

MORROW COUNTY, OREGON

**Financial Statements and
Independent Auditors' Report**

June 30, 2019

MORROW COUNTY, OREGON

List of Officials
June 30, 2019

COMMISSIONERS:

Jim Doherty, Chair

Melissa Lindsay - Vice Chair

Don Russell

TITLE:

Commissioner

Commissioner

Commissioner

OTHER ELECTED OFFICIALS:

Michael Gorman

Bobbi Childers

Kenneth Matlack

Gayle Gutierrez

Ann Spicer

Stephen K. Haddock

Assessor & Tax Collector

Clerk

Sheriff

Treasurer

Justice of the Peace

Surveyor

FINANCE DEPARTMENT:

Katherine Knop

Finance Director

ADDRESS:

Courthouse

P. O. Box 867

Heppner, OR 97836

Telephone: 541-676-9061

MORROW COUNTY, OREGON

Contents June 30, 2019

	<u>Page</u>
Independent auditors' report	6-8
Management's discussion and analysis	10-19
Basic financial statements:	
Statement of Net Position	21
Statement of Activities	22
Governmental Funds Balance Sheet	23
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	24
Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances	25
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	26
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget (Non-GAAP Budgetary Basis) and Actual:	
General fund	27-28
General road fund	29
Statement of Fiduciary Net Position - Agency Funds	30
Notes to basic financial statements	31-56
Required Supplementary Information	57-63
Other Supplementary Information:	
Non-major Governmental Funds:	
Non-major Governmental Funds	65
Combining Balance Sheet	66
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	67
Non-major Special Revenue Funds:	
Non-major Special Revenue Funds	68-69
Combining Balance Sheet	70-73

MORROW COUNTY, OREGON

Contents June 30, 2019

	<u>Page</u>
Supplementary Information (continued):	
Non-major Special Revenue Funds (continued):	
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	74-77
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget (Non-GAAP Budgetary Basis) and Actual:	
Heritage fund	78
Finley Buttes license fee fund	79
Commission on children/families fund	80
Airport fund	81
Law library fund	82
911 emergency telephone fund	83
Surveyor preservation fund	84
Finley Buttes License Fee fund	85
County school fund	86
Ione school fund	87
Fair fund	88
Special transportation fund	89
Alcohol enforcement fund	90
Video lottery economic development fund	91
Victim-witness assistance fund	92
Willow Creek wind fund	93
Cami grant fund	94
Safety committee fund	95
Rodeo fund	96
Justice court bail and fine fund	97
Clerks records fund	98
DUII impact fund	99
Building permit fees fund	100
Park Fund	101
Equity fund	102
Liquor control fund	103
Water planning fund	104
Forest service fund	105
Court security fund	106
Echo Wind fees fund	107
Shepherd Flat fees fund	108
STO Operating fund	109
Community Corrections fund	110
PGE - Carty fund	111

MORROW COUNTY, OREGON

Contents
June 30, 2019

	<u>Page</u>
Supplementary Information (continued):	
Non-major Capital Project Funds:	
Non-major Capital Project Funds	112
Combining Balance Sheet	113
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	114
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget (Non-GAAP Budgetary Basis) and Actual:	
Road equipment reserve fund	115
Computer equipment reserve fund	116
Programming reserve fund	117
Weed equipment reserve fund	118
STF vehicle reserve fund	119
Fair roof reserve fund	120
Heppner Administrative Building fund	121
Bleacher reserve fund	122
Fair improvement reserve fund	123
Building reserve fund	124
Other Schedules:	125
Other Schedules	
Agency Funds:	
Combining statement of assets and liabilities, arising from cash transactions	126
Combining statement of receipts, expenditures, and changes in cash, arising from cash transactions	127
Schedules of Accountability:	
County treasurer	128
Other elected officials	129
Schedule of cash and investments	130
Property taxes:	
Schedule of property tax transactions and outstanding balance	131
Schedule of property tax receivable - by fund	132

MORROW COUNTY, OREGON

Contents
June 30, 2019

	<u>Page</u>
Supplementary Information (continued):	
Audit reports, comments and disclosures required by Government Auditing Standards and state regulations:	
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	134-135
State regulations introduction	136
Report required by Oregon State Regulations	137-138
Single audit section:	
Schedule of expenditures of federal awards	140
Notes to schedule of expenditures of federal awards	141
Report on compliance with requirements applicable to each major program and on internal control over compliance in accordance with OMB Circular A-133.	142-143
Schedule of findings and questioned costs	144
Summary schedule of prior year's audit findings	145

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Independent Auditors' Report

County Commissioners
Morrow County
Heppner, Oregon

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Morrow County, Oregon, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the County's 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 entity's 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 entity's 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, each major fund, and the aggregate remaining fund information of Morrow County, Oregon, as of June 30, 2019, and the respective changes in financial position, and the respective budgetary comparison for the General Fund and General Road Fund, 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, pension, and OPEB information on pages 9-19 and 57-63 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Morrow County, Oregon's basic financial statements. The combining and individual nonmajor fund financial statements and schedules, and other schedules are presented for purposes of additional analysis and are not a required part of the financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, other schedules, 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 combining and individual nonmajor fund financial statements, other schedules, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Reports on Other Legal and Regulatory Requirements


Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 30, 2019, on our consideration of Morrow County, Oregon's internal control over financial reporting and on our tests of its 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 Morrow County, Oregon's internal control over financial reporting and compliance.

Other Reporting Required by Oregon Minimum Standards

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have also issued our report dated December 30, 2019, on our consideration of Morrow County, Oregon's 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.

Barnett & Moro, P.C.

By: 
Cameron W. Anderson, Shareholder
December 30, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

MORROW COUNTY, OREGON MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Morrow County, Oregon, we offer readers of the county's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2019. We encourage readers to consider the information presented here in conjunction with the financial statements.

FINANCIAL HIGHLIGHTS

- Morrow County's assets exceeded its liabilities at June 30, 2019, by \$79,872,214 (Net Position). Of this amount, \$1,182,213 may be used to meet the County's ongoing obligations to citizens and creditors.
- The total net position decreased by \$2,162,310 for fiscal year ended June 30, 2019. All of this amount was due to the decrease in governmental activities net position. The County had no business-type activities in fiscal year 2019 due to the dissolution of business-type activities in fiscal year 2008.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$13,175,030, an increase of \$1,291,993 in comparison to the prior year. Approximately \$8,296,483 is restricted or committed for purposes designated by special revenue or capital outlay funds, and \$4,734,881 is unassigned and available for spending at the County's discretion.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$4,734,811 or 33 % of total General Fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to Morrow County's basic financial statements. The County's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains 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 County's finances, in a manner similar to a private-sector business. These statements include:

The Statement of Net Position presents information on all of the County'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 County is improving or deteriorating.

The Statement of Activities presents information showing how the government'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, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

MORROW COUNTY, OREGON MANAGEMENT'S DISCUSSION AND ANALYSIS

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the County include general government, public safety, highways and streets, cultural and recreation, education, and health.

The government-wide financial statements can be found on pages 21 and 22 of this report.

Fund Financial Statements. The fund financial statements provide more detailed information about the County's funds, focusing on its most significant or "major" funds-not the county as a whole. 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. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds. The 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 spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances are reconciled to the government-wide Statements of Net Position and Activities.

The County maintains 46 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General, and General Road which are considered to be major governmental funds. Data from the remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in the report.

MORROW COUNTY, OREGON MANAGEMENT'S DISCUSSION AND ANALYSIS

The County adopts an annual appropriated budget for all funds. A budgetary comparison statement has been provided for each fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 21 through 25 of this report.

Proprietary Funds. The County does not maintain any proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County does not have any enterprise funds in fiscal year 2019. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support county programs. The accounting used for fiduciary funds is similar to that used for proprietary funds.

The basic fiduciary fund financial statement can be found on page 30 of this report.

Notes to Basic Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 31 through 56 of this report.

The combining statements referred to earlier in connection with non-major governmental funds are presented as Supplemental Information beginning on page 64 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The County's assets exceeded liabilities by \$79.9 million at June 30, 2019.

Capital assets, which consist of the county's land, buildings, improvements, machinery and equipment, and infrastructure, less any related debt to acquire those assets that is still outstanding, represent about 83.29 percent of total assets. The remaining assets consist mainly of investments, cash, and grant and property taxes receivable.

The County's liabilities consist primarily of payables on accounts, salaries and benefits (14.92) percent), pension obligations (71.24 percent), capital leases and loans payable (10.41 percent), and Other post-employment benefits (2.53 percent). Current liabilities, not including current portions of long-term debts, represents about 15.82 percent of the county's total liabilities, and consists almost entirely of payables on accounts, salaries and benefits.

**MORROW COUNTY, OREGON
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Morrow County's Net Position
Governmental Activities (in thousands)

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Current assets	\$ 15,356	\$ 13,999
Capital assets	<u>76,538</u>	<u>79,375</u>
Total assets	<u>91,894</u>	<u>93,374</u>
Deferred outflows of resources	<u>3,277</u>	<u>4,596</u>
Current liabilities	2,288	2,211
Long-term debt	<u>12,878</u>	<u>13,724</u>
Total liabilities	<u>15,166</u>	<u>15,935</u>
Deferred inflows of resources	<u>133</u>	<u>-</u>
Net position:		
Net investment in capital assets	74,946	77,550
Restricted	3,744	3,408
Unrestricted	<u>1,182</u>	<u>1,077</u>
	<u>\$ 79,872</u>	<u>\$ 82,035</u>

Of the County's net position, its investment in capital assets (e.g. land, buildings, vehicles and equipment, and infrastructure) is substantially more than the related debt still outstanding used to acquire those assets. The County uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the county'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 (generally property taxes), since the capital assets themselves cannot be used to liquidate these liabilities. During the current fiscal year, the County's net position decreased by \$2,162,310. This was due to the decrease in net position from Governmental activities. The primary decrease to assets was \$2,401,934 in other capital assets. As of June 30, 2019, the total bank balances were \$698,375. Of these deposits, \$500,000, was covered by federal depository insurance. The net result of the transaction regarding capital assets resulted in decreasing net position by \$2,837,000. The County saw a decrease in long term debt for the 18-19 fiscal year. The net result of the County's debt transactions was a decrease in long term debt of \$846,000. The County entered into a note payable with Community Bank for the construction of the Administration Building in Heppner, Oregon. The balance of the note on June 30, 2019 is \$1,424,991. The net result of these transactions resulted in a \$2,162,310 net decrease in the county's net position.

**MORROW COUNTY, OREGON
MANAGEMENT'S DISCUSSION AND ANALYSIS**

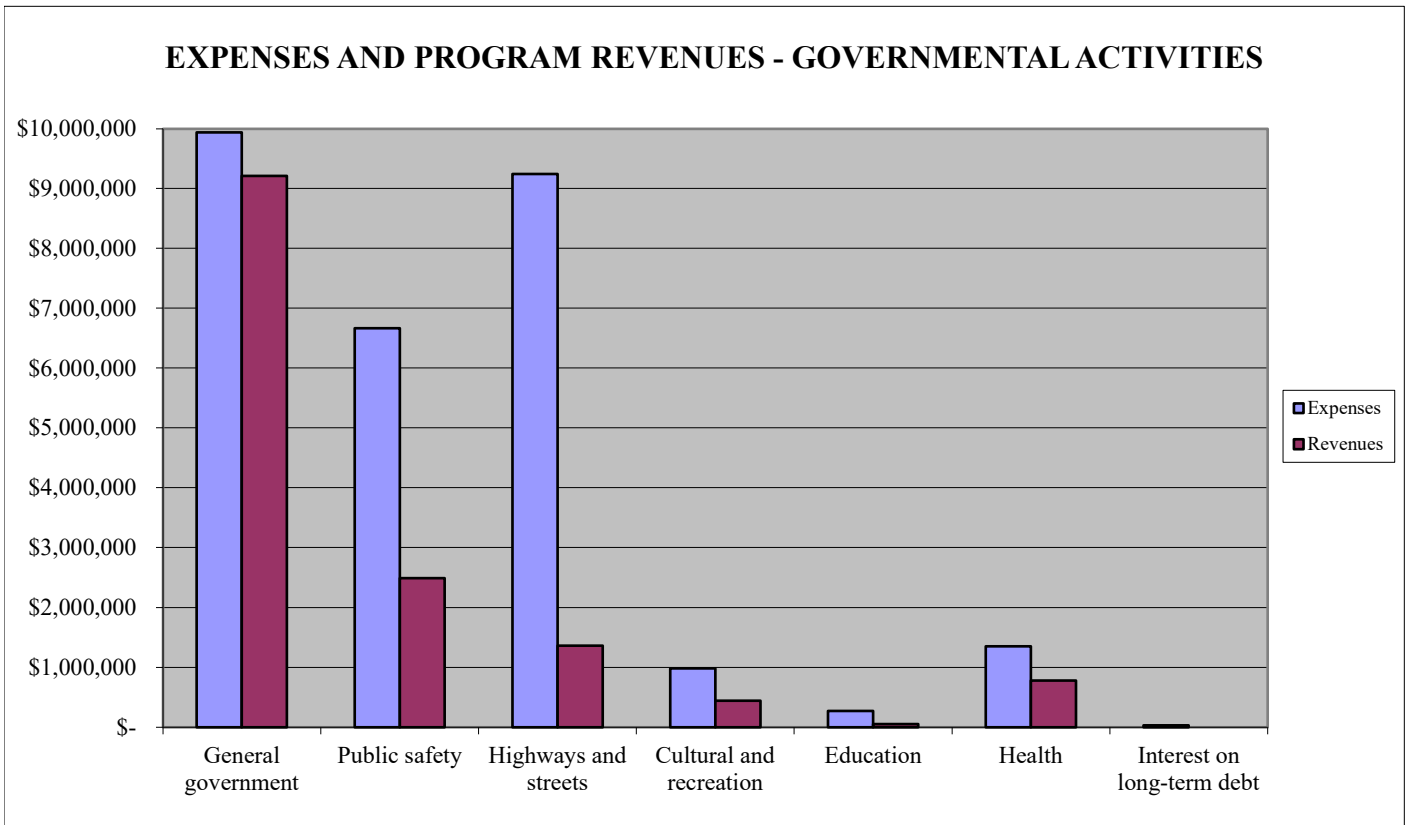
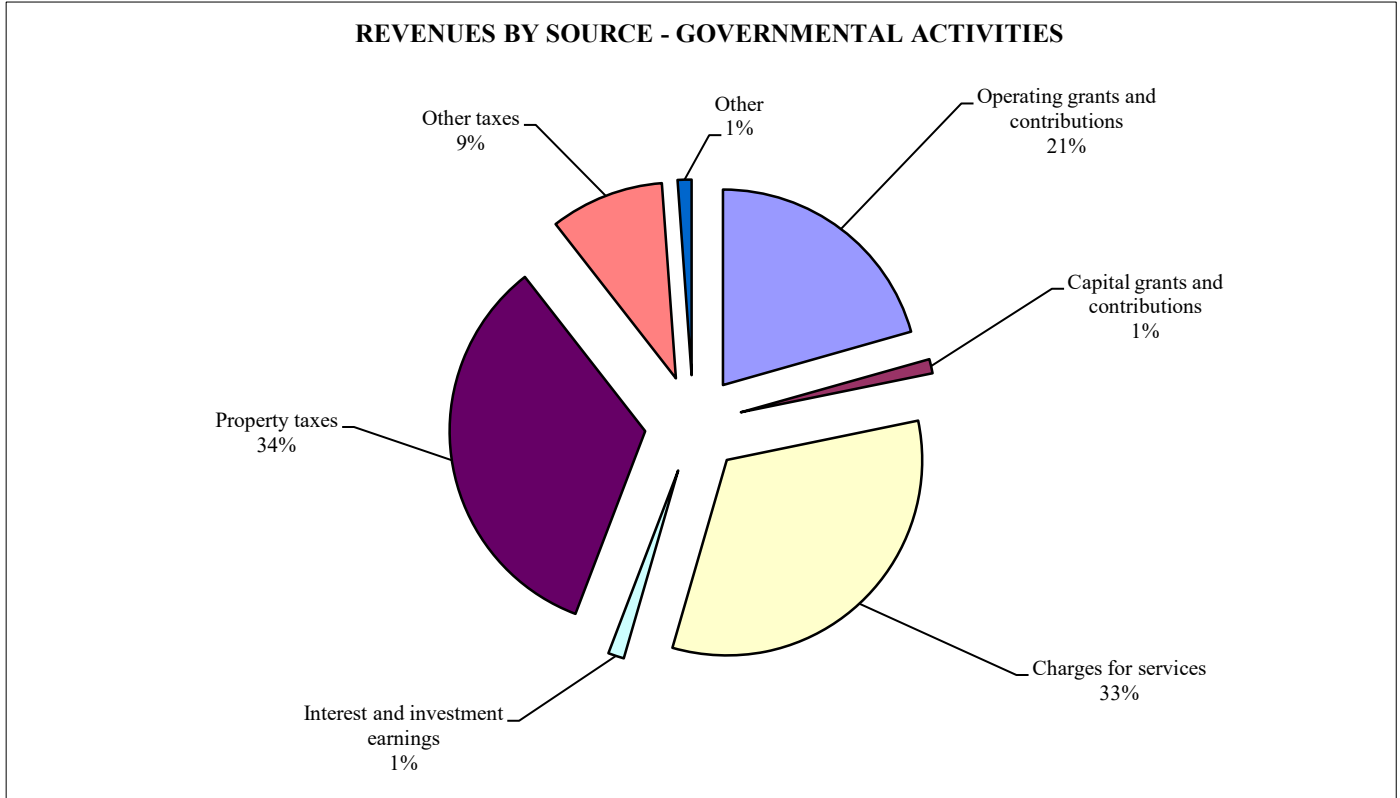
Governmental Activities. During the current fiscal year, the County's net position decreased by \$2,162,310 compared to a \$1,653,068 decrease in the prior year.

Morrow County Changes in Net Position-Governmental Activities

	2018-2019	2017-2018
Revenues		
Program revenues		
Charges for services	\$8,600,552	\$ 7,307,152
Operating grants and contributions	5,423,504	5,168,216
Capital grants and contributions	309,232	266,037
General revenues		
Property taxes	8,859,710	8,100,960
Payments in lieu of taxes	956,619	862,984
State shared taxes	1,510,918	1,122,177
Interest and investment earnings	348,199	225,366
Other revenues, net	<u>305,282</u>	<u>655,579</u>
Total revenues	<u>26,314,016</u>	<u>23,708,471</u>
Expenses		
General government	9,936,186	7,420,091
Public safety	6,664,268	6,585,861
Highways and streets	9,240,487	8,774,709
Cultural and recreation	980,684	864,548
Education	273,201	235,606
Health	1,352,670	1,402,375
Interest on long-term debt	<u>28,830</u>	<u>40,668</u>
Total expenses	<u>28,476,326</u>	<u>25,323,858</u>
Decrease in net assets before transfer	(2,162,310)	(1,615,387)
Transfers	-	-
Change in net position	<u>(2,162,310)</u>	<u>(1,615,387)</u>
Beginning net position	82,034,524	83,835,990
Prior period adjustment	-	(186,079)
Beginning net position, as restated	<u>82,034,524</u>	<u>83,649,911</u>
Ending net position	<u>\$79,872,214</u>	<u>\$82,034,524</u>

The following graphs show the County's Governmental Activity revenues by source; and expenses and program revenues by functions.

**MORROW COUNTY, OREGON
MANAGEMENT'S DISCUSSION AND ANALYSIS**



**MORROW COUNTY, OREGON
MANAGEMENT'S DISCUSSION AND ANALYSIS**

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

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

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$13,175,030, an increase of \$1,291,993 in comparison with the prior year. Approximately 35.94% or \$4,734,881 of this total amount constitutes unassigned fund balance, which is available for spending at the government's discretion. \$8,296,483 or 62.97% is restricted or committed to purposes designated by special revenue or reserve funds. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed for prepaid items which will not provide spendable resources.

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, the total fund balance of the General Fund was \$4,878,547, of which \$4,734,881 was unassigned. This indicates a high degree of liquidity of the General Fund.

The fund balance of the County's General Fund decreased by \$332,543 during the fiscal year ended June 30, 2019.

Budgetary Highlights

Differences between the original budget and the final amended budget were primarily due to the mid-year supplemental and specific purpose increases. The changes were made to recognize additional resources available from higher actual beginning fund balances and from new grants and fees received as well as additional resources from property taxes due to an actual assessed value larger than the estimated value used in preparation of the original budget.

The budget increases resulted in increasing appropriations in the following areas:

- The General Fund budget for the Veteran's Department was increased by \$25,666 to reflect a beginning balance carry-over. The capital outlay was increased to purchase a new vehicle.
- A Park Fund budget resolution was approved to create a new department for the fairground facilities. The revenue was estimated between \$100-600 and no appropriations were needed in fiscal year 2018-2019.
- The Echo Winds Fund increased appropriations to reflect Special Payments, in the amount of \$59,241, for the distribution of community service fees.

**MORROW COUNTY, OREGON
MANAGEMENT'S DISCUSSION AND ANALYSIS**

- The Community Corrections Fund increased materials & services, in the amount of \$6,976, to include appropriations for the Justice Reinvestment dollars to be distributed to Domestic Violence for 10% of the grant.
- The General Fund budget for Public Works General Maintenance transferred \$44,104 from materials & services to capital projects for a heat pump, \$6,000; blinds for the courthouse, \$25,000; and new entry-way windows for the library, \$13,104.
- The General Fund budget for the Health Department transferred \$30,000 in excess appropriations from materials and services to capital outlay equipment to support the purchases of a generator for the Boardman office. The equipment will protect the vaccines stored there and utilize the electrical source as back-up for operations in emergency situations.
- The Road Fund transferred appropriations, in the amount of \$215,556, in excess materials & services, Asphalt & Freight and Contracts Services, to capital outlay Bridge Replacement for the Keen and Snyder bridge widening projects.
- The Community Corrections Fund transferred \$33,500 from contingency dollars to capital outlay to purchase a new work crew van.
- The Park Fund received approval of a supplement budget resolution, in the amount of \$181,000, to reflect an increase in beginning fund balance and charges for services, higher than the anticipated budget. The increase in expenditures included materials and services to support a fire at the OHV Park and completion of a capital outlay fixed asset at the Cutsforth Park.
- The General Fund Non-department special payments budget increased by \$300,000 as a result of funds received from the Oregon Health Authority passed thru to Community Counseling Solutions for the Intergovernmental Agreement financing the Community Addictions and Mental Health. The IGA #153133 is for the 2017-2019 Biennium.
- The Airport Fund increased materials & services and capital outlay in the amount of \$73,000 to complete the fuel service upgrade and tarmac capital outlay projects not finished in the fiscal year 2017-2018.
- The General Fund budget for the Transfer Station-South was increased by \$8,500 due to an increase in personnel cost.
- The CAMI Fund increase materials & services, in the amount of \$3,000, for the increase in investigative services that exceeded budget for fiscal year 2018-2019. The increase in grant revenue supported the increase in appropriations.
- The County School Fund and the Ione School Fund budgets were increased by \$33,000, and \$5,000, respectively, due to the receipt of additional revenue.
- The Shepherds Flat Fees Fund increased by \$390,000 in materials in services for the distribution of the community service fees. The revenue received in excess of the original budget supported the increase in appropriations.
- The Willow Creek Fund increased by \$89,000 for additional expenditures for service and additional fees received from charges for services and other revenue in excess of the original budget.
- The PGE – Carty Fund increased, in the amount of \$500,000, other requirement appropriations for the distribution of the community service fees. The revenue received in excess of the original budget supported the increase in appropriations.

**MORROW COUNTY, OREGON
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Capital Projects and Debt Administration

Capital Assets. The County's investment in capital assets for its governmental activities as of June 30, 2019, amounts to \$76,538,325 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, machinery and equipment, roads and bridges, vehicles, and campsites and trails.

Major capital asset purchases during the current fiscal year were made by the General Fund, Road Equipment Reserve, Road Fund, Airport Fund, Park Fund, and Community Corrections Fund which included the following:

- General – Sheriff's Equipment \$301,762
- General – Health Department \$42,278
- General – Public Works Administration \$243,171
- General – Public Works General Maintenance \$42,656
- General – Transfer Station North \$46,584
- General – Computer \$50,158
- General – Non-Departmental \$282,287
- Road Equipment Reserve - \$123,809
- Road Fund - \$354,620
- Airport - \$70,949
- Building Permit Fees – \$49,052
- Parks - \$108,655
- Community Corrections Fund - \$62,979

Additional information on the County's capital assets can be found in note 5 on page 41 of this report.

Long-term debt. At the end of the current fiscal year, the County had total debt outstanding of \$1,592,173. This was in the form of long-term capital lease obligations, and a construction loan for the new Heppner Administrative Building. The County's total long-term debt decreased by \$232,537 during the current fiscal year.

Additional information on the County's long-term debt can be found in note 6 on page 42 of this report.

**MORROW COUNTY, OREGON
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Key Economic Factors and Budget Information

- Morrow County has experienced significant industrial development over the last several years, with food processing and data centers in the Port of Morrow and large wind power projects throughout the County. Most of these projects involve some sort of property tax exemption, like SIP (Strategic Investment Program) which is a 15 year exemption or EZ (Enterprise Zone) which can be a 3 year to 15 year exemption. These programs have resulted in an exempt value of around one billion dollars for the County. These projects have created several hundred jobs for the County but unfortunately the residential and commercial development has not increased as much.
- The 2019-2020 fiscal year the County will see the eighth significant payment of Strategic Investment Program (SIP) monies from the Caithness/Shepherds Flat Wind Project and the second significant payment from PGE – Carty Plant. The 2019-2020 budget includes an estimated receipt of \$3,817,294 for these payments which will be used to fund Road Fund capital projects within the County.
- It is anticipated that the costs of providing cost of living wage increases to be 3.0 %, and medical & dental insurance coverage to employees will continue to rise, by approximately 7-9% in the next fiscal year.
- The County's Retirement Plan will continue to be "equal to or better" than the PERS plan through the end of fiscal year 2019-2020. The Plan was tested in 2009-2010 and passed the "equal to or better" standard required for public safety members and has historically been applied to all members. The Retirement Plan contributions by the County will be at 24.8% for the 2019-2020 fiscal year. The County is currently in discussions with the AFSCME General and Road Union(s) to review the sustainability of the defined benefit plan versus a defined contribution plan.
- Road funding continues to be a priority for Morrow County. In an effort to continue to provide the Road Department with sufficient funds and cover general operation of the department, the 2019-2020 budget included several transfers to the Road Fund of unrestricted, non-property tax monies. The 2019-2020 budget included a transfer of \$1,636,000 from the Finley Buttes License Fee Fund, and a transfer of \$2,204,994 of Strategic Investment Program (SIP) monies from the Shepherds Flat Fees Fund and PGE Carty Fees.

All of these factors were considered in preparing the County's budget for fiscal year 2019-2020. During the current fiscal year, unassigned fund balance in the General Fund increased to \$5,331,965.

Requests for Information:

This financial report is designed to provide a general overview of Morrow County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be directed to the following address:

Morrow County Finance, PO Box 867, Heppner, OR 97836

BASIC FINANCIAL STATEMENTS

MORROW COUNTY, OREGON

Statement of Net Position
June 30, 2019

	<u>Governmental Activities</u>
<u>ASSETS:</u>	
Cash and investments	\$ 13,423,870
Receivables (net of allowance for uncollectibles):	
Property taxes	298,987
Other receivables	1,488,902
Prepaid expenses	143,666
Capital assets:	
Land and other non-depreciable assets	3,083,877
Other capital assets (net of accumulated depreciation)	73,454,448
Total assets	<u>91,893,750</u>
<u>DEFERRED OUTFLOWS OF RESOURCES:</u>	
Pension and other post employment benefits deferrals	3,277,435
Total deferred outflows of resources	<u>3,277,435</u>
<u>LIABILITIES:</u>	
Accounts payable	1,414,736
Accrued payroll and payroll taxes payable	348,489
Compensated absences	519,642
Due to other entities	5,026
Non current liabilities:	
Long-term debt, due within one year	402,046
Long-term debt, due in more than one year	1,190,127
Net pension liability	10,899,347
Other post employment benefits	386,400
Total liabilities	<u>15,165,813</u>
<u>DEFERRED INFLOWS OF RESOURCES:</u>	
Deferred revenues	133,158
Total deferred inflows of resources	<u>133,158</u>
<u>NET POSITION:</u>	
Net investment in capital assets	74,946,152
Restricted for:	
Highways and streets	2,487,471
Public safety	1,068,908
Education	1,026
Other restrictions	186,444
Unrestricted	1,182,213
Total net position	<u>\$ 79,872,214</u>

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

MORROW COUNTY, OREGON

Statement of Activities
Year Ended June 30, 2019

<u>Functions/Programs</u>	Program Revenues			Net (Expense) Revenue and Change in Net Position	
	Expenses	Fees, Fines, and Charges for Services	Operating Grants and Contributions		Capital Grants and Contributions
General government	\$ 9,936,186	\$ 6,256,093	\$ 2,643,787	\$ 309,232	\$ (727,074)
Public safety	6,664,268	1,235,782	1,255,440	-	(4,173,046)
Highways and streets	9,240,487	492,361	867,654	-	(7,880,472)
Cultural and recreation	980,684	349,770	92,234	-	(538,680)
Education	273,201	6,832	44,408	-	(221,961)
Health	1,352,670	259,714	519,981	-	(572,975)
Interest on long-term debt	28,830	-	-	-	(28,830)
Total governmental activities	\$ 28,476,326	\$ 8,600,552	\$ 5,423,504	\$ 309,232	(14,143,038)

General revenues:

Taxes:

Property taxes, levied for general purposes	8,859,710
Payments in lieu of taxes	956,619
State shared taxes	1,510,918
Interest and investment earnings	348,199
Other revenues	305,282
Total general revenues	11,980,728
Change in net position	(2,162,310)
Net position--beginning	82,034,524
Net position--ending	\$ 79,872,214

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

MORROW COUNTY, OREGON

Governmental Funds
Balance Sheet
June 30, 2019

	<u>General</u>	<u>General Road</u>	<u>Other Governmental</u>	<u>Total</u>
<u>ASSETS:</u>				
Cash and investments	\$ 4,982,128	\$ 2,549,748	\$ 5,891,994	\$ 13,423,870
Receivables				
Property taxes	295,623	-	3,364	298,987
Due from other funds	25,000	-	-	25,000
Other receivables	275,746	133,813	1,079,343	1,488,902
Prepays	143,666	-	-	143,666
Total assets	<u>\$ 5,722,163</u>	<u>\$ 2,683,561</u>	<u>\$ 6,974,701</u>	<u>\$ 15,380,425</u>
<u>LIABILITIES:</u>				
Accounts payable	\$ 315,884	\$ 835,242	\$ 263,610	\$ 1,414,736
Accrued payroll and payroll taxes payable	246,859	70,833	30,797	348,489
Due to other entities	5,026	-	-	5,026
Due to other funds	-	-	25,000	25,000
Total liabilities	<u>567,769</u>	<u>906,075</u>	<u>319,407</u>	<u>1,793,251</u>
<u>DEFERRED INFLOWS OF RESOURCES:</u>				
Deferred revenues	-	-	133,158	133,158
Deferred property taxes	275,847	-	3,139	278,986
Total deferred inflows of resources	<u>275,847</u>	<u>-</u>	<u>136,297</u>	<u>412,144</u>
<u>FUND BALANCES:</u>				
Nonspendable	143,666	-	-	143,666
Restricted	-	1,777,486	1,788,646	3,566,132
Committed	-	-	4,730,351	4,730,351
Unassigned	4,734,881	-	-	4,734,881
Total fund balances	<u>4,878,547</u>	<u>1,777,486</u>	<u>6,518,997</u>	<u>13,175,030</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 5,722,163</u>	<u>\$ 2,683,561</u>	<u>\$ 6,974,701</u>	<u>\$ 15,380,425</u>

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

MORROW COUNTY, OREGON

Governmental Funds
Reconciliation of the Balance Sheet
to the Statement of Net Position
June 30, 2019

Fund Balances - Governmental Funds	\$ 13,175,030
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.	
Governmental capital assets	\$ 174,185,702
Less accumulated depreciation	<u>(97,647,377)</u>
	76,538,325
Deferred outflows of resources related to pensions and other post employment benefits are not current financial resources, so are not reported in the governmental fund statements.	3,277,435
Long-term liabilities, including capital leases payable are not due and payable in the current period and therefore are not reported in the governmental funds.	
Notes payable	(1,424,991)
Capital leases payable	(167,182)
Accrued compensated absences are not due and payable in the current period and therefore are not reported in the funds.	(519,642)
Net pension liability for the County's retirement plan is not reported in the governmental fund financial statements because such amounts are not due and payable in the current period. (See Note 19 to the financial statements)	(10,899,347)
Other post employment benefits liability for the County is not reported in the governmental fund financial statements because such amounts are not due and payable in the current period. (See Note 20 to the financial statements)	(386,400)
Deferred revenue represents amounts that were not available to fund current expenditures and therefore are not reported in the governmental funds.	<u>278,986</u>
Net Position of Governmental Activities	<u><u>\$ 79,872,214</u></u>

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

MORROW COUNTY, OREGON

Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended June 30, 2019

	<u>General</u>	<u>General Road</u>	<u>Other Governmental</u>	<u>Total</u>
<u>REVENUES:</u>				
Taxes	\$ 9,678,492	\$ 1,279,253	\$ 443,204	\$ 11,400,949
Intergovernmental	3,181,225	867,654	1,945,302	5,994,181
Fees, fines, and charges for services	1,057,808	-	7,189,748	8,247,556
Investment interest	150,232	48,132	149,835	348,199
Miscellaneous	179,416	384,995	102,360	666,771
Total revenues	<u>14,247,173</u>	<u>2,580,034</u>	<u>9,830,449</u>	<u>26,657,656</u>
<u>EXPENDITURES:</u>				
Current:				
General government	7,614,707	-	1,509,315	9,124,022
Public safety	4,487,306	-	1,455,769	5,943,075
Highways and streets	-	5,997,171	750	5,997,921
Cultural and recreation	11,000	-	777,488	788,488
Education	-	-	273,201	273,201
Health	1,281,569	-	-	1,281,569
Capital outlay	748,970	512,515	434,535	1,696,020
Debt service:				
Principal	14,666	26,118	352,832	393,616
Interest	798	869	27,163	28,830
Total expenditures	<u>14,159,016</u>	<u>6,536,673</u>	<u>4,831,053</u>	<u>25,526,742</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>	<u>88,157</u>	<u>(3,956,639)</u>	<u>4,999,396</u>	<u>1,130,914</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
Capital lease proceeds	-	161,079	-	161,079
Transfers in	61,150	3,616,882	654,548	4,332,580
Transfers out	(481,850)	-	(3,850,730)	(4,332,580)
Total other financing sources (uses)	<u>(420,700)</u>	<u>3,777,961</u>	<u>(3,196,182)</u>	<u>161,079</u>
<u>NET CHANGE IN FUND BALANCES</u>	<u>(332,543)</u>	<u>(178,678)</u>	<u>1,803,214</u>	<u>1,291,993</u>
<u>FUND BALANCES, BEGINNING OF YEAR</u>	<u>5,211,090</u>	<u>1,956,164</u>	<u>4,715,783</u>	<u>11,883,037</u>
<u>FUND BALANCES, END OF YEAR</u>	<u>\$ 4,878,547</u>	<u>\$ 1,777,486</u>	<u>\$ 6,518,997</u>	<u>\$ 13,175,030</u>

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

MORROW COUNTY, OREGON

Governmental Funds
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances to the Statement of Activities
Year Ended June 30, 2019

Net change in fund balances - Governmental Funds \$ 1,291,993

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlay as expenditures. However in the statement of activities, the cost of those assets is depreciated over their estimated useful lives. When capital assets are disposed of the difference between original cost and depreciation and the proceeds are booked as a gain or (loss) on the sale. This entry takes into account the difference in how capital costs are treated between the Statement of Activities and the governmental fund statements.

Expenditures for capital assets	\$ 1,696,020	
Less current year depreciation	(4,262,342)	
Disposal of Capital Assets and other adjustments	<u>(269,935)</u>	(2,836,257)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.

Net change in deferred property taxes		(73,703)
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The issuance of long-term debt (e.g. notes payable, capital leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.

Proceeds from capital leases	(161,079)	
Principal payments on notes payable and capital leases	<u>393,616</u>	232,537

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Net change in compensated absences		(71,904)
Net change in net pension liability	619,045	
Net change in net other post employment benefits liability	(5,935)	
Net change in deferred outflows of resources - pension deferrals	<u>(1,318,086)</u>	<u>(704,976)</u>

Change in Net Position of Governmental Activities		<u><u>\$ (2,162,310)</u></u>
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The notes to the financial statements
are an integral part of this statement.

MORROW COUNTY, OREGON

General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget (Non-GAAP Budgetary Basis) to Actual
Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<u>REVENUES:</u>				
Property taxes	\$ 8,449,580	\$ 8,599,780	\$ 8,833,106	\$ 383,526
Payments in lieu of taxes	650,000	650,000	767,046	117,046
Liquor tax apportionment	50,000	50,000	68,006	18,006
Cigarette tax apportionment	10,000	10,000	9,425	(575)
Amusement Device Tax	-	-	909	909
Cultural trust grant	7,000	7,000	7,645	645
Wolf depredation grant	8,675	8,675	2,600	(6,075)
Assessor fees and other	19,600	19,600	16,709	(2,891)
Clerk, recorder fees, and grants	81,730	81,730	81,952	222
Veterans service office grants and other	76,172	77,121	96,164	19,992
District attorney grants and other	40,500	40,500	60,540	20,040
Emergency management grants	41,600	63,600	9,572	(32,028)
Health department fees	145,600	145,600	259,714	114,114
Health department grants and other	428,401	441,401	533,646	105,245
Juvenile court grants and other	23,670	23,670	14,592	(9,078)
State grant, assessment and taxation	110,300	110,300	164,210	53,910
Non-departmental fees and other	1,530,414	2,335,914	2,179,241	648,827
Planning fees and grants	28,000	28,000	32,364	4,364
Weed department fees and grants	25,326	25,326	30,758	5,432
Transfer station revenue and fees	32,600	41,100	69,872	37,272
Sheriff civil fees and other	345,625	345,625	247,824	(97,801)
Sheriff intergovernmental contracts	357,149	357,149	253,963	(103,186)
Justice court fines and other	273,000	273,000	357,083	84,083
Interest	40,000	40,000	150,232	110,232
Total revenues	<u>12,774,942</u>	<u>13,775,091</u>	<u>14,247,173</u>	<u>1,472,231</u>
<u>EXPENDITURES:</u>				
General government:				
County court	581,402	590,402	570,050	20,352
County accountant	571,934	571,934	494,507	77,427
Assessor	775,422	777,922	743,061	34,861
Treasurer	125,168	125,168	120,117	5,051
County clerk	380,143	380,143	364,570	15,573
Veteran's service officer	108,911	134,577	129,922	4,655
Juvenile	391,953	391,953	309,021	82,932
Planning department	376,238	376,238	375,656	582
County surveyor	39,040	39,040	36,145	2,895
Public works, administrator	689,136	690,236	313,061	377,175
Public works, general maintenance	715,235	715,235	562,884	152,351
Computer	168,000	204,150	184,239	19,911
Weed department	139,755	144,755	112,267	32,488
Board of Property Tax Appeals	2,731	2,731	1,945	786
Solid waste transfer station - north	86,975	100,425	91,912	8,513
Solid waste transfer station - south	55,880	55,880	52,909	2,971
Non-departmental	3,959,803	4,861,803	3,604,074	1,257,729
Total general government	<u>9,167,726</u>	<u>10,162,592</u>	<u>8,066,340</u>	<u>2,096,252</u>

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

MORROW COUNTY, OREGON

General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget (Non-GAAP Budgetary Basis) to Actual
Year Ended June 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
Continued from previous page.				
<u>EXPENDITURES (continued):</u>				
Public Safety:				
District attorney	412,647	412,647	373,017	39,630
Justice of the peace	313,300	313,300	277,847	35,453
Sheriff	4,424,583	4,424,583	4,069,547	355,036
Emergency management	33,022	55,022	50,110	4,912
Total public safety	<u>5,183,552</u>	<u>5,205,552</u>	<u>4,770,521</u>	<u>435,031</u>
Heath:				
Health department	1,415,619	1,428,619	1,340,718	87,901
Total health	<u>1,415,619</u>	<u>1,428,619</u>	<u>1,340,718</u>	<u>87,901</u>
Cultural and recreation:				
Museum	11,000	11,000	11,000	-
Total cultural and recreation	<u>11,000</u>	<u>11,000</u>	<u>11,000</u>	<u>-</u>
Contingency	60,000	60,000	-	60,000
Total expenditures	<u>15,837,897</u>	<u>16,867,763</u>	<u>14,188,579</u>	<u>2,679,184</u>
<u>EXCESS (DEFICIENCY) OF REVENUES</u>				
<u>OVER (UNDER) EXPENDITURES</u>	<u>(3,062,955)</u>	<u>(3,092,672)</u>	<u>58,594</u>	<u>4,151,415</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
Transfers in	81,200	81,200	61,150	(20,050)
Transfers out	(525,900)	(520,900)	(481,850)	39,050
Total other financing sources (uses)	<u>(444,700)</u>	<u>(439,700)</u>	<u>(420,700)</u>	<u>19,000</u>
<u>NET CHANGE IN FUND BALANCES</u>	<u>(3,507,655)</u>	<u>(3,532,372)</u>	<u>(362,106)</u>	<u>4,170,415</u>
<u>FUND BALANCES, BEGINNING</u>	<u>6,077,062</u>	<u>6,101,779</u>	<u>4,924,045</u>	<u>(1,177,734)</u>
<u>FUND BALANCES, ENDING</u>	<u>\$ 2,569,407</u>	<u>\$ 2,569,407</u>	<u>\$ 4,561,939</u>	<u>\$ 2,992,681</u>

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

MORROW COUNTY, OREGON

General Road Fund

Statement of Revenues, Expenditures, and Changes in Fund Balances

Budget (Non-GAAP Budgetary Basis) to Actual

Year Ended June 30, 2019

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Federal forest fees	\$ 23,930	\$ 23,930	\$ 133,224	\$ 109,294
Licenses	1,583,063	1,583,063	1,279,253	(303,810)
Intergovernmental	654,358	654,358	734,430	80,072
Reimbursed items	110,000	110,000	91,652	(18,348)
Interest	4,000	4,000	48,132	44,132
Other	50,200	50,200	293,343	243,143
Total revenues	<u>2,425,551</u>	<u>2,425,551</u>	<u>2,580,034</u>	<u>154,483</u>
<u>EXPENDITURES:</u>				
Road department	6,291,828	6,076,272	6,020,363	55,909
Capital equipment	502,000	714,556	381,607	332,949
Total expenditures	<u>6,793,828</u>	<u>6,790,828</u>	<u>6,401,970</u>	<u>388,858</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>				
	<u>(4,368,277)</u>	<u>(4,365,277)</u>	<u>(3,821,936)</u>	<u>543,341</u>
<u>OTHER FINANCING SOURCES:</u>				
Transfers in	4,476,569	4,476,569	3,616,882	(859,687)
Total other financing sources (uses)	<u>4,476,569</u>	<u>4,476,569</u>	<u>3,616,882</u>	<u>(859,687)</u>
<u>NET CHANGE IN FUND BALANCES</u>				
	<u>108,292</u>	<u>111,292</u>	<u>(205,054)</u>	<u>(316,346)</u>
<u>FUND BALANCES, BEGINNING</u>				
	<u>891,708</u>	<u>891,708</u>	<u>1,842,079</u>	<u>950,371</u>
<u>FUND BALANCES, ENDING</u>				
	<u>\$ 1,000,000</u>	<u>\$ 1,003,000</u>	<u>\$ 1,637,025</u>	<u>\$ 634,025</u>

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

MORROW COUNTY, OREGON

Agency Funds
Statement of Fiduciary Net Position
June 30, 2019

	<u>Agency Funds</u>
ASSETS:	
Cash and investments	\$ 2,924,654
Taxes receivable	972,418
Total assets	<u>3,897,072</u>
LIABILITIES:	
Payable to other agencies	<u>3,897,072</u>
Total liabilities	<u>3,897,072</u>
NET POSITION	<u>\$ -</u>

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

MORROW COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2019

NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Morrow County was organized February 16, 1885 under the Statutory Provisions of Oregon Law. Administration of the County is vested in an elected county court consisting of a county judge and two commissioners.

The financial statements of Morrow County, Oregon include the accounts of all County operations and have been prepared in conformity with generally accepted accounting policies as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the County's accounting policies are described below.

Reporting Entity:

A component unit is a separate legal organization for which the County is considered to be financially accountable. The County has determined that no other organization meets the criteria to be included as a component unit in the County's financial statements.

Government-wide and fund financial statements:

The government-wide financial statements (the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the County. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The County had no business-type activities for the year ended June 30, 2019.

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

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported in separate columns with composite columns for non-major funds.

MORROW COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2019

NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

Measurement focus, basis of accounting, and financial statement presentation:

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. 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, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, principal and interest of long-term debt are recorded as fund liabilities when payment is due.

Those revenues susceptible to accrual are property taxes, special assessments, intergovernmental revenue, licenses, interest revenue, and charges for services. All other revenue items are considered to be measurable and available only when cash is received by the County.

The County reports deferred revenue on its balance sheet. Deferred revenues arise when a potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. Deferred revenues also arise when resources are received by the government before it has a legal claim to them. In subsequent periods, when other revenue recognition criteria are met, or when the County has legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and revenue is recognized.

The County reports the following major governmental funds:

- The General Fund is the County’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The General Road Fund accounts for revenues and expenditures association with the improvement and maintenance of the County’s road infrastructure.

MORROW COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2019

NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

Additionally, the County reports the following fund types:

Special Revenue Funds are primarily operating funds that account for revenue derived from specific taxes or other revenue sources, which are legally restricted to finance particular functions or activities. When a special revenue fund is not an operating fund, transfers are made from the special revenue fund to the operating funds authorized to make expenditures.

Capital Project Funds account for expenditures on major construction projects or equipment acquisition.

Fiduciary Funds account for assets held by the County for other governmental units. These funds are custodial in nature (assets equal liabilities) and do not measure the results of operations.

Assets, liabilities, and net position or equity:

Cash and investments:

Cash includes demand deposits, short-term cash investments, and deposits in the Oregon Local Government Investment Pool (LGIP). The County Treasurer combines each fund's cash in a cash pool which is accounted for monthly.

Oregon Revised Statutes authorize counties to invest in obligations of the U.S. Treasury, agencies and instrumentalities of the United States, bankers acceptances guaranteed by a qualified financial institution, repurchase agreements, interest bearing bonds of any city, county, or port, among others.

The Oregon Short Term Fund (OSTF) is the LGIP for local governments and was established by the State Treasurer. OSTF investments are regulated by the Oregon Short Term Fund Board and approved by the Oregon Investment Council (ORS 294.805 to 294.895). The fair value of the District's position in the pool is the same as the value of its pool shares.

Inventories:

The County does not have any significant inventories. Inventory items are recorded as expenditures when purchased.

MORROW COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2019

NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

Receivables and payables:

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds". Property tax receivables are deemed to be substantially collectible or recoverable through foreclosure. Accordingly, no allowance for doubtful tax accounts is deemed necessary. All other receivables are shown net of an allowance for uncollectible accounts.

Morrow County assesses, collects, and distributes property taxes for all local governments within the County. Property taxes are billed in October of each year. Unpaid personal and real property taxes become liens against the property on July 1. Property taxes are payable in three installments due November 15, February 15, and May 15. A 3% discount is allowed for full payment by November 15. Interest at 16% annually is charged for late payments.

Capital assets and long-term liabilities:

The County capitalized assets purchased or constructed with an individual cost of more than \$5,000 and an estimated useful life in excess of one year. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair values on the date donated.

Capital assets are comprehensively reported in the governmental-wide financial statements. Capital assets are depreciated using the straight-line method. Maintenance and repairs are charged to expenditures in various budgetary funds as incurred and are not capitalized. Upon disposal, the cost and applicable accumulated depreciation are removed from the respective account, and the resulting gain or loss is recorded in operations.

The estimated useful lives for depreciable assets are as follows:

Street system	40-50 years
Buildings and improvements	15-40 years
Machinery and equipment	4-20 years
Automobiles and trucks	4-6 years

Long-term debt and other long-term obligations are reported as liabilities in the government-wide financial statements.

MORROW COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2019

NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

Compensated absences:

It is the County's policy to permit employees to accumulate earned but unused vacation benefits. All vacation pay is accrued when incurred in the government-wide statements.

Income taxes:

The County is a municipal corporation exempt from federal and state income taxes.

Fund balance:

In the fund financial statements, the fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

Fund balance is reported as nonspendable when the resources cannot be spent because they are either in a nonspendable form or legally or contractually required to be maintained intact. Nonspendable items are not expected to be converted to cash and include inventories and prepaid amounts.

Fund balance is reported as restricted when the constraints placed on the use of resources are either: (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Fund balance is reported as committed when the County Court passes a resolution that places specific constraints on how the resources may be used. The County Court can modify or rescind the resolution at any time through passage of an additional resolution.

Fund balance is reported as assigned when resources are constrained by the government's intent to use them for a specific purpose, but are neither restricted nor committed. Intent is expressed when the County Court approves which resources should be assigned to expenditure for particular purposes during the adoption of the annual budget. The County's Finance Director uses that information to determine whether those resources should be classified as assigned or unassigned for presentation in the County's financial statements.

Unassigned fund balance is the residual classification for the General Fund. This classification represents fund balance that has not been restricted, committed, or assigned.

MORROW COUNTY, OREGON

Notes to Basic Financial Statements
June 30, 2019

NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

When the option is available to use restricted or unrestricted resources for any purpose, the County expends restricted resources first. When the option is available to use committed, assigned, or unassigned resources for any purpose, the County expends committed resources before assigned resources, and assigned resources before unassigned resources.

Fund balances by classification for the year ended June 30, 2019 were as follows:

<u>Fund Balances</u>	General	General Road	Airport Fund	Other Governmental	Total Governmental Funds
Nonspendable:					
Prepays and deposits	\$ 143,666	\$ -	\$ -	\$ -	\$ 143,666
Restricted:					
Public safety	\$ -	\$ -	-	\$ 1,032,554	\$ 1,032,554
Highways and streets	-	1,777,486	-	569,524	2,347,010
Education	-	-	-	124	124
Other restrictions	-	-	-	186,444	186,444
Total restricted	-	1,777,486	-	1,788,646	3,566,132
Committed:					
Culture and recreation	-	-	-	487,999	487,999
Education	-	-	-	30,621	30,621
Capital projects	-	-	-	923,973	923,973
Economic development	-	-	-	609,783	609,783
Other committed	-	-	-	2,677,975	2,677,975
Total committed	-	-	-	4,730,351	4,730,351
Unassigned	4,734,881	-	-	-	4,734,881
Ending fund balance	\$ 4,878,547	\$ 1,777,486	\$ -	\$ 6,518,997	\$ 13,175,030

Of the amount restricted for highways and streets, \$1,777,486 is restricted by enabling legislation.

Use of estimates:

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

MORROW COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2019

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY:

Budget procedures:

A budget is prepared for each fund in accordance with the modified accrual basis of accounting and legal requirements set forth in the Oregon Local Budget Law. Budget amounts shown in the financial statements include the original and supplemental budget amounts and all appropriation transfers approved by the County Commissioners.

The budget for the General Fund includes capital outlay expenditures in each program for capital outlay applicable to that program. Capital outlay expenditures in other funds, which are not a part of an identifiable program, are reported separately.

The County uses the following procedures in establishing the budgetary data reflected in the financial statements:

1. The appointed budget officer develops a proposed budget for submission to the budget committee appointed by the County Commissioners. The operating budget includes proposed expenditures and the means for financing them for the upcoming year, along with estimates for the current year and actual data for the two preceding years.
2. After the proposed budget is prepared, the budget officer publishes a "Notice of Budget Committee Meeting" in at least one newspaper of general circulation. At the budget committee meeting, the budget message is delivered explaining the proposed budget and any significant changes in the County's financial position. The budget committee meets thereafter as many times as necessary until the budget document is completed.
3. After approval by the budget committee and the required public hearing, and prior to July 1, the budget is adopted by the County Commissioners, and appropriations are enacted by resolution. Appropriations control expenditures in broad categories as required by Oregon Local Budget Law. More detailed classifications of budgeted expenditures are adopted for administrative control purposes. Budget appropriations lapse at year end.
4. Management is not allowed to modify the budget without action by the governing body. The governing body is authorized to modify the original budget appropriation ordinance in the following ways:
 - a. Transfer of budget appropriations within a fund are authorized by resolution of the governing body.
 - b. Budget revisions that increase total expenditures in any fund require a supplemental budget to be adopted. If a supplemental budget increases a fund's expenditures by less than 10%, the County can adopt the adoption resolution at a regularly scheduled meeting. If a supplemental budget increases a fund's expenditures by more than 10%, the County can adopt it by publishing a notice five to thirty days before a meeting is held to pass the adoption resolution.

MORROW COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2019

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (continued):

Two supplemental budgets were adopted during the year ended June 30, 2019; total appropriations increased by \$2,367,083.

5. The following funds legally adopt annual budgets:

General fund, all special revenue funds, and all capital project funds.

6. The agency funds do not adopt annual budgets. These funds are not used to expend funds for County activities or functions.
7. Expenditures may not legally exceed budget appropriations at the departmental level of control in most funds. Appropriations are made at various legal levels of control for each fund.
8. For budget preparation, capital lease proceeds and related capital outlay expenditures are recorded when the capital lease payments are disbursed.

Budget overexpenditures:

Oregon state local budget laws prohibit overexpenditure of budgeted appropriations. For the year ended June 30, 2019, the County overexpended the budget of the following funds:

Finley Buttes License Fee Fund	Materials and Services	<u>\$ 6,124</u>
Justice Court Bail and Fine Fund	Fine Turnovers	<u>\$ 63,327</u>
Building Permit Fees Fund	Capital Outlay	<u>\$ 21,552</u>

MORROW COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2019

NOTE 3 – CASH AND INVESTMENTS:

The County maintains a cash management pool for its cash and cash equivalents in which each fund participates. Interest earnings are distributed monthly based on average daily balances.

Cash

Demand deposits	\$ 65,286
Petty cash	1,970
	<u>67,256</u>

Investments

		<u>Weighted Average Maturity</u>
State of Oregon Local Government Investment Pool	15,281,268	-
US Government Securities (100% Aaa)	1,000,000	0.29
	<u>16,281,268</u>	<u>0.02</u>

Total cash and investments

\$ 16,348,524

Cash and investments are reflected in the basic financial statements as follows:

Cash and investments - governmental activities	\$ 13,423,870
Statement of Fiduciary Net Position	2,924,654
	<u>\$ 16,348,524</u>

Custodial Credit Risk - Deposits

In the case of deposits, this is the risk that in the event of bank failure, the County's deposits may not be returned. ORS Chapter 295 governs the collateralization of Oregon public funds and provides the statutory requirements for the Public Funds Collateralization Program. The Public Funds Collateralization Program was created by the Office of the State Treasurer to facilitate bank depository, custodian, and public official compliance with ORS 295. ORS 295 requires the depository institutions to pledge collateral against any public funds deposits in excess of deposit insurance amounts. As of June 30, 2019, the total bank balances were \$698,375. Of these deposits, \$500,000, was covered by federal depository insurance. The County keeps its deposits at financial institutions deemed to be qualified depositories by the Office of the State Treasurer.

Credit Risk - Investments

State statutes authorize the County to invest in general obligations of the US Government and its agencies, certain bonded obligations of Oregon municipalities, bank repurchase agreements, bankers' acceptances, certain commercial papers and the State Treasurer's investment pool, among others. The County has no formal investment policy that further restricts its investment choices.

MORROW COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2019

NOTE 3 – CASH AND INVESTMENTS (continued):

Credit Risk - Investments (continued)

The State of Oregon Local Government Investment Pool (LGIP *or* Pool) is not registered with the U.S. Securities and Exchange Commission as an investment company. The Oregon Revised Statutes and the Oregon Investment Council govern the Pool's investment policies. The State Treasurer is the investment officer for the Pool and is responsible for all funds in the Pool. These funds must be invested and the investments managed, as a prudent investor would, exercising reasonable care, skill and caution. Investments in the fund are further governed by portfolio guidelines issued by the Oregon Short-Term Funds Board, which established diversification percentages and specify the types and maturities of investments. The LGIP's credit risk is not rated by any national rating service. The Oregon Audits Division of the Secretary of State's Office audits the Pool annually.

Concentration Risk - Investments

The County has concentrations in the following investments: Local Government Investment Pool comprises 94% of the County's total investments. The remaining 6% is held in US Government Securities.

Interest Rate Risk - Investments

The County does not have a formal investment policy that explicitly limits investments maturities as means of managing its exposure to fair value loss arising from increasing interest rates.

Custodial Credit Risk - Investments

The Local Government Investment Pool is not subject to custodial credit risk because it is not evidenced by securities that exist in physical or book entry form as defined by GASB Statement No. 3. Other securities are held by a third party custodian in a segregated account. The County does not have investments exposed to custodial credit risk on June 30, 2019

NOTE 4 -- RECEIVABLES

The County lends money to businesses in Morrow County for economic development. The Equity Fund is used for this purpose. On June 30, 2019, loans receivable and corresponding interest of \$447,285 were outstanding. This balance is not expected to be collected within one year.

The County expects to collect all receivables, no allowance is deemed necessary. Other Receivables at June 30, 2019 are as follows:

Receivable	General		Other	Total
	General	Road	Governmental	
Intergovernmental	\$ 114,956	\$ 27,251	\$ 242,289	\$ 384,496
Other shared taxes	7,195	105,103	37,291	149,589
Charges for services	153,595	1,459	352,478	507,532
Equity Fund loans	-	-	437,374	437,374
Equity Fund interest	-	-	9,911	9,911
	<u>\$ 275,746</u>	<u>\$ 133,813</u>	<u>\$ 1,079,343</u>	<u>\$ 1,488,902</u>

MORROW COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2019

NOTE 5 - CAPITAL ASSETS:

Capital asset activity for the year ended June 30, 2019 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated				
Land	\$ 2,266,841	\$ -	\$ -	\$ 2,266,841
Construction in progress	938,962	382,859	(504,785)	817,036
Total capital assets, not being depreciated	<u>3,205,803</u>	<u>382,859</u>	<u>(504,785)</u>	<u>3,083,877</u>
Capital assets, being depreciated:				
Buildings and improvements	17,246,063	576,735	(562,334)	17,260,464
Campsites and trails	876,507	-	-	876,507
Machinery and equipment	14,673,502	1,068,687	(616,794)	15,125,395
Bridges	23,159,458	225,302	-	23,384,760
Infrastructure	114,454,699	-	-	114,454,699
Total capital assets being depreciated	<u>170,410,229</u>	<u>1,870,724</u>	<u>(1,179,128)</u>	<u>171,101,825</u>
Less accumulated depreciation for:				
Buildings and improvements	(7,858,440)	(472,959)	304,135	(8,027,264)
Campsites and trails	(598,049)	(24,613)	-	(622,662)
Machinery and equipment	(10,036,542)	(906,367)	552,280	(10,390,629)
Bridges	(14,800,559)	(581,380)	-	(15,381,939)
Infrastructure	(60,947,860)	(2,277,023)	-	(63,224,883)
Total accumulated depreciation	<u>(94,241,450)</u>	<u>(4,262,342)</u>	<u>856,415</u>	<u>(97,647,377)</u>
Total capital assets being depreciated, net	<u>76,168,779</u>	<u>(2,391,618)</u>	<u>(322,713)</u>	<u>73,454,448</u>
Governmental activities capital assets, net	<u>\$ 79,374,582</u>	<u>\$ (2,008,759)</u>	<u>\$ (827,498)</u>	<u>\$ 76,538,325</u>

Depreciation was charged to functions and programs as follows:

	<u>Governmental activities</u>
General government	\$ 586,232
Public safety	412,069
Highways and streets	3,089,546
Cultural and recreation	172,959
Health	1,536
	<u>\$ 4,262,342</u>

MORROW COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2019

NOTE 6 - LONG TERM DEBT:

The County has entered into lease/purchase agreements to acquire property. The agreements qualify as capital leases for accounting purposes and have been capitalized in accordance with generally accepted accounting principles.

Lease purchase agreement payable at \$45,479 per year, by the Road Fund, including interest at 4.94%, collateralized by a Caterpillar 315F excavator. Final payment is due in October 2022.

161,079

Lease purchase agreement payable at \$1,289 per month, by the General Fund, including interest at 5.65%, collateralized by real estate in Boardman. Final payment is due in October 2019.

6,103

\$ 167,182

Future minimum payments of the capital lease obligations are as follows:

<u>Fiscal Year</u>	<u>Governmental</u>		
	<u>Payment</u>	<u>Interest</u>	<u>Principal</u>
2020	\$ 51,662	\$ 8,148	\$ 43,514
2021	45,479	6,143	39,336
2023	45,479	4,224	41,255
2024	45,235	2,158	43,077
Total	<u>\$ 187,855</u>	<u>\$ 20,673</u>	<u>\$ 167,182</u>

The County entered into a note payable with Community Bank for the construction of the Administration Building in Heppner, Oregon during the year ended June 30, 2015. Starting in November 2016, semi-annual principal and interest payments are due each November and May for \$189,998. The balance of the note payable on June 30, 2019 is \$1,424,911.

MORROW COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2019

NOTE 6 - LONG TERM DEBT (continued):

Future principal and interest payments on this loan are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>
2020	\$ 358,532	\$ 21,463
2021	364,353	15,641
2022	370,213	9,782
2023	331,893	3,827
Total	<u>\$ 1,424,991</u>	<u>\$ 50,713</u>

Changes to the County's long term debt consisted of the following:

	<u>Capital Leases</u>	<u>Note Payable</u>	<u>Totals</u>
Principal balance June 30, 2018	\$ 46,887	\$ 1,777,823	\$ 1,824,710
New obligations	161,079	-	161,079
Payments	(42,451)	(379,995)	(422,446)
Interest included	1,667	27,163	28,830
Principal balance June 30, 2019	<u>\$ 167,182</u>	<u>\$ 1,424,991</u>	<u>\$ 1,592,173</u>

NOTE 7 – COMPENSATED ABSENCES:

The following is a summary of accumulated unpaid vacation pay transactions of the County for the year ended June 30, 2019:

Balance June 30, 2018	\$ 447,738
Net change in benefits payable	<u>71,906</u>
Balance June 30, 2019	<u>\$ 519,644</u>

Compensated absences are typically liquidated by the governmental funds for which the employees who earned the compensated absences were assigned.

NOTE 8 - DEFERRED INFLOWS OF RESOURCES:

Deferred revenue at June 30, 2019 consisted of the following:

	<u>Governmental Funds</u>	<u>Statement of Net Position</u>
Grant revenues	\$ 133,158	\$ 133,158
Property taxes	278,976	-
	<u>\$ 412,134</u>	<u>\$ 133,158</u>

Property tax deferred revenues are shown as revenues in the government-wide financial statements.

MORROW COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2019

NOTE 9 -- INTERFUND TRANSACTIONS:

During the course of normal operations, the County has numerous transactions between funds including expenditures and transfers of resources primarily to provide services. The governmental fund financial statements generally reflect such transactions as transfers. In addition, certain funds have been transferred for which repayment is anticipated during the next twelve months. These balances are to cover the funds expenses due to timing differences in revenue reimbursements. Amounts due from and to other funds at June 30, 2019 consisted of the following:

Due To	Due From	Amount
General Fund	Airport Fund	\$ 15,000
General Fund	CAMI Grant Fund	10,000
		\$ 25,000

The following are the County's interfund transfers for the year ended June 30, 2019. All transfers routinely occur between funds:

Transfer From	Transfer To	Purpose	Amount
General	Victim/Witness	For general operations of Victim/Witness advocate	24,000
General	Building Res.	For future construction	50,000
General	Computer Res.	For purchase of computer equipment	15,000
General	General Road	For general operations of General Road	50,150
General	Heppner Admin Build.	For debt service payments of Heppner Admin Build.	337,700
General	Weed Equip Reserve	For capital purchases for weed equipment	5,000
Finley Buttes Road	General Road	For improvements to County Road	100,000
Finley Buttes Lic.	General Road	For general operations & impr. of Co. Roads	739,638
Fair	Fair Improvement	For capital upgrades to the fairgrounds	5,000
Fair	Fair Roof	For capital upgrades to fair buildings	2,000
Special Transportation	STO Operating Grant	For general operations of the STO Operating Grant Fund	9,848
Video Lottery Econ. Develop.	Fair	For general operations of the Fair Fund	5,000
Video Lottery Econ. Develop.	Rodeo	For general operations of the Rodeo Fund	10,000
Video Lottery Econ. Develop.	General	For general operations of the museum department	11,000
Video Lottery Econ. Develop.	Airport	For general operations of the Airport Fund	16,000
Willow Creek Wind	General	For general operations of the County	30,100
Echo Wind Fees	General	For general operations of the County	20,050
Shepherds Flat Fees	General Road	For general operations & impr. of Co. Roads	1,129,500
Shepherds Flat Fees	Road Equip. Res.	For purchases of equipment	175,000
PGE - CARTY	General Road	For general operations & improv. of Co. Roads	1,597,594
		Total	\$ 4,332,580

MORROW COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2019

NOTE 10 -- CONTINGENT LIABILITY, GRANTS:

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the County expects such amounts, if any, to be immaterial.

NOTE 11 -- DEFERRED COMPENSATION PLAN:

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

All amounts of compensation deferred, all property and rights purchased, and all income, property, or rights are, until paid or made available to the employee or other beneficiary, held by a third-party administrator for the exclusive benefit of the participants and their beneficiaries. The deferred compensation investments are not included in the County's financial statements.

NOTE 12 -- LITIGATION:

The County is the defendant in various pending claims. These matters have been referred to legal counsel and the County's insurance carriers. The County administration expects any losses to be covered by insurance. County management does not expect uninsured losses and defense costs to materially affect the financial statements.

NOTE 13 -- RISK MANAGEMENT:

The county is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years. There were no significant reductions in insurance coverage in the prior year.

MORROW COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2019

NOTE 14 -- SUBSEQUENT TAX REVENUES:

The 2019-2020 budget was adopted anticipating property tax revenues at a rate of \$4.1347 per \$1,000 of assessed value for operations. Budgeted property tax revenues, after discount and adjustments, are as follows:

	Budgeted Property tax Revenue
General fund	\$ 8,731,607
County school fund	26,726
Ione school fund	2,602
Fair fund	72,674
	<u>\$ 8,833,609</u>

After an allowance for expected delinquent tax payments, the County expects to collect at least the amount of property taxes budgeted for 2019-2020.

NOTE 15 -- TAXES:

County governmental funds received the following tax revenues:

Property taxes	\$ 8,941,155
Fuel tax apportionment	1,279,253
Payments in lieu of taxes	767,046
Other taxes	413,495
	<u>\$ 11,400,949</u>

MORROW COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2019

NOTE 17 -- INTERGOVERNMENTAL REVENUES:

County governmental funds received the following federal and Oregon governmental revenues:

Health department funds	\$ 533,646
Oregon Health Authority funds	2,052,357
Park department funds	39,067
Community Corrections funds	550,367
Airport grants	312,984
Sheriff department grants	253,963
Road department funds	734,430
911 Emergency funds	309,377
Federal forest fees and federal mineral lease	133,224
Assessment and taxation funds	164,210
Video lottery apportionment	81,341
Victim/Witness assistance funds	74,575
Other federal and state funds	754,640
	<u>\$ 5,994,181</u>

NOTE 18 -- FINLEY BUTTES LANDFILL:

A private company operates the Finley Buttes Landfill in Morrow County. The County receives licensing fees from the landfill operator. During the year ended June 30, 2019, Morrow County received the following fees from the landfill operator:

Finley Buttes road fund	\$ 400,709
Finley Buttes license fee fund	<u>1,598,452</u>
	<u>\$ 1,999,161</u>

The Finley Buttes License Fee fund portion of the landfill fees are available for general county government.

The Finley Buttes Road fund portion of the fees will be used to maintain the Bombing Range road.

The agency fund portion of landfill fees is dedicated to future landfill closing costs. The landfill operator and the landfill owners are responsible for future landfill closure costs. Morrow County is obligated for future closure costs only to the extent of funds available in the agency fund. At June 30, 2019, the balance of funds in the landfill closure agency fund was \$1,212,448.

MORROW COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2019

NOTE 19 -- DEFINED BENEFIT PENSION PLAN:

A. Plan Description:

The County's defined benefit pension plan, Retirement Plan for Employees of Morrow County, Oregon (Plan), provides retirement and disability benefits to employees of the County. The Plan is a single-employer group annuity contract. Morrow County created the Morrow County Trust Fund, the purpose of which is to hold the Plan's assets. The trustees are the Morrow County Court. A copy of the Plan's most recent actuarial report (July 1, 2015) can be obtained from officials at the Morrow County Courthouse in Heppner, Oregon. The plan was established on July 1, 1966, and was last restated effective July 1, 2015.

The Plan covers full time employees as well as part-time employees and elected officials working more than twenty hours per week. The employees contribute 6.0% of their base earnings. For income tax reporting by employees, the County treats the employee contribution as a pre-tax contribution, as allowed by the Internal Revenue Code.

Employees who retire at or after age fifty-five for uniformed employees and sixty for non-uniformed employees with five years of credited service are entitled to a retirement benefit, payable monthly for life, equal to a percentage of their final average salary for each year of credited service on or after July 1, 1973 but prior to the normal retirement date. The percentages are as follows:

- (a) 2.4% for members hired by the County after December 31, 1994 who are not sheriff office employees.
- (b) 3.0% for all other employees.

Final average salary is the employee's highest average monthly salary of three consecutive years during the last ten years of employment. The benefits are adjusted annually for cost of living adjustment under a formula which has a maximum annual increase of two percent. Benefits fully vest on reaching five years of service. Vested employees may retire at or after age fifty-five and receive reduced retirement benefits. The plan also provides death and disability, and post-retirement medical supplement benefits. The plan also provides for an early retirement incentive benefit for eligible employees.

MORROW COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2019

NOTE 19 -- DEFINED BENEFIT PENSION PLAN (continued):

The following is a summary of plan participants at July 1, 2018:

Active members:	
Public safety	21
General	83
Total active	<u>104</u>
Inactive participants:	
Vested terminated	23
Non-vested terminated entitled to account balance	46
Retirees and beneficiaries	62
Total inactive	<u>131</u>
Total participants	<u><u>235</u></u>

B. Funding Policy and Net Pension Liability:

County employees are required to contribute 6% of their annual covered salary. The County uses actuarial reports to determine the recommended pension contribution percentages. For the fiscal year ended June 30, 2019, the recommended rate was 24.6% of covered payroll. The County contributed 24.6% of covered payroll for the fiscal year ended June 30, 2019. On July 1, 2019 the recommended rate decreased to 23.6% of covered payroll for fiscal year ended June 30, 2020.

The components of the net pension liability of the Plan were as follows:

	<u>June 30, 2017</u>	<u>June 30, 2018</u>
Total pension liability	\$32,667,258	\$34,875,126
Plan fiduciary net position	21,148,866	23,975,779
Net pension liability	<u>\$11,518,392</u>	<u>\$10,899,347</u>
Fiduciary net position as a % of total pension liability	64.74%	68.75%
Covered payroll	\$ 5,802,486	\$ 5,881,681
Net pension liability as a % of covered payroll	198.51%	185.31%

C. Actuarial Methods and Assumptions:

Significant actuarial assumptions used in the valuation include a rate of return on the investment of present and future assets of 7.0%, an annual cost of living increase of 2.0%, and annual salary increase ranging from 7.5% percent in the first year of service, 6.25% in years 2-4, 4.75% in years 5-9, and 3.75% after 9 years of service. Mortality rates were based on the RP2000 blended 25% blue collar/75% white collar, set back 12 months for males.

MORROW COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2019

NOTE 19 -- DEFINED BENEFIT PENSION PLAN (continued):

D. Changes in Net Pension Liability:

	<u>Total Pension Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net Pension Liability (a)-(b)</u>
Balances June 30, 2017	\$ 32,667,258	\$ 21,148,866	\$ 11,518,392
Changes for the year:			
Service cost	851,065	-	851,065
Interest on total pension liability	2,297,651	-	2,297,651
Effect of plan changes	-	-	-
Effect of economic/demographic (gains) or losses	448,618	-	448,618
Effect of assumptions changes or inputs	-	-	-
Benefit payments	(1,443,225)	(1,443,225)	-
Administrative expenses	-	(40,865)	40,865
Member contributions	53,759	53,759	-
Net investment income	-	1,445,686	(1,445,686)
Employer contributions	-	2,811,558	(2,811,558)
	<u>\$ 34,875,126</u>	<u>\$ 23,975,779</u>	<u>\$ 10,899,347</u>
Balances as of June 30, 2018	<u>\$ 34,875,126</u>	<u>\$ 23,975,779</u>	<u>\$ 10,899,347</u>

E. Sensitivity Analysis:

The following presents the net pension liability of the Plan, calculated using the discount rate of 7.0%, as well as what the Plan's net pension liability would be if it were calculated using a discount rate that is one percent lower (6.0%) or one percent higher (8.0%) than the current rate:

	<u>1% Decrease 6.0%</u>	<u>Current Rate 7.0%</u>	<u>1% Increase 8.0%</u>
Total pension liability	\$ 39,288,533	\$ 34,875,126	\$ 31,188,824
Fiduciary net position	23,975,779	23,975,779	23,975,779
Net pension liability	<u>\$ 15,312,754</u>	<u>\$ 10,899,347</u>	<u>\$ 7,213,045</u>

MORROW COUNTY, OREGON

Notes to Basic Financial Statements
June 30, 2019

NOTE 19 -- DEFINED BENEFIT PENSION PLAN (continued):

F. Pension Expense:

	Fiscal Year Ending June 30, 2019
Service cost	\$ 851,065
Interest on total pension liability	2,297,651
Effect of plan changes	-
Administrative expenses	40,865
Expected investment return net of investment expenses	(1,528,764)
Recognition of deferred (inflows)outflows of resources:	
Recognition of economic/demographic (gains) or losses	573,170
Recognition of assumption changes or inputs	261,329
Recognition of investment (gains) or losses	177,024
Pension expense	<u>\$ 2,672,340</u>

G. Deferred (Inflows) / Outflows of Resources:

As of June 30, 2019, the deferred inflows and outflows of resources are as follows:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$ -	\$ 605,831
Changes in assumptions or inputs	-	-
Net difference between projected and actual earnings	-	628,169
Contributions made subsequent to measurement date	-	2,035,103
	<u>\$ -</u>	<u>\$ 3,269,103</u>

Deferred outflows of resources are presented as positive amounts. Deferred inflows or resources are presented as negative amounts. Contributions made subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020.

Other amounts currently reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30:</u>	<u>Annual Recognition</u>
2020	\$ 801,625
2021	469,772
2022	(54,011)
2023	16,614
	<u>\$ 1,234,000</u>

MORROW COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2019

NOTE 20 -- OTHER POST EMPLOYMENT BENEFIT PLAN:

A. Plan Description:

The County operates a single-employer retiree benefit plan which provides medical benefits insurance for retirees and their dependents under the age of 65. As of July 1, 2018, there were 77 active employees and 3 eligible retired members in the plan. Eligible retirees pay the same premium for the medical benefit insurance as active employees, which results in an implicit subsidy and an OPEB liability. The contribution requirements of plan members are established by and may be amended by the County. The County currently finances the retiree benefit plan on a pay-as-you-go basis. The same monthly premiums apply to retirees.

The County's annual other postemployment benefit (OPEB) liability is determined using the normal actuarial cost allocation method in accordance with the parameters of GASB Statement No. 75. In addition, GASB 75 requires that the allocation of costs for accounting purposes be made as a level percentage of employee's projected pay, including future anticipated pay increases. The following table shows the total OPEB liability as of June 30, 2019, based on the July 1, 2018 valuation date and a June 30, 2018 measurement date. The total OPEB liability was determined by an actuarial valuation as of the valuation date, calculated based on the discount rate and actuarial assumptions below, and was then projected forward to the measurement date.

	<u>Year Ended June 30,</u> <u>2018</u>	<u>Year Ended June 30,</u> <u>2019</u>
Total OPEB liability	\$ 380,465	\$ 386,400
Covered payroll	\$ 5,802,486	\$ 5,881,681
Total OPEB liability as a % of covered payroll	6.56%	6.57%
Discount rate	3.58%	3.87%
Other Key Actuarial Assumptions and Methods:		
Valuation date	July 1, 2016	July 1, 2018
Measurement Date	June 30, 2017	June 30, 2018
Inflation	2.50%	2.50%
Salary Increases	3.50%	3.50%
Healthy Mortality	RP-2000 healthy white collar male and female mortality tables, set back one year for males. Mortality is projected on a generational basis using Scale BB for males and females	RP-2000 healthy white collar male and female mortality tables, set back one year for males. Mortality is projected on a generational basis using Scale BB for males and females
Actuarial Cost Method	Entry Age Normal	Entry Age Normal

MORROW COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2019

NOTE 20 -- OTHER POST EMPLOYMENT BENEFIT PLAN (continued):

The following table shows the changes in net OPEB liability from June 30, 2018 to June 30, 2019:

	Increase (Decrease) Total
Balance as of June 30, 2018	\$ 380,465
Changes for the year:	
Service cost	18,301
Interest on total OPEB liability	13,889
Effect of changes to benefit terms	-
Effect of economic/demographic gains or losses	(28,503)
Effect of assumptions changes or inputs	24,058
Benefit payments	(21,810)
Balance as of June 30, 2019	<u>\$ 386,400</u>

The following presents the total OPEB liability of the Plan, calculated using the discount rate of 3.87%, as well as what the Plan's total OPEB liability would be if it were calculate using a discount rate that is 1 percentage point lower (2.87%) or 1 percentage point higher (4.87%) than the current rate. A similar sensitivity analysis is then presented for changes in the healthcare cost trend assumption.

	1% Decrease	Current Discount Rate	1% Increase
Total OPEB Liability	<u>\$ 406,029</u>	<u>\$ 386,400</u>	<u>\$ 367,716</u>
	1% Decrease	Current Trend Rate	1% Increase
Total OPEB Liability	<u>\$ 362,786</u>	<u>\$ 386,400</u>	<u>\$ 412,738</u>

MORROW COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2019

NOTE 20 -- OTHER POST EMPLOYMENT BENEFIT PLAN (continued):

The annual OPEB expense is an accounting item designed to recognize certain changes to the Total OPEB Liability in the current period income statement. Additionally, changes to the total OPEB Liability not fully recognized in a given year's OPEB expense will be tracked as deferred inflows and outflows, and recognized incrementally in the OPEB expense over time. The following table shows the OPEB expense for the fiscal year ending June 30, 2019.

	July 1, 2018 to June 30, 2019
Service cost	\$ 18,301
Interest on total OPEB liability	13,889
Effect of plan changes	-
Recognition of Deferred (Inflows)/Outflows of Resources	
Recognition of economic/demographic (gains) or losses	(4,831)
Recognition of assumptions changes or inputs	1,417
Administrative expenses	-
Balance as of June 30, 2019	\$ 28,776

The following shows the total deferred inflows and outflows of resources as of June 30, 2019, along with a schedule showing the amounts that will be recognized in future years.

	Deferred Inflows of Resources	Deferred Outflows of
Difference between expected and actual experience	\$ (23,672)	\$ -
Changes of assumptions or inputs	(10,912)	19,860
Benefit payments	-	22,936
Total as of June 30, 2019	\$ (34,584)	\$ 42,796

Other amounts currently reported as deferred outflows of resources and deferred inflows of resources related to other postemployment benefits will be recognized in OPEB expense as follows:

Year ended June 30:	Annual recognition
2020	\$ (3,414)
2021	(3,414)
2022	(3,414)
2023	(3,414)
2024	(948)
Thereafter	-
	\$ (14,604)

MORROW COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2019

NOTE 21 -- RECONCILIATION OF GAAP BASIS REVENUES AND EXPENDITURES TO BUDGETARY BASIS REVENUES AND EXPENDITURES:

The County accounts for budgetary basis revenues and expenditures using a non-GAAP method. Budgetary basis information reconciles to GAAP basis as follows (only funds with differences listed):

<u>Fund:</u>	GAAP Basis Change in Fund Balances	Change in Compensated Absences	Budgetary Basis - Change in Fund Balances
General	\$ (332,543)	\$ (29,563)	\$ (362,106)
General Road	(178,678)	(26,376)	(205,054)
911 Emergency Telephone	82,776	(1,572)	81,204
Fair	66,169	(1,922)	64,247
Special Transportation	3,207	(712)	2,495
Victim/Witness Assistance	5,214	(2,562)	2,652
Park	(204,163)	(899)	(205,062)
Community Corrections	46,148	(8,299)	37,849

NOTE 22 -- RECONCILIATION OF GAAP BASIS FUND EQUITY TO BUDGETARY BASIS FUND EQUITY:

<u>Fund:</u>	GAAP Basis Fund Balances	Compensated Absences	Budgetary Basis Fund Balances
General Fund	4,878,547	\$ (316,608)	\$ 4,561,939
General Road	1,777,486	(140,461)	1,637,025
911 Emergency Telephone	291,218	(11,934)	279,284
Fair	229,079	(2,421)	226,658
Special Transportation	31,347	(9,806)	21,541
Victim/Witness Assistance	25,457	(5,599)	19,858
Park	238,253	(8,393)	229,860
Community Corrections	458,078	(24,420)	433,658

MORROW COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2019

NOTE 23 -- TAX ABATEMENT AGREEMENTS:

The County has two programs through which tax abatements are provided:

Enterprise Zone Program: This program is authorized by Oregon Revised Statutes and is intended to attract and retain jobs through abatement of property taxes. Businesses apply to for exemption with the County. Some program agreements have In Lieu of Taxes payments that are required to be paid to the County.

Strategic Investment Program: This program is authorized by Oregon Revised Statutes and is intended to attract large, capital intensive facilities to locate and grown in the County through property tax abatements. The County approves the agreements between businesses after holding public hearings. The property taxes are abated for 15 years. The businesses agree to pay a Community Service Fee that is included in the agreement.

For the year ended June 30, 2019, the County abated taxes as follows:

<u>Tax Abatement Program</u>	<u>Amount Abated (in thousands)</u>		<u>In-Lieu and Community Service Fees Collected (in thousands)</u>	
	<u>Total</u>	<u>County Share</u>	<u>Total</u>	<u>County Share</u>
Enterprise Zone	\$ 30,616	\$ 8,553	\$ 549	\$ -
Strategic Investment Program	\$ 11,132	\$ 3,392	\$4,020,901	\$ 3,039

NOTE 24 -- SUBSEQUENT EVENTS:

Management has evaluated subsequent events through the date of this report, which is the date the financial statements were available to be issued.

The County is currently in the planning stages of constructing a new administration building in Irrigon, Oregon. The estimated cost for the new building is between \$6,000,000 and \$8,000,000. The budget for the fiscal year 2019-2020 includes approximately \$1,250,000 in appropriation for this project. The County anticipates the remaining costs will be financed with long term debt.

REQUIRED SUPPLEMENTARY INFORMATION

MORROW COUNTY, OREGON

Schedule of Deferred (Inflows) and Outflows of Resources

	Original Amount	Experience Period	Original Recognition Period	Amount Recognized in Expense 6/30/2019	Balance of Deferred Inflows 6/30/2019	Balance of Deferred Outflows 6/30/2019
Investment	\$ 83,078	2017-2018	5.0	\$ 16,616		\$ 66,462
(gains) or losses	(673,578)	2016-2017	5.0	(134,716)	(404,146)	-
	1,817,353	2015-2016	5.0	363,471	-	726,940
	1,194,561	2014-2015	5.0	238,912	-	238,913
	(1,536,299)	2013-2014	5.0	(307,260)	-	-
				<u>\$ 177,023</u>	<u>\$ (404,146)</u>	<u>\$ 1,032,315</u>
Economic/demographic	\$ 448,618	2017-2018	3.5	\$ 128,117	\$ -	\$ 320,441
(gains) or losses	577,357	2016-2017	3.6	160,377	-	256,603
	201,509	2015-2016	3.5	57,574	-	28,787
	1,362,260	2014-2015	3.6	227,042	-	-
				<u>\$ 573,110</u>	<u>\$ -</u>	<u>\$ 605,831</u>
Assumption	\$ -	2017-2018	3.5	\$ -	\$ -	\$ -
changes or inputs	-	2016-2017	3.6	-	-	-
	-	2015-2016	3.5	-	-	-
	1,567,973	2014-2015	3.6	261,329	-	-
				<u>\$ 261,329</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying independent auditor's report.

MORROW COUNTY, OREGON

Schedule of Changes in Total Pension Liability, Fiduciary Net Position and Related Ratios

	Fiscal Year Ending June 30,			
	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018
Total Pension Liability				
Service cost	\$ 564,657	\$ 670,931	\$ 768,358	\$ 851,065
Interest on total pension liability	1,894,605	2,049,096	2,143,810	2,297,651
Effect of plan changes	-	-	-	-
Effect of economic/demographic (gains) or losses	1,362,260	201,509	577,357	448,618
Effect of assumptions changes or inputs	1,567,973	-		
Benefit payments	(1,030,803)	(2,021,216)	(1,416,721)	(1,443,225)
Member contributions	34,322	48,953	57,180	53,759
Net change in total pension liability	4,393,014	949,273	2,129,984	2,207,868
Total pension liability, beginning	25,194,987	29,588,001	29,588,001	32,667,258
Total pension liability, ending	<u>\$ 29,588,001</u>	<u>\$ 30,537,274</u>	<u>\$ 31,717,985</u>	<u>\$ 34,875,126</u>
Fiduciary Net Position				
Employer contributions	\$ 1,225,021	\$ 1,350,209	\$ 1,769,758	\$ 2,811,558
Member contributions	34,322	48,953	57,180	53,759
Investment income net of investment expenses	271,052	(447,095)	2,001,161	1,445,686
Benefit payments	(1,030,803)	(2,021,216)	(1,416,721)	(1,443,225)
Administrative expenses	(13,825)	(67,539)	(45,738)	(40,865)
Net change in plan fiduciary net position	485,767	(1,136,688)	2,365,640	2,826,913
Fiduciary net position, beginning	19,434,147	19,919,914	19,919,914	21,148,866
Fiduciary net position, ending	<u>\$ 19,919,914</u>	<u>\$ 18,783,226</u>	<u>\$ 22,285,554</u>	<u>\$ 23,975,779</u>
Net pension liability, ending	\$ 9,668,087	\$ 11,754,048	\$ 11,518,392	\$ 10,899,347
Fiduciary net position as a % of total pension liability	67.32%	61.51%	70.26%	68.75%
Covered payroll	\$ 4,959,599	\$ 5,315,783	\$ 5,802,486	\$ 5,881,681
Net pension liability as a % of covered payroll	194.94%	221.12%	198.51%	185.31%

See accompanying independent auditor's report.

MORROW COUNTY, OREGON

Schedule of Employer Contributions

Fiscal Year Ending June 30,
(Dollar Amounts in Thousands)

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Actuarially determined contribution	\$ 1,812	\$ 1,770	\$ 1,350	\$ 1,225	\$ 1,110	\$ 1,005	\$ 1,133	\$ 1,123	\$ 835	\$ 710
Actual employer contribution	1,812	1,770	1,350	1,225	1,075	909	896	1,089	835	710
Contribution deficiency (Excess)	-	-	-	-	(35)	(96)	(237)	(34)	-	-
Covered payroll	5,881	5,802	5,315	4,960	4,800	4,748	4,837	4,813	4,154	4,165
Contribution as a % of covered payroll	30.81%	30.51%	25.40%	24.70%	22.40%	19.14%	18.52%	22.63%	20.10%	17.05%
Valuation Date	7/1/2017	7/1/2016	7/1/2015	7/1/2014	7/1/2013	7/1/2012	7/1/2011	7/1/2010	7/1/2009	7/1/2008
Investment Rate of Return Assumption	7.00%	7.00%	7.00%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%

See accompanying independent auditor's report.

MORROW COUNTY, OREGON

Money -Weighted Rate of Return

Fiscal Year Ending June 30, 2018

The money-weighted rate of return is the internal rate of return on plan assets based on the amounts and timing of actual cash flows. External cash flows (contributions, benefit payments and administrative expenses) are determined on a monthly basis and are assumed to occur at the middle of each month. External cash inflows are netted with external cash outflows, resulting in a net external cash flow in each month. The money-weighted rate of return is calculated net of investment expenses.

	<u>Net External Cash Flows</u>	<u>Periods Invested</u>	<u>Period Weight</u>	<u>Net External Cash Flows With Interest</u>
Beginning Value - July 1, 2017	\$ 21,148,866	12.00	1.00	\$ 22,559,847
Monthly net external cash flows:				
July	30,148	11.00	0.96	32,073
August	48,049	10.00	0.88	50,843
September	22,148	9.00	0.79	23,310
October	112,022	8.00	0.71	117,266
November	37,190	7.00	0.63	38,721
December	(87,995)	6.00	0.54	(91,128)
January	(72,181)	5.00	0.46	(74,349)
February	1,040,678	4.00	0.38	1,066,191
March	(59,381)	3.00	0.29	(60,510)
April	136,831	2.00	0.21	138,685
May	119,258	1.00	0.13	120,225
June	54,459	0.00	0.04	54,605
Ending Value - June 30, 2018	23,975,779			
Money - Weighted Rate of Return	6.67%			

Schedule of Investment Returns

Fiscal Year Ending June 30,	Money-Weighted Rate of Return Net of Investment Expenses
2018	6.67%
2017	10.51%
2016	(2.27)%
2015	1.39%
2014	16.77%

See accompanying independent auditor's report.

MORROW COUNTY, OREGON

Schedule of Changes in Total OPEB Liability and Related Ratios

	Fiscal Year Ending June 30,	
	June 30, 2018	June 30, 2019
Total Pension Liability		
Service cost	\$ 19,370	\$ 18,301
Interest on total OPEB liability	11,336	13,889
Effect of plan changes	-	-
Effect of economic/demographic (gains) or losses	-	(28,503)
Effect of assumptions changes or inputs	(16,234)	24,058
Benefit payments	(24,592)	(21,810)
Net change in total pension liability	(10,120)	5,935
Total pension liability, beginning	390,585	380,465
Total pension liability, ending	<u>\$ 380,465</u>	<u>\$ 386,400</u>
Covered payroll	\$ 5,802,486	\$ 5,881,681
Net pension liability as a % of covered payroll	6.56%	6.57%

See accompanying independent auditor's report.

MORROW COUNTY, OREGON

Notes to Required Supplementary Information
June 30, 2019

CHANGE IN BENEFIT TERMS:

GASB 68 and 75 requires employers to briefly describe any changes between the Measurement Date and the employer's reporting date that are expected to have a significant effect on the employer's share of the collective Net Pension or OPEB Liability, along with an estimate of resulting change, if available.

We are not aware of any changes that meet this disclosure requirement.

OTHER SUPPLEMENTARY INFORMATION

MORROW COUNTY, OREGON

Non-Major Governmental Funds

June 30, 2019

Special Revenue Funds:

- Heritage Fund
- Finley Buttes Road Fund
- Commission on Children and Families Fund
- Airport Fund
- Law Library Fund
- 911 Emergency Telephone Fund
- Surveyor Preservation Fund
- Finley Buttes License Fund
- County School Fund
- Ione School Fund
- Fair Fund
- Special Transportation Fund
- Alcohol Enforcement Fund
- Video Lottery Economic Development Fund
- Victim/Witness Assistance Fund
- Willow Creek Wind Fund
- CAMI Grant Fund
- Safety Committee Fund
- Rodeo Fund
- Justice Court Bail and Fine Fund
- Clerks Records Fund
- DUII Impact Fund
- Building Permit Fees Fund
- Parks Fund
- Equity Fund
- Liquor Control Fund
- Water Planning Fund
- Forest Service
- Court Security Fund
- Echo Wind Fees Fund
- Shepherds Flat Fees Fund
- STO Operating Grant Fund
- Community Corrections Fund
- PGE - Carty

Capital Projects Funds:

- Road Equipment Reserve Fund
- Computer Equipment Reserve Fund
- Programming Reserve Fund
- Weed Equipment Reserve Fund
- STF Vehicle Reserve Fund
- Fair Roof Reserve
- Heppner Admin. Building Fund
- Bleacher Reserve Fund
- Fair Improvement Reserve Fund
- Building Reserve Fund

See accompanying independent auditor's report.

MORROW COUNTY, OREGON

Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2019

	<u>Total Nonmajor Special Revenue Funds</u>	<u>Total Nonmajor Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
<u>ASSETS:</u>			
Cash	\$ 4,968,021	\$ 923,973	\$ 5,891,994
Property taxes receivable	3,364	-	3,364
Other receivables	1,079,343	-	1,079,343
	<hr/>	<hr/>	<hr/>
Total assets	\$ 6,050,728	\$ 923,973	\$ 6,974,701
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</u>			
<u>LIABILITIES:</u>			
Accounts payable	\$ 263,610	\$ -	\$ 263,610
Accrued payroll and payroll taxes payable	30,797	-	30,797
Due to other funds	25,000	-	25,000
	<hr/>	<hr/>	<hr/>
Total liabilities	319,407	-	319,407
	<hr/>	<hr/>	<hr/>
<u>DEFERRED INFLOWS OF RESOURCES:</u>			
Deferred revenues	133,158	-	133,158
Deferred property taxes	3,139	-	3,139
Total deferred inflows of resources	136,297	-	136,297
	<hr/>	<hr/>	<hr/>
<u>FUND BALANCES:</u>			
Restricted	1,788,646	-	1,788,646
Committed	3,806,378	923,973	4,730,351
Unassigned	-	-	-
	<hr/>	<hr/>	<hr/>
Total fund balances	5,595,024	923,973	6,518,997
	<hr/>	<hr/>	<hr/>
Total fund balances and liabilities	\$ 6,050,728	\$ 923,973	\$ 6,974,701
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

See accompanying independent auditor's report.

MORROW COUNTY, OREGON

Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Year Ended June 30, 2019

	Total Nonmajor Special Revenue Funds	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<u>REVENUES:</u>			
Taxes	\$ 443,204	\$ -	\$ 443,204
Intergovernmental	1,945,302	-	1,945,302
Fees, fines and charges for services	7,189,748	-	7,189,748
Interest	126,737	23,098	149,835
Miscellaneous	96,360	6,000	102,360
Total revenues	<u>9,801,351</u>	<u>29,098</u>	<u>9,830,449</u>
<u>EXPENDITURES:</u>			
General government	1,509,315	-	1,509,315
Public safety	1,455,769	-	1,455,769
Culture and recreation	775,488	2,000	777,488
Education	273,201	-	273,201
Capital outlay	291,635	142,900	434,535
Debt service	-	379,995	379,995
Total expenditures	<u>4,305,408</u>	<u>525,645</u>	<u>4,831,053</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>	<u>5,495,943</u>	<u>(496,547)</u>	<u>4,999,396</u>
<u>OTHER FINANCING SOURCES (USES):</u>			
Operating transfers in	64,848	589,700	654,548
Operating transfers out	(3,850,730)	-	(3,850,730)
Total other financing sources (uses)	<u>(3,785,882)</u>	<u>589,700</u>	<u>(3,196,182)</u>
<u>NET CHANGE IN FUND BALANCES</u>	1,710,061	93,153	1,803,214
<u>FUND BALANCE, BEGINNING OF YEAR</u>	<u>3,884,963</u>	<u>830,820</u>	<u>4,715,783</u>
<u>FUND BALANCE, END OF YEAR</u>	<u>\$ 5,595,024</u>	<u>\$ 923,973</u>	<u>\$ 6,518,997</u>

See accompanying independent auditor's report.

MORROW COUNTY, OREGON

Non-Major Special Revenue Funds

June 30, 2019

These funds account for revenue derived from specific taxes or other earmarked revenue sources which are legally restricted or committed to finance particular functions or activities. Funds included are:

- **Heritage Fund** - accounts for revenue and expenditures for upkeep of county trails.
- **Finley Buttes Road Fund** - accounts for revenues collected in landfill fees that are designated to maintain the Bombing Range road section associated with landfill traffic.
- **Commission on Children and Families Fund** - accounts for grant revenue and expenditure dedicated to County services provided to children and families residing in the County.
- **Airport Fund** - accounts for revenues and expenditures for upkeep and management of County airports.
- **Law Library Fund** - accounts for revenues collected from the courts that are designated to help support the law library located in the County.
- **911 Emergency Telephone Fund** - accounts for 911 taxes and expenditures for the operation of the County's 911 emergency telephone system.
- **Surveyor Preservation Fund** - accounts for the revenues and expenditures associated surveyor preservation.
- **Finley Buttes License Fund** - accounts for license fees generated by the Finley Buttes landfill and the corresponding expenditures.
- **County School Fund** - accounts for revenues designated specifically for the school districts located in the County.
- **Ione School Fund** - accounts for revenues designated specifically for the Ione school district located in the County.
- **Fair Fund** - accounts for revenues and expenditures associated with the annual County fair.
- **Special Transportation Fund** - accounts for revenues and expenditures associated with providing the certain County residents with transportation throughout the County.
- **Alcohol Enforcement Fund** - accounts for fines specifically designated to fund the County's alcohol enforcement programs.
- **Video Lottery Economic Development Fund** - accounts for video lottery funds received from the State of Oregon.
- **Victim/Witness Assistance Fund** - accounts for grant revenues and expenditures associated with the County's victim and witness programs.
- **Willow Creek Wind Fund** - accounts for revenues and expenditures associated with the Willow Creek wind project.
- **CAMI Grant Fund** - accounts for revenue received from the State of Oregon's 'Child Abuse Multidisciplinary Intervention' (CAMI) program.

MORROW COUNTY, OREGON

Non-Major Special Revenue Funds (Continued)

June 30, 2019

These funds account for revenue derived from specific taxes or other earmarked revenue sources which are legally restricted or committed to finance particular functions or activities. Funds included are:

- **Safety Committee Fund** - accounts for SAIF dividends and the associated safety expenditures.
- **Rodeo Fund** - accounts for revenues and expenditures associated with the County's annual Oregon Trail Pro Rodeo.
- **Justice Court Bail and Fine Fund** - accounts for fines received by the County and the associated turnover to other governmental agencies.
- **Clerks Records Fund** - accounts for revenues and expenditures associated with the clerks records.
- **DUII Impact Fund** - accounts for court ordered fees specifically designated to help fund the County's DUII enforcement programs.
- **Building Permit Fees Fund** - accounts for building permit fees received by the County.
- **Park Fund** accounts for revenues and expenditures associated with the operation and maintenance of the County's parks.
- **Equity Fund** - accounts for revenues received specifically designated to fund the County's small business development programs.
- **Liquor Control Fund** - accounts for revenues for designated to fund the County's liquor control activities.
- **Water Planning Fund** - accounts for revenues received from State water resources.
- **Forest Service** - accounts for forest fees received and the expenditures associated with the County's federal forest land.
- **Court Security Fund** - accounts for revenues specifically designated to fund the County's court security programs.
- **Echo Wind Fees Fund** - accounts for revenues and expenditures associated with the Echo wind project.
- **Shepherd Flat Fees Fund** - accounts for revenues and expenditures associated with the Shepherd Flat wind project.
- **STO Operating Grant Fund** - accounts for revenues and expenditures associated with the STO Operating Grant.
- **Community Corrections Fund** - accounts for revenues and expenditures associated with the parole and probation of the County.
- **PGE- Carty** - accounts for revenues and expenditures associated with the PGE Carty project.

MORROW COUNTY, OREGON

Nonmajor Special Revenue Funds

Combining Balance Sheet

June 30, 2019

	<u>Heritage</u>	<u>Finley Buttes Road</u>	<u>Commission on Children and Families</u>	<u>Airport</u>	<u>Law Library</u>	<u>911 Emergency Telephone</u>	<u>Surveyor Preserve- tion</u>	<u>Finley Buttes Lic. Fees</u>	<u>County School</u>
<u>ASSETS:</u>									
Cash	\$ 17,708	\$ 538,031	\$ 66,158	\$ 40,537	\$ 30,841	\$ 222,392	\$ 222,293	\$ 1,207,526	\$ 54
Property taxes receivable	-	-	-	-	-	-	-	-	881
Other receivables	-	31,493	-	493	-	76,688	200	126,482	-
Total assets	<u>\$ 17,708</u>	<u>\$ 569,524</u>	<u>\$ 66,158</u>	<u>\$ 41,030</u>	<u>\$ 30,841</u>	<u>\$ 299,080</u>	<u>\$ 222,493</u>	<u>\$ 1,334,008</u>	<u>\$ 935</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>									
<u>LIABILITIES:</u>									
Accounts payable	\$ 216	\$ -	\$ -	\$ 4,070	\$ 220	\$ 1,292	\$ -	\$ 1,008	\$ -
Accrued payroll and payroll taxes payable	-	-	-	-	-	6,570	-	-	-
Due to other funds	-	-	-	15,000	-	-	-	-	-
Total liabilities	<u>216</u>	<u>-</u>	<u>-</u>	<u>19,070</u>	<u>220</u>	<u>7,862</u>	<u>-</u>	<u>1,008</u>	<u>-</u>
<u>DEFERRED INFLOWS OF RESOURCES:</u>									
Deferred revenues	-	-	-	-	-	-	-	-	-
Deferred property taxes	-	-	-	-	-	-	-	-	822
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>822</u>
<u>FUND BALANCES:</u>									
Restricted	-	569,524	66,158	-	-	291,218	-	-	113
Committed	17,492	-	-	21,960	30,621	-	222,493	1,333,000	-
Unassigned	-	-	-	-	-	-	-	-	-
Total fund balances	<u>17,492</u>	<u>569,524</u>	<u>66,158</u>	<u>21,960</u>	<u>30,621</u>	<u>291,218</u>	<u>222,493</u>	<u>1,333,000</u>	<u>113</u>
	<u>\$ 17,708</u>	<u>\$ 569,524</u>	<u>\$ 66,158</u>	<u>\$ 41,030</u>	<u>\$ 30,841</u>	<u>\$ 299,080</u>	<u>\$ 222,493</u>	<u>\$ 1,334,008</u>	<u>\$ 935</u>

See accompanying independent
auditor's report.

Continued on next page.

MORROW COUNTY, OREGON

Nonmajor Special Revenue Funds
Combining Balance Sheet
June 30, 2019

Continued from previous page.

	<u>Ione School</u>	<u>Fair</u>	<u>Special Trans- portation</u>	<u>Alcohol Enforcement</u>	<u>Video Lottery Economic Development</u>	<u>Victim/ Witness Assistance</u>	<u>Willow Creek Wind</u>	<u>CAMI Grant</u>
<u>ASSETS:</u>								
Cash	\$ 5	\$ 231,789	\$ 168,482	\$ 23,273	\$ 62,146	\$ 10,937	\$ 39,819	\$ 27,586
Property taxes receivable	86	2,397	-	-	-	-	-	-
Other receivables	-	-	2,700	-	-	19,543	5,214	523
Total assets	<u>\$ 91</u>	<u>\$ 234,186</u>	<u>\$ 171,182</u>	<u>\$ 23,273</u>	<u>\$ 62,146</u>	<u>\$ 30,480</u>	<u>\$ 45,033</u>	<u>\$ 28,109</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>								
<u>LIABILITIES:</u>								
Accounts payable	\$ -	\$ 2,088	\$ 5,137	\$ -	\$ -	\$ 2,100	\$ -	\$ 25
Accrued payroll and payroll taxes payable	-	782	1,540	-	-	2,923	-	-
Due to other funds	-	-	-	-	-	-	-	10,000
Total liabilities	<u>-</u>	<u>2,870</u>	<u>6,677</u>	<u>-</u>	<u>-</u>	<u>5,023</u>	<u>-</u>	<u>10,025</u>
<u>DEFERRED INFLOWS OF RESOURCES:</u>								
Deferred revenues	-	-	133,158	-	-	-	-	-
Deferred property taxes	80	2,237	-	-	-	-	-	-
Total deferred inflows of resources	<u>80</u>	<u>2,237</u>	<u>133,158</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>FUND BALANCES:</u>								
Restricted	11	-	-	23,273	62,146	-	-	18,084
Committed	-	229,079	31,347	-	-	25,457	45,033	-
Unassigned	-	-	-	-	-	-	-	-
Total fund balances	<u>11</u>	<u>229,079</u>	<u>31,347</u>	<u>23,273</u>	<u>62,146</u>	<u>25,457</u>	<u>45,033</u>	<u>18,084</u>
	<u>\$ 91</u>	<u>\$ 234,186</u>	<u>\$ 38,024</u>	<u>\$ 23,273</u>	<u>\$ 62,146</u>	<u>\$ 30,480</u>	<u>\$ 45,033</u>	<u>\$ 28,109</u>

See accompanying independent
auditor's report.

Continued on next page.

MORROW COUNTY, OREGON

Nonmajor Special Revenue Funds
Combining Balance Sheet
June 30, 2019

Continued from previous page.

	<u>Safety Committee</u>	<u>Rodeo</u>	<u>Justice Court Bail and Fine</u>	<u>Clerks Records</u>	<u>DUII Impact</u>	<u>Building Permit Fees</u>	<u>Parks</u>	<u>Equity</u>	<u>Liquor Control</u>
<u>ASSETS:</u>									
Cash	\$ 17,660	\$ 18,935	\$ 194,716	\$ 19,786	\$ 29,445	\$ 748,624	\$ 227,285	\$ 171,746	\$ 849
Property taxes receivable	-	-	-	-	-	-	-	-	-
Other receivables	-	-	-	23	-	45,668	43,244	447,285	-
Total assets	<u>\$ 17,660</u>	<u>\$ 18,935</u>	<u>\$ 194,716</u>	<u>\$ 19,809</u>	<u>\$ 29,445</u>	<u>\$ 794,292</u>	<u>\$ 270,529</u>	<u>\$ 619,031</u>	<u>\$ 849</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>									
<u>LIABILITIES:</u>									
Accounts payable	\$ -	\$ -	\$ 164,101	\$ -	\$ 27	\$ 24,730	\$ 23,680	\$ 9,248	\$ -
Accrued payroll and payroll taxes payable	-	-	-	-	-	-	8,596	-	-
Due to other funds	-	-	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>164,101</u>	<u>-</u>	<u>27</u>	<u>24,730</u>	<u>32,276</u>	<u>9,248</u>	<u>-</u>
<u>DEFERRED INFLOWS OF RESOURCES:</u>									
Deferred revenues	-	-	-	-	-	-	-	-	-
Deferred property taxes	-	-	-	-	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>FUND BALANCES:</u>									
Restricted	-	-	30,615	-	29,418	-	-	-	849
Committed	17,660	18,935	-	19,809	-	769,562	238,253	609,783	-
Unassigned	-	-	-	-	-	-	-	-	-
Total fund balances	<u>17,660</u>	<u>18,935</u>	<u>30,615</u>	<u>19,809</u>	<u>29,418</u>	<u>769,562</u>	<u>238,253</u>	<u>609,783</u>	<u>849</u>
	<u>\$ 17,660</u>	<u>\$ 18,935</u>	<u>\$ 194,716</u>	<u>\$ 19,809</u>	<u>\$ 29,445</u>	<u>\$ 794,292</u>	<u>\$ 270,529</u>	<u>\$ 619,031</u>	<u>\$ 849</u>

See accompanying independent
auditor's report.

Continued on next page.

MORROW COUNTY, OREGON

Nonmajor Special Revenue Funds
Combining Balance Sheet
June 30, 2019

Continued from previous page.

	<u>Water Planning</u>	<u>Forest Service</u>	<u>Court Security</u>	<u>Echo Wind Fees</u>	<u>Shepherds Flat Fees</u>	<u>STO Operating Grant</u>	<u>Comm. Corrections Fund</u>	<u>PGE Carty</u>	<u>Totals</u>
<u>ASSETS:</u>									
Cash	\$ 6,258	\$ 68,435	\$ 151,161	\$ 6,904	\$ 15,996	\$ 33,665	\$ 331,728	\$ 15,251	\$ 4,968,021
Property taxes receivable	-	-	-	-	-	-	-	-	3,364
Other receivables	-	-	2,244	6,339	21,584	11,509	134,549	103,562	1,079,343
Total assets	<u>\$ 6,258</u>	<u>\$ 68,435</u>	<u>\$ 153,405</u>	<u>\$ 13,243</u>	<u>\$ 37,580</u>	<u>\$ 45,174</u>	<u>\$ 466,277</u>	<u>\$ 118,813</u>	<u>\$ 6,050,728</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>									
<u>LIABILITIES:</u>									
Accounts payable	\$ -	\$ -	\$ 20,460	\$ -	\$ -	\$ 5,208		\$ -	\$ 263,610
Accrued payroll and payroll taxes payable	-	-	-	-	-	2,187	8,199	-	30,797
Due to other funds	-	-	-	-	-	-	-	-	25,000
Total liabilities	<u>-</u>	<u>-</u>	<u>20,460</u>	<u>-</u>	<u>-</u>	<u>7,395</u>	<u>8,199</u>	<u>-</u>	<u>319,407</u>
<u>DEFERRED INFLOWS OF RESOURCES:</u>									
Deferred revenues	-	-	-	-	-	-	-	-	133,158
Deferred property taxes	-	-	-	-	-	-	-	-	3,139
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>136,297</u>
<u>FUND BALANCES:</u>									
Restricted	-	68,435	132,945	-	-	37,779	458,078		1,788,646
Committed	6,258	-	-	13,243	37,580	-	-	118,813	3,806,378
Unassigned	-	-	-	-	-	-	-	-	-
Total fund balances	<u>6,258</u>	<u>68,435</u>	<u>132,945</u>	<u>13,243</u>	<u>37,580</u>	<u>37,779</u>	<u>458,078</u>	<u>118,813</u>	<u>5,595,024</u>
	<u>\$ 6,258</u>	<u>\$ 68,435</u>	<u>\$ 153,405</u>	<u>\$ 13,243</u>	<u>\$ 37,580</u>	<u>\$ 45,174</u>	<u>\$ 466,277</u>	<u>\$ 118,813</u>	<u>\$ 5,917,570</u>

See accompanying independent
auditor's report.

MORROW COUNTY, OREGON

Nonmajor Special Revenue Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Year Ended June 30, 2019

	Heritage	Finley Buttes Road	Commission on Children/ Families	Airport	Law Library	911 Emergency Telephone	Surveyor Preserva- tion	Finley Buttes Lic. Fees	County School
<u>REVENUES:</u>									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200,972
Intergovernmental	-	-	-	312,984	-	309,377	-	-	40,745
Fees, fines, and charges for services	-	400,709	-	29,448	6,832	-	13,652	1,598,452	-
Interest	441	9,210	-	2,458	915	4,968	5,407	16,718	373
Miscellaneous	-	-	-	813	-	-	-	-	-
Total revenues	<u>441</u>	<u>409,919</u>	<u>-</u>	<u>345,703</u>	<u>7,747</u>	<u>314,345</u>	<u>19,059</u>	<u>1,615,170</u>	<u>242,090</u>
<u>EXPENDITURES:</u>									
General government	-	-	-	47,728	-	-	-	24,294	-
Public safety	-	-	-	-	-	231,569	-	-	-
Highways and streets	-	-	-	-	-	-	-	-	-
Culture and recreation	216	-	-	-	-	-	2,000	-	-
Education	-	-	-	-	8,989	-	-	-	242,232
Capital outlay	-	-	-	70,949	-	-	-	-	-
Total expenditures	<u>216</u>	<u>-</u>	<u>-</u>	<u>118,677</u>	<u>8,989</u>	<u>231,569</u>	<u>2,000</u>	<u>24,294</u>	<u>242,232</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>	<u>225</u>	<u>409,919</u>	<u>-</u>	<u>227,026</u>	<u>(1,242)</u>	<u>82,776</u>	<u>17,059</u>	<u>1,590,876</u>	<u>(142)</u>
<u>OTHER FINANCING SOURCES (USES):</u>									
Operating transfers in	-	-	-	16,000	-	-	-	-	-
Operating transfers out	-	(100,000)	-	-	-	-	-	(739,638)	-
Total other financing sources (uses)	<u>-</u>	<u>(100,000)</u>	<u>-</u>	<u>16,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(739,638)</u>	<u>-</u>
<u>NET CHANGE IN FUND BALANCES:</u>	<u>225</u>	<u>309,919</u>	<u>-</u>	<u>243,026</u>	<u>(1,242)</u>	<u>82,776</u>	<u>17,059</u>	<u>851,238</u>	<u>(142)</u>
<u>FUND BALANCE, BEGINNING OF YEAR</u>	<u>17,267</u>	<u>259,605</u>	<u>66,158</u>	<u>(221,066)</u>	<u>31,863</u>	<u>208,442</u>	<u>205,434</u>	<u>481,762</u>	<u>255</u>
<u>FUND BALANCE, END OF YEAR</u>	<u>\$ 17,492</u>	<u>\$ 569,524</u>	<u>\$ 66,158</u>	<u>\$ 21,960</u>	<u>\$ 30,621</u>	<u>\$ 291,218</u>	<u>\$ 222,493</u>	<u>\$ 1,333,000</u>	<u>\$ 113</u>

See accompanying independent auditor's report.

MORROW COUNTY, OREGON

Nonmajor Special Revenue Funds

Continued from previous page.

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Year Ended June 30, 2019

	Ione School	Fair	Special Trans- portation	Alcohol Enforce- ment	Video Lottery Econ. Devel.	Victim/ Witness Assistance	Willow Creek Wind	CAMI Grant
<u>REVENUES:</u>								
Taxes	\$ 18,269	\$ 70,638	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	3,663	53,167	114,463	-	81,341	74,575	-	58,613
Fees, fines, and charges for services	-	35,706	6,045	-	-	-	124,171	-
Interest	34	4,519	934	579	1,384	-	1,298	1,394
Miscellaneous	-	4,892	681	-	-	485	-	-
Total revenues	<u>21,966</u>	<u>168,922</u>	<u>122,123</u>	<u>579</u>	<u>82,725</u>	<u>75,060</u>	<u>125,469</u>	<u>60,007</u>
<u>EXPENDITURES:</u>								
General government	-	-	109,068	-	45,000	-	85,213	33,537
Public safety	-	-	-	-	-	93,846	-	-
Highways and streets	-	-	-	-	-	-	-	-
Culture and recreation	-	100,753	-	-	-	-	-	-
Education	21,980	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	<u>21,980</u>	<u>100,753</u>	<u>109,068</u>	<u>-</u>	<u>45,000</u>	<u>93,846</u>	<u>85,213</u>	<u>33,537</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>	<u>(14)</u>	<u>68,169</u>	<u>13,055</u>	<u>579</u>	<u>37,725</u>	<u>(18,786)</u>	<u>40,256</u>	<u>26,470</u>
<u>OTHER FINANCING SOURCES (USES)</u>								
Operating transfers in	-	5,000	-	-	-	24,000	-	-
Operating transfers out	-	(7,000)	(9,848)	-	(42,000)	-	(30,100)	-
Total other financing sources (uses)	<u>-</u>	<u>(2,000)</u>	<u>(9,848)</u>	<u>-</u>	<u>(42,000)</u>	<u>24,000</u>	<u>(30,100)</u>	<u>-</u>
<u>NET CHANGE IN FUND BALANCES:</u>	<u>(14)</u>	<u>66,169</u>	<u>3,207</u>	<u>579</u>	<u>(4,275)</u>	<u>5,214</u>	<u>10,156</u>	<u>26,470</u>
<u>FUND BALANCE, BEGINNING OF YEAR</u>	<u>25</u>	<u>162,910</u>	<u>28,140</u>	<u>22,694</u>	<u>66,421</u>	<u>20,243</u>	<u>34,877</u>	<u>(8,386)</u>
<u>FUND BALANCE, END OF YEAR</u>	<u>\$ 11</u>	<u>\$ 229,079</u>	<u>\$ 31,347</u>	<u>\$ 23,273</u>	<u>\$ 62,146</u>	<u>\$ 25,457</u>	<u>\$ 45,033</u>	<u>\$ 18,084</u>

See accompanying independent auditor's report.

MORROW COUNTY, OREGON

Nonmajor Special Revenue Funds

Continued from previous page.

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Year Ended June 30, 2019

	Safety Committee	Rodeo	Justice Court Bail and Fine	Clerks Records	DUII Impact	Building Permit Fees	Parks	Equity	Liquor Control
<u>REVENUES:</u>									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 153,325	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	300,512	-	-
Fees, fines, and charges for services	-	-	617,368	1,647	1,400	150,698	39,067	-	-
Interest	573	523	-	473	700	17,875	8,625	14,015	22
Miscellaneous	4,265	-	-	-	-	26,400	32,689	-	-
Total revenues	<u>4,838</u>	<u>523</u>	<u>617,368</u>	<u>2,120</u>	<u>2,100</u>	<u>194,973</u>	<u>534,218</u>	<u>14,015</u>	<u>22</u>
<u>EXPENDITURES:</u>									
General government	7,723	-	-	-	-	52,297	-	9,247	-
Public safety	-	-	601,730	-	77	-	-	-	-
Highways and streets	-	-	-	-	-	-	-	-	-
Culture and recreation	-	37,793	-	-	-	-	629,726	-	-
Education	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	49,052	108,655	-	-
Total expenditures	<u>7,723</u>	<u>37,793</u>	<u>601,730</u>	<u>-</u>	<u>77</u>	<u>101,349</u>	<u>738,381</u>	<u>9,247</u>	<u>-</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>	<u>(2,885)</u>	<u>(37,270)</u>	<u>15,638</u>	<u>2,120</u>	<u>2,023</u>	<u>93,624</u>	<u>(204,163)</u>	<u>4,768</u>	<u>22</u>
<u>OTHER FINANCING SOURCES (USES)</u>									
Operating transfers in	-	10,000	-	-	-	-	-	-	-
Operating transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>NET CHANGE IN FUND BALANCES:</u>	<u>(2,885)</u>	<u>(27,270)</u>	<u>15,638</u>	<u>2,120</u>	<u>2,023</u>	<u>93,624</u>	<u>(204,163)</u>	<u>4,768</u>	<u>22</u>
<u>FUND BALANCE, BEGINNING OF YEAR</u>	<u>20,545</u>	<u>46,205</u>	<u>14,977</u>	<u>17,689</u>	<u>27,395</u>	<u>675,938</u>	<u>442,416</u>	<u>605,015</u>	<u>827</u>
<u>FUND BALANCE, END OF YEAR</u>	<u>\$ 17,660</u>	<u>\$ 18,935</u>	<u>\$ 30,615</u>	<u>\$ 19,809</u>	<u>\$ 29,418</u>	<u>\$ 769,562</u>	<u>\$ 238,253</u>	<u>\$ 609,783</u>	<u>\$ 849</u>

See accompanying independent auditor's report.

MORROW COUNTY, OREGON

Nonmajor Special Revenue Funds

Continued from previous page.

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Year Ended June 30, 2019

	<u>Water Planning</u>	<u>Forest Service</u>	<u>Court Security</u>	<u>Echo Wind Fees</u>	<u>Shepherds Flat Fees</u>	<u>STO Operating Grant</u>	<u>Comm. Corrections Fund</u>	<u>PGE Carty</u>	<u>Totals</u>
<u>REVENUES:</u>									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 443,204
Intergovernmental	-	6,269	-	-	-	39,226	550,367	-	1,945,302
Fees, fines, and charges for services	-	-	9,989	105,581	1,741,613	-	56,614	2,250,756	7,189,748
Interest	-	1,363	3,936	208	1,983	1,102	9,802	14,905	126,737
Miscellaneous	-	-	-	-	-	26,135	-	-	96,360
Total revenues	<u>-</u>	<u>7,632</u>	<u>13,925</u>	<u>105,789</u>	<u>1,743,596</u>	<u>66,463</u>	<u>616,783</u>	<u>2,265,661</u>	<u>9,801,351</u>
<u>EXPENDITURES:</u>									
General government	-	-	-	74,494	401,796	68,918	-	550,000	1,509,315
Public safety	-	-	20,891	-	-	-	507,656	-	1,455,769
Highways and streets	-	-	-	-	-	-	-	-	-
Culture and recreation	5,000	-	-	-	-	-	-	-	775,488
Education	-	-	-	-	-	-	-	-	273,201
Capital outlay	-	-	-	-	-	-	62,979	-	291,635
Total expenditures	<u>5,000</u>	<u>-</u>	<u>20,891</u>	<u>74,494</u>	<u>401,796</u>	<u>68,918</u>	<u>570,635</u>	<u>550,000</u>	<u>4,305,408</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>	<u>(5,000)</u>	<u>7,632</u>	<u>(6,966)</u>	<u>31,295</u>	<u>1,341,800</u>	<u>(2,455)</u>	<u>46,148</u>	<u>1,715,661</u>	<u>5,495,943</u>
<u>OTHER FINANCING SOURCES (USES)</u>									
Operating transfers in	-	-	-	-	-	9,848	-	-	64,848
Operating transfers out	-	-	-	(20,050)	(1,304,500)	-	-	(1,597,594)	(3,850,730)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(20,050)</u>	<u>(1,304,500)</u>	<u>9,848</u>	<u>-</u>	<u>(1,597,594)</u>	<u>(3,785,882)</u>
<u>NET CHANGE IN FUND BALANCES:</u>	<u>(5,000)</u>	<u>7,632</u>	<u>(6,966)</u>	<u>11,245</u>	<u>37,300</u>	<u>7,393</u>	<u>46,148</u>	<u>118,067</u>	<u>1,710,061</u>
<u>FUND BALANCE, BEGINNING OF YEAR</u>	<u>11,258</u>	<u>60,803</u>	<u>139,911</u>	<u>1,998</u>	<u>280</u>	<u>30,386</u>	<u>411,930</u>	<u>746</u>	<u>3,884,963</u>
<u>FUND BALANCE, END OF YEAR</u>	<u>\$ 6,258</u>	<u>\$68,435</u>	<u>\$ 132,945</u>	<u>\$ 13,243</u>	<u>\$ 37,580</u>	<u>\$ 37,779</u>	<u>\$ 458,078</u>	<u>\$ 118,813</u>	<u>\$ 5,595,024</u>

See accompanying independent auditor's report.

MORROW COUNTY, OREGON

Heritage Trail Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (Non-GAAP Budgetary Basis) to Actual
Year Ended June 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Interest	\$ 225	\$ 225	\$ 441	\$ 216
Grants	10,000	10,000	-	(10,000)
Total revenues	<u>10,225</u>	<u>10,225</u>	<u>441</u>	<u>(9,784)</u>
<u>EXPENDITURES:</u>				
Materials and services	<u>27,588</u>	<u>27,588</u>	<u>216</u>	<u>27,372</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>				
	(17,363)	(17,363)	225	17,588
<u>FUND BALANCES, BEGINNING</u>				
	<u>17,363</u>	<u>17,363</u>	<u>17,267</u>	<u>(96)</u>
<u>FUND BALANCES, ENDING</u>				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,492</u>	<u>\$ 17,492</u>

See accompanying independent auditor's report.

MORROW COUNTY, OREGON

Finley Buttes Road Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances

Budget (Non-GAAP Budgetary Basis) to Actual

Year Ended June 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Landfill fees	\$ 275,000	\$ 275,000	\$ 400,709	\$ 125,709
Interest	1,000	1,000	9,210	8,210
Total revenues	<u>276,000</u>	<u>276,000</u>	<u>409,919</u>	<u>133,919</u>
<u>EXPENDITURES:</u>				
Contractual services	<u>76,000</u>	<u>76,000</u>	<u>-</u>	<u>76,000</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>				
	200,000	200,000	409,919	209,919
<u>OTHER FINANCING SOURCES (USES):</u>				
Transfers out	<u>(200,000)</u>	<u>(200,000)</u>	<u>(100,000)</u>	<u>100,000</u>
<u>NET CHANGE IN FUND BALANCES</u>				
	-	-	309,919	309,919
<u>FUND BALANCES, BEGINNING</u>				
	<u>-</u>	<u>-</u>	<u>259,605</u>	<u>259,605</u>
<u>FUND BALANCES, ENDING</u>				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 569,524</u>	<u>\$ 569,524</u>

See accompanying independent auditor's report.

MORROW COUNTY, OREGON

Commission on Children and Families Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (Non-GAAP Budgetary Basis) to Actual
Year Ended June 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Interest	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
<u>EXPENDITURES:</u>	-	-	-	-
Total expenditures	-	-	-	-
<u>EXCESS OF REVENUES OVER EXPENDITURES</u>	-	-	-	-
<u>FUND BALANCES, BEGINNING</u>	-	-	66,158	66,158
<u>FUND BALANCES, ENDING</u>	\$ -	\$ -	\$ 66,158	\$ 66,158

See accompanying independent auditor's report.

MORROW COUNTY, OREGON

Airport Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (Non-GAAP Budgetary Basis) to Actual
Year Ended June 30, 2019

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Grants and other	\$ -	\$ 73,000	\$ 312,984	\$ 239,984
Rental and leases	13,465	13,465	12,680	(785)
Charges for services	24,300	24,300	16,768	(7,532)
Interest	100	100	2,458	2,358
Miscellaneous revenue	800	800	813	13
Total revenues	<u>38,665</u>	<u>111,665</u>	<u>345,703</u>	<u>234,038</u>
<u>EXPENDITURES:</u>				
Materials and services	38,665	51,665	47,728	3,937
Capital outlay	16,000	76,000	70,949	5,051
Total expenditures	<u>54,665</u>	<u>127,665</u>	<u>118,677</u>	<u>8,988</u>
<u>EXCESS (DEFICIENCY) OF REVENUES</u>				
<u>OVER (UNDER) EXPENDITURES</u>				
	(16,000)	(16,000)	227,026	243,026
<u>OTHER FINANCING SOURCES:</u>				
Transfers in	16,000	16,000	16,000	-
<u>NET CHANGE IN FUND BALANCES</u>				
	-	-	243,026	243,026
<u>FUND BALANCES, BEGINNING</u>				
	-	-	(221,066)	(221,066)
<u>FUND BALANCES, ENDING</u>				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,960</u>	<u>\$ 21,960</u>

See accompanying independent auditor's report.

MORROW COUNTY, OREGON

Law Library Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (Non-GAAP Budgetary Basis) to Actual
Year Ended June 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
State court, clerk fees	\$ 5,000	\$ 5,000	\$ 6,832	\$ 1,832
Interest	130	130	915	785
Total revenues	<u>5,130</u>	<u>5,130</u>	<u>7,747</u>	<u>2,617</u>
<u>EXPENDITURES:</u>				
Materials and services	<u>40,383</u>	<u>40,383</u>	<u>8,989</u>	<u>31,394</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>				
	<u>(35,253)</u>	<u>(35,253)</u>	<u>(1,242)</u>	<u>34,011</u>
<u>FUND BALANCES, BEGINNING</u>				
	<u>35,253</u>	<u>35,253</u>	<u>31,863</u>	<u>(3,390)</u>
<u>FUND BALANCES, ENDING</u>				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,621</u>	<u>\$ 30,621</u>

See accompanying independent auditor's report.

MORROW COUNTY, OREGON

911 Emergency Telephone Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (Non-GAAP Budgetary Basis) to Actual
Year Ended June 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
State 911 apportionment	\$ 262,800	\$ 262,800	\$ 309,377	\$ 46,577
Interest	700	700	4,968	4,268
Total revenues	<u>263,500</u>	<u>263,500</u>	<u>314,345</u>	<u>50,845</u>
<u>EXPENDITURES:</u>				
Personnel services	259,052	259,052	209,019	50,033
Materials and services	44,200	44,200	24,122	20,078
Contingency	12,000	12,000	-	12,000
Total expenditures	<u>315,252</u>	<u>315,252</u>	<u>233,141</u>	<u>82,111</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>	(51,752)	(51,752)	81,204	132,956
<u>FUND BALANCES, BEGINNING</u>	<u>88,393</u>	<u>88,393</u>	<u>198,080</u>	<u>109,687</u>
<u>FUND BALANCES, ENDING</u>	<u><u>\$ 36,641</u></u>	<u><u>\$ 36,641</u></u>	<u><u>\$ 279,284</u></u>	<u><u>\$ 242,643</u></u>

See accompanying independent auditor's report.

MORROW COUNTY, OREGON

Surveyor Preservation Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (Non-GAAP Budgetary Basis) to Actual
Year Ended June 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Charges for services	\$ 12,500	\$ 12,500	\$ 13,652	\$ 1,152
Interest	1,000	1,000	5,407	4,407
Total revenues	<u>13,500</u>	<u>13,500</u>	<u>19,059</u>	<u>5,559</u>
<u>EXPENDITURES:</u>				
Materials and services	<u>215,500</u>	<u>215,500</u>	<u>2,000</u>	<u>213,500</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>	(202,000)	(202,000)	17,059	219,059
<u>FUND BALANCES, BEGINNING</u>	<u>202,000</u>	<u>202,000</u>	<u>205,434</u>	<u>3,434</u>
<u>FUND BALANCES, ENDING</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 222,493</u>	<u>\$ 222,493</u>

See accompanying independent auditor's report.

MORROW COUNTY, OREGON

Finley Buttes License Fee Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (Non-GAAP Budgetary Basis) to Actual
Year Ended June 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Landfill license fees	\$ 1,275,000	\$ 1,275,000	\$ 1,598,452	\$ 323,452
Interest	5,000	5,000	16,718	11,718
Total revenues	<u>1,280,000</u>	<u>1,280,000</u>	<u>1,615,170</u>	<u>335,170</u>
<u>EXPENDITURES:</u>				
Materials and services	<u>-</u>	<u>-</u>	<u>24,294</u>	<u>(24,294)</u>
<u>EXCESS OF REVENUES OVER EXPENDITURES</u>				
	1,280,000	1,280,000	1,590,876	310,876
<u>OTHER FINANCING SOURCES (USES):</u>				
Transfers out	<u>(1,479,275)</u>	<u>(1,479,275)</u>	<u>(739,638)</u>	<u>739,637</u>
<u>NET CHANGE IN FUND BALANCES</u>	(199,275)	(199,275)	851,238	1,050,513
<u>FUND BALANCES, BEGINNING</u>	<u>199,275</u>	<u>199,275</u>	<u>481,762</u>	<u>282,487</u>
<u>FUND BALANCES, ENDING</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,333,000</u>	<u>\$ 1,333,000</u>

See accompanying independent auditor's report.

MORROW COUNTY, OREGON

County School Fund (ORS 328.005)

Schedule of Revenues, Expenditures, and Changes in Fund Balances

Budget (Non-GAAP Budgetary Basis) to Actual

Year Ended June 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Property taxes	\$ 26,761	\$ 26,761	\$ 27,035	\$ 274
Federal forest rentals (25%)	9,800	41,800	40,745	(1,055)
In lieu of taxes	172,500	173,500	173,937	437
Interest	100	100	373	273
Total revenues	<u>209,161</u>	<u>242,161</u>	<u>242,090</u>	<u>(71)</u>
<u>EXPENDITURES:</u>				
Tax turnovers	<u>209,461</u>	<u>242,461</u>	<u>242,232</u>	<u>229</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>				
	(300)	(300)	(142)	158
<u>FUND BALANCES, BEGINNING</u>				
	<u>300</u>	<u>300</u>	<u>255</u>	<u>(45)</u>
<u>FUND BALANCES, ENDING</u>				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 113</u>	<u>\$ 113</u>

See accompanying independent auditor's report.

MORROW COUNTY, OREGON

Ione School Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (Non-GAAP Budgetary Basis) to Actual
Year Ended June 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Property taxes	\$ 3,004	\$ 3,004	\$ 2,632	\$ (372)
Federal forest rentals	700	5,200	3,663	(1,537)
In lieu of taxes	13,750	14,250	15,637	1,387
Interest	10	10	34	24
Total revenues	<u>17,464</u>	<u>22,464</u>	<u>21,966</u>	<u>(498)</u>
<u>EXPENDITURES:</u>				
Tax turnovers	<u>17,484</u>	<u>22,484</u>	<u>21,980</u>	<u>504</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>				
	(20)	(20)	(14)	6
<u>FUND BALANCES, BEGINNING</u>				
	<u>20</u>	<u>20</u>	<u>25</u>	<u>5</u>
<u>FUND BALANCES, ENDING</u>				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11</u>	<u>\$ 11</u>

See accompanying independent auditor's report.

MORROW COUNTY, OREGON

Fair Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (Non-GAAP Budgetary Basis) to Actual
Year Ended June 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Gate admissions	\$ 5,750	\$ 7,750	\$ 13,721	\$ 5,971
Concessions	700	700	1,210	510
Rental of facilities	3,250	3,250	5,045	1,795
Donations	100	100	100	-
Sponsors and premium book advertising	11,100	11,100	15,630	4,530
Other	750	750	4,892	4,142
Intergovernmental (Oregon State)	57,000	57,000	53,167	(3,833)
Property taxes	69,886	69,886	70,638	752
Interest	250	250	4,519	4,269
Total revenues	<u>148,786</u>	<u>150,786</u>	<u>168,922</u>	<u>18,136</u>
<u>EXPENDITURES:</u>				
Administrative and non-departmental	43,346	43,346	28,298	15,048
Fair	80,876	82,876	73,118	9,758
Queen and court	2,550	2,550	-	2,550
Multipurpose buildings	4,050	4,050	1,259	2,791
St. Pats event	2,260	2,260	-	2,260
Operating contingency	67,314	67,314	-	67,314
Total expenditures	<u>200,396</u>	<u>202,396</u>	<u>102,675</u>	<u>99,721</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>				
	<u>(51,610)</u>	<u>(51,610)</u>	<u>66,247</u>	<u>117,857</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
Transfers in	5,000	5,000	5,000	-
Transfers out	<u>(7,000)</u>	<u>(7,000)</u>	<u>(7,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(2,000)</u>	<u>(2,000)</u>	<u>(2,000)</u>	<u>-</u>
<u>NET CHANGE IN FUND BALANCES</u>				
	<u>(53,610)</u>	<u>(53,610)</u>	<u>64,247</u>	<u>117,857</u>
<u>FUND BALANCES, BEGINNING</u>				
	<u>53,610</u>	<u>53,610</u>	<u>162,411</u>	<u>108,801</u>
<u>FUND BALANCES, ENDING</u>				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 226,658</u>	<u>\$ 226,658</u>

See accompanying independent auditor's report.

MORROW COUNTY, OREGON

Special Transportation Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (Non-GAAP Budgetary Basis) to Actual
Year Ended June 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Grants	\$ 112,000	\$ 112,000	\$ 114,463	\$ 2,463
Bus receipts and other	2,500	2,500	6,045	3,545
Interest	300	300	934	634
Other	-	-	681	681
Total revenues	<u>114,800</u>	<u>114,800</u>	<u>122,123</u>	<u>7,323</u>
<u>EXPENDITURES:</u>				
Personal services	40,877	40,877	38,877	2,000
Materials and services	78,805	78,805	70,903	7,902
Contingency	3,206	3,206	-	3,206
Total expenditures	<u>122,888</u>	<u>122,888</u>	<u>109,780</u>	<u>13,108</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>				
	<u>(8,088)</u>	<u>(8,088)</u>	<u>12,343</u>	<u>20,431</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
Transfers out	<u>(10,888)</u>	<u>(10,888)</u>	<u>(9,848)</u>	<u>1,040</u>
<u>NET CHANGE IN FUND BALANCES</u>				
	<u>(18,976)</u>	<u>(18,976)</u>	<u>2,495</u>	<u>21,471</u>
<u>FUND BALANCES, BEGINNING</u>				
	<u>18,976</u>	<u>18,976</u>	<u>19,046</u>	<u>70</u>
<u>FUND BALANCES, ENDING</u>				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,541</u>	<u>\$ 21,541</u>

See accompanying independent auditor's report.

MORROW COUNTY, OREGON

Alcohol Enforcement Fund (ORS 471.670)
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (Non-GAAP Budgetary Basis) to Actual
Year Ended June 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Interest	\$ 100	\$ 100	\$ 579	\$ 479
Total revenues	100	100	579	479
<u>EXPENDITURES:</u>				
Materials and services	17,660	17,660	-	17,660
Capital outlay	5,000	5,000	-	5,000
Total expenditures	22,660	22,660	-	22,660
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>	(22,560)	(22,560)	579	23,139
<u>FUND BALANCES, BEGINNING</u>	22,560	22,560	22,694	134
<u>FUND BALANCES, ENDING</u>	\$ -	\$ -	\$ 23,273	\$ 23,273

See accompanying independent auditor's report.

MORROW COUNTY, OREGON

Video Lottery Economic Development
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (Non-GAAP Budgetary Basis) to Actual
Year Ended June 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Video lottery	\$ 75,000	\$ 75,000	\$ 81,341	\$ 6,341
Interest	500	500	1,384	884
Total revenues	<u>75,500</u>	<u>75,500</u>	<u>82,725</u>	<u>7,225</u>
<u>EXPENDITURES:</u>				
Materials and services	<u>103,960</u>	<u>103,960</u>	<u>45,000</u>	<u>58,960</u>
<u>EXCESS OF REVENUES OVER EXPENDITURES</u>				
	(28,460)	(28,460)	37,725	66,185
<u>OTHER FINANCING SOURCES (USES):</u>				
Transfers out	<u>(42,000)</u>	<u>(42,000)</u>	<u>(42,000)</u>	<u>-</u>
<u>NET CHANGE IN FUND BALANCES</u>	(70,460)	(70,460)	(4,275)	66,185
<u>FUND BALANCES, BEGINNING</u>	<u>70,460</u>	<u>70,460</u>	<u>66,421</u>	<u>(4,039)</u>
<u>FUND BALANCES, ENDING</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 62,146</u>	<u>\$ 62,146</u>

See accompanying independent auditor's report.

MORROW COUNTY, OREGON

Victim-Witness Assistance Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (Non-GAAP Budgetary Basis) to Actual
Year Ended June 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
State apportionment	\$ 61,782	\$ 61,782	\$ 74,575	\$ 12,793
Other	-	-	485	485
Total revenues	<u>61,782</u>	<u>61,782</u>	<u>75,060</u>	<u>13,278</u>
<u>EXPENDITURES:</u>				
Personal services	91,012	91,012	90,256	756
Materials and services	21,270	21,270	6,152	15,118
Total expenditures	<u>112,282</u>	<u>112,282</u>	<u>96,408</u>	<u>15,874</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>				
	(50,500)	(50,500)	(21,348)	29,152
<u>OTHER FINANCING SOURCES:</u>				
Transfers in	<u>48,000</u>	<u>48,000</u>	<u>24,000</u>	<u>(24,000)</u>
<u>NET CHANGE IN FUND BALANCES</u>				
	(2,500)	(2,500)	2,652	5,152
<u>FUND BALANCES, BEGINNING</u>				
	<u>2,500</u>	<u>2,500</u>	<u>17,206</u>	<u>14,706</u>
<u>FUND BALANCES, ENDING</u>				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,858</u>	<u>\$ 19,858</u>

See accompanying independent auditor's report.

MORROW COUNTY, OREGON

Willow Creek Wind
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (Non-GAAP Budgetary Basis) to Actual
Year Ended June 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Wind fees	\$ 30,000	\$ 119,000	\$ 124,171	\$ 5,171
Interest	100	100	1,298	1,198
Total revenues	<u>30,100</u>	<u>119,100</u>	<u>125,469</u>	<u>6,369</u>
<u>EXPENDITURES:</u>				
Willow Creek Fee Distribution	-	89,000	85,213	3,787
Total expenditures	<u>-</u>	<u>89,000</u>	<u>85,213</u>	<u>3,787</u>
<u>EXCESS OF REVENUES OVER EXPENDITURES</u>	30,100	30,100	40,256	10,156
<u>OTHER FINANCING SOURCES (USES):</u>				
Transfers out	<u>(30,100)</u>	<u>(30,100)</u>	<u>(30,100)</u>	<u>-</u>
<u>NET CHANGE IN FUND BALANCES</u>	-	-	10,156	10,156
<u>FUND BALANCES, BEGINNING</u>	<u>-</u>	<u>-</u>	<u>34,877</u>	<u>34,877</u>
<u>FUND BALANCES, ENDING</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 45,033</u>	<u>\$ 45,033</u>

See accompanying independent auditor's report.

MORROW COUNTY, OREGON

CAMI Grant Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (Non-GAAP Budgetary Basis) to Actual
Year Ended June 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Grants	\$ 30,033	\$ 33,033	\$ 58,613	\$ 25,580
Interest	75	75	1,394	1,319
Total revenues	<u>30,108</u>	<u>33,108</u>	<u>60,007</u>	<u>26,899</u>
<u>EXPENDITURES:</u>				
Materials and services	<u>31,108</u>	<u>34,108</u>	<u>33,537</u>	<u>571</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>	(1,000)	(1,000)	26,470	27,470
<u>FUND BALANCES, BEGINNING</u>	<u>1,000</u>	<u>1,000</u>	<u>(8,386)</u>	<u>(9,386)</u>
<u>FUND BALANCES, ENDING</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,084</u>	<u>\$ 18,084</u>

See accompanying independent auditor's report.

MORROW COUNTY, OREGON

Safety Committee Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (Non-GAAP Budgetary Basis) to Actual
Year Ended June 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
SAIF dividend	\$ 7,000	\$ 7,000	\$ 4,265	\$ (2,735)
Interest	100	100	573	473
Total revenues	<u>7,100</u>	<u>7,100</u>	<u>4,838</u>	<u>(2,262)</u>
<u>EXPENDITURES:</u>				
Materials and services	<u>27,700</u>	<u>27,700</u>	<u>7,723</u>	<u>19,977</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>				
	(20,600)	(20,600)	(2,885)	17,715
<u>FUND BALANCES, BEGINNING</u>				
	<u>20,600</u>	<u>20,600</u>	<u>20,545</u>	<u>(55)</u>
<u>FUND BALANCES, ENDING</u>				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,660</u>	<u>\$ 17,660</u>

See accompanying independent auditor's report.

MORROW COUNTY, OREGON

Rodeo Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (Non-GAAP Budgetary Basis) to Actual
Year Ended June 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Gate admissions	\$ 12,700	\$ 12,700	\$ -	\$ (12,700)
Concessions	12,400	12,400	-	(12,400)
Rodeo entry fees and others	6,000	6,000	-	(6,000)
Rodeo sponsor fees	8,700	8,700	-	(8,700)
Donations	20,875	20,875	-	(20,875)
Other	2,000	2,000	-	(2,000)
Interest	350	350	523	173
Total revenues	<u>63,025</u>	<u>63,025</u>	<u>523</u>	<u>(62,502)</u>
<u>EXPENDITURES:</u>				
Materials and services	<u>81,275</u>	<u>81,275</u>	<u>37,793</u>	<u>43,482</u>
Total expenditures	<u>81,275</u>	<u>81,275</u>	<u>37,793</u>	<u>43,482</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>				
	<u>(18,250)</u>	<u>(18,250)</u>	<u>(37,270)</u>	<u>(19,020)</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
Transfers in	10,000	10,000	10,000	-
Transfers out	<u>(17,860)</u>	<u>(17,860)</u>	<u>-</u>	<u>17,860</u>
Total other financing sources (uses)	<u>(7,860)</u>	<u>(7,860)</u>	<u>10,000</u>	<u>17,860</u>
<u>NET CHANGE IN FUND BALANCES</u>				
	(26,110)	(26,110)	(27,270)	(1,160)
<u>FUND BALANCES, BEGINNING</u>				
	<u>26,110</u>	<u>26,110</u>	<u>46,205</u>	<u>20,095</u>
<u>FUND BALANCES, ENDING</u>				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,935</u>	<u>\$ 18,935</u>

See accompanying independent auditor's report.

MORROW COUNTY, OREGON

Justice Court Bail and Fine Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (Non-GAAP Budgetary Basis) to Actual
Year Ended June 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Fines	\$ 510,000	\$ 510,000	\$ 617,368	\$ 107,368
<u>EXPENDITURES:</u>				
Fine turnover	<u>538,403</u>	<u>538,403</u>	<u>601,730</u>	<u>(63,327)</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>	(28,403)	(28,403)	15,638	44,041
<u>FUND BALANCES, BEGINNING</u>	<u>28,403</u>	<u>28,403</u>	<u>14,977</u>	<u>(13,426)</u>
<u>FUND BALANCES, ENDING</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,615</u>	<u>\$ 30,615</u>

See accompanying independent auditor's report.

MORROW COUNTY, OREGON

Clerks Records Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (Non-GAAP Budgetary Basis) to Actual
Year Ended June 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Records fees	\$ 1,800	\$ 1,800	\$ 1,647	\$ (153)
Interest	125	125	473	348
Total revenues	<u>1,925</u>	<u>1,925</u>	<u>2,120</u>	<u>195</u>
<u>EXPENDITURES:</u>				
Materials and services	<u>19,125</u>	<u>19,125</u>	<u>-</u>	<u>19,125</u>
Total expenditures	<u>19,125</u>	<u>19,125</u>	<u>-</u>	<u>19,125</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>				
	(17,200)	(17,200)	2,120	19,320
<u>FUND BALANCES, BEGINNING</u>				
	<u>17,200</u>	<u>17,200</u>	<u>17,689</u>	<u>489</u>
<u>FUND BALANCES, ENDING</u>				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,809</u>	<u>\$ 19,809</u>

See accompanying independent auditor's report.

MORROW COUNTY, OREGON

DUII Impact Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (Non-GAAP Budgetary Basis) to Actual
Year Ended June 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Court ordered fees	\$ 1,000	\$ 1,000	\$ 1,400	\$ 400
Interest	100	100	700	600
Total revenues	<u>1,100</u>	<u>1,100</u>	<u>2,100</u>	<u>1,000</u>
<u>EXPENDITURES:</u>				
Materials and services	<u>27,475</u>	<u>27,475</u>	<u>77</u>	<u>27,398</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>	<u>(26,375)</u>	<u>(26,375)</u>	<u>2,023</u>	<u>28,398</u>
<u>FUND BALANCES, BEGINNING</u>	<u>26,375</u>	<u>26,375</u>	<u>27,395</u>	<u>1,020</u>
<u>FUND BALANCES, ENDING</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,418</u>	<u>\$ 29,418</u>

See accompanying independent auditor's report.

MORROW COUNTY, OREGON

Building Permit Fees Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (Non-GAAP Budgetary Basis) to Actual
Year Ended June 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
<u>REVENUES:</u>				
Building permit fees	\$ 100,000	\$ 100,000	\$ 150,698	\$ 50,698
Other	-	-	26,400	26,400
Interest	8,000	8,000	17,875	9,875
Total revenues	<u>108,000</u>	<u>108,000</u>	<u>194,973</u>	<u>86,973</u>
<u>EXPENDITURES:</u>				
Materials & Service	255,000	255,000	52,297	202,703
Capital outlay	27,500	27,500	49,052	(21,552)
Total Expenditures	<u>282,500</u>	<u>282,500</u>	<u>101,349</u>	<u>181,151</u>
<u>EXCESS (DEFICIENCY) OF REVENUES</u>				
<u>OVER (UNDER) EXPENDITURES</u>				
	(174,500)	(174,500)	93,624	268,124
<u>FUND BALANCES, BEGINNING</u>				
	<u>552,984</u>	<u>552,984</u>	<u>675,938</u>	<u>122,954</u>
<u>FUND BALANCES, ENDING</u>				
	<u>\$ 378,484</u>	<u>\$ 378,484</u>	<u>\$ 769,562</u>	<u>\$ 391,078</u>

See accompanying independent auditor's report.

MORROW COUNTY, OREGON

Park Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (Non-GAAP Budgetary Basis) to Actual
Year Ended June 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Grants	\$ 366,719	\$ 366,719	\$ 39,067	\$ (327,652)
Camping fees and other charges for services	118,100	252,100	300,512	48,412
State apportionment	137,796	137,796	153,325	15,529
Interest	2,000	2,000	8,625	6,625
Other	4,200	4,200	32,689	28,489
Total revenues	<u>628,815</u>	<u>762,815</u>	<u>534,218</u>	<u>(228,597)</u>
<u>EXPENDITURES:</u>				
Cutsforth park	84,253	105,253	86,150	19,103
Anson Wright park	58,953	68,953	65,470	3,483
OHV park	587,736	737,736	587,660	150,076
Contingency	117,873	117,873	-	117,873
Total expenditures	<u>848,815</u>	<u>1,029,815</u>	<u>739,280</u>	<u>290,535</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>				
	(220,000)	(267,000)	(205,062)	61,938
<u>FUND BALANCES, BEGINNING</u>				
	<u>220,000</u>	<u>267,000</u>	<u>434,922</u>	<u>167,922</u>
<u>FUND BALANCES, ENDING</u>				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 229,860</u>	<u>\$ 229,860</u>

See accompanying independent auditor's report.

MORROW COUNTY, OREGON

Equity Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (Non-GAAP Budgetary Basis) to Actual
Year Ended June 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Interest-Loans	\$ 6,500	\$ 6,500	\$ 9,911	\$ 3,411
Interest	1,050	1,050	4,104	3,054
Total revenues	<u>7,550</u>	<u>7,550</u>	<u>14,015</u>	<u>6,465</u>
<u>EXPENDITURES:</u>				
Materials and services	<u>17,550</u>	<u>17,550</u>	<u>9,247</u>	<u>8,303</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>	(10,000)	(10,000)	4,768	14,768
<u>FUND BALANCES, BEGINNING</u>	<u>10,000</u>	<u>10,000</u>	<u>605,015</u>	<u>595,015</u>
<u>FUND BALANCES, ENDING</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 609,783</u>	<u>\$ 609,783</u>

See accompanying independent auditor's report.

MORROW COUNTY, OREGON

Liquor Control Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (Non-GAAP Budgetary Basis) to Actual
Year Ended June 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Interest	\$ 5	\$ 5	\$ 22	\$ 17
Total Revenues	5	5	22	17
<u>EXPENDITURES:</u>				
Materials and services	827	827	-	827
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>	(822)	(822)	22	844
<u>FUND BALANCES, BEGINNING</u>	822	822	827	5
<u>FUND BALANCES, ENDING</u>	\$ -	\$ -	\$ 849	\$ 849

See accompanying independent auditor's report.

MORROW COUNTY, OREGON

Water Planning Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (Non-GAAP Budgetary Basis) to Actual
Year Ended June 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Grant revenue	\$ -	\$ -	\$ -	\$ -
<u>EXPENDITURES:</u>				
Materials and services	12,258	12,258	5,000	7,258
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>	(12,258)	(12,258)	(5,000)	7,258
<u>FUND BALANCES, BEGINNING</u>	12,258	12,258	11,258	(1,000)
<u>FUND BALANCES, ENDING</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,258</u>	<u>\$ 6,258</u>

See accompanying independent auditor's report.

MORROW COUNTY, OREGON

Forest Service Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (Non-GAAP Budgetary Basis) to Actual
Year Ended June 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Intergovernmental revenue	\$ -	\$ -	\$ 6,269	\$ 6,269
Interest	500	500	1,363	863
Total revenues	<u>500</u>	<u>500</u>	<u>7,632</u>	<u>7,132</u>
<u>EXPENDITURES:</u>				
Materials and services	<u>61,000</u>	<u>61,000</u>	<u>-</u>	<u>61,000</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>				
	(60,500)	(60,500)	7,632	68,132
<u>FUND BALANCES, BEGINNING</u>				
	<u>60,500</u>	<u>60,500</u>	<u>60,803</u>	<u>303</u>
<u>FUND BALANCES, ENDING</u>				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 68,435</u>	<u>\$ 68,435</u>

See accompanying independent auditor's report.

MORROW COUNTY, OREGON

Court Security Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (Non-GAAP Budgetary Basis) to Actual
Year Ended June 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Court security	\$ 10,000	\$ 10,000	\$ 9,989	\$ (11)
Interest	1,000	1,000	3,936	2,936
Total revenues	<u>11,000</u>	<u>11,000</u>	<u>13,925</u>	<u>2,925</u>
<u>EXPENDITURES:</u>				
Materials and services	109,000	109,000	20,891	88,109
Capital outlay	20,000	20,000	-	20,000
Total expenditures	<u>129,000</u>	<u>129,000</u>	<u>20,891</u>	<u>108,109</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>				
	(118,000)	(118,000)	(6,966)	111,034
<u>FUND BALANCES, BEGINNING</u>				
	<u>140,000</u>	<u>140,000</u>	<u>139,911</u>	<u>(89)</u>
<u>FUND BALANCES, ENDING</u>				
	<u>\$ 22,000</u>	<u>\$ 22,000</u>	<u>\$ 132,945</u>	<u>\$ 110,945</u>

See accompanying independent auditor's report.

MORROW COUNTY, OREGON

Echo Wind Fees
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (Non-GAAP Budgetary Basis) to Actual
Year Ended June 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Wind fees	\$ 40,000	\$ 99,241	\$ 105,581	\$ 6,340
Interest	100	100	208	108
Total revenues	<u>40,100</u>	<u>99,341</u>	<u>105,789</u>	<u>6,448</u>
<u>EXPENDITURES:</u>				
Other requirements	<u>20,050</u>	<u>79,291</u>	<u>74,494</u>	<u>4,797</u>
<u>EXCESS OF REVENUES OVER EXPENDITURES</u>				
	20,050	20,050	31,295	11,245
<u>OTHER FINANCING SOURCES (USES):</u>				
Transfers out	<u>(20,050)</u>	<u>(20,050)</u>	<u>(20,050)</u>	<u>-</u>
<u>NET CHANGE IN FUND BALANCES</u>				
	-	-	11,245	11,245
<u>FUND BALANCES, BEGINNING</u>				
	<u>-</u>	<u>-</u>	<u>1,998</u>	<u>1,998</u>
<u>FUND BALANCES, ENDING</u>				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,243</u>	<u>\$ 13,243</u>

See accompanying independent auditor's report.

MORROW COUNTY, OREGON

Shepherds Flat Fees
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (Non-GAAP Budgetary Basis) to Actual
Year Ended June 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Wind fees	\$ 1,325,000	\$ 1,715,000	\$ 1,741,613	\$ 26,613
Interest	1,000	1,000	1,983	983
Total revenues	<u>1,326,000</u>	<u>1,716,000</u>	<u>1,743,596</u>	<u>27,596</u>
<u>EXPENDITURES:</u>				
Materials and services	-	390,000	380,296	9,704
Other requirements	21,500	21,500	21,500	-
Total expenditures	<u>21,500</u>	<u>411,500</u>	<u>401,796</u>	<u>9,704</u>
<u>EXCESS OF REVENUES OVER EXPENDITURES</u>				
	1,304,500	1,304,500	1,341,800	37,300
<u>OTHER FINANCING SOURCES (USES):</u>				
Transfers out	<u>(1,304,500)</u>	<u>(1,304,500)</u>	<u>(1,304,500)</u>	<u>-</u>
<u>NET CHANGE IN FUND BALANCES</u>				
	-	-	37,300	37,300
<u>FUND BALANCES, BEGINNING</u>				
	<u>-</u>	<u>-</u>	<u>280</u>	<u>280</u>
<u>FUND BALANCES, ENDING</u>				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 37,580</u>	<u>\$ 37,580</u>

See accompanying independent auditor's report.

MORROW COUNTY, OREGON

STO Operating Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (Non-GAAP Budgetary Basis) to Actual
Year Ended June 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
STO operating grant	\$ 61,134	\$ 61,134	\$ 39,226	\$ (21,908)
Interest	200	200	1,102	902
Other	11,400	11,400	26,135	14,735
Total revenues	<u>72,734</u>	<u>72,734</u>	<u>66,463</u>	<u>(6,271)</u>
<u>EXPENDITURES:</u>				
Personal services	56,165	56,165	50,703	5,462
Materials and services	30,500	30,500	18,215	12,285
Capital outlay	66,785	66,785	-	66,785
Contingency	32,202	32,202	-	32,202
Total expenditures	<u>185,652</u>	<u>185,652</u>	<u>68,918</u>	<u>116,734</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>				
	(112,918)	(112,918)	(2,455)	110,463
<u>OTHER FINANCING SOURCES:</u>				
Transfers in	<u>10,888</u>	<u>10,888</u>	<u>9,848</u>	<u>(1,040)</u>
<u>NET CHANGE IN FUND BALANCES</u>				
	(102,030)	(102,030)	7,393	109,423
<u>FUND BALANCES, BEGINNING</u>				
	<u>102,030</u>	<u>102,030</u>	<u>30,386</u>	<u>(71,644)</u>
<u>FUND BALANCES, ENDING</u>				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 37,779</u>	<u>\$ 37,779</u>

See accompanying independent auditor's report.

MORROW COUNTY, OREGON

Community Corrections Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (Non-GAAP Budgetary Basis) to Actual
Year Ended June 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
State P&P revenue	\$ 539,395	\$ 546,371	\$ 550,367	\$ 3,996
Charges for services and other	36,000	36,000	56,614	20,614
Interest	-	-	9,802	9,802
Total revenues	<u>575,395</u>	<u>582,371</u>	<u>616,783</u>	<u>34,412</u>
<u>EXPENDITURES:</u>				
Personal services	425,696	425,696	404,700	20,996
Materials and services	170,900	177,876	111,255	66,621
Capital outlay	35,000	68,500	62,979	5,521
Contingency	43,799	10,299	-	10,299
Total expenditures	<u>675,395</u>	<u>682,371</u>	<u>578,934</u>	<u>103,437</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>				
	(100,000)	(100,000)	37,849	137,849
<u>FUND BALANCES, BEGINNING</u>				
	<u>100,000</u>	<u>100,000</u>	<u>395,809</u>	<u>295,809</u>
<u>FUND BALANCES, ENDING</u>				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 433,658</u>	<u>\$ 433,658</u>

See accompanying independent auditor's report.

MORROW COUNTY, OREGON

PGE - Carty
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (Non-GAAP Budgetary Basis) to Actual
Year Ended June 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
PGE - Carty Comm Serv	\$ 1,647,194	\$ 2,147,194	\$ 2,250,756	\$ 103,562
Interest	400	400	14,905	14,505
Total revenues	<u>1,647,594</u>	<u>2,147,594</u>	<u>2,265,661</u>	<u>118,067</u>
<u>EXPENDITURES:</u>				
Other requirements	<u>50,000</u>	<u>550,000</u>	<u>550,000</u>	<u>-</u>
Total expenditures	<u>50,000</u>	<u>550,000</u>	<u>550,000</u>	<u>-</u>
<u>EXCESS OF REVENUES OVER EXPENDITURES</u>	1,597,594	1,597,594	1,715,661	118,067
<u>OTHER FINANCING SOURCES (USES):</u>				
Transfers out	<u>(1,597,594)</u>	<u>(1,597,594)</u>	<u>(1,597,594)</u>	<u>-</u>
<u>NET CHANGE IN FUND BALANCES</u>	-	-	118,067	118,067
<u>FUND BALANCES, BEGINNING</u>	-	-	746	746
<u>FUND BALANCES, ENDING</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 118,813</u>	<u>\$ 118,813</u>

See accompanying independent auditor's report.

MORROW COUNTY, OREGON

Non-Major Capital Projects Funds

June 30, 2019

These funds account for the purchase and construction of the capital assets of the County. The majority of the funds used to purchase capital assets are transfers from other funds. Funds included are:

- **Road Equipment Reserve Fund** - accounts for the acquisition of road equipment.
- **Computer Equipment Reserve Fund** - accounts for the acquisition of the County's computer assets.
- **Programming Reserve Fund** - accounts for the acquisition of the County's various software assets.
- **Weed Equipment Reserve Fund** - accounts for the acquisition of the County's weed fund equipment.
- **STF Vehicle Reserve Fund** - accounts for the acquisition of the special transportation bus.
- **Fair Roof Reserve Fund** - accounts for the improvements made to buildings located at the fairgrounds.
- **Bleacher Reserve Fund** - accounts for the acquisition of bleachers at the County's fairgrounds.
- **Heppner Admin Building Fund** - accounts for construction of the Heppner Administrative Building.
- **Fair Improvement Reserve** - accounts for the acquisition and payment of new dorms and showers at the County's fairgrounds.
- **Building Reserve Fund** - accounts for the construction and acquisition of the County's buildings.

MORROW COUNTY, OREGON

Nonmajor Capital Project Funds

Combining Balance Sheet

June 30, 2019

	<u>Road Equipment Reserve</u>	<u>Computer Equipment Reserve</u>	<u>Program- ming Reserve</u>	<u>Weed Equipment Reserve</u>	<u>STF Vehicle Reserve</u>	<u>Fair Roof Reserve</u>	<u>Heppner Admin. Building</u>	<u>Bleacher Reserve</u>	<u>Fair Improve. Reserve</u>	<u>Building Reserve</u>	<u>Totals</u>
<u>ASSETS:</u>											
Cash	<u>\$ 342,666</u>	<u>\$ 25,574</u>	<u>\$ 71,698</u>	<u>\$ 10,380</u>	<u>\$ 141,760</u>	<u>\$ 20,269</u>	<u>\$ 15,591</u>	<u>\$ 10,272</u>	<u>\$ 10,795</u>	<u>\$ 274,968</u>	<u>\$ 923,973</u>
Total assets	<u><u>\$ 342,666</u></u>	<u><u>\$ 25,574</u></u>	<u><u>\$ 71,698</u></u>	<u><u>\$ 10,380</u></u>	<u><u>\$ 141,760</u></u>	<u><u>\$ 20,269</u></u>	<u><u>\$ 15,591</u></u>	<u><u>\$ 10,272</u></u>	<u><u>\$ 10,795</u></u>	<u><u>\$ 274,968</u></u>	<u><u>\$ 923,973</u></u>
<u>LIABILITIES AND FUND BALANCES</u>											
<u>LIABILITIES:</u>											
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>FUND BALANCES:</u>											
Committed	<u>342,666</u>	<u>25,574</u>	<u>71,698</u>	<u>10,380</u>	<u>141,760</u>	<u>20,269</u>	<u>15,591</u>	<u>10,272</u>	<u>10,795</u>	<u>274,968</u>	<u>923,973</u>
Total liabilities and fund balances	<u><u>\$ 342,666</u></u>	<u><u>\$ 25,574</u></u>	<u><u>\$ 71,698</u></u>	<u><u>\$ 10,380</u></u>	<u><u>\$ 141,760</u></u>	<u><u>\$ 20,269</u></u>	<u><u>\$ 15,591</u></u>	<u><u>\$ 10,272</u></u>	<u><u>\$ 10,795</u></u>	<u><u>\$ 274,968</u></u>	<u><u>\$ 923,973</u></u>

See accompanying independent auditor's report.

MORROW COUNTY, OREGON

Nonmajor Capital Project Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Year Ended June 30, 2019

	Road Equipment Reserve	Computer Equipment Reserve	Program- ming Reserve	Weed Equipment Reserve	STF Vehicle Reserve	Fair Roof Reserve	Heppner Admin. Building	Bleacher Reserve	Fair Improve. Reserve	Building Reserve	Totals
<u>REVENUES:</u>											
Miscellaneous	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,000	\$ -	\$ -	\$ 6,000
Interest	8,835	858	1,783	146	3,525	463	978	270	166	6,074	23,098
Total revenues	8,835	858	1,783	146	3,525	463	978	6,270	166	6,074	29,098
<u>EXPENDITURES</u>											
General government	-	-	-	-	-	-	-	-	-	-	-
Highways and streets	750	-	-	-	-	-	-	-	-	-	750
Cultural and recreation	-	-	-	-	-	-	-	2,000	-	-	2,000
Capital outlay	123,059	19,841	-	-	-	-	-	-	-	-	142,900
Debt service	-	-	-	-	-	-	379,995	-	-	-	379,995
Total expenditures	123,809	19,841	-	-	-	-	379,995	2,000	-	-	525,645
<u>EXCESS (DEFICIENCY) OF</u>											
<u>REVENUES OVER (UNDER)</u>											
<u>EXPENDITURES</u>	(114,974)	(18,983)	1,783	146	3,525	463	(379,017)	4,270	166	6,074	(496,547)
<u>OTHER FINANCING</u>											
<u>SOURCES:</u>											
Transfers in	175,000	15,000	-	5,000	-	2,000	337,700	-	5,000	50,000	589,700
Total other financing sources	175,000	15,000	-	5,000	-	2,000	337,700	-	5,000	50,000	589,700
<u>NET CHANGE IN</u>											
<u>FUND BALANCES</u>											
	60,026	(3,983)	1,783	5,146	3,525	2,463	(41,317)	4,270	5,166	56,074	93,153
<u>FUND BALANCES, BEGIN.</u>	282,640	29,557	69,915	5,234	138,235	17,806	56,908	6,002	5,629	218,894	830,820
<u>FUND BALANCES, ENDING</u>	<u>\$ 342,666</u>	<u>\$ 25,574</u>	<u>\$ 71,698</u>	<u>\$ 10,380</u>	<u>\$ 141,760</u>	<u>\$ 20,269</u>	<u>\$ 15,591</u>	<u>\$ 10,272</u>	<u>\$ 10,795</u>	<u>\$ 274,968</u>	<u>\$ 923,973</u>

See accompanying independent auditor's report.

MORROW COUNTY, OREGON

Road Equipment Reserve Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (Non-GAAP Budgetary Basis) to Actual
Year Ended June 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Interest	\$ 1,000	\$ 1,000	\$ 8,835	7,835
Total revenues	<u>1,000</u>	<u>1,000</u>	<u>8,835</u>	<u>7,835</u>
<u>EXPENDITURES:</u>				
Capital outlay	<u>431,000</u>	<u>431,000</u>	<u>123,809</u>	<u>307,191</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>				
	(430,000)	(430,000)	(114,974)	315,026
<u>OTHER FINANCING SOURCES:</u>				
Transfers in	<u>175,000</u>	<u>175,000</u>	<u>175,000</u>	<u>-</u>
<u>NET CHANGE IN FUND BALANCES</u>				
	(255,000)	(255,000)	60,026	315,026
<u>FUND BALANCES, BEGINNING</u>				
	<u>255,000</u>	<u>255,000</u>	<u>282,640</u>	<u>27,640</u>
<u>FUND BALANCES, ENDING</u>				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 342,666</u>	<u>\$ 342,666</u>

See accompanying independent auditor's report.

MORROW COUNTY, OREGON

Computer Equipment Reserve Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (Non-GAAP Budgetary Basis) to Actual
Year Ended June 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Interest	<u>\$ 500</u>	<u>\$ 500</u>	<u>\$ 858</u>	<u>\$ 358</u>
<u>EXPENDITURES:</u>				
Capital outlay	<u>51,885</u>	<u>51,885</u>	<u>19,841</u>	<u>32,044</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>	<u>(51,385)</u>	<u>(51,385)</u>	<u>(18,983)</u>	<u>32,402</u>
<u>OTHER FINANCING SOURCES:</u>				
Transfers in	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>	<u>-</u>
<u>NET CHANGE IN FUND BALANCES</u>	<u>(36,385)</u>	<u>(36,385)</u>	<u>(3,983)</u>	<u>32,402</u>
<u>FUND BALANCES, BEGINNING</u>	<u>36,385</u>	<u>36,385</u>	<u>29,557</u>	<u>(6,828)</u>
<u>FUND BALANCES, ENDING</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,574</u>	<u>\$ 25,574</u>

See accompanying independent auditor's report.

MORROW COUNTY, OREGON

Programming Reserve Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (Non-GAAP Budgetary Basis) to Actual
Year Ended June 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Interest	\$ 700	\$ 700	\$ 1,783	\$ 1,083
<u>EXPENDITURES:</u>				
Capital outlay	70,250	70,250	-	70,250
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>	(69,550)	(69,550)	1,783	71,333
<u>FUND BALANCES, BEGINNING</u>	69,550	69,550	69,915	365
<u>FUND BALANCES, ENDING</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 71,698</u>	<u>\$ 71,698</u>

See accompanying independent auditor's report.

MORROW COUNTY, OREGON

Weed Equipment Reserve
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (Non-GAAP Budgetary Basis) to Actual
Year Ended June 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Interest	\$ 25	\$ 25	\$ 146	\$ 121
<u>EXPENDITURES:</u>				
Capital outlay	10,225	10,225	-	10,225
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>	(10,200)	(10,200)	146	10,346
<u>OTHER FINANCING SOURCES:</u>				
Transfers in	5,000	5,000	5,000	-
<u>NET CHANGE IN FUND BALANCES</u>	(5,200)	(5,200)	5,146	10,346
<u>FUND BALANCES, BEGINNING</u>	5,200	5,200	5,234	34
<u>FUND BALANCES, ENDING</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,380</u>	<u>\$ 10,380</u>

See accompanying independent auditor's report.

MORROW COUNTY, OREGON

STF Vehicle Reserve Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (Non-GAAP Budgetary Basis) to Actual
Year Ended June 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Interest	\$ 500	\$ 500	\$ 3,525	\$ 3,025
Total revenues	<u>500</u>	<u>500</u>	<u>3,525</u>	<u>3,025</u>
<u>EXPENDITURES:</u>				
Capital outlay	<u>127,975</u>	<u>127,975</u>	<u>-</u>	<u>127,975</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>	(127,475)	(127,475)	3,525	131,000
<u>FUND BALANCES, BEGINNING</u>	<u>127,475</u>	<u>127,475</u>	<u>138,235</u>	<u>10,760</u>
<u>FUND BALANCES, ENDING</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 141,760</u>	<u>\$ 141,760</u>

See accompanying independent auditor's report.

MORROW COUNTY, OREGON

Fair Roof Reserve Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances

Budget (Non-GAAP Budgetary Basis) to Actual

Year Ended June 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Interest	\$ 200	\$ 200	\$ 463	\$ 263
<u>EXPENDITURES:</u>				
Capital outlay	21,700	21,700	-	21,700
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>	(21,500)	(21,500)	463	21,963
<u>OTHER FINANCING SOURCES:</u>				
Transfers in	2,000	2,000	2,000	-
<u>NET CHANGE IN FUND BALANCES</u>	(19,500)	(19,500)	2,463	21,963
<u>FUND BALANCES, BEGINNING</u>	19,500	19,500	17,806	(1,694)
<u>FUND BALANCES, ENDING</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,269</u>	<u>\$ 20,269</u>

See accompanying independent auditor's report.

MORROW COUNTY, OREGON

Heppner Administrative Building Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (Non-GAAP Budgetary Basis) to Actual
Year Ended June 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Interest	\$ -	\$ -	\$ 978	\$ 978
Total revenues	-	-	978	978
<u>EXPENDITURES:</u>				
Debt service	394,000	394,000	379,995	14,005
Total expenditures	394,000	394,000	379,995	14,005
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>				
	(394,000)	(394,000)	(379,017)	14,983
<u>OTHER FINANCING SOURCES:</u>				
Transfers in	337,700	337,700	337,700	-
Total other financing sources	337,700	337,700	337,700	-
<u>NET CHANGE IN FUND BALANCES</u>				
	(56,300)	(56,300)	(41,317)	14,983
<u>FUND BALANCES, BEGINNING</u>				
	56,300	56,300	56,908	608
<u>FUND BALANCES, ENDING</u>				
	\$ -	\$ -	\$ 15,591	\$ 15,591

See accompanying independent auditor's report.

MORROW COUNTY, OREGON

Bleacher Reserve Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances

Budget (Non-GAAP Budgetary Basis) to Actual

Year Ended June 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Interest	\$ 200	\$ 200	\$ 270	\$ 70
Grants and donations	-	-	6,000	6,000
Total revenues	<u>200</u>	<u>200</u>	<u>6,270</u>	<u>6,070</u>
<u>EXPENDITURES:</u>				
Capital outlay	<u>44,313</u>	<u>44,313</u>	<u>2,000</u>	<u>42,313</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>				
	(44,113)	(44,113)	4,270	48,383
<u>OTHER FINANCING SOURCES:</u>				
Transfers in	<u>17,860</u>	<u>17,860</u>	<u>-</u>	<u>(17,860)</u>
<u>NET CHANGE IN FUND BALANCES</u>				
	(26,253)	(26,253)	4,270	30,523
<u>FUND BALANCES, BEGINNING</u>				
	<u>26,253</u>	<u>26,253</u>	<u>6,002</u>	<u>(20,251)</u>
<u>FUND BALANCES, ENDING</u>				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,272</u>	<u>\$ 10,272</u>

See accompanying independent auditor's report.

MORROW COUNTY, OREGON

Fair Improvement Reserve Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances

Budget (Non-GAAP Budgetary Basis) to Actual

Year Ended June 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Interest	<u>\$ 50</u>	<u>\$ 50</u>	<u>\$ 166</u>	<u>\$ 116</u>
<u>EXPENDITURES:</u>				
Capital outlay	<u>15,640</u>	<u>15,640</u>	<u>-</u>	<u>15,640</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>	<u>(15,590)</u>	<u>(15,590)</u>	<u>166</u>	<u>15,756</u>
<u>OTHER FINANCING SOURCES:</u>				
Transfers in	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>
<u>NET CHANGE IN FUND BALANCES</u>	<u>(10,590)</u>	<u>(10,590)</u>	<u>5,166</u>	<u>15,756</u>
<u>FUND BALANCES, BEGINNING</u>	<u>10,590</u>	<u>10,590</u>	<u>5,629</u>	<u>(4,961)</u>
<u>FUND BALANCES, ENDING</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,795</u>	<u>\$ 10,795</u>

See accompanying independent auditor's report.

MORROW COUNTY, OREGON

Building Reserve Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (Non-GAAP Budgetary Basis) to Actual
Year Ended June 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Interest	\$ 1,000	\$ 1,000	\$ 6,074	\$ 5,074
<u>EXPENDITURES</u>				
Capital outlay	268,745	268,745	-	268,745
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>	(267,745)	(267,745)	6,074	273,819
<u>OTHER FINANCING SOURCES:</u>				
Transfers in	50,000	50,000	50,000	-
<u>NET CHANGE IN FUND BALANCES</u>	(217,745)	(217,745)	56,074	273,819
<u>FUND BALANCES, BEGINNING</u>	217,745	217,745	218,894	1,149
<u>FUND BALANCES, ENDING</u>	\$ -	\$ -	\$ 274,968	\$ 274,968

See accompanying independent auditor's report.

MORROW COUNTY, OREGON

Other Schedules
June 30, 2019

Agency Funds:

- Combining Statement of Assets and Liabilities
- Combining Statement of Receipts, Expenditures, and Changes in Cash (Arising from Cash Transactions)

Schedule of Accountabilities:

- County Treasurer
- Other Elected Officials

Schedule of Cash and Investments

Property taxes:

- Schedule of Property Tax Transactions and Outstanding Balances
- Schedule of Property Taxes Receivable -- By Fund

MORROW COUNTY, OREGON

Agency Funds
Combining Statement of Assets and Liabilities
(Arising from Cash Transactions)
June 30, 2019

	ASSETS			LIABILITIES AND FUND EQUITY		
	Cash and Investments	Taxes Receivable	Total	Payable to Other Agencies	Fund Balance	Total
<u>AGENCY FUNDS:</u>						
Property taxes	\$ -	\$ 972,418	\$ 972,418	\$ 972,418	\$ -	\$ 972,418
Assessments and taxation	13,669	-	13,669	13,669	-	13,669
Treasurer's account	1,127	-	1,127	1,127	-	1,127
Morrow Co. medical fund	3,849	-	3,849	3,849	-	3,849
Other districts, general	5,700	-	5,700	5,700	-	5,700
Other districts, debt service	20,381	-	20,381	20,381	-	20,381
Fire districts, general	867,767	-	867,767	867,767	-	867,767
Cemetery districts	108,117	-	108,117	108,117	-	108,117
Park districts	2,884	-	2,884	2,884	-	2,884
Water control districts	20	-	20	20	-	20
School districts, general	22,638	-	22,638	22,638	-	22,638
School districts, debt service	74,006	-	74,006	74,006	-	74,006
Morrow County Unified Recreation	432,326	-	432,326	432,326	-	432,326
North Morrow vector control	908	-	908	908	-	908
Ione-Lex Perpetual	26,032	-	26,032	26,032	-	26,032
Finley buttes landfill	1,212,448	-	1,212,448	1,212,448	-	1,212,448
Library district	73,776	-	73,776	73,776	-	73,776
Other	58,995	-	58,995	58,995	-	58,995
Mobile home ombudsman	11	-	11	11	-	11
Total	\$ 2,924,654	\$ 972,418	\$ 3,897,072	\$ 3,897,072	\$ -	\$ 3,897,072

See accompanying independent auditor's report.

MORROW COUNTY, OREGON

Agency Funds

Combining Statement of Receipts, Expenditures, and Changes in Cash

(Arising from Cash Transactions)

Year Ended June 30, 2019

	Cash and Investments June 30, 2018	Additions	Deductions	Cash and Investments June 30, 2019
<u>AGENCY FUNDS:</u>				
Property taxes	\$ -	\$ 35,069,116	\$ 35,069,116	\$ -
Assessments and taxation	16,562	102,306	105,199	13,669
Treasurer's account	1,099	28	-	1,127
Morrow Co. Health District	12,762	2,137,152	2,146,065	3,849
Other districts, general	19,855	2,968,417	2,982,572	5,700
Other districts, debt service	9,576	673,339	662,534	20,381
Fire districts, general	730,904	1,814,414	1,677,551	867,767
Cemetery districts	115,830	182,329	190,042	108,117
Library districts	54,601	574,911	555,736	73,776
Park districts	8,014	1,605,169	1,610,299	2,884
Water control districts	70	10,002	10,052	20
School districts, general	75,191	11,545,652	11,598,205	22,638
School districts, debt service	126,016	2,773,877	2,825,887	74,006
Morrow County Unified Recreation	424,645	1,089,681	1,082,000	432,326
North Morrow vector control	2,968	492,290	494,350	908
Ione-Lex Perpetual	25,845	187	-	26,032
Finley buttes landfill	1,203,402	9,046	-	1,212,448
Other	52,082	1,602,366	1,595,453	58,995
Mobile home ombudsman	40	5,704	5,733	11
Total	<u>\$ 2,879,462</u>	<u>\$ 62,655,986</u>	<u>\$ 62,610,794</u>	<u>\$ 2,924,654</u>

See accompanying independent auditor's report.

MORROW COUNTY, OREGON

Schedule of Accountability -- County Treasurer

Cash Transactions

Year Ended June 30, 2019

<u>COUNTY FUNDS:</u>	Cash Balance June 30, 2018	Receipts	Disbursements	Cash Balance June 30, 2019
General	\$ 5,246,050	\$ 15,776,450	\$ 16,046,240	\$ 4,976,260
Heritage	17,483	441	216	17,708
Road Fund Equipment	377,314	183,835	218,483	342,666
General Road	2,485,218	6,277,974	6,213,744	2,549,448
Finley Buttes Road	227,914	410,117	100,000	538,031
Juvenile Services Commission	66,158	-	-	66,158
Airport	215,769	472,447	647,679	40,537
Law Library	32,064	7,747	8,970	30,841
911 Emergency Telephone	140,484	315,622	233,714	222,392
Surveyor Preservation	205,358	18,945	2,010	222,293
Finley Buttes license fee	360,759	1,614,947	768,180	1,207,526
County School	187	242,099	242,232	54
Ione School	18	21,967	21,980	5
Fair	164,082	179,270	111,713	231,639
Computer Equipment Reserve	29,557	15,858	19,841	25,574
Special Transportation	36,962	252,581	121,061	168,482
Programming Reserve	69,915	1,783	-	71,698
Alcohol Enforcement	22,694	874	295	23,273
Video Lottery	66,421	82,725	87,000	62,146
Victim/Witness Assistance	16,314	87,683	93,060	10,937
Willow Creek Wind	34,877	120,255	115,313	39,819
CAMI Grant	35,240	59,485	67,139	27,586
Weed Equipment Reserve	5,234	5,146	-	10,380
STF Vehicle Reserve	138,235	3,525	-	141,760
Roof Reserve	17,806	2,463	-	20,269
Heppner Admin Building	56,908	338,679	379,996	15,591
Safety committee	20,545	4,838	7,723	17,660
Bleacher Reserve	26,392	6,270	22,390	10,272
Rodeo	46,354	10,608	38,027	18,935
Justice Court	63,661	637,822	506,767	194,716
Clerks Records	17,677	2,110	1	19,786
DUII Impact	27,445	2,100	100	29,445
Fair Improvement Reserve	5,629	5,166	-	10,795
Building Permit Fees	638,257	186,986	76,619	748,624
Park	387,341	583,047	743,609	226,779
Equity	85,431	88,315	2,000	171,746
Building Reserve	218,894	56,074	-	274,968
Liquor Control	827	22	-	849
Water Planning	11,258	-	5,000	6,258
Forest Service	60,803	7,632	-	68,435
Court Security	138,799	25,288	12,926	151,161
Echo Wind Fees	1,998	99,449	94,543	6,904
Shepherds Flat Fees	280	1,722,011	1,706,295	15,996
STO Operating Grant	33,609	197,959	197,903	33,665
Community Corrections	313,361	604,110	585,743	331,728
PGE - Carty	746	2,162,100	2,147,595	15,251
Total County Funds	12,168,328	32,894,825	31,646,107	13,417,046
<u>AGENCY FUNDS</u>	2,879,462	62,655,986	62,610,794	2,924,654
County Treasurer Totals	\$ 15,047,790	\$ 95,550,811	\$ 94,256,901	\$ 16,341,700

See accompanying independent auditor's report.

MORROW COUNTY, OREGON

Schedule of Accountability -- Other Elected Officials

Cash Transactions

Year Ended June 30, 2019

	<u>Sheriff</u>
<u>CASH BALANCE, JUNE 30, 2018</u>	<u>\$ 2,258</u>
<u>CASH RECEIPTS</u>	<u>70,405</u>
<u>CASH DISBURSEMENTS:</u>	
Turnover to County Treasurer	<u>67,809</u>
<u>CASH BALANCE, JUNE 30, 2019</u>	<u><u>\$ 4,854</u></u>

See accompanying independent auditor's report.

MORROW COUNTY, OREGON

Schedule of Cash and Investments

June 30, 2019

County Treasurer	\$ 16,341,700
Other elected officials	4,854
Cash on hand, various funds	<u>1,970</u>
Total cash and investments	<u><u>\$ 16,348,524</u></u>

See accompanying independent auditor's report.

MORROW COUNTY, OREGON

Schedule of Property Tax Transactions and Outstanding Balances
Year Ended June 30, 2019

<u>Fiscal Year</u>	<u>Property Taxes Receivable July 1, 2018</u>	<u>Current Levy as Extended by Assessor</u>	<u>Discounts Allowed</u>	<u>Corrections and Adjustments</u>	<u>Cash Collections</u>	<u>Property Taxes Receivable June 30, 2019</u>
2018-19	\$ -	\$ 35,192,765	\$ (961,831)	\$ (2,731)	\$ (33,669,198)	\$ 559,005
2017-18	992,979	-	-	(4,802)	(572,700)	415,477
2016-17	260,734	-	-	(57)	(59,684)	200,993
2015-16	132,274	-	-	(60)	(54,723)	77,491
2014-15	59,216	-	-	(54)	(48,665)	10,497
2013-14	3,549	-	-	(53)	(462)	3,034
2012-13	1,744	-	-	-	(479)	1,265
Prior years	4,914	-	-	-	(1,271)	3,643
	<u>\$ 1,455,410</u>	<u>\$ 35,192,765</u>	<u>\$ (961,831)</u>	<u>\$ (7,757)</u>	<u>\$ (34,407,182)</u>	<u>\$ 1,271,405</u>

County Summary:

County Operations	\$ 378,508	\$ 9,112,697	\$ (249,053)	\$ (2,010)	\$ (8,941,155)	\$ 298,987
Agency Funds	1,076,902	26,080,068	(712,778)	(5,747)	(25,466,027)	972,418
	<u>\$ 1,455,410</u>	<u>\$ 35,192,765</u>	<u>\$ (961,831)</u>	<u>\$ (7,757)</u>	<u>\$ (34,407,182)</u>	<u>\$ 1,271,405</u>

See accompanying independent auditor's report.

MORROW COUNTY, OREGON

Schedule of Property Taxes Receivable -- By Fund
June 30, 2019

General fund	\$ 295,623
County school fund	881
Ione school fund	86
Fair fund	<u>2,397</u>
Sub-total	298,987
Agency funds	<u>972,418</u>
Total	<u><u>\$ 1,271,405</u></u>

See accompanying independent auditor's report.

AUDIT REPORTS, COMMENTS AND DISCLOSURES
REQUIRED BY GOVERNMENT AUDITING STANDARDS
AND STATE REGULATIONS

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.....
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**INDEPENDENT AUDITOR'S 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**

County Commissioners
Morrow County, Oregon

We have audited, in accordance with the 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Morrow County, Oregon, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise Morrow County, Oregon's basic financial statements and have issued our report thereon dated December 30, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Morrow County, Oregon's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Morrow County, Oregon's internal control. Accordingly, we do not express an opinion on the effectiveness of Morrow County, Oregon's internal control.

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

County Commissioners
Morrow County
Page two


Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and results of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purposes.

Barnett & Moro, P.C.

By  _____
Cameron W. Anderson, Shareholder
Hermiston, Oregon
December 30, 2019

AUDIT COMMENTS AND DISCLOSURES
REQUIRED BY STATE REGULATIONS

Oregon Administrative Rules 162-10-000 through 162-10-330 of the Minimum Standards for Audits of Oregon Municipal Corporations, prescribed by the Secretary of State in cooperation with the Oregon State Board of Accountancy, enumerate the financial statements, schedules, comments, and disclosures as set forth in the preceding sections of this report. Required comments and disclosures related to the audit of such statements and schedules are set forth following.

INDEPENDENT AUDITOR'S REPORT
REQUIRED BY OREGON STATE REGULATIONS

County Commissioners
Morrow County
Heppner, Oregon

We have audited the basic financial statements of Morrow County, Oregon as of and for the year ended June 30, 2019, and have issued our report thereon dated December 30, 2019. 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.

Compliance

As part of obtaining reasonable assurance about whether Morrow County, Oregon'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.
- Budgets legally required (ORS Chapter 294).
- Insurance and fidelity bonds in force or required by law.
- Programs funded from outside sources.
- Highway revenues used for public highways, roads, and streets.
- Authorized investment of surplus funds (ORS Chapter 294).
- Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).

County Commissioners
Morrow County
Page two

In connection with our testing nothing came to our attention that caused us to believe the Morrow County, Oregon was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, except for the budget overexpenditures listed in Note 2 to the financial statements.

OAR 162-10-0230 Internal Control


In planning and performing our audit, we considered Morrow County, Oregon'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 Morrow County, Oregon's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Morrow County, Oregon's internal control over financial reporting.

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

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

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

Barnett & Moro, P.C.

By: 

Cameron W. Anderson, Shareholder
Hermiston, Oregon
December 30, 2019

SINGLE AUDIT SECTION

MORROW COUNTY, OREGON

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2019

<u>Federal Grantor/Program Name:</u>	<u>Federal</u>	<u>Major</u>	<u>Amount</u>
	<u>CFDA Number</u>	<u>Programs (X)</u>	
<u>U.S. DEPARTMENT OF AGRICULTURE:</u>			
Schools and roads - grants to states	10.665		\$ 183,901
<u>U.S. DEPARTMENT OF JUSTICE:</u>			
Crime victim assistance	16.575		\$ 56,753
<u>U.S. DEPARTMENT OF ENERGY:</u>			
Environmental remediation and waste processing and disposal	81.104		\$ 5,600
<u>U.S. DEPARTMENT OF VETERAN AFFAIRS</u>			
Veterans transportation program	64.035		\$ 45,344
<u>U.S. GENERAL SERVICES ADMINISTRATION</u>			
Donation of Federal surplus personal property	39.003		\$ 16,274
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:</u>			
Oregon Health Authority:			
Public health emergency preparedness	93.069		\$ 80,723
Family planning services	93.217		2,869
Medical assistance program	93.778		6,901
Block grants for community mental health services	93.958		22,803
Block grants for prevention and treatment of substance abuse	93.959		61,575
Maternal and child health services block grants to the state	93.994		5,387
			<u>180,258</u>
Oregon Department of Justice:			
Child support enforcement	93.563		71,946
			<u>\$ 252,204</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION:</u>			
Enhanced mobility of seniors and individuals with disabilities	20.513		\$ 39,226
Airport Improvement Program	20.106		309,232
			<u>\$ 348,458</u>
<u>U.S. DEPARTMENT OF THE INTERIOR:</u>			
Payment in Lieu of Taxes	15.226	X	\$ 384,555
<u>U.S. DEPARTMENT OF HOMELAND SECURITY:</u>			
Emergency management performance grants	97.042		\$ 2,374
			<u>\$ 1,295,463</u>

See notes to schedule of
expenditures of federal awards.

MORROW COUNTY, OREGON

Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2019

NOTE A - BASIS OF PRESENTATION:

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Morrow County, Oregon and is presented on the modified accrual basis of accounting as described in note 1 to the basic financial statements. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of Morrow County, Oregon, it is not intended to and does not present the financial position, changes in net position, or cash flows of Morrow County. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE B -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Expenditures reported on the on the Schedule are reported on the basis of accounting described in Note 1 to the financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

The County has not elected to use the 10% percent de minimis indirect cost rate as allowed under the Uniform Guidance.

BARNETT & MORO, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

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REBECCA K. RAMOS BAUTISTA, C.P.A.
MITCHELL L. BOYLAN, C.P.A.
.....
GERALD J. MORO, C.P.A. EMERITUS

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND
ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

County Commissioners
Morrow County
Heppner, Oregon

Report on Compliance for Each Major Federal Program

We have audited Morrow County, Oregon's compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of Morrow County, Oregon's major federal programs for the year ended June 30, 2019. Morrow County, Oregon's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Morrow County, Oregon's major federal programs based on our audit of the types of compliance requirements referred to above. 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 Morrow County, Oregon's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Morrow County, Oregon's compliance.

Opinion on Each Major Federal Program

In our opinion, Morrow County, Oregon, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

Report on Internal Control Over Compliance


Management of Morrow County, Oregon, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Morrow County, Oregon's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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 Morrow County, Oregon's internal control over compliance.

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

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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Barnett & Moro, P.C.

By: 

Cameron W. Anderson, Shareholder
Hermiston, Oregon
December 30, 2019

MORROW COUNTY, OREGON

Schedule of Findings and Questioned Costs

Year Ended June 30, 2019

Section I-Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: unmodified opinion

Internal control over financial reporting:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? yes none reported

Noncompliance material to financial statements noted? yes no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? yes no

Type of auditor's report issued on compliance for major program: unmodified opinion

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? yes no

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster
15.226	Payments in Lieu of Taxes

Dollar threshold used to distinguish between type A and type B programs: \$ 750,000

Auditee qualified as low-risk auditee? yes no

Section II-Financial Statement Findings

There are no financial statement findings for the year ended June 30, 2019

Section III-Federal Award Findings and Questioned Costs

There are no federal award findings or questioned costs for the year ended June 30, 2019.

MORROW COUNTY, OREGON

SUMMARY SCHEDULE OF PRIOR YEAR'S AUDIT FINDINGS

Year Ended June 30, 2019

QUESTIONED COSTS:

There were no questioned costs for the year ended June 30, 2018.

FINDINGS:

Finding 2018-1

Good accounting controls require proper review of the bank reconciliation process. All bank and investment accounts appear to have been reconciled in a timely fashion, but not all account reconciliations were reviewed by a second party.

We recommend that all bank and investment account reconciliations be reviewed in a timely fashion after the reconciliation process has occurred.

This finding was corrected during the current year.