



1400 Queen Ave SE • Suite 201 • Albany, OR 97322
(541) 967-8720 • FAX (541) 967-6123

**COUNCIL OF GOVERNMENTS
FINANCE COMMITTEE AGENDA
March 19, 2015
2:30 p.m.**

Cascades West Center in Albany
1400 Queen Ave.
Albany, OR. 97322

NOTE: An Executive Session may be called as deemed necessary by the Chair, pursuant to ORS 192.660

1. Minutes of the Previous Meeting (Chair)

Review of the October 23, 2014 Finance Committee minutes (Attachment 1).

ACTION: Motion to approve the minutes of the October 23, 2014 Finance Committee meeting.

2. FY 2015 Meeting Schedule (Chair)

Approval of the 2015 Finance Committee Meeting Schedule (Attachment 2).

ACTION: Motion to approve the FY 2015 Finance Committee meeting schedule.

3. Review of the FY 2013-2014 Final Audit (Sue Forty)

Staff will review the FY 2013-2014 final audit and answer any questions you may have (Attachment 3).

ACTION: Information only.

4. Financial Report (Sue Forty)

Staff will review the January 2015 Financial Report and respond to questions (Attachment 4).

ACTION: Information only.

5. Update on Request for Proposal (RFP) for Next FY Audit Services (Sue Forty)

Staff will update the Committee on the results of the RFP for obtaining new auditing services for the COG.

ACTION: Information only.

6. Other Business

7. Adjournment

OREGON CASCADES WEST COUNCIL OF GOVERNMENTS
FINANCE COMMITTEE
October 23, 2014
Minutes

MEMBERS: Commissioner Bill Hall, Lincoln County; Commissioner Jay Dixon, Benton County; Mayor Julie Manning, Corvallis; Mayor Sharon Konopa, Albany; Council Member Bob Elliott, Lebanon; and Council Member Dann Cutter, Waldport.

STAFF: Executive Director Fred Abousleman, Human Resource Manager Lydia George, Finance Director Sue Forty, and Administrative Assistant Cheryl Carlton.

The Finance Committee meeting was called to order by Finance Chair, Julie Manning at 8:30 a.m. on October 23, 2014 at the Cascades West Center in Albany, Oregon.

1. Minutes of the Previous Meeting

Motion to approve the minutes of the June 26, 2014 Finance Committee Meeting made by Commissioner Dixon, and seconded by Commissioner Hall. Motion passed unanimously.

2. Financial Report

Finance Director Forty introduced the new financial summary memo that will be partnered with the current spreadsheet each month. Sue went on to say the function of the new memo-style outline was to provide a summary of budget line items of noted importance. The Committee approved of the summary, but in addition, requested the following information on the memo:

- a) Include the previous fiscal year's percentage on the summary.
- b) Describe what was included in each line item description (i.e. what expense is charged to travel and training).
- c) Include the percentage of the fiscal year average over 12 months.

3. Other Business

No other business was discussed.

4. Adjournment

Meeting adjourned at 8:51 a.m.

Minutes recorded by Cheryl Carlton

Oregon Cascades West Council of Governments 2015 Finance Committee Schedule

*Meetings Begin at 2:30 p.m.
Prior to the Full Board Meeting*

DATE	LOCATION
January 15	Albany, COG
March 19	Albany, COG
May 21	Albany, COG
July 16	Albany, COG
September 17	Albany, COG
December 3	Albany, COG
<p>❖ With the availability of video conferencing, Lincoln County Members can participate at the Toledo Cascades West Center.</p>	



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www.OCWCOG.org

MEMORANDUM

DATE: 3/16/2015
TO: Finance Committee, Board and Staff
FROM: Sue Forty, Finance Director
RE: Fiscal Year 2013-2014 Audit

Enclosed is a copy of our printed FY 2013-2014 Audit for your review and acceptance. Please review and mark any areas that you have questions and/or concerns.

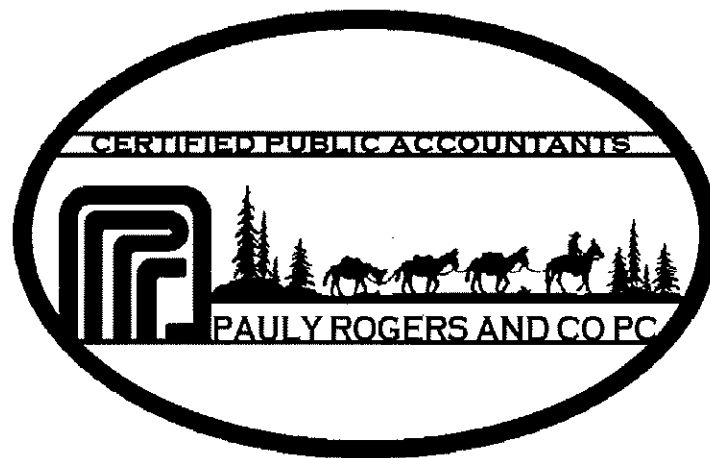
As always, if you have any questions or want additional information, please give me a call at (541) 924-8435.

Thank you for your time and support.

**OREGON CASCADES WEST
COUNCIL OF GOVERNMENTS
ALBANY COUNTY, OREGON**

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2014



12700 SW 72nd Ave.
Tigard, OR 97223

OREGON CASCADES WEST COUNCIL OF GOVERNMENTS
ALBANY, OREGON

2013-2014

FINANCIAL REPORT

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OREGON CASCADES WEST COUNCIL OF GOVERNMENTS
ALBANY, OREGON

BOARD OF DIRECTORS

June 30, 2014

BENTON COUNTY

Jay Dixon, County Commissioner

Bill Currier, City Council, Adair Village
Vacant, City Council, Monroe

Julie Manning, City Council, Corvallis Rocky
Sloan, City Council, Philomath

LINCOLN COUNTY

Bill Hall, County Commissioner

A.J. Mattila, City Council, Depoe Bay
John Robinson, Mayor, Siletz
Dean Sawyer, City Council, Newport
Ron Brean, Mayor, Yachats
Maureen Keeler, Port of Newport

Chester Noreikis, City Council, Lincoln City
Dann Cutter, City Council, Waldport
Jill Lyon, City Council, Toledo

LINN COUNTY

John Lindsay, County Commissioner

Sharon Konopa, Mayor, Albany
Wade Doerfler, City Council, Halsey
Bob Elliott, City Council, Lebanon
Carolyn Nunn, City Council, Scio
Seaton McLennan, Mayor, Tangent

Rob Boyanvosky, City Council, Brownsville
Sarah Puls, City Council, Harrisburg
Lisa Metz-Dittmer, City Council, Millersburg
Scott McKee Jr., City Council, Sweet Home
Robert Kentta, Tribal Council, Confederated
Tribes of Siletz

EXECUTIVE COMMITTEE

Bill Hall, Chair
Jay Dixon
Sharon Konopa
Dann Cutter
Julie Manning
Wade Doerfler

EXECUTIVE DIRECTOR

Fred Abousleman

REGISTERED OFFICE

1400 Queen Avenue SE
Albany, Oregon 97322

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OREGON CASCADES WEST COUNCIL OF GOVERNMENTS
ALBANY, OREGON
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PAULY, ROGERS, AND CO., P.C.
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www.paulyrogersandcocpas.com

December 8, 2014

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Oregon Cascades West Council of Governments
Albany, Oregon

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of Oregon Cascades West Council of Governments, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 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 financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of Oregon Cascades West Council of Governments, as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate

operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial

statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The budgetary comparison schedules presented as Required Supplementary Information, as listed in the table of contents, have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and in our opinion are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The supplementary and other information, as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal expenditures is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The supplementary information, as listed in the table of contents, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the 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, as listed in the table of contents, and the schedule of federal expenditures is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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.

Reports on Other Legal and Regulatory Requirements

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2014 on our consideration of the internal control over financial reporting and on our tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting and compliance.

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated December 8, 2014, 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.



Matthew Graves, CPA

PAULY, ROGERS AND CO., P.C.

MANAGEMENT'S DISCUSSION AND ANALYSIS

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OREGON CASCADES WEST COUNCIL OF GOVERNMENTS
Albany, Oregon

MANAGEMENT'S DISCUSSION AND ANALYSIS

INTRODUCTION

As management of Oregon Cascades West Council of Governments, Albany, Oregon, we offer readers this narrative overview and analysis of the financial activities of the Council for the fiscal year ended June 30, 2014. It should be read in conjunction with the Council's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- Total assets of the Council exceeded total liabilities at the close of the most recent fiscal year by \$11,447,577.
- The Council's cash balance at June 30, 2014 was \$8,278,724.
- The Council had program revenues of \$18,652,877 and program expenses of \$17,857,668 for the year ended June 30, 2014.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to Oregon Cascades West Council of Governments' basic financial statements. The Council's basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

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

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

The *statement of activities* presents information showing how the Council's net position changed during the most recent fiscal year. 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, revenue and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

The government-wide financial statements report on the functions of the Council that are principally supported by intergovernmental revenues. The Council's functions are determined by the Council's member governments and may change from time to time. The Council's current functions include: lending programs to local businesses; assisting seniors and persons with disabilities in gaining access to community, state, and federal

OREGON CASCADES WEST COUNCIL OF GOVERNMENTS
Albany, Oregon

MANAGEMENT'S DISCUSSION AND ANALYSIS

support; community and economic development programs; and transportation planning. All of these functions are funded primarily by grant revenue through the state from the U.S. Department of Agriculture, the U.S. Department of Health and Human Services, the U.S. Department of Commerce, and the U.S. Department of Transportation.

The government-wide financial statements can be found on pages 8 and 9 of this report.

Fund Financial Statements

The *fund financial statements* are designed to demonstrate compliance with finance-related legal requirements overseeing the use of fund accounting. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. All of the funds of the Council can be divided into two categories: governmental funds and proprietary funds.

- **Governmental Funds**

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for the *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Council's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Council maintains three individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General, Community Development, and Senior and Disability Services Funds, all of which are considered to be major governmental funds.

The Council adopts an annual appropriated budget for all of its funds. A budgetary comparison statement is provided to demonstrate compliance with the budget.

The governmental financial statements can be found on pages 10 through 13 and the budgetary basis financial statements can be found on page 34.

OREGON CASCADES WEST COUNCIL OF GOVERNMENTS
Albany, Oregon

MANAGEMENT'S DISCUSSION AND ANALYSIS

- **Proprietary Funds**

Proprietary funds are used to account for a government's business-type activities. The Council maintains two proprietary funds; an enterprise fund and an internal service fund.

Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Council uses its enterprise fund to account for its loan program.

Internal service funds serve as an accounting device used to accumulate and allocate costs internally amongst the Council's various functions. The Council uses its internal service fund to account for real property, vehicles, and management information systems. Because these services predominantly benefit governmental functions rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary fund statements provide the same type of information as the government-wide financial statements, but in more detail. The proprietary fund financial statements provide separate information for the Loan and Internal Service Funds, both of which are considered to be major proprietary funds.

The basic proprietary fund financial statements can be found on pages 14 through 16 of this report.

Notes to the Financial Statements

The *notes to the financial statements* provide additional information that is essential to a full understanding of the financial data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 17 through 33 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information for individual fund activities. This supplementary information can be found on pages 36 and 37 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the Council's financial position. The Council's assets exceeded liabilities by \$11,447,557 at June 30, 2014.

A portion of the Council's net assets is unrestricted and available for future spending. A smaller portion of the Council's net assets reflects its investment in capital assets (e.g. land, building, and equipment) less any related debt used to acquire those assets that is still outstanding. The Council uses these capital assets to provide services to customers; consequently, these assets are not available for future spending. Although the Council's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

OREGON CASCADES WEST COUNCIL OF GOVERNMENTS
Albany, Oregon
MANAGEMENT'S DISCUSSION AND ANALYSIS

Council's Net Position

The Council's net position increased by \$1,191,381, due to the timing of a reconciliation and repayment to the State of Oregon during the current fiscal year.

Condensed statement of net position information is shown below.

	Governmental Activities		Business-Type Activities		Totals	
	2013	2014	2013	2014	2013	2014
Assets						
Current	7,108,078	7,115,121	3,069,927	3,043,032	10,178,005	10,158,153
Net Capital	2,228,528	2,407,535			2,228,528	2,407,535
Non-Current	253,140	253,140	2,390,167	2,300,457	2,643,307	2,553,597
Total Assets	9,589,746	9,775,796	5,460,094	5,343,489	15,049,840	15,119,285
Liabilities						
Current	954,143	664,289	190,950	185,359	1,145,093	849,648
Noncurrent	1,136,937	490,232	2,511,614	2,331,828	3,648,551	2,822,060
Total Liabilities	2,091,080	1,154,521	2,702,564	2,517,187	4,793,644	3,671,708
Net position						
Invested in Capital Assets, not related to debt.	1,294,874	2,314,007			1,294,874	2,314,007
Restricted	4,194,288	4,944,556			4,194,288	4,944,556
Unrestricted	2,009,504	1,362,712	2,757,530	2,826,302	4,767,034	4,189,014
Total net position	7,498,666	8,621,275	2,710,081	2,757,530	10,256,196	11,447,577

Council's Changes in Net Position

The condensed statement of activities information shown below explains changes in net position.

	Governmental Activities		Business-Type Activities		Totals	
	2013	2014	2013	2014	2013	2014
Program Revenues						
General Revenue	14,142,038	17,337,983	284,347	457,393	14,426,385	17,795,376
Investment earnings	60,172	24,958	205,972	11,650	266,144	36,608
Transfer In			0			
Total revenues	14,202,210	17,362,941	490,319	469,043	14,692,529	17,813,984
Program Expenses						
Programs	14,487,568	1,624,032	414,108	373,319	14,901,676	1,997,351
Interest				26,952	0	26,952
Transfer Out	29,552					
Total Expenses	14,487,568	1,624,032	442,870	400,271	14,930,438	2,024,303
Change in net assets	-285,358	1,122,609	47,449	68,772	-237,909	1,191,381
Net pos – beginning	7,864,939	7,498,666	2,710,810	2,757,530	10,575,020	10,256,196
Prior Year – Adj. Net	-80,915				-80,915	
pos – end of yr.	7,498,666	8,261,275	2,757,530	2,826,302	10,256,196	11,447,577

**OREGON CASCADES WEST COUNCIL OF GOVERNMENTS
Albany, Oregon**

MANAGEMENT'S DISCUSSION AND ANALYSIS

FINANCIAL ANALYSIS OF THE COUNCIL'S FUNDS

As noted earlier, the Council uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2014, the Council's investment in capital assets for its governmental activities is noted on page 26, foot note 5 (net of accumulated depreciation).

Additional information on the Council's capital assets can be found in Note 1-D-3 on pages 19 and 20 and in Note 5 on page 26 of this report.

Long-Term Debt

At the end of the current fiscal year, the Council had total debt outstanding is noted on page 27, foot note 6.

Additional information on the Council's long-term debt can be found on Note 6 on pages 27 and 28 of this report.

KEY ECONOMIC FACTORS AND BUDGET INFORMATION FOR THE FUTURE

The following factors were considered in preparing the Council's budget for the 2014-2015 fiscal year:

- State budget changes and service level requirements
- Changes in federal programs
- Current economic situation

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of Oregon Cascades West Council of Governments' finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: Sue Forty, Finance Director, Oregon Cascades West Council of Governments, 1400 Queen Avenue SE, Suite 201, Albany, Oregon 97322.

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OREGON CASCADES WEST COUNCIL OF GOVERNMENTS
ALBANY, OREGON

BASIC FINANCIAL STATEMENTS

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OREGON CASCADES WEST COUNCIL OF GOVERNMENTS

Albany, Oregon

STATEMENT OF NET POSITION

June 30, 2014

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 5,250,537	\$ 3,028,187	\$ 8,278,724
Receivables:			
Accounts receivable	1,753,124	14,845	1,767,969
Prepays	111,460	-	111,460
Total current assets	7,115,121	3,043,032	10,158,153
Noncurrent assets:			
Loans receivable, net of current portion	-	2,300,457	2,300,457
Capital Assets:			
Nondepreciable	253,140	-	253,140
Depreciable, net	2,407,535	-	2,407,535
Total noncurrent assets	2,660,675	2,300,457	4,961,132
Total Assets	9,775,796	5,343,489	15,119,285
LIABILITIES			
Current liabilities:			
Accounts payable	236,981	358	237,339
Payroll liabilities	25,153	-	25,153
Deposits Payable	-	-	-
Accrued vacation	358,822	-	358,822
Current portion of long-term debt	43,333	185,001	228,334
Total current liabilities	664,289	185,359	849,648
Noncurrent liabilities:			
Other post-employment benefit obligations	186,897	-	186,897
Noncurrent portion of long-term obligations	303,335	2,331,828	2,635,163
Total noncurrent liabilities	490,232	2,331,828	2,822,060
Total Liabilities	1,154,521	2,517,187	3,671,708
NET POSITION			
Net Investment in Capital Assets	2,314,007	-	2,314,007
Restricted	4,944,556	-	4,944,556
Unrestricted	1,362,712	2,826,302	4,189,014
Total Net Position	\$ 8,621,275	\$ 2,826,302	\$ 11,447,577

The accompanying notes are an integral part of the basic financial statements.

OREGON CASCADES WEST COUNCIL OF GOVERNMENTS

Albany, Oregon

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2014

	Expenses	Charges for Services	Program Revenues	
			Operating Grants and Contributions	Capital Grants and Contributions
<u>Functions/Programs</u>				
Governmental Activities				
General Government	\$ 2,006,265	\$ 236,309	\$ -	\$ -
Community Development	3,942,989	175,155	4,446,874	-
Senior and Disability	10,241,553	1,286,016	10,448,908	-
Interest on long-term debt	49,524	-	-	-
Total governmental activities	16,240,332	1,697,480	14,895,782	-
Business- Type Activities				
Loan Programs	373,319	457,393	-	-
Total Business-Type Activities	373,319	457,393	-	-
Total Government	\$ 16,613,651	\$ 2,154,873	\$ 14,895,782	\$ -

General Revenues and Transfers

Unrestricted Local Revenue
Interest and investment earnings
Miscellaneous income

Total General Revenues and Transfers

Change in Net Position

Net Position - beginning of year

Net Position - end of year

The accompanying notes are an integral part of the basic financial statements.

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

Governmental Activities	Business-Type Activities	Total
\$ (1,769,956)	\$ -	\$ (1,769,956)
679,040	-	679,040
1,493,371	-	1,493,371
<u>(49,524)</u>	<u>(26,952)</u>	<u>(76,476)</u>
352,930	(26,952)	325,978
<u>-</u>	<u>84,074</u>	<u>84,074</u>
<u>-</u>	<u>84,074</u>	<u>84,074</u>
<u>352,930</u>	<u>57,122</u>	<u>410,052</u>
744,721	-	744,721
24,958	11,650	36,608
<u>-</u>	<u>-</u>	<u>-</u>
<u>769,679</u>	<u>11,650</u>	<u>781,329</u>
1,122,609	68,772	1,191,381
<u>7,498,666</u>	<u>2,757,530</u>	<u>10,256,196</u>
<u>\$ 8,621,275</u>	<u>\$ 2,826,302</u>	<u>\$ 11,447,577</u>

OREGON CASCADES WEST COUNCIL OF GOVERNMENTS

Albany, Oregon
BALANCE SHEET
GOVERNMENTAL FUNDS
 June 30, 2014

	<u>GENERAL</u>	<u>COMMUNITY DEVELOPMENT</u>	<u>SENIOR AND DISABILITY</u>	<u>TOTAL</u>
ASSETS:				
Cash and cash equivalents	\$ 2,629	\$ -	\$ 3,876,986	\$ 3,879,615
Receivables				
Accounts receivable	34,943	816,369	901,812	1,753,124
Due from Other Funds	441,493	-	-	441,493
Prepaid Items	<u>109,720</u>	<u>-</u>	<u>1,740</u>	<u>111,460</u>
Total assets	<u>\$ 588,785</u>	<u>\$ 816,369</u>	<u>\$ 4,780,538</u>	<u>\$ 6,185,692</u>
LIABILITIES AND FUND BALANCES:				
Liabilities:				
Accounts Payable	\$ 16,824	\$ 102,010	\$ 107,108	\$ 225,942
Due To Other Funds	-	40,758	400,735	441,493
Payroll Liabilities	<u>25,153</u>	<u>-</u>	<u>-</u>	<u>25,153</u>
Total liabilities	<u>41,977</u>	<u>142,768</u>	<u>507,843</u>	<u>692,588</u>
Fund balances:				
Nonspendable	109,720	-	1,740	111,460
Restricted for Community and Economic Development	-	673,601	-	673,601
Restricted for Senior & Disability			4,270,955	4,270,955
Unassigned	<u>437,088</u>	<u>-</u>	<u>-</u>	<u>437,088</u>
Total fund balances	<u>546,808</u>	<u>673,601</u>	<u>4,272,695</u>	<u>5,493,104</u>
Total liabilities and fund balances	<u>\$ 588,785</u>	<u>\$ 816,369</u>	<u>\$ 4,780,538</u>	<u>\$ 6,185,692</u>

The accompanying notes are an integral part of the basic financial statements.

OREGON CASCADES WEST COUNCIL OF GOVERNMENTS
Albany, Oregon
RECONCILIATION OF BALANCE SHEET OF GOVERNMENTAL FUNDS
TO STATEMENT OF NET POSITION
June 30, 2014

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

Fund Balances-Governmental Funds	\$	5,493,104
The cost of capital assets (land, buildings, improvements, machinery and equipment, infrastructure, and construction in progress) is reported as an expenditure in governmental funds. The statement of net assets includes those capital assets among the assets of the Council as a whole.		
Governmental Capital Assets	\$	1,818,953
Less Accumulated Depreciation		<u>(1,563,312)</u>
		255,641
Long-term liabilities applicable to the Council's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the statement of net position.		
Accrued Compensated Absences	\$	(358,822)
Other Liabilities		<u>(358,822)</u>
		(358,822)
The net OPEB obligation is not reported as a liability in the governmental funds.		(186,897)
Internal service funds are used to charge non-departmental costs to individual funds.		
Assets		3,775,956
Liabilities		<u>(357,707)</u>
Total Net Position	\$	<u>8,621,275</u>

The accompanying notes are an integral part of the basic financial statements.

OREGON CASCADES WEST COUNCIL OF GOVERNMENTS

Albany, Oregon

**STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2014**

	<u>GENERAL</u>	<u>COMMUNITY DEVELOPMENT</u>	<u>SENIOR AND DISABILITY</u>	<u>TOTAL</u>
REVENUES				
Local Revenues	\$ 1,750,854	\$ 440,855	\$ 1,347,160	\$ 3,538,869
Program Revenues	-	-	218,226	218,226
State Grants and Contracts	-	544,845	649,376	1,194,221
Federal Grants and Contracts	-	3,902,029	9,799,532	13,701,561
Total revenues	<u>1,750,854</u>	<u>4,887,729</u>	<u>12,014,294</u>	<u>18,652,877</u>
EXPENDITURES				
Personal services	966,607	1,239,627	7,556,698	9,762,932
Materials and services	<u>739,306</u>	<u>3,250,204</u>	<u>4,105,226</u>	<u>8,094,736</u>
Total expenditures	<u>1,705,913</u>	<u>4,489,831</u>	<u>11,661,924</u>	<u>17,857,668</u>
Net Change in Fund Balance	44,941	397,898	352,370	795,209
FUND BALANCE - BEGINNING	<u>501,867</u>	<u>275,703</u>	<u>3,920,325</u>	<u>4,697,895</u>
FUND BALANCE - ENDING	<u>\$ 546,808</u>	<u>\$ 673,601</u>	<u>\$ 4,272,695</u>	<u>\$ 5,493,104</u>

The accompanying notes are an integral part of the basic financial statements.

OREGON CASCADES WEST COUNCIL OF GOVERNMENTS
Albany, Oregon
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS - TO
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2014

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

Net Change in Fund Balance	\$	795,209	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.			
Capital Asset additions and deletions	\$	240,563	
Less current year depreciation		<u>(64,265)</u>	
			176,298
Repayment of long-term debt is an expenditure in the governmental funds, however repayment reduces long-term liabilities in the statement of net position.			
Change in OPEB Obligation	\$	(5,657)	
Change in Other Liabilities		154,479	
Change in Accrued Compensated Absences		<u>18,975</u>	
			167,797
Internal service funds are used to charge non-departmental costs to individual funds.			(16,695)
Change in Net Position	\$		<u><u>1,122,609</u></u>

The accompanying notes are an integral part of the basic financial statements.

OREGON CASCADES WEST COUNCIL OF GOVERNMENTS

Albany, Oregon

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

June 30, 2014

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS	BUSINESS-TYPE ACTIVITIES INTERNAL SERVICE
ASSETS		
Cash and cash equivalents	\$ 3,028,187	\$ 1,370,922
Accounts receivable, net	14,845	-
Loans receivable, net	2,300,457	-
Prepays	-	-
Total current assets	5,343,489	1,370,922
Capital assets, net	-	2,405,034
Total assets	\$ 5,343,489	\$ 3,775,956
LIABILITIES		
Accounts payable	\$ 358	\$ 8,114
Deposits payable	-	2,925
Compensated absences	-	-
Current portion of long-term obligations	185,001	43,333
Total current liabilities	185,359	54,372
Non current portion of long term liabilities	2,331,828	303,335
Total liabilities	2,517,187	357,707
Net Position		
Invested in Capital Assets, net of related debt	-	2,058,366
Unrestricted	2,826,302	1,359,883
Total net Position	2,826,302	3,418,249
Total liabilities and net position	\$ 5,343,489	\$ 3,775,956

The accompanying notes are an integral part of the basic financial statements.

OREGON CASCADES WEST COUNCIL OF GOVERNMENTS

Albany, Oregon

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION

PROPRIETARY FUNDS

For the Year Ended June 30, 2014

	<u>BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS</u>	<u>BUSINESS-TYPE ACTIVITIES INTERNAL SERVICE</u>
OPERATING REVENUES		
Local Revenue	\$ 286,609	\$ 18,221
Program Revenue	<u>170,784</u>	<u>522,733</u>
Total operating revenues	<u>457,393</u>	<u>540,954</u>
OPERATING EXPENSES		
Personal Services	196,179	100,121
Materials and Services	177,140	266,982
Depreciation	<u>-</u>	<u>141,022</u>
Total operating expenses	<u>373,319</u>	<u>508,125</u>
Income, (Loss) From Operations	84,074	32,829
NON-OPERATING REVENUES (EXPENSES)		
Transfers	-	-
Interest income	11,650	
Interest expense	<u>(26,952)</u>	<u>(49,524)</u>
Total non-operating Revenues	<u>(15,302)</u>	<u>(49,524)</u>
Change in Net Position	68,772	(16,695)
Beginning Net Position	<u>2,757,530</u>	<u>3,434,944</u>
Ending Net Position	<u>\$ 2,826,302</u>	<u>\$ 3,418,249</u>

The accompanying notes are an integral part of the basic financial statements.

OREGON CASCADES WEST COUNCIL OF GOVERNMENTS**Albany, Oregon****STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS****For the Year Ended June 30, 2014**

	BUSINESS-TYPE ACTIVITIES- ENTERPRISE FUNDS	BUSINESS-TYPE ACTIVITIES- INTERNAL SERVICE
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 462,002	\$ 540,954
Cash paid to suppliers and others	(179,912)	(264,512)
Cash paid to employees and others for salaries and benefits	(200,830)	(105,748)
Net cash provided (used) by operating activities	81,260	170,694
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES		
Principal payments on long-term debt	-	(840,126)
Interest payments on long-term debt	-	(49,524)
Net Cash Provided (Used) by Noncapital and Related Financing Activities	-	(889,650)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Principal payments on long-term debt	(177,954)	-
Interest payments on long-term debt	(26,952)	-
Net cash provided (used) by capital and related financing activities	(204,906)	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment earnings	11,650	-
Purchases of capital assets	-	(143,731)
Principal collected on long-term notes receivable	(72,822)	-
Net cash provided by investing activities	(61,172)	(143,731)
Net change in cash and cash equivalents	(184,818)	(862,687)
CASH AND CASH EQUIVALENTS - BEGINNING	3,213,005	2,233,609
CASH AND CASH EQUIVALENTS - ENDING	<u>\$ 3,028,187</u>	<u>\$ 1,370,922</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities		
Operating Income (loss)	\$ 84,074	\$ 32,829
Adjustments to Reconcile Operating Income (loss) to net		
Depreciation/Amortization	-	141,022
(Increase), Decrease in Accounts Receivable	4,609	-
Increase, (Decrease) in Accounts Payable/Accrued Liabilities	(7,423)	(3,157)
(Increase), Decrease in Prepaid Expenses	-	-
Net cash provided (used) by operating activities	<u>\$ 81,260</u>	<u>\$ 170,694</u>

The accompanying notes are an integral part of the basic financial statements.

OREGON CASCADES WEST COUNCIL OF GOVERNMENTS
ALBANY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Oregon Cascades West Council of Governments have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental 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 Council's accounting policies are described below.

A. REPORTING ENTITY

Oregon Cascades West Council of Governments is organized under Oregon Revised Statutes Chapter 190 as a voluntarily created intergovernmental council formed by 25 governmental entities located in whole or part within Benton, Lincoln, and Linn Counties. The Council was chartered as a Type B Area Agency on Aging in 1982. The purpose of the Council is to be aware of and facilitate communications relating to the region's physical and social condition, provide staff for planning and operations of programs deemed to be of regional benefit, and to offer staff resources to local governments to assist in programs or activities that are locally beneficial. Operations include a wide variety of human services, economic and community development, and transportation programs. Funding for programs and administration is received from a wide variety of federal, state, and local governmental contracts and fund raising, including community groups and individual donations.

Control of the Council is vested in its board of directors, which is comprised of one representative from the governing board of each member unit. Administrative functions are delegated to the Council's executive director, who reports to and is responsible to the board.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on the activities of the Council.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include: (1) charges for goods and services provided by a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for the governmental funds and proprietary funds. Major individual governmental funds and proprietary funds are reported as separate columns in the fund financial statements.

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the 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 are generally recorded when incurred, as under accrual accounting. However, principal and interest on long-term debt, as well as expenditures related to compensated absences are recorded only when payment is due.

OREGON CASCADES WEST COUNCIL OF GOVERNMENTS
ALBANY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND BASIS OF PRESENTATION (CONTINUED)

These are the following major governmental funds:

General Fund

The General Fund is the primary operating fund. It accounts for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds

Community Development Fund - The Community Development Fund accounts for contracts with local, state, and federal government agencies that assist member cities and counties with special economic and community development and transportation programs.

Senior and Disability Services Fund - The Senior and Disability Services Fund accounts for revenue and expenditures related to the oversight of state and federal disability service programs, as well as expenditures to provide assistance to seniors for: obtaining in-home care, respite care, and legal advice; assessments, planning, and monitoring of care for eligible seniors; and the oversight of nutrition programs for seniors. Revenue is primarily from federal and state contracts.

These are the following major proprietary funds:

Enterprise Fund

Loan Fund - The Loan Fund accounts for loan administration and revolving loan servicing to local businesses.

Internal Service Fund

Internal Service Fund - The Internal Service Fund accounts for services to the other funds of the Council.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989 are generally followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are transfers between the governmental funds and the proprietary funds. Elimination of these transactions would distort their respective financial statements.

Amounts reported as program revenues include: (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise fund is interest collected on loans made. The principal operating revenues of the internal service fund are charges to other funds.

OREGON CASCADES WEST COUNCIL OF GOVERNMENTS
ALBANY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND BASIS OF PRESENTATION (CONTINUED)

Operating expenses of the internal service fund include insurance premiums, salaries and benefits, supplies, materials, and administrative expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

D. ASSETS, LIABILITIES DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND EQUITY

1. Deposits and Investments

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

State statutes authorize investing in legally issued general obligations of the United States, the agencies and instrumentalities of the United States and the states of Oregon, Washington, Idaho, or California, certain interest bearing bonds, time deposit open accounts, certificates of deposit, and savings accounts in banks, mutual saving banks, and savings and loan associations that maintain a head office or a branch in this state in the capacity of a bank, mutual savings bank, or savings and loan association, and share accounts and savings accounts in credit unions in the name of, or for the benefit of, a member of the credit union pursuant to a plan of deferred compensation.

2. Loans Receivable

Loans receivable consist of amounts outstanding under the revolving loan program. The loan principal and interest collected are reserved for future loans and the payment of administrative expenses related to the program. The specific identification method is used when accounting for bad debts, as management has determined that this approximates accounting principles generally accepted in the United States of America. The past due status is determined based on how recent payments have been received.

3. Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the government-wide financial statements. Capital assets are defined as assets with an initial, individual cost of more than \$1,500 and an estimated useful life in excess of three years. Such assets are recorded at historical cost or estimated historical cost where no historical records exist. Donated capital assets are recorded at their estimated fair market value at the date of donation.

The costs of normal maintenance or repairs that do not add to the value of an asset or materially extend its life are charged to expenditures as incurred and are not capitalized.

Major capital outlays for capital assets and improvements are capitalized as projects are constructed.

OREGON CASCADES WEST COUNCIL OF GOVERNMENTS
ALBANY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. ASSETS, LIABILITIES, AND EQUITY (CONTINUED)

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

<u>Assets</u>	<u>Years</u>
Equipment	3-25
Buildings	10-50
Amortizable bond issuance costs	20

4. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

5. Compensated Absences

Liabilities for accumulated or vested vacation leave and compensation time benefits are recorded in the government-wide and proprietary fund financial statements. The governmental fund financial statements do not report liabilities for compensated absences unless they are due for payment. Sick leave does not vest and is recorded in all funds as taken.

6. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Debt premiums and discounts are deferred and amortized over the life of the obligation using the effective interest method.

In the fund financial statements, each fund type recognizes debt premiums and discounts, as well as debt issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

7. Retirement Plans

Most of the employees participate in Oregon's Public Employees Retirement System (PERS). PERS requires plan contributions on a current basis. Contributions are made on a current basis as required by the plan and are recorded as expenses or expenditures.

8. Fund Equity

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

OREGON CASCADES WEST COUNCIL OF GOVERNMENTS
ALBANY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. ASSETS, LIABILITIES, AND EQUITY (CONTINUED)

Nonspendable fund balance represents amounts that are not in a spendable form. The nonspendable fund balance represents inventories and prepaid items.

Restricted fund balance represents amounts that are legally restricted by outside parties for a specific purpose (such as debt covenants, grant requirements, donor requirements, or other governments) or are restricted by law (constitutionally or by enabling legislation).

Committed fund balance represents funds formally set aside by the governing body for a particular purpose. The use of committed funds would be approved by resolution.

Assigned fund balance represents amounts that are constrained by the expressed intent to use resources for specific purposes that do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the governing body or by an official to whom that authority has been given by the governing body. The Finance Director and Executive Director have the authority to assign fund balance.

Unassigned fund balance is the residual classification of the General Fund. Only the General Fund may report a positive unassigned fund balance. Other governmental funds would report any negative residual fund balance as unassigned.

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

9. Net Position

Net position is comprised of the various net earnings from operations, non-operating revenues, expenses and contributions of capital. Net position is classified in the following three categories:

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

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

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

OREGON CASCADES WEST COUNCIL OF GOVERNMENTS
ALBANY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. REVENUES, EXPENDITURES, AND EXPENSES

1. Grants

Unreimbursed expenditures due from grantor agencies are reflected in the basic financial statements as receivables and revenues. Grant revenues are recorded at the time eligible expenditures are incurred. Cash received from grantor agencies in excess of related grant expenditures are recorded as unearned revenue on the statement of net position and the balance sheet.

2. Interfund Transfers

Quasi-external transactions are accounted for as revenue and expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures or expenses, initially made from a fund that are properly applicable to another fund, are recorded as expenditures or expenses in the reimbursing fund and as expenditures or expenses in the fund that is reimbursed.

All other interfund transactions are reported as transfers.

F. ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may vary from those estimates.

2. STEWARSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGETARY INFORMATION

All funds are budgeted in accordance with the requirements of state law. Annual appropriated budgets are adopted for the general, special revenue, enterprise, and internal service funds. The general and special revenue funds are budgeted on the modified accrual basis of accounting. The enterprise and internal service funds are budgeted on the accrual basis of accounting.

The budgeting process begins by appointing budget committee members. The budget officer prepares a budget, which is reviewed by the budget committee. The budget is then published in proposed form and is presented at public hearings to obtain taxpayer comments and approval from the budget committee. The budget is legally adopted by the board of directors by resolution prior to the beginning of the fiscal year. The board resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations. Total personal services, materials and services, debt service, and capital outlay for each fund are the levels of control established by the resolution. The detailed budget document, however, is required to contain more specific detailed information for the aforementioned expenditure categories and management may revise the detailed line item budgets within appropriation categories. Unexpected additional resources may be added to the budget through the use of a supplemental budget and appropriation resolution. Supplemental budgets may be adopted by the board of directors at a regular board meeting and must be published. Original and supplemental budgets may be modified by the use of appropriation transfers between the levels of control. Such transfers require approval by the board of directors. During the year, there were a supplemental budget. Encumbrances are not used and appropriations lapse at year-end. Budgetary comparison schedules for each fund are presented for additional analysis only, not to demonstrate compliance with Oregon Budget Law as it relates to Chapter 190 organizations.

OREGON CASCADES WEST COUNCIL OF GOVERNMENTS
ALBANY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS

3. CASH AND INVESTMENTS

A cash and cash equivalents pool is maintained that is available for use by all funds. Each fund type's portion of this pool is displayed on the fund financial statements as cash and cash equivalents. Additionally, several funds held separate cash accounts. Interest earned on pooled cash and investments is allocated to participating funds based upon their combined cash and investment balances.

Investments, including amounts held in pooled cash and investments are stated at cost, which management has determined approximates fair value.

The Oregon State Treasury administers the LGIP. The LGIP is an open-ended, no-load, diversified portfolio offered to any agency, political subdivision, or public corporation of the state that by law is made the custodian of, or has control of, any fund. The LGIP is commingled with the State's short-term funds. To provide regulatory oversight, the Oregon Legislature established the Oregon Short Term Fund Board and LGIP investments are approved by the Oregon Investment Council. As of June 30, 2014 the fair position in the LGIP approximates the value of the pool shares as reported in the Oregon Short Term Fund audited financial statements. There were no known violations or contractual provisions for deposits and investments during the fiscal year.

Investments

As of June 30, 2014, there were the following unrestricted investments – Local Government Investment Pool (unrated), maturities under 18 months, fair value \$5,968,180.

Restricted investments represent amounts held by outside parties, as required by debt agreements.

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. The Council does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increases in interest rates.

OREGON CASCADES WEST COUNCIL OF GOVERNMENTS
ALBANY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS

3. CASH AND INVESTMENTS (CONTINUED)

Credit Risk

Oregon statutes authorize investing in obligations of the U.S. Treasury and U.S. agencies, bankers' acceptances, repurchase agreements, commercial paper rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record, and the Oregon Local Government Investment Pool. The Council has not adopted an investment policy regarding credit risk; however, investments comply with state statutes.

Custodial Credit Risk – Deposits

This is the risk that, in the event of a bank failure, the Council's deposits may not be returned. Oregon statute requires deposits in excess of amounts insured by the Federal Depository Insurance Corporation to be held in an institution listed as a qualified depository as a part of the Public Funds Collateralization Program, established under ORS 295. At June 30, 2014, \$504,898 of the bank balance of \$3,141,556 was covered by FDIC Insurance, and the remaining \$2,636,658 was collateralized by the state.

Custodial Credit Risk – Investments

This is the risk that, in the event of the failure of counterparty, the Council will not be able to recover the value of its investments that are in the possession of an outside party. The Council does not have a policy that limits the amount of investments that can be held by counterparties. Oregon Revised Statutes does not limit investments as to credit rating for securities purchased from US Government Agencies or USGSE. The State Investment Pool is not rated.

Concentration of Credit Risk

The Council does not have a formal policy that places a limit on the amount that may be invested in any one insurer. All of the investments are in the Oregon Local Government Investment Pool. State statutes do not limit the percentage of investments in either of these instruments. Oregon Revised Statutes require no more than 25 percent of the investments of local government to be invested in bankers' acceptances of any qualified financial institution. At June 30, 2014, investments were in compliance with all percentage restrictions.

Cash and Investments:

Checking Accounts	\$ 2,117,265
Unrestricted Investments	<u>6,161,459</u>
Total Cash and Investments	<u><u>\$ 8,278,724</u></u>

OREGON CASCADES WEST COUNCIL OF GOVERNMENTS
ALBANY, OREGON
 NOTES TO BASIC FINANCIAL STATEMENTS

3. CASH AND INVESTMENTS (CONTINUED)

Governmental Activities	
General Fund	\$ 2,629
Community Development Fund	0
Senior and Disability Services Fund	3,876,986
Internal Service Fund	<u>1,370,922</u>
Total Governmental Activities	5,250,537
Business-Type Activities	
Loan Fund	<u>3,028,187</u>
Total Cash & Unrestricted Investments	<u>\$ 8,278,724</u>

4. LOANS RECEIVABLE

Loans receivable consist of amounts outstanding under the Council's revolving loan programs. The loan principal and interest collected are reserved for future loans and the payment of administrative expenses related to the programs. At June 30, 2014, an allowance for doubtful accounts was deemed necessary in the amount of \$277,500.

The outstanding loans are collateralized by tangible assets and are payable in monthly or quarterly installments, including interest at 3.5% to 9.5% per annum.

Loans Receivable consist of the following:

<u>Loan Type</u>	<u>Principal</u>
LBL RLF Loans	\$ (2)
EDA RLF Loans	676,073
Business Enterprise Loans	53,860
RDF 1-3 Loans	862,329
RDF 4 Loans	353,687
Lincoln County RLF Loans	249,663
BIF Loans	<u>377,848</u>
Less Allowance for Doubtful Accounts	<u>(273,000)</u>
Total	<u>\$ 2,300,458</u>

OREGON CASCADES WEST COUNCIL OF GOVERNMENTS
ALBANY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS

5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2014 was as follows:

	Governmental Capital Assets 7/1/2013	Additions	Adjustments and Deletions	Governmental Capital Assets 6/30/2014
Capital assets not being depreciated:				
Land	\$ 253,140	\$ -	\$ -	\$ 253,140
Capital assets being depreciated:				
Machinery & Equipment	2,437,335	240,563	-	2,677,898
Buildings & Improvements	3,191,649	143,731	-	3,335,380
Total capital assets being depreciated	5,628,984	384,294	-	6,013,278
Less: Accumulated Depreciation	(3,400,456)	(205,287)	-	(3,605,743)
Total capital assets being depreciated, net	2,228,528	179,007	-	2,407,535
Total capital assets, net	\$ 2,481,668	\$ 179,007	\$ -	\$ 2,660,675
Reconciliation to page 11:				
Net Governmental Capital Assets		255,641		
Net Internal Service Fund Capital Assets		2,405,034		
Total Capital Assets, net		\$ 2,660,675		

Depreciation was not charged to specific functions or programs, and has all been allocated to General Government expense.

OREGON CASCADES WEST COUNCIL OF GOVERNMENTS
ALBANY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS

6. LONG-TERM DEBT

A. Changes in Long-Term Debt

The following is a summary of long-term liabilities transactions for the year:

	Interest Rate	Original Amount	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities							
Building Note Payable	5.98%	\$ 710,000	\$ 211,793	\$	\$ 211,793	\$ -	\$ -
Certificates of Participation	4.3-5.8%	1,990,000	585,000		585,000	-	-
Building Repair Note	5.95%	650,000	390,001		43,333	346,668	43,333
Total Governmental Activities		\$ 3,350,000	\$ 1,186,794	\$ -	\$ 840,126	\$ 346,668	\$ 43,333
Business-Type Activities							
Loans Payable							
Revolving Fund #1	1%	\$ 1,500,000	\$ 714,671	\$	\$ 56,516	\$ 658,155	\$ 56,516
Revolving Fund #2	1%	1,500,000	772,260		55,953	716,307	55,399
Revolving Fund #3	1%	1,000,000	587,776		36,569	551,207	36,569
Revolving Fund #4	1%	950,000	620,088		34,132	585,956	34,132
Total Business-Type Activities		\$ 4,950,000	\$ 2,694,795	\$ -	\$ 183,170	\$ 2,511,625	\$ 182,616

Building loan piece still there

B. Governmental Activities Note Payable

The building note payable was signed on May 21, 2001. Proceeds from the note were used to purchase land and buildings. Payments are due monthly in the amount of \$6,450. The Internal Service Fund has traditionally been used to liquidate long-term debt related to the note.

C. Governmental Activities Certificates of Participation

The certificates of participation are dated September 1, 1997. Proceeds from the certificates of participation in the current year were used to renovate land and buildings. Interest rates are fixed and range between 4.3% and 5.8%. Interest rates increase in accordance with the debt agreement. Interest is due semiannually on March 1 and November 1. The Internal Service Fund has traditionally been used to liquidate long-term debt related to the certificates of participation.

OREGON CASCADES WEST COUNCIL OF GOVERNMENTS
ALBANY, OREGON
 NOTES TO BASIC FINANCIAL STATEMENTS

6. LONG-TERM DEBT (Continued)

D. Governmental Activities Future Maturities of Long-Term Debt

Fiscal Year Ending June 30	Building Repair Note		Total	
	Principal	Interest	Principal	Interest
2015	\$ 43,333	\$ 20,627	\$ 43,333	\$ 20,627
2016	43,333	18,048	43,333	18,048
2017	43,333	15,470	43,333	15,470
2018	43,333	12,892	43,333	12,892
2019	43,333	10,313	43,333	10,313
2020-24	130,003	15,470	130,003	15,470
	<u>\$ 346,668</u>	<u>\$ 92,820</u>	<u>\$ 346,668</u>	<u>\$ 92,820</u>

E. Business-Type Activities Loans Payable

The Revolving Loan Funds #1-4 were issued for use in relending programs. Interest is due annually. The Enterprise Fund has traditionally been used to liquidate long-term debt related to the loans.

F. Business-Type Activities Future Maturities of Long-Term Debt

Fiscal Year Ending June 30	Loans		
	Principal	Interest	Total
2015	\$ 185,001	25,127	\$ 210,128
2016	186,851	23,277	210,128
2017	188,720	21,408	210,128
2018	190,607	19,521	210,128
2019	192,513	17,615	210,128
2020-24	991,830	58,810	1,050,640
2025-29	545,054	14,033	559,087
2030-32	31,050	306	31,356
	<u>\$ 2,511,626</u>	<u>\$ 180,097</u>	<u>\$ 2,691,723</u>

OREGON CASCADES WEST COUNCIL OF GOVERNMENTS
ALBANY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS

7. ACCUMULATED VACATION PAY

In accordance with accounting principles generally accepted in the United States of America, accumulated vacation pay is expensed in the government-wide financial statements when earned. As of June 30, 2014, employees had accumulated \$358,822 in unpaid vacation pay. If the Council was to become unable to continue as a viable operating entity and the liability became due, the State of Oregon Senior Services Division would provide funds for payment of accrued vacation subject to the provisions and limitations of a contract between the Council and the Division.

8. RISK MANAGEMENT

There is exposure to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. In 1981, the League of Oregon Cities joined together with the Association of Oregon Counties to form City County Insurance Services (CCIS), a public entity risk pool currently operating as a common risk management and insurance program for approximately 265 municipal corporations and associated entities in the State of Oregon. CCIS is self-sustaining through member premiums and reinsures through commercial companies for claims in excess of \$2 million for each insured event.

Commercial insurance is carried for other risks of loss, including employee health and accident insurance. There were no insurance settlements exceeding insurance coverage in any of the past three fiscal years.

9. RETIREMENT PLANS

A. Oregon Public Employees Retirement System

Plan Description

Contributions are made to two pension plans administered by the Oregon Public Employees Retirement System (PERS). The Oregon Public Employees Retirement Fund (OPERF) applies contributions for qualifying employees who were hired before August 29, 2003, and is a cost-sharing, multiple-employer, defined benefit pension plan. The Oregon Public Service Retirement Plan (OPSRP) is a hybrid successor plan to the OPERF and consists of two programs: the pension program and the defined benefit portion of the plan. OPSRP applies to qualifying employees hired after August 29, 2003. Benefits are calculated by a formula for members who attain normal retirement age. The formula takes into account final average salary and years of service. Beginning January 1, 2004, all PERS member contributions go into the Individual Account Program (IAP), the defined contribution portion of the plan. PERS members retain their existing PERS accounts, but any future member contributions are deposited into the member's IAP, not the member's PERS account. Both PERS plans provide retirement and disability benefits, post-employment healthcare benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS is administered under Oregon Revised Statute Chapter 238, which establishes the Public Employees Retirement Board as the governing body of PERS. PERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to PERS, P.O. Box 23700, Tigard, Oregon 97281-3700, by calling (503) 598-7277, or by accessing the PERS website at <http://oregon.gov/PERS/>.

OREGON CASCADES WEST COUNCIL OF GOVERNMENTS
ALBANY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS

9. RETIREMENT PLANS (Continued)

Funding Policy

The Council is required by ORS 238.225 to contribute at an actuarially determined rate for the qualifying employees under the OPERF plan and a general service rate for the qualifying employees under the OPSRP plan. The OPERF and OPSRP rates in effect for the year ended June 30, 2014 were 13.06% and 11.10%, respectively. The contribution requirements for plan members are established by ORS Chapter 238 and may be amended by an act of the Oregon Legislature. Covered employees are required by state statute to contribute 6% of their annual salary to the system, but the employer is allowed to pay any or all of the employees' contributions in addition to the required employer's contribution. The Council has elected to pay the required employee contribution of 6% of covered payroll.

Annual Pension Cost

Contributions to PERS for the three years ended June 30, 2012, 2013 and 2014 were equal to the required contribution for each year.

Annual pension expenses/expenditures are summarized as follows:

<u>Fiscal Year Ending June 30</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>
2012	\$ 930,749	100%
2013	\$ 972,714	100%
2014	\$ 1,106,970	100%

B. Retirement Health Insurance Account (RHIA)

Plan Description

As a member of Oregon Public Employees Retirement System (OPERS), contributions are made to the Retirement Health Insurance Account (RHIA) for each eligible employee. RHIA is a cost-sharing, multiple-employer, defined benefit other post-employment benefit plan administered by OPERS. RHIA pays a monthly contribution toward the cost of Medicare companion health insurance premiums of eligible retirees. Oregon Revised Statute (ORS) 238.420 established this trust fund. Authority to establish and amend the benefit provisions of RHIA reside with the Oregon Legislature. The plan is closed to new entrants after January 1, 2004. OPERS issues a publicly available financial report that includes financial statements and requires supplementary information. That report may be obtained by writing to PERS, P.O. Box 23700, Tigard, Oregon 97281-3700, by calling (503) 598-7277, or by accessing the PERS website at <http://oregon.gov/PERS/>.

OREGON CASCADES WEST COUNCIL OF GOVERNMENTS
ALBANY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS

9. RETIREMENT PLANS (CONTINUED)

B. Retirement Health Insurance Account (RHIA) (Continued)

Funding Policy

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

Participating entities are contractually required to contribute to RHIA at a rate assessed each year by OPERS; currently 0.59% of covered payroll. The OPERS board of trustees sets the employer contribution rate based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance within the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed 30 years. The contributions to RHIA for the years ended June 30, 2012, 2013, and 2014 were \$4,642, \$4,642, and \$4,642 respectively, which equaled the required contributions each year.

C. Deferred Compensation Plan

A deferred compensation plan is available to employees wherein they may execute an individual agreement with the Council for amounts earned by them not to be paid until a future date when they are terminated by reason of death, permanent disability, retirement, or separation. The deferred compensation plan is authorized under IRC Section 457 and has been approved by the Internal Revenue Service. Under the plan document, the Council has a fiduciary responsibility to administer the plan in accordance with the requirements of IRC Section 457. The Council has no liability for any losses that may be incurred under the plan.

10. OTHER POST-EMPLOYMENT BENEFITS

Post Employment Health Insurance Subsidy

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

OREGON CASCADES WEST COUNCIL OF GOVERNMENTS
ALBANY, OREGON
 NOTES TO BASIC FINANCIAL STATEMENTS

10. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Eligibility - All employees of the Employer retiring from active service with a pension benefit payable immediately under Oregon PERS or another Employer-sponsored retirement plan.

Health Care Benefits - Retirees and their dependents under age 65 are allowed to receive the same health care coverage at the same premium rates as offered to active employees. The retiree is responsible for any portion of the premiums not paid by the Employer. The implicit employer subsidy is measured as the expected health care cost per retiree and dependent, less the gross premiums charged by the insurance carrier for that coverage. The subsidy is only measured for retirees and spouses younger than age 65, at which point such retirees and spouses typically become eligible for Medicare.

There is no irrevocable trust (or equivalent arrangement) to account for the plan. Instead, the activities of the plan are reported in the General Fund.

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

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

	June 30, 2014	June 30, 2013	June 30, 2012
Annual required contribution	\$ 66,813	\$ 73,556	\$ 70,657
Interest on net pension obligation	6,343	6,613	5,783
Adjustment to annual required contribution	21,793	11,236	(9,825)
Annual OPEB Cost	51,363	68,933	66,615
Implicit Benefit Payments	(45,706)	(53,025)	(45,859)
Increase in net pension obligation	5,657	15,908	20,756
Net OPEB Obligation (Beginning of Year)	181,240	165,332	144,576
Net OPEB Obligation (End of Year)	\$ 186,897	\$ 181,240	\$ 165,332
Percentage of OPEB Cost contributed	89.0%	76.9%	68.8%

OREGON CASCADES WEST COUNCIL OF GOVERNMENTS
ALBANY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS

10. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Actuarial Methods and Assumptions – The annual required contribution (ARC) for the current year was determined as part of the August 1, 2012 actuarial valuation using the projected unit credit method. The objective of this method is to fund each participant's benefits under the plans as they accrue. The unfunded accrued liability is amortized over an open period of 30 years as a percentage of payroll. The actuarial assumptions included (a) a rate of return on investment of present and future assets of 4% compounded annually and a payroll growth rate of 3.75%, (b) a 70% assumption of participants who elect self-pay retiree medical coverage; (c) medical and prescription drug costs would increase at 8.5% inflation for the current year, grading down to annual rate of 5% after 47 years. The demographic assumptions, such as mortality rates, disability incidence rates, retirement rates and withdrawal rates, are the same as those used by Oregon PERS.

Funding Status and Funding Progress – As of August 1, 2012, the plan was 0% funded. The actuarial accrued liability for benefits was \$334,585, and the actuarial value of assets was zero, resulting in an unfunded actuarial accrued liability (UAAL) of \$334,585. The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

11. CONTINGENCIES

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

12. OPERATING LEASES

There are a number of operating leases for various copiers with varying rates and terms. Total lease expenses for the year ended June 30, 2014 were \$16,534. Future minimum lease payments are as follows:

Fiscal Year	Amount
2014-2015	<u>12,400</u>
Total	<u>\$12,400</u>

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OREGON CASCADES WEST COUNCIL OF GOVERNMENTS
ALBANY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION

OREGON CASCADES WEST COUNCIL OF GOVERNMENTS

Albany, Oregon

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

ACTUAL AND BUDGET - BUDGETARY BASIS (ALL FUNDS)

For the Year Ended June 30, 2014

	ORIGINAL AND FINAL BUDGET (2)	GENERAL	COMMUNITY DEVELOPMENT	SENIOR AND DISABILITY
REVENUES				
Local Revenues	\$ 4,120,158	\$ 1,750,854	\$ 440,855	\$ 1,347,160
Program Revenues	301,726	-	-	218,226
State Grants and Contracts	1,574,923	-	544,845	649,376
Federal Grants and Contracts	12,567,435	-	3,902,029	9,799,532
	<u>18,564,242</u>	<u>1,750,854</u>	<u>4,887,729</u>	<u>12,014,294</u>
Total revenue				
EXPENDITURES				
Personal services	11,094,885 (1)	966,607	1,239,627	7,556,698
Materials and services	9,007,992 (1)	739,306	3,250,204	4,105,226
Capital outlay	- (1)	-	-	-
Debt Service:				
Principal	838,783 (1)	-	-	-
Interest	55,000 (1)	-	-	-
	<u>20,996,660</u>	<u>1,705,913</u>	<u>4,489,831</u>	<u>11,661,924</u>
Total expenditures				
Other Financing Uses				
Contingency	139,005 (1)	-	-	-
Net Change in Fund Balance	(2,293,413)	44,941	397,898	352,370
FUND BALANCE - BEGINNING	<u>6,844,691</u>	<u>501,867</u>	<u>275,703</u>	<u>3,920,325</u>
FUND BALANCE - ENDING	<u>\$ 4,551,278</u>	<u>\$ 546,808</u>	<u>\$ 673,601</u>	<u>\$ 4,272,695</u>

(1) Appropriation Level

(2) Oregon Cascades West Council of Governments complied with Oregon Budget law requirements for Council of Governments as stated in ORS 294.316.

ENTERPRISE FUND	INTERNAL SERVICE FUND	TOTAL	VARIANCE WITH FINAL BUDGET
\$ 298,259	\$ 18,221	\$ 3,855,349	\$ (264,809)
170,784	522,733	911,743	610,017
-		1,194,221	(380,702)
-		13,701,561	1,134,126
<u>469,043</u>	<u>540,954</u>	<u>19,662,874</u>	<u>1,098,632</u>
196,179	100,121	10,059,232	1,035,653
204,092	266,982	8,565,810	442,182
-	-	-	-
-	656,897	656,897	181,886
-	49,525	49,525	5,475
<u>400,271</u>	<u>1,073,525</u>	<u>19,331,464</u>	<u>1,665,196</u>
-	-	-	139,005
68,772	(532,571)	331,410	2,624,823
<u>2,757,530</u>	<u>3,321,055</u>	<u>10,776,480</u>	<u>3,931,789</u>
<u>\$ 2,826,302</u>	<u>\$ 2,788,484</u>	<u>\$ 11,107,890</u>	<u>\$ 6,556,612</u>

Reconciliation to GAAP Net Position - Internal Service Fund

Ending Fund Balance	\$ 2,788,484
Depreciation Expense	(141,022)
Principal Payments on Long-Term Debt	<u>770,787</u>
Ending Net Position	<u>\$ 3,418,249</u>

OREGON CASCADES WEST COUNCIL OF GOVERNMENTS

Albany, Oregon

SCHEDULE OF FUNDING PROGRESS - OTHER POST-EMPLOYMENT BENEFITS

For the Year Ended June 30, 2014

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>AAL Unit Credit</u>	<u>UAAL</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a % of Covered Payroll</u>
08/01/08	\$0	\$548,882	\$548,882	0%	n/a	n/a
08/01/10	\$0	\$464,154	\$464,154	0%	n/a	n/a
08/01/12	\$0	\$334,585	\$334,585	0%	n/a	n/a

n/a - not available, not provided by actuary

OREGON CASCADES WEST COUNCIL OF GOVERNMENTS
ALBANY, OREGON

SUPPLEMENTARY INFORMATION

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OREGON CASCADES WEST COUNCIL OF GOVERNMENTS
ALBANY, OREGON

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2014

	Federal CFDA Number	Disbursement
<i>U.S. Department of Agriculture</i>		
Rural Economic Community Development Admin.		
Intermediary Relending Program (Loans 1-3) Note Bal.	10.767	1,925,646
Intermediary Relending Program (Loan 4) Note Bal.	10.767	585,961
 <i>U.S. Department of Transportation</i>		
<i>Drive Less Connect/Rideshare</i>	20.205	132,922 (1)
	20.205	179,011 (1)
	20.205	85,400 (1)
	20.205	3,000 (1)
	20.205	9,029 (1)
<i>Mobility Management</i>	20.513	26,199
TAP Scholarship	20.209	425
Highway Planning & Coordination (MPO - FHA)	20.505	37,445
<i>U.S. Department of Health & Human Services</i>		
Passed through Oregon Dept. of Human Resource, Senior and Disabled Services Division Special Programs for Aging:		
Title III-B. Grants for Supportive Services & Senior Ctrs.	93.044	243,846 (1)
Title III-C-1. Nutrition Services, Congregate Meals	93.045	363,000 (1)
Title III-C-2, Nutrition Services, Home Meals	93.045	185,735 (1)
Title III-D, Preventative Health Services	93.043	8,045
Title III-E, National Family Caregiver Support Program	93.052	97,649
Title VII-B, Elder Abuse Prevention	93.041	6,854
USDA - NSIP	93.053	87,433
SHIBA/SHIP Award (RSVP)	93.779	18,000
SMP (RSVP)	93.048	22,680
Retired and Senior Volunteer Program	94.002	120,366
ADRC	93.517	52,500
CDSME (Oregon Dept Human Services)	93.734	5,000
<i>U.S. Department of Commerce</i>		
Economic Development Administration	11.302	75,000
Support for Planning Organization		
Economic Development Administration - RLF	11.307	897,858 (1)
TOTAL FEDERAL AWARDS		5,169,002 (2)

Note (1) - indicates major program

Note (2) - Total federal awards does not agree to the total federal grants and contracts revenue on page 12 because there are federal contract included on page 12 that represent a vendor relationship and are therefore not reported on the Schedule of Expenditure of Federal Awards.

OREGON CASCADES WEST COUNCIL OF GOVERNMENTS
ALBANY, OREGON

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2014

I. PURPOSE OF SCHEDULE

The schedule of expenditures of federal awards is a supplementary schedule to Oregon Cascades West Council of Governments' basic financial statements and is presented for additional analysis. Because the schedule presents only a selected portion of the activities of the Council, it is not intended to and does not present the financial position, changes in net position, nor the operating funds' revenues and expenses.

II. SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The information in the schedule of expenditures of federal awards is presented in accordance with OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

B. Federal Financial Assistance

Pursuant to the Single Audit Act of 1984 and OMB Circular A-133, federal financial assistance is defined as assistance provided by a federal agency, either directly or indirectly, in the form of grants, contracts, cooperative agreements, loans, loan guarantees, property, interest subsidies, insurance, or direct appropriations. Accordingly, non-monetary federal assistance, including federal surplus property, is included in federal financial assistance and is therefore reported on the schedule of expenditures of federal awards, if applicable. Federal financial assistance does not include direct federal cash assistance to individuals. Solicited contracts between the state and federal government for which the federal government procures tangible goods or services are not considered to be federal financial assistance.

C. Major Programs

The Single Audit Act of 1984 and OMB Circular A-133 establish criteria to be used in defining major federal financial assistance programs. Major programs for the Council are those programs selected for testing by the auditor using a risk assessment model, as well as certain minimum expenditure requirements, as outlined in OMB Circular A-133. Programs with similar requirements may be grouped into a cluster for testing purposes.

D. Reporting Entity

The reporting entity is fully described in the notes to the financial statements of the Council's basic financial statements. Additionally, the schedule of expenditures of federal awards includes all federal programs administered by the Council for the year ended June 30, 2014.

E. Revenue and Expenditure Recognition

The receipt and expenditure of federal awards are accounted for under the modified accrual basis of accounting. Revenues are recorded as received in cash or on the accrual basis where measurable and available. Expenditures are recorded when the liability is incurred.

F. Loans Outstanding

The Council has outstanding loans to the U.S. Department of Agriculture (CFDA Number 10.767) at June 30, 2014.

OREGON CASCADES WEST COUNCIL OF GOVERNMENTS
ALBANY, OREGON

OTHER INFORMATION

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OREGON CASCADES WEST COUNCIL OF GOVERNMENTS

Albany, Oregon

**BALANCE SHEET AND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
RDF 1-3 AND RDF 4 LOAN FUNDS
For the Year Ended June 30, 2014**

BALANCE SHEET

	<u>RDF 1-3 LOAN</u>	<u>RDF 4 LOAN</u>	<u>TOTAL</u>
ASSETS			
Cash and Investments	\$ 1,715,829	\$ 293,673	\$ 2,009,502
Loans Receivable, net	712,329	316,687	1,029,016
Total Assets	<u>\$ 2,428,158</u>	<u>\$ 610,360</u>	<u>\$ 3,038,518</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Loans Payable	\$ 1,925,646	\$ 585,961	\$ 2,511,607
Fund Balance	502,512	24,399	526,911
Total Liabilities and Fund Balance	<u>\$ 2,428,158</u>	<u>\$ 610,360</u>	<u>\$ 3,038,518</u>

- -

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

	<u>RDF 1-3 LOAN</u>	<u>RDF 4 LOAN</u>	<u>TOTAL</u>
REVENUES			
Loan interest	\$ 71,093	\$ 17,533	\$ 88,626
Recovery of Bad Debt	78,531	9,055	87,586
Bank interest	6,203	1,444	7,647
Loan packaging fees	1,699	2,492	4,191
Total revenues	<u>157,526</u>	<u>30,524</u>	<u>188,050</u>
EXPENDITURES			
Interest payment	20,756	6,196	26,952
Administration expense	32,084	10,952	43,036
Bad debt expense	64,246	-	64,246
Other expense	15,990	2,492	18,482
Total expenditures	<u>133,076</u>	<u>19,640</u>	<u>152,716</u>
Net Change in Fund Balance	24,450	10,884	35,334
FUND BALANCE - BEGINNING	<u>478,062</u>	<u>13,515</u>	<u>491,577</u>
FUND BALANCE - ENDING	<u>\$ 502,512</u>	<u>\$ 24,399</u>	<u>\$ 526,911</u>

Note - these funds are a component of the Enterprise Fund, and are presented for the purpose of additional information.

OREGON CASCADES WEST COUNCIL OF GOVERNMENTS

Albany, Oregon

BALANCE SHEET AND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

EDA RLF FUND

For the Year Ended June 30, 2014

BALANCE SHEET

ASSETS

Cash and Investments	\$	221,773
Loans Receivable, net		<u>656,073</u>
Total Assets	\$	<u><u>877,846</u></u>

LIABILITIES AND FUND BALANCE

Liabilities		
Loans Payable	\$	-
Fund Balance		<u>877,846</u>
Total Liabilities and Fund Balance	\$	<u><u>877,846</u></u>

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

REVENUES

Loan interest	\$	33,832
Reduction in Bad Debt Allowance		-
Bank interest		<u>744</u>
Total revenues		<u>34,576</u>

EXPENDITURES

Administration expense		16,988
Bad Debt Expense		<u>-</u>
Total expenditures		<u>16,988</u>

Net Change in Fund Balance		17,588
----------------------------	--	--------

FUND BALANCE - BEGINNING		<u>860,258</u>
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FUND BALANCE - ENDING	\$	<u><u>877,846</u></u>
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Note -this fund is a component of the Enterprise Fund, and are presented for the purpose of additional information.

OREGON CASCADES WEST COUNCIL OF GOVERNMENTS
ALBANY, OREGON

INDEPENDENT AUDITORS' REPORT REQUIRED BY OREGON STATE REGULATIONS

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www.paulyrogersandcocpas.com

December 8, 2014

Independent Auditors' Report Required by Oregon State Regulations

We have audited the basic financial statements of the Oregon Cascades West Council of Governments as of and for the year ended June 30, 2014, and have issued our report thereon dated December 8, 2014. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards.

Compliance

As part of obtaining reasonable assurance about whether the Oregon Cascades West Council of Government's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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

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

In connection with our testing nothing came to our attention that caused us to believe that Oregon Cascades West Council of Governments was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations.

OAR 162-10-0230 Internal Control

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

This report is intended solely for the information and use of the Board of Directors and management of Oregon Cascades West Council of Governments 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, appearing to read "Matthew Graves".

Matthew Graves, CPA
PAULY, ROGERS AND CO., P.C.

OREGON CASCADES WEST COUNCIL OF GOVERNMENTS
ALBANY, OREGON

GRANT COMPLIANCE REVIEW

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December 8, 2014

Board of Directors
Oregon Cascades West Council of Governments
Albany, Oregon

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

We have audited the financial statements of Oregon Cascades West Council of Governments as of and for the year ended June 30, 2014, and have issued our report thereon dated December 8, 2014. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the financial statements will not be prevented, or detected and corrected on a timely basis.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

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

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

A handwritten signature in black ink, appearing to read "Matthew Graves".

Matthew Graves, CPA
PAULY, ROGERS AND CO., P.C.



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December 8, 2014

Board of Directors
Oregon Cascades West Council of Governments
Albany, Oregon

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

Compliance

We have audited the compliance of Oregon Cascades West Council of Governments with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2014. Oregon Cascades West Council of Governments major federal programs are identified in the Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of management. Our responsibility is to express an opinion on compliance based on our audit.

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

In our opinion, Oregon Cascades West Council of Governments complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2014.

Internal Control Over Compliance

Management is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the

effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of internal control over compliance.

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

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

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

A handwritten signature in black ink, appearing to read "Matthew Graves".

Matthew Graves, CPA
PAULY, ROGERS AND CO., P.C.

OREGON CASCADES WEST COUNCIL OF GOVERNMENTS
ALBANY, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements

Type of Auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified that are not considered to be material weaknesses _____ Yes X None reported

Any audit findings disclosed relating to the financial statements which are required to be reported in accordance with GAGAS, A-133 S505(d)(2) _____ Yes X None reported

Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified that are not considered to be material weaknesses _____ Yes X None reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133? _____ Yes X No

Identification of major programs

CFDA Number(s):

11.307
93.044,93.045,93.053
20.205

Name of Federal Program:

Economic Development Cluster
Aging Cluster
Highway Planning and Construction Cluster

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

Auditee qualified as low-risk auditee? X Yes _____ No

Section II – Financial Statement Findings

None Reported

Section III – Federal Award Findings and Question Costs

None Reported

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March 19, 2015

Dear Board Member,

At recent meetings with several Board Members, it was asked if Finance Staff could provide an at a glance picture of COG's financial status in an easy to read format.

Please accept the following snapshot and Consolidated Revenue and Expense Statement, for period ending January 31, 2015 with notes to items that I felt were pertinent. We strive to make the following financial information consistent, accessible and transparent.

Snapshot by Major Line Item

	FY 2015 Budget	January YTD	Percentage YTD	Prior Year YTD
Dues	247,945.69	247,945.69	100.00%	98.54%
Contracts	1,225,378.00	1,140,008.40	93.03%	39.51%
Grants	83,516.00	111,295.12	133.26%	29.53%
Donations	218,412.00	113,601.95	52.01%	48.89%
State Revenue	1,368,215.00	570,100.27	41.67%	45.15%
Federal Revenue	10,521,272.00	5,996,531.50	56.99%	50.05%
Coordinated Care	3,900,000.00	2,638,401.58	67.65%	0.00%
Total Income (all line items)	25,880,959.00	19930174.94	77.01%	37.55%
Total Payroll Expense	13,183,800.00	6,756,552.46	51.25%	50.18%
Contract Expense	4,449,158.00	3,372,785.15	75.81%	57.61%
Indirect Expense	1,331,369.00	776,628.37	58.33%	58.42
Maintenance & Repair	338,800.00	73,021.93	21.55%	47.60%
Telephone	164,212.00	109,379.03	66.61%	58.91%
Travel / Training	287,292.00	153,207.87	53.33%	46.73%
Total Expense (all line items)	25,880,959.00	12,609,581.32	48.72%	49.32%
Net Gain / (Loss)	0.00	7,320,593.62		

FY 2015 Financial Narrative (Revenue)

- a. Net/Gain (Loss) FY 2015 Budget, Oregon Cascades West Council of Governments has a balanced budget
- b. Member dues have been invoiced and all revenue received, dues will be distributed to programs in February 2015.
- c. Contract revenue is still trending up. The agency continues to seek additional contracts, so this number has increased steadily will continue to show this trend.
- d. Year to date Grant revenue is up, due to the agency soliciting additional grant funds and the receipt said funds. Several grants funded at the beginning of a project vs. the end of the project. This will continue to be high due to these new funds not being in the budget.
- e. Donations revenue has slowed in the last month. The amount will vary thought out the year. The Senior Meals will be sending out the Mothers Day Tea Mailing in May so this number will have a jump in May and June.
- f. State Revenue percents appear low due to quarterly billing cycles and Oregon Project Independence and ODOT billing cycle.
- g. Federal Revenue appears low due to quarterly billing cycles and Title XIX billing cycle.
- h. Coordinated Care revenue is up due to additional qualifying individuals in the Non Emergent Medical Transportation program.

FY 2015 Financial Narrative (Personnel and Material & Supplies)

- a. The agencies Personnel expense is on track, the percent seem a little low due to vacant positions not being immediately filled.
- b. Contract expense is trending high due to Non Emergent Medical Transportation contractors providing additional rides. This will continue to be high for the balance of the year.
- c. Indirect expenses are stable funding use to fund services provided by General Administration, Human Resources, Finance and Technology Services.
- d. Maintenance & Repair is trending low as projects are just ramping up for the fiscal year.
- e. Telephone expense is leveling out. With the new telephone system, we could anticipate additional cost due to increased staff at the end of the prior fiscal year.
- f. Travel/Training is consistently low this time of year; we will see this number increase to normal levels.

If you find you need additional information or clarification, please contact Finance Director, Sue Forty.

Consolidated Revenue and Expense Statement

Executive Committee Financial Report

For Period July 1, 2014 through January 31, 2015

Acct No	Description	Budget	Ending Balance	% of budget to date	
000710	Beg Bal-Restricted for Grants	0.00	152,859.41	0.00%	RSVP prior year ending fund balance
000725	Beg Bal-Restrict for Contracts	153,526.00	562,854.01	366.62%	Brokerage IHN CCO and Special contracts fund 309 prior year ending fund balance
000740	Beg Bal Restricted for Other	952,065.00	0.00	0.00%	
000745	Beg Bal-Restrict Reserve	0.00	2,102,000.00	0.00%	SDS, Albany Building, Toledo Building and Sustainability Reserves
000750	Beg Bal-Unrestricted	3,263,567.00	4,644,411.48	142.31%	Beginning fund balance restricted for reconciliation
000800	Carryover	928,257.00	0.00	0.00%	
000801	Dues	450,959.00	247,945.69	54.98%	All dues have been received and will be allocated to programs in February
000802	Fee For Service	57,000.00	52,616.30	92.31%	
000803	Internal Transfer	1,434,163.00	778,609.96	54.29%	Indirect revenue for GA, Finance, HR and Tech
000804	Miscellaneous	9,700.00	57,105.88	588.72%	Recovery of written off loan recovering \$16,711.26 in the lending operations
000805	Contracts	1,225,378.00	1,140,008.40	93.03%	Several additional unanticipated contract
000806	Grants	83,516.00	111,295.12	133.26%	Grants paid at beginning of project and additional grants received
000807	Donations	218,412.00	113,601.95	52.01%	
000808	Interest Rev	209,015.00	122,655.31	58.68%	
000809	Transfers In	98,500.00	43,291.69	43.95%	
000809	CED Admin Allocation	168,431.00	93,991.43	55.80%	
000820	Program Meals Revenue	155,000.00	93,432.60	60.28%	
000822	Loan Packaging Fees	6,500.00	7,494.16	115.29%	Loans funded this and prior year
000823	Program Income	488,419.00	289,532.46	59.28%	
000824	Regional Revenue	174,564.00	99,730.62	57.13%	
000826	Borrowers Fees	5,000.00	2,645.52	52.91%	
000828	Service Fees	9,500.00	3,662.49	38.55%	
000860	Economic Development Admin	75,000.00	37,500.00	50.00%	
000862	Older Americans Act	931,610.00	550,731.00	59.12%	
000863	Title XIX	9,148,662.00	5,180,585.52	56.63%	
000864	Federal Senior Meals	256,000.00	183,997.98	71.87%	Additional Federal Title XIX meals being served
000865	USDA	100,000.00	43,717.00	43.72%	
000869	Siletz Revenue	10,000.00	5,397.00	53.97%	
000840	Veterans	44,000.00	21,184.00	48.15%	Quarterly billing
000841	Oregon Project Independence	675,796.00	426,515.47	63.11%	Additional revenue awarded

000842	OEDD/OECD	0.00	-678.14	0.00%	Prior year adjustment
000843	ODOT	648,419.00	123,078.94	18.98%	Quarterly billing recorded in February
000846	Coordinated Care	3,900,000.00	2,638,401.69	67.65%	
	Revenue	25,880,959.00	19,930,174.94	77.01%	
0001ED	Executive Director	112,456.00	70,157.00	62.39%	
000410	Leave Benefits	534,292.00	282,404.19	52.86%	
000420	Fringe Benefits	4,442,576.00	2,418,014.75	54.43%	
0004PD	Program Director	273,514.00	120,735.40	44.14%	
0004TM	Technology Manager	92,317.00	51,569.16	55.86%	
0010PM	CED Program Manager	346,191.00	237,973.51	68.74%	
0013PS	Program Supervisor	500,761.00	192,187.21	38.38%	
0016LO	Loan Officer	126,896.00	65,582.25	51.68%	
0019CA	Clerical Assistant	13,020.00	8,049.56	61.82%	
0019PM	Personnel Manager	84,301.00	34,357.19	40.76%	
0022SA	Senior Accountant	68,664.00	17,320.00	25.22%	
0031RD	Resource Development	0.00	20,381.46	#DIV/0!	SS Foundation Support Position created after budget was published
0046CM	Case Manager	2,061,874.00	1,075,666.97	52.17%	
0055CS	Clerical Supervisor	120,097.00	59,429.20	49.48%	
0058AP	Assistant Planner	46,773.00	1,935.37	4.14%	Reclassified to CED Planner
0064ES	Eligibility Specialist	1,121,853.00	580,985.90	51.79%	
0067EA	Executive Assistant	0.00	24,658.84	#DIV/0!	Budget line created after budget was published
0070AC	Accounting Clerk II	89,986.00	49,500.30	55.01%	
0076AA	Administrative Assistant	436,357.00	200,019.07	45.84%	
0085CS	Clerical Specialist	272,211.00	128,410.61	47.17%	
0085SS	Software Support Specialist	52,024.00	28,211.18	54.23%	
013CDP	CED Planner II	211,128.00	70,815.75	33.54%	
013MDR	MPO Director	90,333.00	48,947.55	54.19%	
025NSS	Network Support Specialist	71,181.00	41,321.16	58.05%	
031CDP	CED Planner	26,807.00	17,063.99	63.65%	
034APS	Adult Protective Services Spec	359,389.00	180,233.94	50.15%	
037DTC	Diversion & Transition Coord	178,740.00	96,885.78	54.20%	
037LCM	Lead Case Manager	275,820.00	121,663.99	44.11%	
045ISS	Information Systems Specialist	48,775.00	0.00	0.00%	
055VSO	Veterans Service Officer	55,653.00	32,421.07	58.26%	

060FMC	Fac. Maint. Coordinator	47,587.00	28,257.12	59.38%	
064ADR	ADRC Specialist	214,172.00	94,984.13	44.35%	
064ALW	Asst. AFH Licensing Worker	70,380.00	38,294.87	54.41%	
064TSS	Technology Support Spec.	28,657.00	0.00	0.00%	
067CEA	Conf. Exec. Assistant	43,118.00	20,004.90	46.40%	
075LTB	Lead Trans Brokerage Spec.	0.00	14,173.05	#DIV/0!	Budget line created after budget was published
075TBS	Transportation Brokerage Spec.	264,140.00	118,742.78	44.95%	
082SMC	Senior Meals Coordinator	36,229.00	19,494.98	53.81%	
090EXH	Extra Hire	50,442.00	0.00	0.00%	
090RSM	Relief Site Manager	12,000.00	9,429.85	78.58%	
099EXH	Extra Hire	138,379.00	30,601.52	22.11%	
88MSM3	Meal Site Manager 3	164,707.00	105,666.91	64.15%	
	Personnel	13,183,800.00	6,756,552.46	51.25%	

000504	Advertising	33,500.00	18,256.05	54.50%	
000506	Auto Expense	11,000.00	7,695.55	69.96%	
000507	Bad Debt Expense	10,000.00	103,200.00	1032.00%	Increased bad debt for the Lending program per the work plans
000510	Bank Charges	12,750.00	8,334.42	65.37%	
000513	Board/Comm/Meeting Exp	23,925.00	11,369.03	47.52%	
000514	CED Administration	169,088.00	93,991.43	55.59%	
000516	Computer Maintenance	53,900.00	12,143.97	22.53%	
000521	Contract Administration	2,000.00	1,605.00	80.25%	
000522	Contracts	4,449,158.00	3,372,787.15	75.81%	Additional brokerage contracts
000523	Admin Contract Expense	447,796.00	284,327.47	63.49%	
000525	Copying	77,965.00	35,608.88	45.67%	
000531	Dues/Memberships	41,415.00	35,155.29	84.89%	
000533	Finance Indirect	431,353.00	251,620.88	58.33%	
000534	Indirect Expense	481,669.00	280,971.88	58.33%	
000537	Insurance	42,600.00	39,350.15	92.37%	One time payments
000540	Interest Expense	15,000.00	12,449.15	82.99%	
000541	Janitorial Expense	5,900.00	2,154.00	36.51%	
000542	Legal Services	4,920.00	2,192.00	44.55%	
000543	Licenses/Fees	26,680.00	12,390.81	46.44%	
000546	Loan Fees	6,000.00	7,689.85	128.16%	Loans funded this and prior year
000549	Maint./Repair	338,800.00	73,021.93	21.55%	

000550	Taxes	144,564.00	73,440.44	50.80%	
000552	Other Operating	356,864.00	1,000.00	0.28%	
000555	Postage	105,050.00	45,243.71	43.07%	
000558	Printing	33,880.00	10,771.56	31.79%	
000561	Rent	488,605.00	294,239.03	60.22%	
000564	Resource Reserve	200,000.00	0.00	0.00%	No match requirement at this point
000567	Supplies	255,768.00	108,374.35	42.37%	
000568	Stipend	0.00	120.00	#DIV/0!	For the IHN CCO members, budget line created after budget was published
000570	Technology Group	418,347.00	244,035.61	58.33%	
000573	Telephone	164,212.00	109,379.03	66.61%	
000576	Training	48,015.00	24,827.00	51.71%	
000577	Volunteer Recognition	0.00	3,522.46	#DIV/0!	Budget line created after budget was published
000578	Meal Delivery Travel	61,000.00	35,624.57	58.40%	
000579	Travel	178,277.00	92,756.30	52.03%	
000580	Transfers Out	262,945.00	15,000.00	5.70%	
000582	Utilities	64,454.00	38,217.92	59.29%	
000584	Janitorial	44,400.00	26,202.00	59.01%	
000585	Unappropriated EFB for future	3,121,399.00	0.00	0.00%	This will populate at the end of the fiscal year and be used for beginning fund balance for the next Fiscal Year
	Materials and Supplies	12,633,199.00	5,789,068.87	45.82%	
000598	Principal Payment	43,333.00	43,333.33	100.00%	One time payment
000599	Interest Payment	20,627.00	20,626.66	100.00%	One time payment
	Debt Service	63,960.00	63,959.99	100.00%	
	Expense	25,880,959.00	12,609,581.32	48.72%	
	Net Gain/Loss	0.00	7,320,593.62		