	<u>1,178,474</u>	<u>\$ 1,151,474</u>

(1) Appropriation level

Continued from page 24a

* Expenditure detail by Department follows on pages 31A through 31N.

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

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2017**

SYSTEM DEVELOPMENT FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET</u>
REVENUES:				
SDC Income	\$ 161,000	\$ 161,000	\$ 279,989	\$ 118,989
Interest Earned	160	160	3	(157)
Total Revenues	<u>161,160</u>	<u>161,160</u>	<u>279,992</u>	<u>118,832</u>
EXPENDITURES:				
Capital, Development, Improvement & Acquisition	<u>485,160</u>	<u>485,160 (1)</u>	<u>206,959</u>	<u>278,201</u>
Net Change in Fund Balance	(324,000)	(324,000)	73,033	397,033
Beginning Fund Balance	<u>201,000</u>	<u>201,000</u>	<u>274,632</u>	<u>73,632</u>
Ending Fund Balance	<u>\$ (123,000)</u>	<u>\$ (123,000)</u>	<u>\$ 347,665</u>	<u>\$ 470,665</u>

(1) Appropriation level

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

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2017**

DEBT SERVICE FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET</u>
REVENUES:				
Interest Earned	\$ 183	\$ 183	\$ 402	\$ 219
Total Revenue	<u>183</u>	<u>183</u>	<u>402</u>	<u>219</u>
EXPENDITURES:				
Capital Outlay	30,965	30,965 (1)	-	30,965
Debt Service	<u>1,106,773</u>	<u>1,106,773 (1)</u>	<u>611,713</u>	<u>495,060</u>
Total Expenditures	<u>1,137,738</u>	<u>1,137,738</u>	<u>611,713</u>	<u>526,025</u>
Excess of Revenues Over (Under) Expenditures	(1,137,555)	(1,137,555)	(611,311)	526,244
OTHER FINANCING SOURCES (USES):				
Transfers In	<u>1,106,773</u>	<u>1,106,773</u>	<u>611,713</u>	<u>(495,060)</u>
Total Other Financing Sources (Uses)	<u>1,106,773</u>	<u>1,106,773</u>	<u>611,713</u>	<u>(495,060)</u>
Net Change in Fund Balance	(30,782)	(30,782)	402	31,184
Beginning Fund Balance	<u>30,782</u>	<u>30,782</u>	<u>30,867</u>	<u>85</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,269</u>	<u>\$ 31,269</u>

(1) Appropriation level

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

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2017**

<u>2015 BOND DEBT SERVICE FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET</u>
REVENUES:				
Property Tax	\$ 1,237,975	\$ 1,237,975	\$ 1,274,067	\$ 36,092
Interest Earned	-	-	5,815	5,815
Total Revenue	<u>1,237,975</u>	<u>1,237,975</u>	<u>1,279,882</u>	<u>41,907</u>
EXPENDITURES:				
Debt Service	<u>1,237,975</u>	<u>1,237,975</u> (1)	<u>1,237,979</u>	<u>(4)</u>
Net Change in Fund Balance	-	-	41,903	41,903
Beginning Fund Balance	-	-	<u>(27,674)</u>	<u>(27,674)</u>
Ending Fund Balance	<u>\$ -</u>	<u># \$ -</u>	<u>\$ 14,229</u>	<u>\$ 14,229</u>

(1) Appropriation level

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

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2017**

<u>POOL BOND FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET</u>
REVENUES:				
Taxes Levied				
Interest Earned	\$ 90,000	\$ 90,000	\$ 184,078	\$ 94,078
Miscellaneous	-	-	37,330	37,330
Total Revenue	<u>90,000</u>	<u>90,000</u>	<u>221,408</u>	<u>131,408</u>
EXPENDITURES:				
Capital Outlay	19,221,827	19,221,827 (1)	7,753,907	11,467,920
Total Expenditures	<u>19,221,827</u>	<u>19,221,827</u>	<u>7,753,907</u>	<u>11,467,920</u>
Excess of Revenues Over (Under) Expenditures	(19,131,827)	(19,131,827)	(7,532,499)	11,599,328
OTHER FINANCING SOURCES (USES):				
Transfers In	-	-	100,000	100,000
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>100,000</u>	<u>100,000</u>
Net Change in Fund Balance	<u>(19,131,827)</u>	<u>(19,131,827)</u>	<u>(7,432,499)</u>	<u>11,699,328</u>
Beginning Fund Balance	<u>19,131,827</u>	<u>19,131,827</u>	<u>19,349,220</u>	<u>217,393</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,916,721</u>	<u>\$ 11,916,721</u>

(1) Appropriation level

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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 PROPERTY TAX TRANSACTIONS AND BALANCES
OF TAXES UNCOLLECTED
For the Year Ended June 30, 2017

TAX YEAR	ORIGINAL LEVY OR BALANCE UNCOLLECTED 7/1/2016	DEDUCT DISCOUNTS	ADJUSTMENTS TO ROLLS	ADD INTEREST	CASH COLLECTION BY COUNTY TREASURER	BALANCE UNCOLLECTED/ UNSEGREGATED 06/30/17
<u>GENERAL FUND</u>						
CURRENT						
2016-17	\$ 2,862,204	\$ 72,870	\$ (12,915)	\$ 1,538	\$ 2,686,106	\$ 91,851
PRIOR YEARS						
2015-16	97,030	-	(7,005)	2,863	44,974	47,914
2014-15	54,067	-	(5,257)	4,189	21,938	31,061
2013-14	38,534	-	(6,060)	4,976	16,783	20,667
2012-13	25,051	-	(6,299)	4,591	11,035	12,308
Prior	38,741	-	(3,517)	2,063	2,307	34,980
Total Prior	253,423	-	(28,138)	18,682	97,037	146,930
Total	\$ 3,115,627	\$ 72,870	\$ (41,053)	\$ 20,220	\$ 2,783,143	\$ 238,781

	GENERAL FUND
<u>RECONCILIATION OF REVENUE</u>	
Cash Collections by County Treasurer Above	\$ 2,783,143
Accrual of Receivables	
Other taxes	954
June 30, 2016	(13,097)
June 30, 2017	10,760
Total Revenue	\$ 2,781,760

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

**SCHEDULE OF PROPERTY TAX TRANSACTIONS AND BALANCES
OF TAXES UNCOLLECTED
For the Year Ended June 30, 2017**

TAX YEAR	ORIGINAL LEVY OR BALANCE UNCOLLECTED 7/1/2016	DEDUCT DISCOUNTS	ADJUSTMENTS TO ROLLS	ADD INTEREST	CASH COLLECTION BY COUNTY TREASURER	BALANCE UNCOLLECTED/ UNSEGREGATED 06/30/17
<u>2015 BOND DEBT SERVICE FUND</u>						
CURRENT						
2016-17	\$ 1,344,816	\$ 34,238	\$ (6,068)	\$ 722	\$ 1,262,075	\$ 43,157
PRIOR YEARS						
2015-16	44,726	-	(3,230)	1,320	20,731	22,085
2014-15	-	-	-	-	-	-
2013-14	-	-	-	-	-	-
2012-13	-	-	-	-	-	-
Prior	-	-	-	-	-	-
Total Prior	44,726	-	(3,230)	1,320	20,731	22,085
Total	<u>\$ 1,389,542</u>	<u>\$ 34,238</u>	<u>\$ (9,298)</u>	<u>\$ 2,042</u>	<u>\$ 1,282,806</u>	<u>\$ 65,242</u>

	GENERAL FUND
RECONCILIATION OF REVENUE	
Cash Collections by County Treasurer Above	\$ 1,282,806
Accrual of Receivables	
Taxes in Lieu	7,237
June 30, 2016	(2,679)
June 30, 2017	4,949
Total Revenue	<u>\$ 1,292,313</u>

CHEHALEM PARK AND RECREATION DISTRICT
YAMHILL COUNTY, OREGON

SCHEDULE OF EXPENDITURES BY DEPARTMENT – BUDGET AND ACTUAL
For the Year Ended June 30, 2017

	<u>GENERAL FUND</u>			VARIANCE WITH FINAL BUDGET
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
EXPENDITURES - Department 413				
ADMINISTRATION				
Personnel Services				
Superintendent	\$ 104,985	\$ 104,985	\$ 104,566	\$ 419
Administrative Coordinator	31,088	31,088	31,002	86
Public Information Coordinator	48,158	48,158	47,963	195
Part-time Clerk	10,400	10,400	7,178	3,222
Payroll Taxes and Benefits	95,799	95,799	95,596	203
Total Personnel Services	290,430	290,430	286,305	4,125
Materials and Services				
Office Supplies	7,000	7,000	5,923	1,077
Postage Supplies	1,000	1,000	612	388
Program Supplies	2,500	2,500	8,117	(5,617)
Promotional Supplies	2,500	2,500	71	2,429
Classifieds	1,000	1,000	1,882	(882)
Brochures	7,000	7,000	733	6,267
Flyers and Schedules	200	200	182	18
Publicity	750	750	-	750
Directors Fees	360	360	-	360
Professional Dues	8,000	8,000	7,595	405
Conferences/Workshops	5,250	5,250	1,907	3,343
Staff Mileage	500	500	-	500
Staff Expenses	7,500	7,500	7,422	78
Telephone	3,000	3,000	3,423	(423)
Fees	6,500	6,500	5,008	1,492
Maintenance	1,000	1,000	-	1,000
Legal Services	68,250	68,250	21,530	46,720
Audit Services	23,000	23,000	18,545	4,455
Program Contracts	15,950	15,950	11,914	4,036
Insurance Services	7,750	7,750	6,902	848
Interest	1,500	1,500	-	1,500
Equipment Maintenance Contracts	2,500	2,500	-	2,500
Consultants	38,250	38,250	22,292	15,958
Property Taxes	7,500	7,500	14,004	(6,504)
Elections	13,500	13,500	21,453	(7,953)
Rental/Lease	1,500	1,500	-	1,500
Total Materials and Services	233,760	233,760	159,515	74,245
TOTAL ADMINISTRATION	524,190	524,190	445,820	78,370

CHEHALEM PARK AND RECREATION DISTRICT
YAMHILL COUNTY, OREGON

SCHEDULE OF EXPENDITURES BY DEPARTMENT – BUDGET AND ACTUAL
For the Year Ended June 30, 2017

	<u>GENERAL FUND</u>			VARIANCE WITH FINAL BUDGET
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
EXPENDITURES - Department 450				
PARKS DEPARTMENT				
Personnel Services				
Park Supervisor	\$ 70,830	\$ 70,830	\$ 70,478	\$ 352
Park Lead Man	39,444	39,444	39,357	87
Park Technicians	69,327	69,327	69,967	(640)
Maintenance Supervisor	58,284	58,284	60,953	(2,669)
Park Laborer/Secretaries	93,196	93,196	56,978	36,218
Payroll Taxes and Benefits	<u>167,272</u>	<u>167,272</u>	<u>161,821</u>	<u>5,451</u>
Total Personnel Services	498,353	498,353	459,554	38,799
Materials and Services				
Office Supplies	2,200	2,200	1,375	825
Postage Supplies	550	550	926	(376)
Program Supplies	2,200	2,200	2,014	186
Small Tools	2,500	2,500	2,329	171
Janitorial Supplies	17,000	17,000	15,937	1,063
Chemical and Agricultural Supplies	6,000	6,000	3,826	2,174
Gas and Oil Supplies	15,000	15,000	8,469	6,531
Classifieds	225	225	25	200
Brochures	750	750	732	18
Flyers	2,500	2,500	92	2,408
Professional Dues	4,000	4,000	4,008	(8)
Conferences/Workshops	1,500	1,500	1,259	241
Staff Mileage	600	600	639	(39)
Staff Expense	600	600	606	(6)
Electricity	61,000	61,000	65,256	(4,256)
Natural Gas	29,000	29,000	22,795	6,205
Water/Sewer	160,000	160,000	145,037	14,963
Fees	2,500	2,500	1,553	947
Telephone	4,200	4,200	5,059	(859)
Garbage Expense	8,000	8,000	12,303	(4,303)
Building Maintenance	20,000	20,000	19,724	276
Structure Maintenance	12,000	12,000	13,686	(1,686)
Equipment Maintenance	42,000	42,000	35,794	6,206
Grounds Maintenance	30,000	30,000	26,178	3,822
Program Contracts	164,172	164,172	170,655	(6,483)
Insurance Services	24,838	24,838	24,359	479
Equipment Maintenance Contracts	-	-	2,110	(2,110)
Refunds	-	-	53	(53)
Equipment Rental	17,600	17,600	10,564	7,036
Buildings and Structures	<u>19,050</u>	<u>19,050</u>	<u>18,176</u>	<u>874</u>
Total Materials and Services	<u>649,985</u>	<u>649,985</u>	<u>615,539</u>	<u>34,446</u>
TOTAL PARKS DEPARTMENT	<u>1,148,338</u>	<u>1,148,338</u>	<u>1,075,093</u>	<u>73,245</u>

CHEHALEM PARK AND RECREATION DISTRICT
YAMHILL COUNTY, OREGON

SCHEDULE OF EXPENDITURES BY DEPARTMENT – BUDGET AND ACTUAL
For the Year Ended June 30, 2017

	<u>GENERAL FUND</u>			VARIANCE WITH FINAL BUDGET
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
EXPENDITURES - Department 451				
AQUATICS				
Personnel Services				
Aquatic Coordinator	\$ 39,444	\$ 39,444	\$ 39,282	\$ 162
Secretary	28,240	28,240	28,225	15
Guards, Instructors and Cashiers	165,750	165,750	142,587	23,163
Coaches	6,823	6,823	5,424	1,399
Payroll Taxes and Benefits	<u>83,679</u>	<u>83,679</u>	<u>81,882</u>	<u>1,797</u>
Total Personnel Services	323,936	323,936	297,400	26,536
Materials and Services				
Office Supplies	2,750	2,750	3,088	(338)
Postage Supplies	1,450	1,450	768	682
Program Supplies	10,200	10,200	11,030	(830)
Chemical and Agricultural Supplies	19,900	19,900	21,097	(1,197)
Store Supplies	6,000	6,000	5,591	409
Classifieds	625	625	-	625
Brochures	1,450	1,450	757	693
Flyers	1,850	1,850	1,180	670
Professional Dues	2,500	2,500	2,269	231
Conferences/Workshops	750	750	787	(37)
Staff Mileage	350	350	144	206
Staff Expenses	400	400	191	209
Electricity	52,000	52,000	56,115	(4,115)
Natural Gas	70,050	70,050	67,475	2,575
Water/Sewer	33,000	33,000	32,082	918
Telephone	3,000	3,000	3,120	(120)
Fees	28,225	28,225	27,077	1,148
Program Contracts	22,000	22,000	20,227	1,773
Insurance Services	27,100	27,100	24,165	2,935
Refunds	<u>450</u>	<u>450</u>	<u>274</u>	<u>176</u>
Total Materials and Services	<u>284,050</u>	<u>284,050</u>	<u>277,437</u>	<u>6,613</u>
TOTAL AQUATICS	<u>607,986</u>	<u>607,986</u>	<u>574,837</u>	<u>33,149</u>

CHEHALEM PARK AND RECREATION DISTRICT
YAMHILL COUNTY, OREGON

SCHEDULE OF EXPENDITURES BY DEPARTMENT – BUDGET AND ACTUAL
For the Year Ended June 30, 2017

	<u>GENERAL FUND</u>			VARIANCE WITH FINAL BUDGET
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
EXPENDITURES - Department 452				
RECREATION - ADULT SPORTS				
Personnel Services				
Sports Supervisor	\$ 10,625	\$ 10,625	\$ 10,582	\$ 43
Sports Technician	8,272	8,272	8,237	35
Sports Assistant	-	-	2,194	(2,194)
Sports Leaders/Secretaries	3,000	3,000	-	3,000
Payroll Taxes and Benefits	9,846	9,846	8,658	1,188
Total Personnel Services	31,743	31,743	29,671	2,072
Materials and Services				
Office Supplies	1,350	1,350	1,074	276
Postage Supplies	375	375	649	(274)
Program Supplies	2,380	2,380	4,177	(1,797)
Classifieds	100	100	25	75
Brochures	825	825	533	292
Flyers and Schedules	350	350	92	258
Professional Dues	340	340	544	(204)
Conferences/Workshops	75	75	-	75
Staff Mileage	225	225	8	217
Staff Expenses	100	100	71	29
Electricity	2,000	2,000	4,270	(2,270)
Telephone	800	800	346	454
Fees	950	950	977	(27)
Equipment Maintenance	225	225	64	161
Program Contracts	8,600	8,600	4,809	3,791
Insurance	3,400	3,400	3,961	(561)
Refunds	850	850	-	850
Equipment Rental	225	225	-	225
Buildings and Structures	250	250	-	250
Total Materials and Services	23,420	23,420	21,600	1,820
TOTAL ADULT SPORTS	55,163	55,163	51,271	3,892

CHEHALEM PARK AND RECREATION DISTRICT
YAMHILL COUNTY, OREGON

SCHEDULE OF EXPENDITURES BY DEPARTMENT – BUDGET AND ACTUAL
For the Year Ended June 30, 2017

	<u>GENERAL FUND</u>			VARIANCE WITH FINAL BUDGET
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
EXPENDITURES - Department 453				
RECREATION - YOUTH SPORTS				
Personnel Services				
Sports Supervisor	\$ 36,831	\$ 36,831	\$ 36,873	\$ (42)
Sports Technician	24,816	24,816	24,707	109
Sports Leaders/Secretaries	35,000	35,000	24,535	10,465
Payroll Taxes and Benefits	35,451	35,451	30,829	4,622
Total Personnel Services	132,098	132,098	116,944	15,154
Materials and Services				
Office Supplies	3,400	3,400	2,496	904
Postage Supplies	700	700	744	(44)
Program Supplies	59,598	59,598	69,166	(9,568)
Gas and Oil Supplies	600	600	122	478
Classifieds	100	100	25	75
Brochures	1,700	1,700	632	1,068
Flyers	1,400	1,400	92	1,308
Professional Dues	1,305	1,305	728	577
Conferences/Workshops	400	400	215	185
Staff Mileage	250	250	159	91
Staff Expenses	450	450	722	(272)
Electricity	2,000	2,000	1,445	555
Telephone	2,200	2,200	1,522	678
Fees	8,000	8,000	7,109	891
Equipment Maintenance	375	375	-	375
Program Contracts	49,865	49,865	47,219	2,646
Insurance Services	5,000	5,000	4,555	445
Refunds	2,000	2,000	2,690	(690)
Equipment Rental	2,100	2,100	3,073	(973)
Buildings & Structures	-	-	(23)	23
Total Materials and Services	141,443	141,443	142,691	(1,248)
TOTAL YOUTH SPORTS	273,541	273,541	259,635	13,906

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

**SCHEDULE OF EXPENDITURES BY DEPARTMENT - BUDGET AND ACTUAL
For the Year Ended June 30, 2017**

	<u>GENERAL FUND</u>			VARIANCE WITH FINAL BUDGET
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
EXPENDITURES - Department 454				
RECREATION - CLASSES & ACTIVITIES				
Personnel Services				
Recreation Supervisor	\$ 12,041	\$ 12,041	\$ 11,325	\$ 716
Recreation Coordinator	31,516	31,516	28,070	3,446
Special Events Staff/Secretaries	37,176	37,176	33,471	3,705
Payroll Taxes and Benefits	41,564	41,564	40,996	568
Total Personnel Services	122,297	122,297	113,862	8,435
Materials and Services				
Office Supplies	2,000	2,000	2,744	(744)
Postage Supplies	850	850	691	159
Program Supplies	3,900	3,900	9,939	(6,039)
Gas and Oil Supplies	100	100	-	100
Classifieds	150	150	25	125
Brochures	1,100	1,100	866	234
Flyers	800	800	325	475
Professional Dues	160	160	420	(260)
Conferences/Workshops	550	550	635	(85)
Staff Mileage	325	325	257	68
Staff Expenses	400	400	329	71
Telephone	1,300	1,300	812	488
Fees	4,500	4,500	4,300	200
Program Contracts	19,800	19,800	18,295	1,505
Insurance Services	4,500	4,500	3,811	689
Refunds	150	150	40	110
Total Materials and Services	40,585	40,585	43,489	(2,904)
TOTAL CLASSES & ACTIVITIES	162,882	162,882	157,351	5,531

CHEHALEM PARK AND RECREATION DISTRICT
YAMHILL COUNTY, OREGON

SCHEDULE OF EXPENDITURES BY DEPARTMENT – BUDGET AND ACTUAL
For the Year Ended June 30, 2017

	<u>GENERAL FUND</u>			VARIANCE WITH FINAL BUDGET
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
EXPENDITURES - Department 455				
RECREATION - PLAYGROUNDS & CENTERS				
Personnel Services				
Recreation Supervisor	\$11,333	\$ 11,333	\$ 11,766	\$ (433)
Recreation Coordinator	39,444	39,444	39,321	123
After School Staff	212,793	212,793	219,971	(7,178)
Payroll Taxes and Benefits	53,981	53,981	53,494	487
Total Personnel Services	317,551	317,551	324,552	(7,001)
Materials and Services				
Office Supplies	3,500	3,500	1,544	1,956
Postage Supplies	400	400	928	(528)
Program Supplies	32,000	32,000	30,463	1,537
Gas and Oil Supplies	1,000	1,000	82	918
Classifieds	250	250	25	225
Brochures	3,000	3,000	1,806	1,194
Flyers	1,000	1,000	292	708
Professional Dues	250	250	179	71
Conferences/Workshops	685	685	615	70
Staff Mileage	50	50	90	(40)
Staff Expenses	500	500	350	150
Telephone	4,200	4,200	4,345	(145)
Fees	10,500	10,500	14,199	(3,699)
Program Contracts	1,500	1,500	3,133	(1,633)
Insurance Services	2,900	2,900	2,614	286
Refunds	150	150	-	150
Contracts - Admissions	7,900	7,900	8,116	(216)
Equipment Rental	7,500	7,500	8,922	(1,422)
Total Materials and Services	77,285	77,285	77,703	(418)
TOTAL PLAYGROUNDS & CENTERS	394,836	394,836	402,255	(7,419)

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

**SCHEDULE OF EXPENDITURES BY DEPARTMENT – BUDGET AND ACTUAL
For the Year Ended June 30, 2017**

	<u>GENERAL FUND</u>			VARIANCE WITH FINAL BUDGET
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
EXPENDITURES - Department 456				
COMMUNITY CENTER/SCOUT HOUSE				
Personnel Services				
Senior Center Specialist	\$ 28,580	\$ 28,580	\$ 26,605	\$ 1,975
Building Leaders	16,747	16,747	49	16,698
Payroll Taxes and Benefits	34,773	34,773	12,868	21,905
Total Personnel Services	80,100	80,100	39,522	40,578
Materials and Services				
Office Supplies	1,800	1,800	797	1,003
Postage Supplies	750	750	656	94
Program Supplies	4,200	4,200	4,325	(125)
Gas and Oil Supplies	800	800	672	128
Classifieds	400	400	25	375
Brochures	2,400	2,400	2,038	362
Flyers	1,800	1,800	576	1,224
Professional Dues	300	300	141	159
Conferences/Workshops	400	400	180	220
Staff Mileage	200	200	643	(443)
Staff Expense	400	400	88	312
Electricity	8,500	8,500	6,806	1,694
Natural Gas	1,200	1,200	1,425	(225)
Water/Sewer	13,000	13,000	17,635	(4,635)
Telephone	1,900	1,900	1,997	(97)
Fees	900	900	2,210	(1,310)
Equipment Maintenance	200	200	152	48
Program Contracts	12,000	12,000	10,337	1,663
Insurance Services	26,500	26,500	26,018	482
Senior Trips	5,600	5,600	2,098	3,502
Refunds	2,000	2,000	1,910	90
Total Materials and Services	85,250	85,250	80,729	4,521
TOTAL COMMUNITY CENTER/ SCOUT HOUSE	165,350	165,350	120,251	45,099

CHEHALEM PARK AND RECREATION DISTRICT
YAMHILL COUNTY, OREGON

SCHEDULE OF EXPENDITURES BY DEPARTMENT – BUDGET AND ACTUAL
For the Year Ended June 30, 2017

	<u>GENERAL FUND</u>			VARIANCE WITH FINAL BUDGET
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
EXPENDITURES - Department 457				
COMMUNITY SCHOOLS				
Personnel Services				
Part-time, Temporary and Full-time	\$ 22,846	\$ 22,846	\$ 11,462	\$ 11,384
Payroll Taxes and Benefits	2,545	2,545	1,295	1,250
Total Personnel Services	25,391	25,391	12,757	12,634
Materials and Services				
Office Supplies	2,000	2,000	1,973	27
Postage Supplies	800	800	671	129
Program Supplies	1,600	1,600	1,686	(86)
Snacks and Food	300	300	-	300
Classifieds	100	100	25	75
Brochures	1,100	1,100	781	319
Flyers	800	800	292	508
Professional Dues	100	100	66	34
Conferences/Workshops	200	200	-	200
Staff Mileage	150	150	41	109
Staff Expense	75	75	107	(32)
Telephone	600	600	326	274
Fees	700	700	829	(129)
Program Contracts	6,200	6,200	5,139	1,061
Insurance Services	1,800	1,800	1,136	664
Refunds	100	100	-	100
Total Materials and Services	16,625	16,625	13,072	3,553
TOTAL COMMUNITY SCHOOLS PROGRAM	42,016	42,016	25,829	16,187

CHEHALEM PARK AND RECREATION DISTRICT
YAMHILL COUNTY, OREGON

SCHEDULE OF EXPENDITURES BY DEPARTMENT – BUDGET AND ACTUAL
For the Year Ended June 30, 2017

	<u>GENERAL FUND</u>			VARIANCE WITH FINAL BUDGET
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
EXPENDITURES - Department 458				
GOLF COURSE MAINTENANCE				
Personnel Services				
Golf Course Supervisor	\$ 70,830	\$ 70,830	\$ 70,546	\$ 284
Golf Course Technician	25,168	25,168	13,770	11,398
Golf Mechanic	27,230	27,230	7,064	20,166
Golf Course Landscaper	57,218	57,218	56,849	369
Assistant Groundskeeper	36,408	36,408	36,223	185
Part-time and Temporary	135,300	135,300	100,434	34,866
Payroll Taxes and Benefits	138,063	138,063	108,935	29,128
Total Personnel Services	490,217	490,217	393,821	96,396
Materials and Services				
Office Supplies	1,864	1,864	1,640	224
Postage Supplies	350	350	610	(260)
Program Supplies	15,318	15,318	18,549	(3,231)
Small Tools	7,430	7,430	1,675	5,755
Janitorial Supplies	1,567	1,567	591	976
Chemical and Agricultural Supplies	120,239	120,239	102,156	18,083
Gas and Oil Supplies	30,342	30,342	19,687	10,655
Snacks and Food	660	660	296	364
Uniforms	600	600	-	600
Classifieds	1,500	1,500	758	742
Professional Dues	1,870	1,870	2,306	(436)
Conferences & Workshops	3,800	3,800	7,612	(3,812)
Staff Mileage	100	100	471	(371)
Staff Expense	240	240	107	133
Electric	16,504	16,504	17,660	(1,156)
Natural Gas	2,500	2,500	5,037	(2,537)
Water & Sewer	200,754	200,754	138,699	62,055
Telephone	3,120	3,120	3,696	(576)
Garbage Expense	600	600	-	600
Buildings	3,200	3,200	180	3,020
Equipment	41,568	41,568	39,290	2,278
Grounds	112,610	112,610	80,809	31,801
Vehicles	2,050	2,050	2,226	(176)
Program Contracts	24,000	24,000	30,560	(6,560)
Insurance Services	11,000	11,000	5,916	5,084
Equipment Maintenance Contracts	5,690	5,690	3,445	2,245
Equipment Rentals	15,400	15,400	12,069	3,331
Total Materials and Services	624,876	624,876	496,045	128,831
TOTAL GOLF COURSE MAINTENANCE	1,115,093	1,115,093	889,866	225,227

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

**SCHEDULE OF EXPENDITURES BY DEPARTMENT – BUDGET AND ACTUAL
For the Year Ended June 30, 2017**

	<u>GENERAL FUND</u>			VARIANCE WITH FINAL BUDGET
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
EXPENDITURES - Department 459				
GOLF CLUB HOUSE				
Personnel Services				
Club House Supervisor	\$ 68,775	\$ 68,775	\$ 68,601	\$ 174
Golf Clerks	86,950	86,950	63,857	23,093
Marshall/Starter Staff	3,350	3,350	2,329	1,021
Outside Service Staff	30,500	30,500	24,936	5,564
Snack Bar Clerk	16,372	16,372	-	16,372
Lesson	15,360	15,360	111	
Beverage Cart Clerk	16,718	16,718	4,467	12,251
Catering Staff	2,400	2,400	-	2,400
Payroll Taxes and Benefits	57,871	57,871	49,080	8,791
Total Personnel Services	298,296	298,296	213,381	84,915
Materials and Services				
Office Supplies	1,800	1,800	1,593	207
Postage Supplies	1,500	1,500	886	614
Program Supplies	34,820	34,820	28,224	6,596
Small Tools	200	200	-	200
Janitorial Supplies	2,400	2,400	6,018	(3,618)
Store Supplies	168,850	168,850	112,272	56,578
Gas and Oil Supplies	250	250	-	250
Snacks and Food	500	500	-	500
Uniforms	3,600	3,600	-	3,600
Classifieds	200	200	260	(60)
Brochures	-	-	14	(14)
Flyers	28,300	28,300	14,986	13,314
Prof Dues/ Fees/ Mag/ Books	3,335	3,335	4,022	(687)
Conferences/Workshops	4,000	4,000	-	4,000
Staff Mileage	750	750	743	7
Staff Expense	750	750	541	209
Electric	15,000	15,000	14,120	880
Water/Sewer	1,200	1,200	775	425
Telephone	3,200	3,200	5,997	(2,797)
Fees	9,200	9,200	30,599	(21,399)
Computer and Cable	32,962	32,962	-	32,962
Garbage Expense	-	-	5,466	(5,466)
Buildings Maintenance	2,000	2,000	953	1,047
Structures	3,500	3,500	460	3,040
Equipment	8,000	8,000	7,024	976
Program Contracts	15,000	15,000	4,142	10,858
Insurance Services	7,500	7,500	8,315	(815)
Consultant Services	10,000	10,000	-	10,000
Refunds	2,500	2,500	-	2,500
Equipment Rentals	6,000	6,000	-	6,000
Total Materials and Services	367,317	367,317	247,410	119,907
TOTAL GOLF CLUB HOUSE	665,613	665,613	460,791	204,822

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

**SCHEDULE OF EXPENDITURES BY DEPARTMENT – BUDGET AND ACTUAL
For the Year Ended June 30, 2017**

	<u>GENERAL FUND</u>			VARIANCE WITH FINAL BUDGET
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
EXPENDITURES - Department 472				
JAQUITH CONCESSION				
Personnel Services				
Concession Attendant	\$ 15,650	\$ 15,650	\$ -	\$ (15,650)
Payroll Taxes and Benefits	2,082	2,082	-	2,082
Total Personnel Services	17,732	17,732	-	17,732
Materials and Services				
Office Supplies	60	60	-	60
Postage	30	30	-	30
Program Supplies	15,000	15,000	-	15,000
Classifieds	75	75	-	75
Flyers	125	125	-	125
Conferences/Workshops	700	700	-	700
Professional Dues	980	980	-	980
Concession Mileage	200	200	-	200
Concession Insurance	1,600	1,600	501	1,099
Concession Electricity	1,600	1,600	-	1,600
Fees	1,400	1,400	-	1,400
Equipment Maintenance	300	300	-	300
Total Materials and Services	22,070	22,070	501	21,569
TOTAL JAQUITH CONCESSION	39,802	39,802	501	39,301

CHEHALEM PARK AND RECREATION DISTRICT
YAMHILL COUNTY, OREGON

SCHEDULE OF EXPENDITURES BY DEPARTMENT – BUDGET AND ACTUAL
For the Year Ended June 30, 2017

	<u>GENERAL FUND</u>			VARIANCE WITH FINAL BUDGET
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
EXPENDITURES - Department 474				
PRESCHOOL				
Personnel Services				
Head Instructor	\$ 20,620	\$ 20,620	\$ 20,057	\$ 563
Payroll Taxes and Benefits	2,053	2,053	1,930	123
Total Personnel Services	22,673	22,673	21,987	686
Materials and Services				
Office Supplies	975	975	392	583
Postage	200	200	197	3
Program Supplies	2,000	2,000	1,959	41
Classifieds	200	200	165	35
Brochures	1,600	1,600	1,223	377
Flyers	300	300	292	8
Staff Expenses	100	100	-	100
Electricity	375	375	428	(53)
Natural Gas	850	850	814	36
Water/Sewer	900	900	768	132
Telephone	825	825	726	99
Refunds	100	100	-	100
Fees	950	950	965	(15)
Insurance	1,300	1,300	1,462	(162)
Total Materials and Services	10,675	10,675	9,391	1,284
TOTAL PRESCHOOL	33,348	33,348	31,378	1,970

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

**SCHEDULE OF EXPENDITURES BY DEPARTMENT – BUDGET AND ACTUAL
For the Year Ended June 30, 2017**

	<u>GENERAL FUND</u>			VARIANCE WITH FINAL BUDGET
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
EXPENDITURES - Department 470				
ACQUISITION AND IMPROVEMENT				
Capital Outlay, Development, Improvement, and Acquisition	\$ 476,481	\$ 476,481	431,513	\$ 44,968
TOTAL ACQUISITION AND IMPROVEMENT	<u>476,481</u>	<u>476,481</u>	<u>431,513</u>	<u>44,968</u>
MISCELLANEOUS DEPARTMENTS				
Materials and Services				
Babe Ruth League - Department 504	8,000	8,000	-	8,000
Bambino League - Department 503	22,000	22,000	-	22,000
Chehalem Volleyball Club - Department 505	1,500	1,500	-	1,500
Quilt Club - Department 506	10,000	10,000	151	9,849
Community Progress Team - Department 501	20,000	20,000	-	20,000
TOTAL MISCELLANEOUS DEPARTMENTS	<u>61,500</u>	<u>61,500</u>	<u>151</u>	<u>61,349</u>
CONTINGENCY	<u>100,000</u>	<u>100,000</u>	<u>-</u>	<u>100,000</u>
TOTAL EXPENDITURES	<u>\$ 5,866,139</u>	<u>\$ 5,866,139</u>	<u>\$ 4,926,542</u>	<u>939,597</u>

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CHEHALEM PARKS AND RECREATION DISTRICT
YAMHILL COUNTY, OREGON

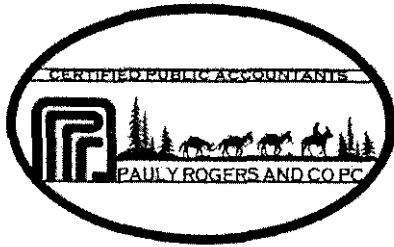
OTHER INFORMATION

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CHEHALEM PARKS AND RECREATION DISTRICT
YAMHILL COUNTY, OREGON

INDEPENDENT AUDITORS' REPORT REQUIRED BY OREGON STATE REGULATIONS

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November 15, 2017

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, 2017 and have issued our report thereon dated November 15, 2017. 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 basic financial statements 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 basic 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)**

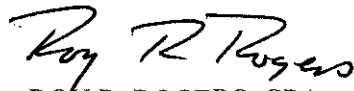
In connection with our testing, nothing came to our attention that caused us to believe the Chehalem Parks and Recreation District was not in substantial compliance with certain provisions of laws, regulations, contracts and grants, including the provisions of Oregon Revised Statutes as specific in Oregon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

1. Actual expenditures exceeded budget appropriations as noted on page 14 of the notes to the basic financial statements.
2. During our review of bills, we noted purchases over \$10,000 that showed no evidence of quotes being obtained, nor documentation supporting an exemption from obtaining multiple quotes. ORS 279 requires documenting any exceptions to intermediate procurement or competitive bidding rules.
3. The System Development Fund on page 25 has a budgeted negative ending fund balance of \$(123,000). The District funds should always have a balanced budget as required by Oregon Budget Law.

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 basic 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.

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.

A handwritten signature in black ink that reads "Roy R. Rogers". The signature is written in a cursive style with a large, prominent "R" at the beginning.

ROY R. ROGERS, CPA
PAULY, ROGERS AND CO., P.C.