



MORROW COUNTY, OREGON

ANNUAL FINANCIAL REPORT

Year Ended June 30, 2023

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MORROW COUNTY
OFFICERS AND MEMBERS OF THE GOVERNING BODY
Year Ended June 30, 2023

<u>Commissioners</u>	<u>Term Expiration December 31,</u>
David Sykes	2027
Jeff Wenholz	2027
Roy Drago Jr.	2025

The officials may be reached at the address below:

Elected Officials

Michael Gorman, Assessor & Tax Collector
Bobbi Childers, Clerk
John Bowles, Sheriff
Jaylene Papineau, Treasurer
Glenn Diehl, Justice of the Peace

Administrative Offices

Morrow County
110 N. Court St
Heppner, OR 97836

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Morrow County
Heppner, Oregon

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Morrow County (the "County") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparisons for the General, Road, and Capital Improvement funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 3 to the financial statements, the beginning net position of governmental activities and custodial funds, and the beginning fund balances of the General, Road, and nonmajor governmental funds, have been adjusted to reflect the correction of errors that occurred in prior years. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect material misstatements when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages a – i and the schedules on pages 56 – 59 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 GAAS, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual fund financial statements and schedules, and the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 29, 2024, on our consideration of the County'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 solely 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 the effectiveness of the County's 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 County's internal control over financial reporting and compliance.

Board of Commissioners
Morrow County
Independent Auditor's Report
February 29, 2024

Other Reporting Required by Oregon State Regulations

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have also issued our report dated February 29, 2024, on our consideration of the County'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.

Singer Lewak LLP

February 29, 2024

By:

Bradley G. Bingenheimer, Partner

MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

This discussion and analysis presents the highlights of financial activities and financial position for Morrow County (the "County"). The analysis focuses on significant financial issues, major financial activities and resulting changes in financial position, budget changes and variances from the budget, and specific issues related to funds and the economic factors affecting the County.

FINANCIAL HIGHLIGHTS

The County's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at June 30, 2023 by \$100,845,876 (*net position*). Of this amount \$69,886,348 was the net investment in capital assets; \$12,740,203 was restricted for specific purposes and \$18,219,325 was unrestricted.

The County's net position increased by \$7,775,861, or 8.35%, which was due primarily to the operations of governmental activities.

The County's governmental fund balances increased by \$12,044,739, with the General Fund experiencing an increase of \$1,115,146, the Road Fund an increase of \$1,712,196, and the Capital Improvement Fund an increase of \$6,979,196, and Nonmajor Governmental Funds having a combined increase in fund balance of \$2,238,201. Additionally, fund balance was affected by prior period adjustments in the General, Road, and non-major governmental funds by a decrease of \$(976,874), an increase of \$743,400, and an increase of \$6,197, respectively. MDA pg 1

OVERVIEW OF THE FINANCIAL STATEMENTS

The County's annual financial report consists of several sections. Taken together they provide a comprehensive financial report of the County. The components of the report include the following:

Management's Discussion and Analysis. This section of the report provides financial highlights, an overview and economic factors affecting the County.

Basic Financial Statements. Includes a statement of net position, a statement of activities, fund financial statements and the notes to basic financial statements.

Statements of net position and activities focus on entity-wide presentations using the accrual basis of accounting and provide both long-term and short-term information about the County's financial status.

Fund financial statements focus separately on major governmental and proprietary funds and types of fiduciary funds. Governmental fund statements follow the more traditional presentation of financial statements. The County's major governmental funds are presented in their own columns and the remaining funds are combined into a single column titled "Nonmajor Funds." Budgetary comparison statements are presented for the General, Road, and Capital Improvement Funds. Fiduciary funds account for resources held for the benefit of others and have not been reflected in the statements of net position and activities as they are not available to the County.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

Basic Financial Statements. (continued)

The notes to basic financial statements provide additional disclosures required by governmental accounting standards and provide information to assist the reader in understanding the County's financial condition.

Required Supplementary Information. The Governmental Accounting Standards Board (GASB) requires certain additional schedules be included in the financial statements related to the County's pension and other postemployment benefit plans.

Combining Financial Statements and Individual Fund and Other Schedules. Readers desiring additional information on non-major funds can find it in this section of the report. Included within this section are:

- Combining statements of nonmajor governmental funds. These statements include balance sheets and statements of revenues, expenditures and changes in fund balances.
- Budgetary comparisons. Budget to actual schedules for all funds, except General and the major special revenue funds, which are presented within the basic financial statements, are presented here.
- Fiduciary fund statement of changes in assets and liabilities.
- Other financial schedules covering capital assets and long-term obligations complete the financial section of the report.

Compliance Section:

- Independent Auditor's Report required by Oregon State Regulations. Supplemental communication on county compliance and internal controls as required by Oregon statutes.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

FINANCIAL SUMMARY AND ANALYSIS

As mentioned earlier, the County's net position as of June 30, 2023, was \$100,845,876. By far the largest portion of net position is comprised of the county's investment in capital assets (e.g., land, buildings, equipment, and public infrastructure), less any related debt outstanding that was used to acquire those assets. The County uses capital assets to provide services to citizens; therefore, these assets are not available for future spending. The resources to repay the related debt are not provided by capital assets but will be provided from other sources.

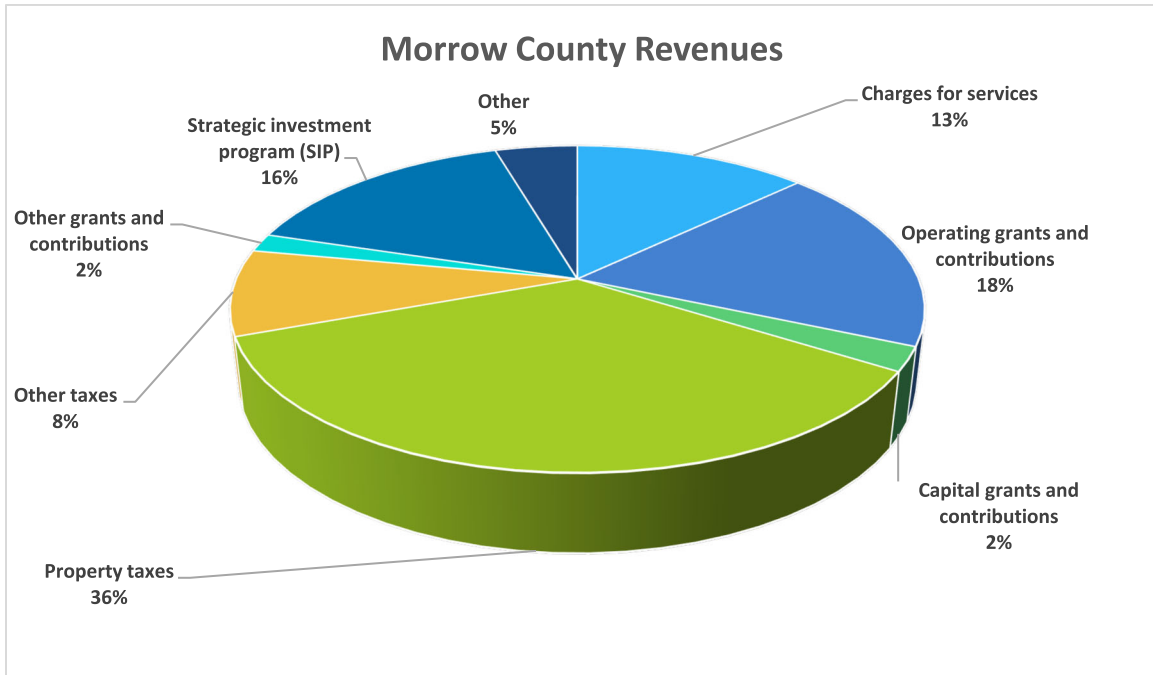
The unrestricted net position of business-type activities represents the current assets of the Solid Waste Service District, which are offset by the liability for landfill post-closure care costs.

Total net position increased by \$7,775,861. The revenue of the County comes primarily from property taxes, charges for services, and operating grants and contributions. The County's expenses cover a wide variety of services, with general government, public safety, and health and welfare accounting for over half of the expenses.

	Governmental Activities	
	2023	2022
Assets		
Current and other assets	\$ 48,206,380	\$ 34,379,555
Capital assets, net	<u>76,863,287</u>	<u>78,718,893</u>
Total assets	<u>125,069,667</u>	<u>113,098,448</u>
Deferred outflows of resources	<u>12,284,083</u>	<u>2,509,757</u>
Liabilities		
Other liabilities	4,538,629	3,171,310
Long-term obligations	<u>31,884,924</u>	<u>15,395,780</u>
Total liabilities	<u>36,423,553</u>	<u>18,567,090</u>
Deferred inflows of resources	<u>84,321</u>	<u>3,971,100</u>
Net position		
Net investment in capital assets	69,886,348	71,268,711
Restricted	12,740,203	6,505,097
Unrestricted	<u>18,219,325</u>	<u>15,296,207</u>
Total net position	<u>\$ 100,845,876</u>	<u>\$ 93,070,015</u>

MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)

FINANCIAL SUMMARY AND ANALYSIS (continued)



Property taxes, comprising 36% of Morrow County’s revenue, are derived from the permanent tax rate.

The permanent tax rate provides most of the funding for general government.

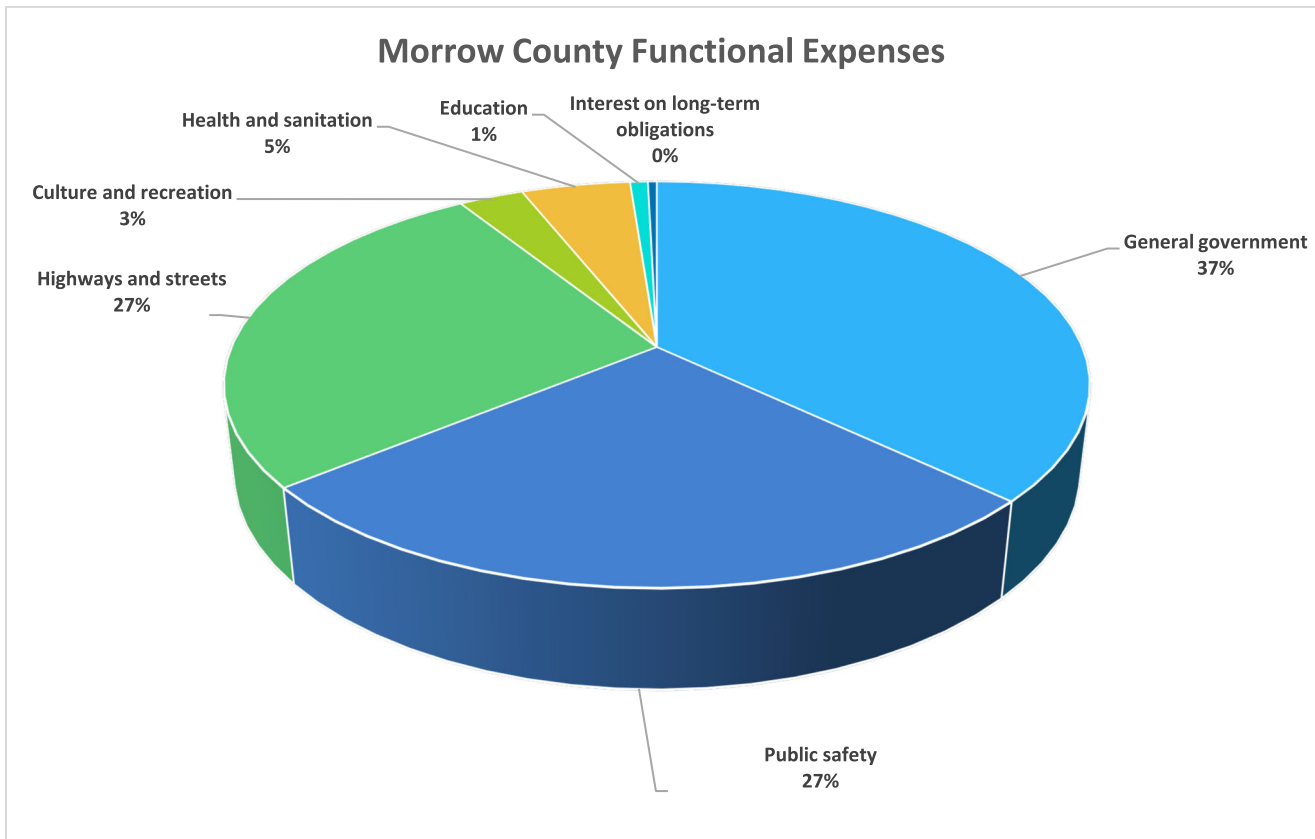
For the year ended June 30, 2023, a large percentage of revenues come from property taxes (36%), strategic investment program (SIP) fees (16%), other taxes (8%), and operating grants and contributions (18%). Other taxes include enterprise zone fees and payments.

Operating grants and contributions primarily fund the public health, veterans’ services, public works, community corrections, public transportation, emergency dispatch, fair, economic development programs, and mental health services.

Other taxes primarily fund capital improvement projects or other special nonrecurring projects.

MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)

FINANCIAL SUMMARY AND ANALYSIS (continued)



Expenses for general government and public safety comprise 64% of total expenses. Public safety includes, sheriff’s department, community corrections, justice court, and emergency dispatch.

General government includes expenses for community development; information technology, assessment and taxation, elections, finance, commissioners and emergency management, planning, general maintenance and public works administration. County park system expenses are included in culture and recreation.

Health and sanitation expenses relate to the public health department and the county transfer stations and waste disposal. Highways and streets expenses relate to repair and maintenance of infrastructure.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

FINANCIAL SUMMARY AND ANALYSIS (continued)

Governmental activities increased the County's net position by \$7,775,861. The key elements of this increase are as follows:

	Governmental Activities	
	2023	2022
Revenues		
Program revenues:		
Charges for services	\$ 5,453,594	\$ 10,747,256
Operating grants and contributions	7,790,811	9,209,649
Capital grants and contributions	1,000,000	650,643
General revenues:		
Property taxes	14,942,385	11,489,008
Other taxes	3,582,290	12,764,226
Other grants and contributions	755,601	2,020,788
Strategic investment program payments	6,594,408	
Other	1,921,530	794,807
Total revenues	<u>42,040,619</u>	<u>47,676,377</u>
Expenses		
General government	12,696,501	21,508,267
Public safety	9,257,671	6,551,204
Highways and streets	9,243,580	9,712,439
Culture and recreation	992,260	1,002,858
Health and sanitation	1,666,244	1,423,263
Education	271,710	269,511
Interest on long-term obligations	<u>136,792</u>	<u>176,824</u>
Total expenses	<u>34,264,758</u>	<u>40,644,366</u>
Change in net position	7,775,861	7,032,011
Net position - beginning	<u>93,070,015</u>	<u>86,038,004</u>
Net position - ending	<u>\$ 100,845,876</u>	<u>\$ 93,070,015</u>

Governmental Activities

The increase in net position is attributed largely to growth in property tax revenue and significant other revenue derive primarily from payments related to strategic investment program and enterprise zone agreements along with reductions in general government expenses compared to the prior year. Of note is the significant decrease in general government expense from the prior year which is reflective of a one-time distribution of significant in lieu of tax payments received by the County.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

FINANCIAL ANALYSIS OF FUNDS

As of June 30, 2023, the County's governmental funds reported a combined fund balance of \$43,402,713, which is an increase of \$12,044,739 from June 30, 2022.

The General Fund is the primary operating fund of the County. As of June 30, 2023, the General Fund balance is \$18,695,210, which is an increase of \$1,115,146 from June 30, 2022. The County has eight funds that, while separately budgeted, do not meet the definition of a special revenue, debt service, capital project, or permanent fund in accordance with accounting principles accepted in the United States of America. Accordingly, these funds have been combined with the General Fund.

The Road Fund is primarily supported by state fuel taxes and federal forest fees. Its fund balance increased by \$1,712,196 during 2022-23. The increase is primarily due to transfers in from other funds for the purpose of accumulating reserves for future capital infrastructure projects.

The Capital Improvements Fund experienced an increase in fund balance of \$6,979,196. This increase is primarily due to the accumulation of reserves that are committed to future capital improvement projects.

GENERAL FUND BUDGETARY HIGHLIGHTS

The County prepares its General Fund budget on the cash receipts and disbursements basis of accounting.

The changes between the original and final budget of the General Fund were enacted to increase budgeted revenues and expenditures for additional revenues received but not budgeted for. In addition, changes were made to transfer relatively small amounts between appropriation categories.

In the General Fund, total budgeted expenses and appropriations increased over the original budget amounts by \$31,000 and this was offset by an increase in budgeted revenues from operating grants. Total transfers of appropriations from operating contingency to other classifications in the General Fund were \$459,716. These transfers from operating contingency were necessary due to changes in operations that could not be foreseen, and thus were not included, during the development of the original budget.

Actual revenues in the General Fund were \$3,590,571 more than anticipated due to an increase in property taxes, intergovernmental revenues, and interest revenue. Actual expenditures were \$6,521,572 less than appropriations due primarily to fewer anticipated expenditures in public health, board of commissioners, emergency management, public works administration and nondepartmental materials and services. In addition, there was a total remaining operating contingency of \$3,864,486 that was not utilized.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

CAPITAL ASSETS AND DEBT ADMINISTRATION

As of June 30, 2023, the County had invested \$76,863,287 in capital assets, net of depreciation. Construction in progress had significant activity with reclassifications of \$2,477,205 due to the completion of various infrastructure projects. The investment includes land and land improvements, buildings, equipment, and public infrastructure of roads and bridges. The investment in depreciable capital assets had a net increase of \$1,742,942 less \$4,243,521 of net changes in accumulated depreciation and amortization. Additional information on the County's capital assets may be found in Note 8 of the financial statements.

The total long-term obligations outstanding as of June 30, 2023 amounted to \$31,884,924. These obligations include loans, capital leases, compensated absences, other postemployment benefit liability, and net pension liability.

During the year the County retired \$531,743 in principal on long-term debt obligations. Other long-term obligations had a net increase of \$16,101,133 mainly due to changes in net pension liability.

A summary of the County's long-term obligations outstanding is as follows:

Note payable	\$ 6,770,000
Financed purchase of assets	206,939
Compensated absences	432,317
Net pension liability	24,108,530
Other postemployment benefit liability	367,138

Additional information on the County's long-term obligations may be found in Note 10 to the financial statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

ECONOMIC FACTORS

Oregon law limits annual increases in the assessed value of property subject to taxation. Assessed values may increase up to 3% per year, plus the value of new construction. Increases in the County's property tax revenue each year are insufficient to cover the rising cost of services.

The provision of County services is heavily reliant on intergovernmental sources of revenue such as federal and state grants and funding provided by the state legislature.

Funding provided by the state legislature for county programs is subject to biennial appropriations. The state's funding source is primarily income taxes, therefore, the state is dependent on a strong economy to fund services. Local governments compete with schools and other services which make them vulnerable to funding reductions.

Tax abatement programs (such as 'enterprise zones', or 'strategic investment programs') and other economic development activities in the County have led to significant growth in the energy and technology industries. As a result, the fee revenue generated in lieu of taxes has become significant for the County and is utilized as a funding source for special projects, capital improvements and other capital acquisitions.

FINANCIAL CONTACT

The County's financial statements are designed to present users (citizens, taxpayers, customers, investors, and creditors) with a general overview of finances and to demonstrate accountability.

If you have questions about the report or need additional financial information, please contact Kevin Ince, Finance Director and County Accountant, at 110 N. Court St., Heppner, OR 97836.

BASIC FINANCIAL STATEMENTS

MORROW COUNTY
STATEMENT OF NET POSITION
June 30, 2023

	Governmental Activites
Assets	
Cash and cash equivalents	\$ 44,234,655
Receivables, net	2,338,693
Inventories	1,521,360
Prepaid items	111,672
Capital assets:	
Land and construction in progress	3,249,451
Other capital assets, net	73,613,836
Total assets	125,069,667
Deferred outflows of resources	
Pension related items	12,168,501
Other postemployment benefit related items	115,582
Total deferred outflows of resources	12,284,083
Liabilities	
Accounts payable and accrued liabilities	2,382,595
Accrued interest payable	10,766
Unearned revenue	2,145,268
Long-term liabilities:	
Due within one year	945,511
Due in more than one year	30,939,413
Total liabilities	36,423,553
Deferred inflows of resources	
Pension related items	56,820
Other postemployment benefit related items	27,501
Total deferred inflows of resources	84,321
Net position	
Net investment in capital assets	69,886,348
Restricted for:	
Highways and streets	3,701,460
Public safety	1,463,318
Health and sanitation	1,086,884
Culture and recreation	969,439
Transportation	625,846
Capital projects	1,113,481
Other restricted purposes	3,779,775
Unrestricted	18,219,325
Total net position	\$ 100,845,876

See notes to financial statements

MORROW COUNTY
STATEMENT OF ACTIVITIES
Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	and Contributions	Capital Grants and Contributions	Totals
General government	\$ 12,696,501	\$ 3,268,452	\$ 2,289,027	\$ -	\$ (7,139,022)
Public safety	9,257,671	976,199	1,713,831	-	(6,567,641)
Highways and streets	9,243,580	222,297	2,641,505	-	(6,379,778)
Culture and recreation	992,260	321,513	478,689	1,000,000	807,942
Health and sanitation	1,666,244	665,133	667,759	-	(333,352)
Education	271,710	-	-	-	(271,710)
Interest on long-term obligations	136,792	-	-	-	(136,792)
Total governmental activities	34,264,758	5,453,594	7,790,811	1,000,000	(20,020,353)
General revenues:					
Taxes levied for:					
General purposes					14,942,385
Other taxes					3,582,290
Grants and contributions not restricted to specific programs					755,601
Strategic investment program payments					6,594,408
Unrestricted investment earnings					1,222,505
Miscellaneous					699,025
Total general revenues and transfers					27,796,214
Change in net position					7,775,861
Net position - beginning					93,297,292
Prior period adjustment					(227,277)
Net position - ending					\$ 100,845,876

See notes to financial statements

MORROW COUNTY
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2023

	General	Road	Capital Improvement	Total Nonmajor Funds	Total Governmental Funds
Assets					
Cash and investments	\$ 21,036,086	\$ 3,869,864	\$ 9,110,353	\$ 10,218,352	\$ 44,234,655
Receivables	1,003,440	9,762	-	1,325,491	2,338,693
Prepaid items	111,672	-	-	-	111,672
Inventory	-	1,501,800	-	19,560	1,521,360
Due from other funds	170,381	-	-	-	170,381
Total assets	\$ 22,321,579	\$ 5,381,426	\$ 9,110,353	\$ 11,563,403	\$ 48,376,761
Liabilities, deferred inflows and fund balances					
Accounts payable and accrued liabilities	\$ 1,205,297	\$ 178,166	\$ 5,195	\$ 993,937	\$ 2,382,595
Due to other funds	-	-	-	170,381	170,381
Unearned revenue	2,145,268	-	-	-	2,145,268
Total liabilities	3,350,565	178,166	5,195	1,164,318	4,698,244
Deferred inflows of resources					
Unavailable revenue	275,804	-	-	-	275,804
Total deferred inflows of resources	275,804	-	-	-	275,804
Fund balances					
Nonspendable	111,672	1,501,800	-	19,560	1,633,032
Restricted	915,511	3,701,460	-	8,123,232	12,740,203
Committed	143,963	-	9,105,158	2,256,293	11,505,414
Unassigned	17,524,064	-	-	-	17,524,064
Total fund balances	18,695,210	5,203,260	9,105,158	10,399,085	43,402,713
Total liabilities, deferred inflows of resources and fund balances	\$ 22,321,579	\$ 5,381,426	\$ 9,110,353	\$ 11,563,403	\$ 48,376,761

See notes to financial statements

MORROW COUNTY
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
June 30, 2023

Fund balances - total governmental funds	\$	43,402,713
<i>Amounts reported for governmental activities in the statement of net position are different because:</i>		
Capital and lease assets used in governmental activities are not financial resources and, therefore, are not reported in the funds		76,863,287
Deferred outflows related to the pension and other postemployment benefit plans are not current financial resources and therefore are not reported in the funds		12,284,083
Certain payments received are for services to be provided in future periods and, therefore, are reported as unearned in the statement of net position		275,804
The net pension liability is reported in the statement of net position, but is not reported in the funds		(24,108,530)
The other postemployment benefit liability is reported in the statement of net position but is not reported in the funds		(367,138)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds		(7,420,022)
Deferred inflows related to the pension and other postemployment benefit plan are reported in the statement of net position but are not reported in the funds		<u>(84,321)</u>
Net position of governmental activities	\$	<u>100,845,876</u>

MORROW COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2023

	General	Road	Capital Improvement	Total Nonmajor Funds	Total Governmental Funds
Revenues					
Property taxes	\$ 14,904,862	\$ -	\$ -	\$ -	\$ 14,904,862
Licenses, permits and fees	2,508,284	24,723	-	1,267,671	3,800,678
Fines and forfeitures	186,500	-	-	280,227	466,727
Charges for services	376,266	164,014	-	645,909	1,186,189
Strategic investment program payments	6,594,408	-	-	-	6,594,408
Intergovernmental	6,339,675	2,199,591	-	4,589,436	13,128,702
Interest	580,013	132,234	196,105	314,153	1,222,505
Miscellaneous	458,959	405,719	-	20,374	885,052
Total revenues	31,948,967	2,926,281	196,105	7,117,770	42,189,123
Expenditures					
Current					
General government	11,219,804	-	-	116,499	11,336,303
Public safety	5,855,117	-	-	1,522,901	7,378,018
Highways and streets	-	4,792,173	-	585,390	5,377,563
Culture and recreation	11,000	-	-	887,832	898,832
Health and sanitation	1,207,123	-	-	-	1,207,123
Education	-	-	-	271,710	271,710
Capital outlay	492,022	164,886	704,364	1,862,771	3,224,043
Debt service					
Principal	-	-	444,180	-	444,180
Interest	-	-	126,026	-	126,026
Total expenditures	18,785,066	4,957,059	1,274,570	5,247,103	30,263,798
Excess (deficiency) of revenues over expenditures	13,163,901	(2,030,778)	(1,078,465)	1,870,667	11,925,325
Other financing sources (uses)					
Issuance of long-term obligations	-	58,500	-	-	58,500
Transfers in	90,070	4,065,979	8,057,661	1,492,898	13,706,608
Sale of capital assets	7,373	53,495	-	46	60,914
Transfers out	(12,146,198)	(435,000)	-	(1,125,410)	(13,706,608)
Total other financing sources (uses)	(12,048,755)	3,742,974	8,057,661	367,534	119,414
Net change in fund balances	1,115,146	1,712,196	6,979,196	2,238,201	12,044,739
Fund balances at beginning of year	18,556,938	2,747,664	2,125,962	8,154,687	31,585,251
Prior period adjustment	(976,874)	743,400	-	6,197	(227,277)
Fund balance at end of year	\$ 18,695,210	\$ 5,203,260	\$ 9,105,158	\$ 10,399,085	\$ 43,402,713

See notes to financial statements

MORROW COUNTY
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2023

Net change in fund balances - total governmental funds		\$ 12,044,739
 <i>Amounts reported for governmental activities in the Statement of Activities are different because of the following</i>		
 Governmental funds report the acquisition of capital assets as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. The difference between those two amounts is:		
Acquisition of capital assets	\$ 3,165,650	
Depreciation	<u>(4,774,315)</u>	(1,608,665)
 The net effect of transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position		
		(246,941)
 In the statement of activities, property taxes are reported as revenues when assessed. However, in the governmental funds, property taxes are reported when they are measurable and available. This revenue recognition results in differences in amounts reported for property tax revenues		
		37,523
 In the statement of activities, the change in the net pension liability and deferred outflows and inflows of pension related items are reported as additional expenses for increases and a reduction of expenses for decreases		
		(2,940,757)
 The change in the other postemployment benefit liability and deferred outflows and inflows of other postemployment benefit related items are reported as additional revenues (expenses) in the statement of activities		
		71,792
 Repayment of long-term obligation principal and lease payments is an expenditure in the governmental funds, but the repayments reduces long-term obligations in the statement of net position. Additionally, the issuance of debt is an other financing source in the funds but increases long-term obligations in the statement of net position		
Proceeds from long-term debt obligations	(58,500)	
Principal payments	<u>531,743</u>	473,243
 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.		
Accrued interest	(10,766)	
Compensated absences	<u>(44,307)</u>	(55,073)
 Change in net position of governmental activities		 <u>\$ 7,775,861</u>

MORROW COUNTY
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET TO ACTUAL
Year Ended June 30, 2023

	Budget		Actual	Variance
	Original	Final		
Revenues				
Property taxes	\$ 12,120,000	\$ 12,120,000	\$ 14,904,862	\$ 2,784,862
Licenses, permits and fees	659,345	659,345	502,916	(156,429)
Fines and forfeitures	295,950	295,950	186,500	(109,450)
Charges for services	375,420	375,420	376,266	846
Intergovernmental	3,361,801	3,392,801	4,002,882	610,081
Interest	100,000	100,000	480,002	380,002
Miscellaneous	378,300	378,300	458,959	80,659
	<u>17,290,816</u>	<u>17,321,816</u>	<u>20,912,387</u>	<u>3,590,571</u>
Total revenues				
Expenditures				
Board of commissioners	709,643	709,643	530,518	179,125
Administrative services	731,416	797,416	771,423	25,993
County assessor/tax collector	920,695	920,695	834,074	86,621
County treasurer	137,565	140,565	144,766	(4,201)
County clerk	376,074	387,074	384,420	2,654
Veterans officer	119,954	121,954	112,517	9,437
Board of property tax appeals	3,036	3,036	2,233	803
Justice court	343,083	361,083	327,171	33,912
District attorney	439,246	449,246	463,463	(14,217)
Juvenile department	410,074	441,074	430,547	10,527
Sheriff	4,681,053	4,726,344	4,783,422	(57,078)
Health department	1,605,874	1,605,874	1,075,124	530,750
Planning	772,377	772,377	640,216	132,161
Community development	156,757	156,757	-	156,757
Emergency management	534,252	694,252	233,159	461,093
Surveyor	172,883	172,883	32,313	140,570
Museum	11,000	11,000	11,000	-
Public works administration	76,085	76,085	62,987	13,098
Public works general maintenance	781,714	866,714	585,571	281,143
Solid waste transfer station north	64,250	68,250	58,719	9,531
Solid waste transfer station south	163,206	182,206	175,515	6,691
Computer	355,500	370,925	353,191	17,734
Weed department	137,668	158,668	163,532	(4,864)
Nondepartmental personnel services	86,171	86,171	29,968	56,203
Nondepartmental materials & services	871,650	1,676,650	1,586,173	90,477
Nondepartmental capital outlay	365,000	365,000	949	364,051
Debt service	1,200	1,200	-	1,200
Special payments	1,924,437	1,119,437	992,522	126,915
Contingency	4,324,202	3,864,486	-	3,864,486
	<u>21,276,065</u>	<u>21,307,065</u>	<u>14,785,493</u>	<u>6,521,572</u>
Total expenditures				
Excess (deficiency) of revenues over expenditures	<u>(3,985,249)</u>	<u>(3,985,249)</u>	<u>6,126,894</u>	<u>10,112,143</u>
Other financing sources (uses)				
Sale of capital assets	25,000	25,000	7,373	(17,627)
Transfers in	127,158	127,158	95,651	(31,507)
Transfers out	(3,174,794)	(3,174,794)	(3,174,794)	-
	<u>(3,022,636)</u>	<u>(3,022,636)</u>	<u>(3,071,770)</u>	<u>(49,134)</u>
Total other financing sources (uses)				
Net change in fund balance	(7,007,885)	(7,007,885)	3,055,124	10,063,009
Fund balance at beginning of year	10,621,773	10,621,773	10,631,951	10,178
Prior period adjustment	-	-	255,372	255,372
Fund balance at end of year	<u>\$ 3,613,888</u>	<u>\$ 3,613,888</u>	<u>\$ 13,942,447</u>	<u>\$ 10,328,559</u>

See notes to financial statements

MORROW COUNTY
ROAD FUND - SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET TO ACTUAL
Year Ended June 30, 2023

	Budget		Actual	Variance
	Original	Final		
Revenues				
Licenses, permits and fees	\$ 17,200	\$ 17,200	\$ 24,723	\$ 7,523
Charges for services	-	-	164,014	164,014
Intergovernmental	2,130,624	2,130,624	2,199,591	68,967
Interest	4,000	4,000	132,234	128,234
Miscellaneous	<u>300,000</u>	<u>795,000</u>	<u>405,719</u>	<u>(389,281)</u>
Total revenues	<u>2,451,824</u>	<u>2,946,824</u>	<u>2,926,281</u>	<u>(20,543)</u>
Expenditures				
Personnel services	2,326,775	2,326,775	2,038,149	288,626
Materials and services	3,947,525	3,947,525	3,512,424	435,101
Capital outlay	80,000	575,000	164,886	410,114
Contingency	<u>1,052,806</u>	<u>1,052,806</u>	<u>-</u>	<u>1,052,806</u>
Total expenditures	<u>7,407,106</u>	<u>7,902,106</u>	<u>5,715,459</u>	<u>2,186,647</u>
Excess (deficiency) of revenues over expenditures	<u>(4,955,282)</u>	<u>(4,955,282)</u>	<u>(2,789,178)</u>	<u>2,166,104</u>
Other financing sources (uses)				
Sale of capital assets	-	-	53,495	53,495
Issuance of long-term obligations	-	-	58,500	58,500
Transfers in	5,299,473	5,299,473	4,065,979	(1,233,494)
Transfers out	<u>(580,000)</u>	<u>(580,000)</u>	<u>(435,000)</u>	<u>145,000</u>
Total other financing sources (uses)	<u>4,719,473</u>	<u>4,719,473</u>	<u>3,742,974</u>	<u>(976,499)</u>
Net change in fund balance	(235,809)	(235,809)	953,796	1,189,605
Fund balance at beginning of year	1,235,809	1,235,809	2,667,687	1,431,878
Prior period adjustment	<u>-</u>	<u>-</u>	<u>79,977</u>	<u>79,977</u>
Fund balance at end of year	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>	<u>3,701,460</u>	<u>\$ 2,701,460</u>
Reconciliation to generally accepted accounting principles				
Inventory			<u>1,501,800</u>	
Fund balance at end of year			<u>\$ 5,203,260</u>	

See notes to financial statements

MORROW COUNTY
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
June 30, 2023

	Retirement Plan for Certain Employees of Morrow County, Oregon Pension	
	Trust	Custodial
Assets		
Cash and cash equivalents	\$ 2,901,246	4,706,724
Investments		
Mutual funds	26,982,883	-
Total assets	29,884,129	4,706,724
Net position		
Net position restricted for pensions	29,884,129	-
Net position held for individuals, organizations and other governments	-	4,706,724
Total net position	\$ 29,884,129	\$ 4,706,724

See notes to financial statements

MORROW COUNTY
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
Year Ended June 30, 2023

	Retirement Plan for Certain Employees of Morrow County, Oregon Pension	
	Trust	Custodial Funds
Additions		
Employer and employee contributions	\$ 2,439,184	\$ -
Investment earnings, net:		
Investment earnings	1,243,514	183,205
FMV Adjustment	1,759,120	-
Tax collections for other governments	-	42,240,382
Fee and fine collections for other governments	-	101,754
Other revenue collections for other governments	-	2,256,208
	<u>5,441,818</u>	<u>44,781,549</u>
Deductions		
Benefits	2,905,664	-
Administrative expenses	115,465	-
Payments to other governments	-	44,692,556
	<u>3,021,129</u>	<u>44,692,556</u>
Change in net position	2,420,689	88,993
Net position - beginning	27,463,440	4,623,928
Prior period adjustment	-	(6,197)
	<u>29,884,129</u>	<u>4,706,724</u>
Net position - ending	<u>\$ 29,884,129</u>	<u>\$ 4,706,724</u>

See notes to financial statements

MORROW COUNTY

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – FINANCIAL REPORTING ENTITY

Morrow County (the “County”) was established February 16, 1885, under the general laws of the State of Oregon. A three-member Board of Commissioners governs the County under provisions of ORS 203.230.

The financial statements of Morrow County, Oregon presents all activities and funds for which the County is considered financially accountable. The criteria used in making this determination includes appointment of a voting majority, imposition of will, financial benefit or burden on the primary government, and fiscal dependency on the primary government.

The County participates in an intergovernmental agreement, along with Umatilla County, the Port Districts of Morrow and Umatilla, and the Confederated Tribes of the Umatilla Indian Reservation, to jointly govern the Columbia Development Authority (CDA). Because the requirements detailed in the preceding paragraph are not met, the CDA is not included as a component unit in these financial statements.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the County (the primary government). For the most part, the effect of interfund activity has been eliminated from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are 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 and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major governmental funds are reported in separate columns in the respective fund financial statements.

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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement focus, basis of accounting and financial statement presentation (continued)

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the functions of the County, the elimination of which would distort the direct costs and program revenues reported for the various functions concerned.

Governmental fund financial statements (balance sheet and statement of revenues, expenditures and changes in fund balance) 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. Significant revenues, which are susceptible to accrual under the modified accrual basis of accounting, include property taxes and federal and state grants. Other revenue items are considered to be measurable and available when received by the County. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The bases of accounting described above are in accordance with accounting principles generally accepted in the United States of America.

The County reports the following major governmental funds:

General – accounts for all financial resources of the general government, except those required to be accounted for in another fund. Included in the General fund are the separately budgeted Willow Creek Wind, PGE Carty, Orchard Wind, Echo Wind Fees, Shepherds Flat Fees, Wheatridge Wind, Resiliency, and Finley Buttes License funds.

Road – accounts for activities related to maintaining and inspecting the County’s highways and roads. The primary revenue for this fund is taxes on motor vehicle fuel.

Capital Improvement – accounts for expenditures related to major construction projects for the County. This fund’s activities are largely supported by transfers from other funds.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The County reports the following fiduciary funds:

Morrow County Retirement Plan for Employees Pension Trust – accounts for the assets held, contributions to and benefit payments of Morrow County’s pension plan to provide retirement benefits to its employees.

Custodial – account for resources received and held by the County in a fiduciary capacity. Activity in this fund relates to property taxes and other shared revenues received on behalf of other municipalities.

Additionally, the County reports the following fund types:

Special revenue – 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 projects – account for expenditures on major construction projects or equipment acquisition. Activities are largely supported by grants and transfers from other funds.

Budget policies and budgetary control

Generally, Oregon Local Budget Law requires annual budgets be adopted for all funds of the County except custodial funds and the pension trust fund. The County uses the modified cash basis of accounting for all budgets. All annual appropriations lapse at fiscal year-end.

The County begins its budgeting process by appointing budget committee members in the fall of each year. Budget recommendations are developed by management through early spring, with the budget committee meeting and approving the budget document in late spring. Public notices of the budget hearing are generally published in May or June and the hearing is held in June. The County Commissioners adopt the budget, make appropriations, and declare the tax levy no later than June 30. Expenditure appropriations may not be legally over-expended, except in the case of grant receipts and bond sale proceeds which could not be reasonably estimated at the time the budget was adopted.

The resolution authorizing appropriations for each fund sets the level at which expenditures cannot legally exceed appropriations. The County established the levels of budgetary control at the personal services, materials and services, capital outlay, operating contingencies, debt service, and all other requirement levels for all funds except the General Fund budgetary control is established at the department level.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budget policies and budgetary control (continued)

Budget amounts shown in the financial statements have been revised since the original budget amounts were adopted. The County Commissioners must authorize all appropriation transfers and supplementary budgetary appropriations.

Risk management

The County is exposed to various risks of loss related to errors and omissions; automobile; damage to and destruction of assets; bodily injury; and worker's compensation for which the County carries commercial insurance. There has been no significant reduction in insurance coverage from the prior year and settled claims have not reached the level of commercial coverage in any of the past three fiscal years.

Property taxes

Uncollected property taxes in governmental funds are reported in governmental funds balance sheet as receivables; the portion which is available to finance expenditures of the current period is recorded as revenue and the remaining balance is recorded as deferred revenue. Property taxes are collected within 60 days of the end of the current period are considered measurable and available and are recognized as revenue. All property taxes receivable are due from property owners within the County.

Property taxes receivable in the custodial funds are offset by amounts held in trust and, accordingly, have not been recorded as revenue.

Under state law, county governments are responsible for extending authorized property tax levies, computing tax rates, billing and collecting all property taxes, and making periodic remittances of collections to entities levying taxes. Real and personal property taxes are levied upon all taxable property within the County and become a lien against the property as of July 1 of each year and are payable in three installments which are due on November 15, February 15 and May 15 following the lien date.

Grants and entitlements

Federal and state grants and state shared revenue are recorded as revenue in all fund types as earned.

Other receivables

In governmental fund types, the portion of receivables which is available to finance expenditures of the current period is recorded as revenue and the remaining balance is recorded as unavailable revenue.

Inventories

Inventories are valued at the lower of cost (first-in, first-out method) and market. Inventories consist of expendable supplies held for consumption.

MORROW COUNTY
NOTES TO FINANCIAL STATEMENTS

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital assets

Capital assets, which include property, equipment, infrastructure assets (e.g., roads, bridges, sidewalks, street lighting, and similar items), and their improvements, are reported in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than \$5,000 and an estimated useful life of at least one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

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

Property, plant, and equipment of the County, are depreciated using the straight-line method over estimated useful lives as follows:

Motor vehicles	4 to 6 years
Equipment, including software	4 to 20 years
Buildings and improvements	15 to 40 years
Public domain infrastructure	40 to 50 years

Lease arrangement assets are amortized over the life of the associated asset.

Upon disposal of such assets, the accounts are relieved of the related costs and accumulated depreciation and resulting gains or losses are reflected in the statement of activities.

Long-term debt obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the period in which they are incurred. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

Compensated absences

Vacation leave and comp time - County employees earn vacation leave at the rate of 96 to 160 hours per year, depending on position and length of service. The maximum accumulation, depending on position and length of service, ranges from 256 to 300 hours. Employees have the option of accumulating overtime as comp time, at a rate of one and one-half times an employees' wage, up to a maximum of 40 hours.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net pension liability

The net pension liability, measured as of June 30, 2022, is the portion of the actuarial present value of projected benefit payments that is attributed to past periods of employee service, net of the pension plan’s fiduciary net position as of that date.

Other postemployment benefits liability

The other postemployment benefits (OPEB) liability is based on actuarial valuations. The latest valuation used to determine the other postemployment obligation was dated July 1, 2022.

Deferred outflows / inflows of resources

In addition to assets, the statements of net position report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources (expense/ expenditure) until then. These include pension related items and other postemployment benefit related items.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represent an acquisition of net asset that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. Pension and other postemployment benefit related items which are amortized over specified periods are reported as deferred inflows of resources.

The balance sheet of governmental funds reports as deferred inflows unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Interfund loans

Lending and borrowing arrangements between funds, which are outstanding at the end of the year, are presented as either “interfund receivables/payables” for the current portion or advances to/from other funds” for the non-current portion of the interfund loan. All other outstanding balances between funds are reported as due to/from other funds. Advances to other funds are offset by a reservation of fund equity to indicate that they are not available financial resources.

Retirement plans

County has several retirement plans available for employees as follows:

Retirement Plan for Certain Employees of Morrow County - County employees hired prior to June 30, 2020, are participants in the Retirement Plan for Certain Employees of Morrow County, Oregon (the “Plan”). Contributions to the Plan are made on a current basis as required by the Plan and are charged to expenditures or expenses when due and the employer has made a formal commitment to provide the contribution.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Retirement plans (continued)

The assets of the Plan are invested in various mutual funds. The County pays the investment expenses of the Plan.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the net position of the Plan and additions to/deductions from the net position of the Plan have been determined on the same basis as reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Oregon Public Employees Retirement System – All Sheriff’s Office County employees who are represented by Teamsters Local 223 who work in qualified positions and are hired on or after July 1, 2020, are provide pensions through the Oregon Public Employees Retirement System (OPERS).

The OPERS consists of a single cost-sharing multiple employer defined benefit pension plan. The Oregon Legislature has delegated the authority to the Public Employees Retirement Board to administer and manage the system.

Due to the recent entry date into OPERS, The County is not allocated a portion of the net pension liability and related deferred inflows and outflows.

Morrow County Public Employees Retirement Plan – The County sponsors the Morrow County Public Employees Retirement Plan, a non-standardized 401(a) plan open to all full-time employees except Teamsters represented employees.

Net position

Government-wide statements

On the statement of net position, equity is classified as net position and displayed in three components:

Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation/amortization and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.

Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted net position – All other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net position (continued)

Government-wide statements (continued)

In the government-wide financial statements, when the County has restricted and unrestricted resources available, it is the County's policy to expend restricted resources first and then unrestricted resources as needed in determining the amounts to report as restricted – net position and unrestricted – net position.

Fund balance

Governmental fund type fund balance reporting

Fund balance amounts are reported within one of the fund balance categories listed below:

Non-spendable — Amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted — Amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed — Fund balance amounts that represents resources whose use is subject to a legally binding constraint by ordinance that is imposed by the Board of County Commissioners, the highest level of decision-making authority for Morrow County. The same type of formal action that created the constraint is required to change or remove the specified use.

Assigned — Amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The County Commissioners have given management the authority to assign fund balance amounts. The County Commissioners also make assignments when the annual budget is adopted by specifying the intended use of resources.

Unassigned — the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications. Additionally, other funds may report negative unassigned fund balance in certain circumstances.

Fund balance

In the governmental fund financial statements, when the County has restricted and unrestricted (committed, assigned or unassigned) resources available, it is the County's policy to expend restricted resources first. Unrestricted resources are then expended in the order of committed, assigned, and unassigned as needed, unless otherwise provided for in actions to commit or assign resources, in determining the amounts to be reported in each of the fund balance categories.

MORROW COUNTY
NOTES TO FINANCIAL STATEMENTS

NOTE 3 – ADJUSTMENTS TO AND RESTATEMENTS OF BEGINNING BALANCES

During fiscal year 2023, changes in fund classification and errors correction resulted in adjustments to and restatements of beginning net position and fund balance.

Changes in Fund Classification

The Resiliency fund, the Wheatridge fund, the Willow Creek Wind fund, the PGE Carty fund, the Orchard Wind fund, the Echo Wind Fees fund, the Shepherds Flat Fees fund, and the Finley Buttes License fund, were previously reported in prior years, and they have been combined for reporting purposes as part of the General Fund in fiscal year 2023.

Restatement of Beginning Net Position and Fund Balances

During fiscal year 2023, the County identified and corrected the following errors in prior year financial statements:

- (a) Unexpended amounts of Coronavirus State and Local Fiscal Recovery (CSLFR) grant funds for \$976,874 should have been previously reported as unearned revenue,
- (b) Inventory of materials for \$743,400 to be used for highways and streets previously not reported as an asset,
- (c) Amounts previously reported in the Custodial Fund for \$6,197 should have been reported in governmental activities,

The effects of changes in fund classification and correction of errors are shown in the following tables:

	Governmental Funds					Governmental Activities	Custodial
	General	Road	Resiliency	Wheatridge Wind	Nonmajor		
Beginning balances,							
as previously presented	\$ 10,887,323	\$ 2,747,664	\$ 5,490,754	\$ 579,111	\$ 9,754,437	\$ 93,297,292	\$ 4,706,724
Change in fund classification	7,669,615		(5,490,754)	(579,111)	(1,599,750)		
Correction of Errors:							
CSLFR unearned revenue	(976,874)					(976,874)	
Inventory		743,400				743,400	
Other					6,197	6,197	(6,197)
Beginning balances, as restated	<u>\$ 17,580,064</u>	<u>\$ 3,491,064</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,160,884</u>	<u>\$ 93,070,015</u>	<u>\$ 4,700,527</u>

Other Errors Correction

For budgetary comparison purposes the beginning fund balance of the General and Road funds have been adjusted to correct an error related to compensated absences as follows:

	As Previously Reported	As Corrected	Change
General Fund	\$ 10,631,951	\$ 10,887,323	\$ 255,372
Road Fund	2,667,687	2,747,664	79,977

MORROW COUNTY
NOTES TO FINANCIAL STATEMENTS

NOTE 4 – RECONCILIATION OF GENERALLY ACCEPTED ACCOUNTING PRINCIPLES TO BUDGETARY BASIS

The budget of the County is prepared differently from accounting principles generally accepted in the United States of America (GAAP). Therefore, the statements of revenues, expenditures and changes in fund balances (budgetary basis) – budget and actual for governmental funds are presented on the budgetary basis and are adjusted to the statement of revenues, expenditures and changes in fund balances – governmental funds in accordance with GAAP.

The following is a reconciliation of the differences between the budgetary basis and GAAP for revenues and other financing sources over (under) expenditures and other financing uses for the aforementioned financial statements:

	<u>General</u>	<u>Road</u>	<u>Capital Improvement</u>
Net change in fund balances - generally accepted accounting principles basis	<u>\$ 1,115,146</u>	<u>\$ 1,712,196</u>	<u>\$ 6,979,196</u>
Revenues:			
Revenues of separately budgeted funds which are included in the general fund on the governmental fund statements	(12,204,974)	-	-
(Increase) decrease in property taxes and other receivables susceptible to accrual, recognized as revenues on the generally accepted accounting principles basis	-	-	-
Increase (decrease) in unearned revenues	<u>1,168,394</u>	<u>-</u>	<u>-</u>
	<u>(11,036,580)</u>	<u>-</u>	<u>-</u>
Expenditures:			
Increase (decrease) in expenditure recognized as inventory on the generally accepted accounting principles basis	-	(758,400)	-
Expenditures of separately budgeted funds which are included in the general fund on the governmental fund statements	<u>3,999,573</u>	<u>-</u>	<u>-</u>
	<u>3,999,573</u>	<u>(758,400)</u>	<u>-</u>
Other financing sources (uses):			
Transfers out of separately budgeted funds which are included in the general fund on the governmental fund statements	9,476,985	-	-
Transfers between the general fund and separately budgeted funds which are eliminated for fund reporting	<u>(500,000)</u>	<u>-</u>	<u>-</u>
	<u>8,976,985</u>	<u>-</u>	<u>-</u>
Net change in fund balances - budgetary basis	<u>\$ 3,055,124</u>	<u>\$ 953,796</u>	<u>\$ 6,979,196</u>

MORROW COUNTY
NOTES TO FINANCIAL STATEMENTS

NOTE 4 – RECONCILIATION OF GENERALLY ACCEPTED ACCOUNTING PRINCIPLES TO BUDGETARY BASIS (Continued)

In addition, a reconciliation of the differences between budgetary basis and GAAP in beginning and ending fund balances is as follows:

	<u>General</u>	<u>Road</u>	<u>Capital Improvement</u>
Beginning fund balances - generally accepted accounting principles basis	\$ 17,580,064	\$ 3,491,064	\$ 2,125,962
Beginning balances of separately budgeted funds which are included in the general fund on the governmental fund statements	(6,692,741)	-	-
Differences in revenue recognition	-	-	-
Differences in expenditure recognition	-	(743,400)	-
Beginning fund balance - budgetary basis	<u>\$ 10,887,323</u>	<u>\$ 2,747,664</u>	<u>\$ 2,125,962</u>
Ending fund balances - generally accepted accounting principles basis	\$ 18,695,210	\$ 5,203,260	\$ 9,105,158
Ending balances of separately budgeted funds which are included in the general fund on the governmental fund statements	(4,752,763)	-	-
Interfund loan	-	-	-
Differences in revenue recognition	-	-	-
Differences in expenditures recognition	-	(1,501,800)	-
Ending fund balance - budgetary basis	<u>\$ 13,942,447</u>	<u>\$ 3,701,460</u>	<u>\$ 9,105,158</u>

NOTE 5 – CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash, cash equivalent and investments as of June 30, 2023 are as follows:

Cash and cash equivalents	
Deposits with financial institutions	\$ 945,681
State of Oregon Local Government Investment Pool	47,993,963
Money market	2,901,246
Cash on hand	<u>1,735</u>
Total cash and cash equivalents	<u>\$ 51,842,625</u>
Investments	
Mutual funds	<u>\$ 26,982,883</u>

MORROW COUNTY
NOTES TO FINANCIAL STATEMENTS

NOTE 5 – CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

The County maintains a pool of cash, cash equivalents and investments that are available for use by all funds, except for the Morrow County Oregon Retirement Plan for Employees Pension Trust (a pension trust fund) and the County Fair Fund (a non-major special revenue fund). Each fund's portion of this pool is displayed on the financial statements as cash and cash equivalents and investments. Interest earned on pooled cash, cash equivalents and investments is allocated to participating funds based upon their combined cash, cash equivalents and investment balances.

Deposits with financial institutions

Custodial Credit Risk – Deposits with Financial Institutions: This is the risk that in the event of a bank failure, the County's deposits may not be returned. The Federal Depository Insurance Corporation (FDIC) provides insurance for the County's deposits with financial institutions up to \$250,000 each for the aggregate of all non-interest-bearing accounts and the aggregate of all interest-bearing accounts at each financial institution.

Deposits in excess of FDIC coverage with financial institutions participating in the Oregon Public Funds Collateralization Program are collateralized under the Public Funds Collateralization Program (PFCP) of the Oregon State Treasurer. The PFCP is a shared liability structure for participating financial institutions and is considered additional depository insurance as defined in GASB 40. Participating financial institutions are required to pledge securities, held by the Federal Home Loan Bank of Seattle in the name of the financial institution, with a value equal to at least 10%, with limited exceptions that may require up to 110%, of the amount of deposits of Oregon municipal corporations in excess of FDIC depository insurance. In the event of a failure of a participating financial institution the collective amount of all pledged securities under the PFCP are available to return the County's deposits. As of June 30, 2023, none of the County's deposits with financial institutions were exposed to custodial credit risk.

State of Oregon Local Government Investment Pool

Balances in the State of Oregon Local Government Investment Pool (LGIP) are stated at fair value. Fair value is determined at the quoted market price, if available; otherwise the fair value is estimated based on the amount at which the balances could be exchanged in a current transaction between willing parties, other than a forced liquidation sale. The Oregon State Treasury administers the LGIP. The LGIP is an unrated, open-ended, no-load, diversified portfolio offered to any agency, political subdivision or public corporation of the state who by law is made the custodian of, or has control of, any fund. The LGIP is commingled with the State's short-term funds. To provide regulatory oversight, the Oregon Legislature established the Oregon Short-Term Fund Board and LGIP investments are approved by the Oregon Investment Council. The fair value of the County's position in the LGIP is the same as the value of the pool shares.

MORROW COUNTY
NOTES TO FINANCIAL STATEMENTS

NOTE 5 – CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

Investments

As of June 30, 2023, the County had the following investments:

Investment Type	Cost Basis	Fair Value	Risk Concentration
Mutual Funds	<u>\$ 24,711,870</u>	<u>\$ 26,982,883</u>	N/A

Credit Risk: The County’s policy on the credit risk of investments is based on Oregon statutes which authorize the County to invest in obligations of the U.S. Treasury and U.S. Agencies, bankers’ acceptances, repurchase agreements, commercial paper rated AA or better by Standard & Poor’s Corporation or Aa or better by Moody’s Commercial Paper Record, and the state treasurer’s investment pool. Additionally, the pension trust may invest in equity securities and mutual funds.

Interest Rate Risk: The following strategies will be employed to control and mitigate the adverse changes in the market value of the portfolio due to changes in interest rates:

- Where feasible and prudent, investment maturities should be matched with expected cash outflows to mitigate market risk
- To the extent feasible, investment maturities not matched with cash outflows, including liquidity investments under one year, should be staggered to mitigate re-investment risk
- No commitments to buy or sell securities may be made more than 14 days prior to the anticipated settlement date, or receive a fee other than interest for future deliveries
- The maximum percent of callable securities in the portfolio shall be 35%
- The maximum stated final maturity of individual securities in the portfolio shall be five years, except as otherwise stated in the policy
- The maximum portfolio average maturity (measured with stated final maturity) shall be 2.5 years

Portfolio Credit Ratio: The minimum weighted average credit rating of the portfolio’s rated investments shall be Aa/AA/AA by Moody’s Investors Service, Standard & Poor’s, and Fitch Ratings Service, respectively.

Custodial Credit Risk – Investments: This is the risk that, in the event of the failure of a counterparty, the County will not be able to recover the value of its investments that are in the possession of an outside party. Investments, including those held in the Pension Trust, has custodial credit risk because the related securities are uninsured, unregistered and held by the County’s brokerage firm, which is the counterparty to those securities. The County does not have a policy which limits the amount of investments that can be held by counterparties.

MORROW COUNTY
NOTES TO FINANCIAL STATEMENTS

NOTE 5 – CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

Fair Value Measurements: The County categorizes its fair value measurements with the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The County’s investments in mutual funds are measured using Level 1.

NOTE 6 – RECEIVABLES

Receivables at June 30, 2023, are as follows:

	Governmental Funds/Activities			
	General	Road	Nonmajor	
			Funds	Total
Property taxes	\$ 303,654	\$ -	\$ -	\$ 303,654
Accounts	513,150	9,762	557,923	1,080,835
Grants	186,636	-	499,129	685,765
Loans	-	-	268,439	268,439
	<u>\$ 1,003,440</u>	<u>\$ 9,762</u>	<u>\$ 1,325,491</u>	<u>\$ 2,338,693</u>

NOTE 7 – INTERFUND BALANCES AND TRANSFERS

	Transfers In				
	General	Road	Capital		Total
			Improvement	Nonmajor governmental	
Transfers out:					
General	\$ -	\$ 4,065,979	\$ 7,507,661	\$ 592,558	\$ 12,166,198
Road	-	-	-	435,000	435,000
Nonmajor governmental	90,070	-	550,000	465,340	1,105,410
	<u>\$ 90,070</u>	<u>\$ 4,065,979</u>	<u>\$ 8,057,661</u>	<u>\$ 1,492,898</u>	<u>\$ 13,706,608</u>

As part of the budget process, the County plans to make interfund transfers to move resources between funds to provide resources for specific expenditures that are not supported by other revenues.

MORROW COUNTY
NOTES TO FINANCIAL STATEMENTS

NOTE 7 – INTERFUND BALANCES AND TRANSFERS (Continued)

The primary purposes for significant transfers include the following:

- The General fund transferred \$2,388,388 to the Capital Improvement fund to provide resources for capital projects
- PGE Carty, Shepherds Flat, Finley Buttes License, Wheatridge Wind funds (combined with the General fund under GASB 54) transferred a total of \$4,065,979 to the Road fund to provide resources for maintenance and operations.
- Wheatridge Wind and Resiliency funds (combined with the General fund under GASB 54) transferred a total of \$4,930,000 to the Capital Improvement fund to provide resources for capital projects.

Due to and due from other funds

“Due to” and “Due From” balances have been recorded to account for loans that exist between the General fund and the Victim/Witness Assistance and 5310 FTA Grant funds.

Receivable Fund	Amount	Payable Fund	Amount
General Fund	\$ 170,381	Victim/Witness Assistance	\$ 27,425
		5310 - FTA Grant	142,956

MORROW COUNTY
NOTES TO FINANCIAL STATEMENTS

NOTE 8 – CAPITAL ASSETS

Capital asset activity for governmental activities

For the year ended June 30, 2023, capital asset activity for governmental activities was as follows:

	<u>Balances</u> <u>July 1, 2022</u>	<u>Additions</u>	<u>Reclassifications</u> <u>and Deletions</u>	<u>Balances</u> <u>June 30, 2023</u>
Capital assets not being depreciated				
Land	\$ 2,407,778	\$ 144,212	\$ 100,000	\$ 2,451,990
Construction in progress	196,700	3,077,966	2,477,205	797,461
Total capital assets not being depreciated	<u>2,604,478</u>	<u>3,222,178</u>	<u>2,577,205</u>	<u>3,249,451</u>
Capital assets being depreciated				
Buildings and Improvements	\$ 25,675,479	\$ 573,720	\$ -	\$ 26,249,199
Campsites and Trails	961,898	10,644	-	972,542
Machinery and Equipment	19,563,578	1,836,314	677,736	20,722,156
Bridges	23,384,760	-	-	23,384,760
Infrastructure	<u>116,298,165</u>	<u>-</u>	<u>-</u>	<u>116,298,165</u>
Total capital assets being depreciated	<u>185,883,880</u>	<u>2,420,678</u>	<u>677,736</u>	<u>187,626,822</u>
Less accumulated depreciation for:				
Buildings and Improvements	9,547,788	652,181	-	10,199,969
Campsites and Trails	705,397	29,194	-	734,591
Machinery and Equipment	12,282,402	1,145,916	530,795	12,897,523
Bridges	17,142,978	587,013	-	17,729,991
Infrastructure	<u>70,090,900</u>	<u>2,360,012</u>	<u>-</u>	<u>72,450,912</u>
Total accumulated depreciation	<u>109,769,465</u>	<u>4,774,316</u>	<u>530,795</u>	<u>114,012,986</u>
Net capital assets being depreciated	<u>76,114,415</u>	<u>(2,353,638)</u>	<u>146,941</u>	<u>73,613,836</u>
Net governmental activities capital assets	<u>\$ 78,718,893</u>	<u>\$ 868,540</u>	<u>\$ 2,724,146</u>	<u>\$ 76,863,287</u>

Depreciation expense charged to functions/programs of the County:

General government	\$ 752,910
Public safety	370,487
Highways and streets	3,436,075
Culture and recreation	205,773
Health and sanitation	<u>9,071</u>
 Total	 <u>\$ 4,774,316</u>

MORROW COUNTY
NOTES TO FINANCIAL STATEMENTS

NOTE 9 – UNAVAILABLE REVENUE

As of June 30, 2023, resources owned by the County, which are measurable but not available, in the governmental funds consist of property taxes in the General fund totaling \$275,804.

NOTE 10 – LONG-TERM OBLIGATIONS

Changes in long-term obligations for the year ended June 30, 2023

	Balances			Balances Due	
	July 1, 2022	Additions	Reductions	June 30, 2023	Within One Year
<i>Governmental activities</i>					
<u>Long-term debt</u>					
Direct borrowings and placements					
The Commerce Bank	\$ 6,860,000	\$ -	\$ 90,000	\$ 6,770,000	\$ 465,000
Community Bank	354,180	-	354,180	-	-
Finance purchase of assets					
Mid Columbia Forklift	-	58,500	8,082	50,418	10,776
Caterpillar Financial Services	43,149	-	43,149	-	-
John Deere Financial	192,853	-	36,332	156,521	37,418
Total long-term debt	7,450,182	58,500	531,743	6,976,939	513,194
<u>Other long-term obligations</u>					
Compensated absences	388,011	432,317	388,011	432,317	432,317
Net pension liability	7,571,749	16,536,781	-	24,108,530	-
Other postemployment benefit liability	373,849	-	6,711	367,138	-
Total long-term obligations	<u>\$ 15,783,791</u>	<u>\$ 17,027,598</u>	<u>\$ 926,465</u>	<u>\$ 31,884,924</u>	<u>\$ 945,511</u>

Governmental activities long-term debt

The Commerce Bank – In 2021, the County entered into a note with The Commerce Bank in the amount \$6,900,000 to finance the construction of the North Morrow County Government Center in Irrigon, Oregon. Semi-annual payments are due June and December including interest at 1.79%.

Community Bank – In 2015, The County entered into a note payable with Community Bank for the construction of the Administration Building in Heppner, Oregon Semi-annual principal and interest payments are due each November and May. The note was paid in full during the fiscal year.

John Deere Financial – In 2020, The County entered into a finance purchase agreement for a grader. Annual payments are \$42,098 for 5 years including interest at 2.99%. The financed purchase is secured by the property purchased.

MORROW COUNTY
NOTES TO FINANCIAL STATEMENTS

NOTE 10 – LONG-TERM OBLIGATIONS (Continued)

Caterpillar Financial Services – In 2018, the County entered into a finance purchase agreement for the acquisition an excavator. Annual payments are \$45,479 and include interest at 4.94%. The purchase agreement was paid in full during the fiscal year.

Mid Columbia Forklift – During 2023, the County entered into a finance purchase agreement for the acquisition of an industrial forklift. Annual payments are \$19,200 for 5 years including interest at 21.5%. The finance purchase is secured by the property purchased.

Future maturities

Future maturities of long-term debt obligations outstanding as of June 30, 2023, are as follows:

Notes Payable:

Fiscal Year	Full Faith and Credit Financing Agreement and Note, Series 2021	
	Principal	Interest
2024	\$ 465,000	\$ 121,183
2025	475,000	112,859
2026	485,000	104,357
2027	490,000	95,675
2028	500,000	86,905
2029-33	2,650,000	296,693
2034-36	<u>1,705,000</u>	<u>58,340</u>
	<u>\$ 6,770,000</u>	<u>\$ 876,012</u>

Finance Purchases of Assets:

Fiscal Year	Doosan Forklift		Deere Tractor		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 10,776	\$ 8,424	\$ 37,418	\$ 4,680	\$ 48,194	\$ 13,104
2025	10,776	8,424	38,537	3,562	49,313	11,986
2026	10,776	8,424	39,689	2,409	50,465	10,833
2027	10,776	8,424	40,877	1,222	51,653	9,646
2028	<u>7,314</u>	<u>3,886</u>	-	-	<u>7,314</u>	<u>3,886</u>
	<u>\$ 50,418</u>	<u>\$ 37,582</u>	<u>\$ 156,521</u>	<u>\$ 11,873</u>	<u>\$ 206,939</u>	<u>\$ 49,455</u>

NOTE 10 – LONG-TERM OBLIGATIONS (Continued)

Other long-term obligations

Compensated absences

As described in note 2, employees of the County are allowed to accumulate earned vacation leave at the rate of 96 to 160 hours per year, depending on position and length of service. Employees also accumulate compensated time as permitted by County employment policies and agreements. Amounts so accumulated are vested and will be paid upon termination or retirement. At June 30, 2023, accumulated and unpaid compensated absences amounted to \$432,317.

Net pension liability

Net pension liability represents the difference between the total pension liability for benefits earned by County employees and the net position held in trust for pension benefits of the Morrow County Retirement Plan for Employees Pension Trust as more fully discussed in note 11.

Other postemployment benefit liability

Other postemployment benefit liability represents the implicit benefit for the difference between the premiums for health insurance for retirees under the group insurance plan and the premium retirees would pay for comparable benefits under other insurance plans as more fully discussed in note 16.

NOTE 11 – DEFINED BENEFIT PENSION PLAN – MORROW COUNTY RETIREMENT PLAN

Plan description

Employees of the County are provided pensions through the Retirement Plan for Certain Employees of Morrow County, Oregon (the “Plan”), a single employer defined benefit public employee retirement plan. The plan was established in 1966 and closed to new participants effective June 30, 2020.

The Plan was established by the Morrow County Commissioners who may amend the Plan.

The County does not issue a separate financial report available to the public for the Plan.

Plan membership

Employees hired prior to June 30, 2020 who work more than 20 hours per week are eligible to participate in the Plan after six months of employment. Benefits generally vest after five years of continuous service. As of July 1, 2022, there were 92 active plan members, 80 inactive plan members entitled to but not yet receiving benefits, and 75 retired plan members receiving benefits for a total of 247 plan members. Of the 80 terminated members, 52 were entitled to their account balances only and 28 were members with vested accrued benefits.

NOTE 11 – DEFINED BENEFIT PENSION PLAN – MORROW COUNTY RETIREMENT PLAN (Continued)

Description of benefit terms

Normal retirement

Members are able to receive benefits after attaining age 55 for uniformed members (public safety) or age 60 for all other members and 5 years of vesting service. Retirement benefits are calculated using a formula of 2.4% for members who are not sheriff office employees, or 3% for all other employees, times the average of the highest three consecutive basic monthly earnings in effect on July 1 during the last ten years of employment for work performed after July 1, 1973. Retirement benefits are subject to annual cost of living adjustments up to 2% per year.

Early retirement

Members are able to receive early retirement benefits after attaining age 50 and 5 years of vesting service. Members may also retire after 30 years of service. Retirement benefits are reduced based upon the members age at retirement from 92% to 64% of the benefit that would result if they were of normal retirement age for uniformed members and 92% to 48% for all other members.

Late retirement

For members that continue working beyond the normal retirement age benefits continue to accrue.

Description of benefit terms (continued)

Disability

Uniformed members that become totally and permanently disabled in the course of duty or members with 10 years of service are entitled to disability benefits. The benefit is based on current monthly earnings rate of compensation as of the date of disability and years of service projected to age 55 but limited to the greater of 25 years or years of membership on the date of disability. The benefit for other members is calculated using the average monthly earnings as of the disability date, reduced to its actuarial equivalent value.

Death benefits

The beneficiaries of members who have not begun to receive benefits under the plan are entitled to a lump-sum payment of the member's account. Otherwise, the beneficiaries are entitled to a monthly benefit life annuity either for life or a guaranteed number of benefit payments, depending upon choice of options.

Contributions

The County is required by the Plan's provisions to pay the employees' contribution to the Plan of 6% of covered salaries. In addition, the County will contribute additional amount necessary to fund the Plan sufficient to pay benefits when due based on annual actuarial valuations. County contributions to the plan for the year ended June 30, 2023 were \$2,439,132.

MORROW COUNTY
NOTES TO FINANCIAL STATEMENTS

NOTE 11 – DEFINED BENEFIT PENSION PLAN – MORROW COUNTY RETIREMENT PLAN (Continued)

Net pension liability, changes in net pension liability, pension expense, deferred outflows of resources and deferred inflows of resources related to pensions

At June 30, 2023, the County reported a net pension liability of \$24,108,530. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date as follows:

Total pension liability	\$ 51,571,970
Plan fiduciary net position	<u>27,463,440</u>
Net pension liability	<u>\$ 24,108,530</u>

Fiduciary net position as a percentage of total pension liability 53,25%

For the year ended June 30, 2023, changes in the net pension liability are as follows:

	Pension Liability	Fiduciary Net Position	Net Pension Liability
Beginning balances	\$ 42,115,987	\$ 34,544,238	\$ 7,571,749
Changes for the year:			
Service cost	877,434	-	877,434
Interest on total pension liability	2,939,520	-	2,939,520
Effect of economic/demographic losses	(85,230)	-	(85,230)
Effect of assumption changes or inputs	7,724,821	-	7,724,821
Benefit payments	(2,085,960)	(2,085,960)	-
Administrative expenses	-	(73,793)	73,793
Member contributions	85,398	85,398	-
Net investment income	-	(6,802,830)	6,802,830
Employer contributions	-	1,796,387	1,796,387
Ending balances	<u>\$ 51,571,970</u>	<u>\$ 27,463,440</u>	<u>\$ 24,108,530</u>

For the year ended June 30, 2023, the County recognized pension expense of \$5,379,889. At June 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

MORROW COUNTY
NOTES TO FINANCIAL STATEMENTS

NOTE 11 – DEFINED BENEFIT PENSION PLAN – MORROW COUNTY RETIREMENT PLAN (Continued)

Net pension liability, changes in net pension liability, pension expense, deferred outflows of resources and deferred inflows of resources related to pensions (continued)

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 266,125	\$ 56,820
Changes of assumptions or inputs	5,149,881	
Net difference between projected and actual earnings on pension plan investments	4,313,363	–
County’s contributions subsequent to the measurement date	<u>2,439,132</u>	<u>–</u>
	<u>\$12,168,501</u>	<u>\$ 56,820</u>

\$2,439,132 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years ending June 30,

2024	\$ 3,710,409
2025	3,445,591
2026	674,311
2027	1,842,238

Actuarial valuation

The County contributions are based on the accruing benefit costs measured using the individual entry age normal actuarial cost method. Under this method, a normal cost is determined for each active member. The normal cost is the annual contribution determined as a level percentage of base salary with would be paid from year of entry to year of retirement to fund the projected retirement benefit. The normal cost for the Plan is the sum of the individuals' normal costs. The actuarial accrued liability for active plan members is an accumulated of the normal costs from entry to the valuation date. The actuarial accrued liability for inactive members is the actuarial present value of the accrued benefits. The actuarial accrued liability for the Plan is the sum of the individual actuarial accrued liabilities. The unfunded actuarial liability is the difference between the actuarial accrued liability and the actuarial value of assets, which is amortized over 20 years on a closed level percent of projected payroll basis, assuming payroll increases 2.0% per year.

MORROW COUNTY
NOTES TO FINANCIAL STATEMENTS

NOTE 11 – DEFINED BENEFIT PENSION PLAN – MORROW COUNTY RETIREMENT PLAN (Continued)

Actuarial methods and assumptions used in developing total pension liability

Valuation Date	July 1, 2022
Actuarial Cost Method	Entry Age Normal, Level Percentage of Pay
Amortization Method	Amortized as a level percent of projected payroll, assuming covered payroll increases 2.75% per year, over a closed period of 15 years.
Asset Valuation Method	Market value of assets
Actuarial Assumptions:	
Investment rate of return	6.50%
Projected Salary Increases	Salaries for individuals are assumed to grow at 2% plus assumed rates of merit/longevity increases based on service.
Mortality	Pub-2010 General and Safety Healthy and Disabled Retiree tables, sex distinct for members and dependents, with a one-year setback for male general service employees and female safety employees.

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

Discount rate

The discount rate used to measure the total pension liability was 6.5%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Plan was applied to all periods of projected benefit payments to determine the total pension liability.

MORROW COUNTY
NOTES TO FINANCIAL STATEMENTS

NOTE 11 – DEFINED BENEFIT PENSION PLAN – MORROW COUNTY RETIREMENT PLAN (Continued)

Depletion date projection

GASB 67 generally requires that a blended discount rate be used to measure the Total Pension Liability (the Actuarial Accrued Liability calculated using the Individual Entry Age Normal Cost Method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan’s Fiduciary Net Position (fair market value of assets) is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the Fiduciary Net Position is not projected to cover benefit payments and administrative expenses. Determining the discount rate under GASB 67 will often require that the actuary perform complex projections of future benefit payments and asset values. GASB 67 (paragraph 43) does allow for alternative evaluations of projected solvency, if such evaluation can reliably be made. GASB 67 does not contemplate a specific method for making an alternative evaluation of sufficiency; it is left to professional judgment. Based on these circumstances, it is the Plan's independent actuary’s opinion that the detailed depletion date projections outlined in GASB 67 would clearly indicate that the Fiduciary Net Position is always projected to be sufficient to cover benefit payments and administrative expenses. As such, the actuary’s detailed projections were not developed.

Long-term expected rate of return

The long-term expected rate of return assumption of 6.5% is based on a blending of the projected return on plan assets and a 20-year tax-exempt, high quality general obligation municipal bond yield or index rate.

Sensitivity of the County net pension liability to changes in the discount rate

The following presents the County net pension liability calculated using the discount rate of 6.5%, as well as what the County’s net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.5%) or 1-percentage-point higher (7.5%) than the current rate:

	1 Percentage Point Lower	Current Discount Rate	1 Percentage Point Higher
County's net pension liability	\$31,134,623	\$24,108,530	\$ 18,354,929

NOTE 12 – DEFINED BENEFIT PENSION PLAN – OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM

Plan description

All Sheriff's Office County employees who are represented by Teamsters Local 223 who work in qualified positions and are hired on or after July 1, 2020, are provide pensions through the Oregon Public Employees Retirement System (OPERS).

The OPERS consists of a single cost-sharing multiple employer defined benefit pension plan. The Oregon Legislature has delegated the authority to the Public Employees Retirement Board to administer and manage the system.

OPERS produces an independently audited Comprehensive Annual Financial Report which includes detailed information about the pension plan's fiduciary net position. The report can be found at: <https://www.oregon.gov/pers/Documents/Financials/ACFR/2022-Annual-Comprehensive-Financial-Report.pdf>.

Description of benefit terms

All benefits of the System are established by the legislature pursuant to ORS Chapters 238 and 238A. The County does not have employees who receive benefits under Chapter 238.

Oregon Public Service Retirement Plan (Chapter 238A) (OPSRP)

The OPSRP pension program provides benefits to members hired on or after August 29, 2003.

Pension benefits

This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:

General service: 1.5% is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit.

Police and fire: 1.8% is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 60, or age 53 with 25 years of retirement credit.

A member of the OPSRP pension program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which termination becomes effective.

Death benefits

Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50% of the pension that would otherwise have been paid to the deceased member.

NOTE 12 – DEFINED BENEFIT PENSION PLAN – OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM (Continued)

Disability benefits

A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45% of the member's salary determined as of the last full month of employment before the disability occurred.

Benefit changes after retirement

Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes.

Contributions

OPERS funding policy provides for periodic member and employer contributions at actuarial determined rates, subject to limits set in statute. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. Employer contribution rates during the period were based on the December 31, 2019 actuarial valuation.

OPSRP employer contribution rates are 17.64% for police employees. Employer contributions for the year ended June 30, 2023 were \$94,983.

Because of the entry date into OPERS, the County does not have a proportionate share of the net pension liability and related deferred inflows and outflows.

NOTE 13 – DEFINED CONTRIBUTION PLAN – OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM

Plan description

Individual account program (IAP) - Participants in OPERS defined benefit pension plan also participate in the defined contribution plan.

Pension benefits

An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies.

NOTE 13 – DEFINED CONTRIBUTION PLAN – OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM
(Continued)

Upon retirement, a member of the IAP may receive the amounts in his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, 20-year period or an anticipated life span option. Each distribution option has a \$200 minimum distribution limit.

Death benefits

Upon the death of a non-retired member, the beneficiary receives in a lump sum the member's account balance, rollover account balance, and vested employer optional contribution account balance. If a retired member dies before the installment payments are completed, the beneficiary may receive the remaining installment payments or choose a lump-sum payment.

Contributions

Starting July 1, 2020, Senate Bill 1049 required a portion of member contributions to their IAP accounts to be redirected to the Defined Benefit Pension Plan. If the member earns more than \$2,500 per month (increased to \$2,535 per month on January 1, 2021) 0.75 percent (if OPSRP member) or 2.5 percent (if Tier One/Tier Two member) of the member's contributions that were previously contributed to the member's IAP now fund the new Employee Pension Stability Accounts (EPSA). The EPSA accounts will be used to fund the cost of future pension benefits without changing those benefits, which means reduced contributions to the member's IAP account. Members may elect to make voluntary IAP contributions equal to the amount redirected.

Employees contributed 6% of covered payroll to the IAP. Contributions for the year ended June 30, 2023 were \$22,865.

Recordkeeping

PERS contracts with VOYA Financial to maintain IAP participant records.

NOTE 14 – DEFINED CONTRIBUTION PENSION PLAN – MORROW COUNTY PUBLIC EMPLOYEES RETIREMENT PLAN

The County sponsors the Morrow County Public Employees Retirement Plan, a non-standardized 401(a) plan open to all full-time employees except Teamsters represented employees. Employees who complete at least 520 hours of service during their first six months of employment and are employed continuously during the designated period of employment are eligible to participate. The Plan calls for County employer contributions of 9% of plan compensation. In addition, the County is required by the Plan's provisions to pay the employee's contribution to the Plan of 6% of plan compensation. County contributions to the plan were \$147,753 for the year ended June 30, 2023, including employee "pick-up" of \$59,081.

NOTE 15 – DEFERRED COMPENSATION PLAN – 457 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 the compensation deferred, all property and rights purchased, 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. Therefore, the deferred compensation benefits are not included in the County's financial statements.

NOTE 16 – OTHER POSTEMPLOYMENT BENEFITS

Plan description and benefits provided

The County provides other postemployment benefits (OPEB) for employees, retirees, spouses and dependents through a single employer defined benefit plan in the form of group health insurance benefits. As required by ORS 243.303(2), retirees who were hired after July 1, 2003, are allowed to continue, at the retirees' expense, coverage under the group health insurance plan until age 65. The difference between the premium actually paid by the retirees under the group insurance plan and the premium that they would pay if they were not included in the plan is considered to be an implicit subsidy under the provisions of GASB 75. The plan does not issue a separate stand-alone financial report.

Plan membership

As of July 1, 2022, there were 70 active employees, 7 eligible retirees, and 1 spouse of ineligible retirees for a total of 78 plan members.

MORROW COUNTY
NOTES TO FINANCIAL STATEMENTS

NOTE 16 – OTHER POSTEMPLOYMENT BENEFITS (Continued)

Total OPEB liability, changes in total OPEB liability, OPEB expense, deferred outflows of resources and deferred inflows of resources related to OPEB

At June 30, 2023, the County reported a total OPEB liability of \$367,138. The total OPEB liability was measured as of June 30, 2022, and determined by an actuarial valuation as of July 1, 2022.

For the year ended June 30, 2023, changes in the total OPEB liability are as follows:

	Total OPEB Liability
Balances at June 30, 2022	\$ 373,849
Changes for the year:	
Service cost	26,287
Interest on total OPEB liability	8,196
Effect of economic/demographic gains or losses	(4,119)
Changes in assumptions or other inputs	4,543
Benefit payments	(41,618)
Balances at June 30, 2023	\$ 367,138

For the year ended June 30, 2023, the County recognized OPEB expense of \$27,368. At June 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 6,202	\$ 7,813
Changes of assumptions	10,220	19,688
Contributions subsequent to the measurement date	99,160	-
	\$ 115,582	\$ 27,501

MORROW COUNTY
NOTES TO FINANCIAL STATEMENTS

NOTE 16 – OTHER POSTEMPLOYMENT BENEFITS (Continued)

Deferred outflows of resources related to OPEB resulting from County contributions subsequent to the measurement date in the amount of \$99,160 will be recognized as an adjustment to the Total OPEB liability in the year ending June 30, 2024. As of June 30, 2023, other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years ending June 30,	
2024	\$ (4,649)
2025	(3,818)
2026	(2,851)
2027	150
2028	67
Thereafter	22

Actuarial valuation

The County contributions are based on the accruing benefit costs measured using the individual entry age normal actuarial cost method. The present value of benefits is allocated over the service for each active employee from their date of hire to their expected retirement age, as a level percent of the employee’s pay. This level percent times pay is referred to as the service cost and is that portion of the present value of benefits attributable to an employee’s service in a current year. The service cost equals \$0 for retired members. The total OPEB liability is the present value of benefits less the actuarial present value of future normal costs and represents the liabilities allocated to service up to the valuation date. For retirees, the total OPEB liability is equal to the present value of benefits.

Actuarial methods and assumptions used in developing total OPEB liability

Valuation Date	July 1, 2022
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Inflation Rate	2.4%
Projected Salary Increases	3.4%
Mortality	Pub-2010 General and Safety Employee and Healthy Retiree tables, sex distinct for members and dependents, with a one-year setback for male general service employees and female safety employees
Election and Lapse Rates	35% of eligible employees. 60% of male members and 25% of female members will elect spouse coverage. 5% annual lapse rate

NOTE 16 – OTHER POSTEMPLOYMENT BENEFITS (Continued)

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

Discount rate

The discount rate used to measure the total OPEB liability was 3.54%. The discount rate is based on the Bond Buyer 20-year General Obligation Bond Index. The discount rate at the prior measurement date was 2.16%.

Healthcare cost trend rate

The assumed healthcare cost trend for medical and vision costs is as follows:

Year	Pre-65 Trend
2022	4.25%
2023	6.75%
2024	6.50%
2025	6.00%
2026	5.25%
2027	5.00%
2028-20209	4.75%
2030	4.50%
2031-2065	4.25%
2066-2071	4.00%
2072+	3.75%

Dental costs are assumed 1.75% for 2022, 4.00% per year until 2072, then 3.75% thereafter.

MORROW COUNTY
NOTES TO FINANCIAL STATEMENTS

NOTE 16 – OTHER POSTEMPLOYMENT BENEFITS (Continued)

Sensitivity of the County total OPEB liability to changes in the discount and healthcare cost trend rates

The following presents the County total OPEB liability calculated using the discount rate of 3.54%, as well as what the County’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.54%) or 1-percentage-point higher (4.54%) than the current rate. A similar sensitivity analysis is then presented for changes in the healthcare cost trend assumption.

	1 Percentage Point Lower	Current Discount Rate	1 Percentage Point Higher
County's total OPEB liability	\$ 381,108	\$ 367,138	\$ 353,595
	1 Percentage Point Lower	Current Trend Rate	1 Percentage Point Higher
County's total OPEB liability	\$ 346,360	\$ 367,138	\$ 390,811

Changes since prior valuation

Expected Claims and Premiums was updated to reflect changes in available benefits and premium levels. If applicable, expected retiree and dependent costs were updated to reflect current health cost guidelines.

The health care cost trend was updated to reflect changes in current premium levels as well as future expected economic and regulatory conditions.

The mortality, withdrawal and retirement rates were updated to reflect assumptions used in the Oregon PERS actuarial valuation as of December 31, 2021.

The data processing assumptions for missing dates of hire and inconsistent or missing PERS tier information were updated to provide a better approximation for missing or inconsistent data.

MORROW COUNTY
NOTES TO FINANCIAL STATEMENTS

NOTE 17 – TAX ABATEMENTS

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

The Oregon Enterprise Zone Program is a State of Oregon economic development program that allows property tax exemptions for up to 5 years. In exchange for receiving property tax exemption, participating firms are required to meet program requirements set by state statute and the local sponsor.

The Strategic Investment Program is intended to attract large, capital intensive facility to locate and grow in the County through property tax abatements. Property taxes are abated for 15 years under this program.

Property taxes abated by Morrow County for the year ended June 30, 2023, listed by abatement program are as follows:

<u>Abatement Program</u>	<u>Percentage of Taxes Abated</u>	<u>Total Property Taxes Abated</u>	<u>In Lieu of Taxes Received</u>
Enterprise Zone	100%	\$ 15,850,331	\$ -
Strategic Investment Program	100%	<u>5,119,149</u>	<u>5,112,352</u>
Total Abatement		<u>\$ 20,969,480</u>	<u>\$ 5,112,352</u>

NOTE 18 – FINLEY BUTTES LANDFILL

A private company operates the Finley Buttes Landfill. The County receives licensing fees from the landfill operator. For the year ended June 30, 2023, the County received \$2,005,368 in license fees which are available for general government purposes. Fund balances in the Finley Buttes Trust fund are restricted for maintenance of Bombing Range Road.

The County maintains a custodial fund for future landfill closing costs. The landfill operator and landfill owners are responsible for additional future landfill closing costs beyond amounts in the agency fund. At June 30, 2023, the balance in the custodial landfill closure fund totaled \$1,322,543.

NOTE 19 – LOAN GUARANTEE – COLUMBIA DEVELOPMENT AUTHORITY

The Columbia Development Authority, an entity jointly governed by the County and four other governments, entered into a loan agreement with the Bank of Eastern Oregon for \$960,000 which matures April 2024. The County has signed a governmental certificate as an unlimited guarantor on this loan.

MORROW COUNTY
NOTES TO FINANCIAL STATEMENTS

NOTE 20 – LITIGATION

The County, in the regular course of business, is named as a defendant in various lawsuits. The likely outcome of these suits is not determinable at this time and the County does not believe that the ultimate resolution of these lawsuits will have a material adverse effect on the County's General Fund.

NOTE 21 – GOVERNMENTAL FUND BALANCES

Categories

As of June 30, 2023, fund balance amounts for governmental funds have been reported in the categories of nonspendable, restricted, committed, assigned and unassigned. The specific purposes for these amounts are as follows:

Fund balances:	General	Road	Capital Improvement	Nonmajor Funds	Total
Nonspendable	\$ 111,672	\$ 1,501,800	\$ -	\$ 19,560	\$ 1,633,032
Restricted for:					
Highways and streets	-	3,701,460	-	-	3,701,460
Road maintenance and improvement	-	-	-	1,024,613	1,024,613
Emergency services	-	-	-	999,084	999,084
Corrections	-	-	-	298,785	298,785
Capital projects	-	-	-	2,354,204	2,354,204
Public safety	-	-	-	299,982	299,982
County fair operations and infrastructure	-	-	-	1,339,983	1,339,983
Park operations	-	-	-	659,949	659,949
Airport operations	-	-	-	212,904	212,904
Transportation	-	-	-	412,942	412,942
Other purposes	915,511	-	-	520,786	1,436,297
Total Restricted	<u>915,511</u>	<u>3,701,460</u>	<u>-</u>	<u>8,123,232</u>	<u>12,740,203</u>
Committed					
Small business development	-	-	-	628,639	628,639
Building improvement	-	-	-	571,007	571,007
Vehicle replacement	-	-	-	96,473	96,473
Road equipment	-	-	-	611,382	611,382
Computer replacement	-	-	-	110,439	110,439
Capital improvement projects	-	-	9,105,158	-	9,105,158
Other purposes	143,963	-	-	238,353	382,316
	<u>143,963</u>	<u>-</u>	<u>9,105,158</u>	<u>2,256,293</u>	<u>11,505,414</u>
Unassigned	<u>17,524,064</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,524,064</u>
Total fund balances	<u>\$ 18,695,210</u>	<u>\$ 5,203,260</u>	<u>\$ 9,105,158</u>	<u>\$ 10,399,085</u>	<u>\$ 43,402,713</u>

MORROW COUNTY
NOTES TO FINANCIAL STATEMENTS

NOTE 22 – COMMITMENTS

The County has entered into commitments for various projects as of June 30, 2023, as follows:

<u>Project</u>	<u>Commitment</u>
Taxiway D Construction	\$ 898,334
Cat C Bus (3)	460,910
Parks vehicle	66,681
Road paver	507,811
Road paint truck	526,482
Road V-plow	32,330
Road Grader	<u>481,281</u>
	<u>\$ 2,973,829</u>

NOTE 23 – OVEREXPENDITURES OF APPROPRIATIONS

For the year ended June 30, 2023, expenditures in excess of budget appropriations were noted in the following major funds:

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<i>General</i>			
County treasurer	\$ 140,565	144,766	(4,201)
District attorney	449,246	463,463	(14,217)
Sheriff	4,726,344	4,783,422	(57,078)
Weed department	158,668	163,532	(4,864)

NOTE 24 - NEWLY ISSUED ACCOUNTING STANDARDS

In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* (GASB 94). The statement improves financial reporting by addressing issues related to public-private partnership arrangements (PPPs) by requiring governments to report assets and liabilities related to PPPs consistently and disclose important information about PPP transactions. It also provides guidance for accounting and financial reporting for availability payment arrangements (APAs) by requiring governments engaged in APAs that contain multiple components to recognize each component as a separate arrangement, and when related to operating or maintaining a nonfinancial asset, to report an outflow of resources in the period to which payments relate. Implementation of this standard had no impact on the County's financial statements.

In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements* (GASB 96). This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users, including defining a SBITA, establishing that a SBITA results in an intangible right-to-use subscription asset and a corresponding liability, provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA, and requires note disclosures regarding a SBITA. Implementation of this standard had no impact on the County's financial statements.

NOTE 25 - SUBSEQUENT EVENTS

Subsequent to June 30, 2023, the following events occurred:

- 1) The County, in conjunction with Umatilla County, was awarded a grant totaling \$1,700,000 from the U.S. Environmental Protection Agency to combat the water nitrate crisis.
- 2) The County received \$1,000,000 distribution from CREZ III.
- 3) The County paid \$192,000 to the Columbia Development Authority (CDA) for its portion of the promissory note between CDA and the Bank of Eastern Oregon.
- 4) The County received \$2,237,786 in distributions from CREZ II.
- 5) The County received a one-time Community Development Contribution of \$5,000,000 through a Strategic Investment Program agreement with Amazon.

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REQUIRED SUPPLEMENTARY INFORMATION

MORROW COUNTY
SCHEDULE OF NET PENSION LIABILITY AND CHANGES IN NET PENSION LIABILITY
RETIREMENT PLAN FOR THE EMPLOYEES OF MORROW COUNTY
 Last 10 Plan Years*

	Years Ended June 30,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	
Beginning of year										
Total pension liability	\$ 42,115,987	\$ 39,927,493	\$ 37,244,726	\$ 34,875,126	\$ 32,667,258	\$ 30,537,274	\$ 29,588,001	\$ 25,194,987	\$ 23,270,986	
Fiduciary net position	34,544,238	27,017,501	25,466,923	23,975,779	21,148,866	18,783,226	19,919,914	19,434,147	16,481,409	
Net pension liability	\$ 7,571,749	\$ 12,909,992	\$ 11,777,803	\$ 10,899,347	\$ 11,518,392	\$ 11,754,048	\$ 9,668,087	\$ 5,760,840	\$ 6,789,577	
Changes in total pension liability										
Service cost	\$ 877,434	\$ 981,950	\$ 973,073	\$ 917,396	\$ 851,065	\$ 768,358	\$ 670,931	\$ 564,657	\$ 581,265	
Interest on total pension liability	2,939,520	2,788,516	2,626,398	2,450,738	2,297,651	2,143,810	2,049,096	1,894,605	1,758,584	
Effect of economic/demographic losses	(85,230)	565,022	478,937	565,425	448,618	577,357	201,509	1,362,260	393,080	
Effect of assumption changes or inputs	7,724,821	-	-	-	-	-	-	-	1,567,973	
Benefit payments	(2,085,960)	(2,225,184)	(1,464,644)	(1,627,635)	(1,443,225)	(1,416,721)	(2,021,216)	(1,030,803)	(834,561)	
Member contributions	85,398	78,190	69,003	63,676	53,759	57,180	48,953	34,322	25,633	
Net change in total pension liability	\$ 9,455,983	\$ 2,188,494	\$ 2,682,767	\$ 2,369,600	\$ 2,207,868	\$ 2,129,984	\$ 949,273	\$ 4,393,014	\$ 1,924,001	
Changes in fiduciary net position										
Employer contributions	\$ 1,796,387	\$ 2,005,657	\$ 2,058,783	\$ 1,968,992	\$ 2,811,558	\$ 1,769,758	\$ 1,350,209	\$ 1,225,021	\$ 1,074,869	
Member contributions	85,398	78,190	69,003	63,676	53,759	57,180	48,953	34,322	25,633	
Investment income net of expenses	(6,802,830)	7,723,963	937,244	1,181,999	1,445,686	2,001,161	(447,095)	271,052	2,778,923	
Benefit payments	(2,085,960)	(2,225,184)	(1,464,644)	(1,627,635)	(1,443,225)	(1,416,721)	(2,021,216)	(1,030,803)	(834,561)	
Administrative expenses	(73,793)	(55,889)	(49,808)	(95,888)	(40,865)	(45,738)	(67,539)	(13,825)	(92,124)	
Net change in fiduciary net position	\$ (7,080,798)	\$ 7,526,737	\$ 1,550,578	\$ 1,491,144	\$ 2,826,913	\$ 2,365,640	\$ (1,136,688)	\$ 485,767	\$ 2,952,740	
End of year										
Total pension liability	\$ 51,571,970	\$ 42,115,987	\$ 39,927,493	\$ 37,244,726	\$ 34,875,126	\$ 32,667,258	\$ 30,537,274	\$ 29,588,001	\$ 25,194,987	
Fiduciary net position	27,463,440	34,544,238	27,017,501	25,466,923	23,975,779	21,148,866	18,783,226	19,919,914	16,481,409	
Net pension liability	\$ 24,108,530	\$ 7,571,749	\$ 12,909,992	\$ 11,777,803	\$ 10,899,347	\$ 11,518,392	\$ 11,754,048	\$ 9,668,087	\$ 5,760,838	
Fiduciary net position as a percent of total pension liability										
	53.3%	82.0%	67.7%	68.4%	68.7%	64.7%	61.5%	67.3%	77.1%	
Covered payroll										
	\$ 5,794,797	\$ 6,511,875	\$ 6,684,360	\$ 6,392,832	\$ 5,881,681	\$ 5,802,486	\$ 5,315,783	\$ 4,959,599	\$ 4,800,421	
Net pension liability as a percent of covered payroll										
	416.0%	116.3%	193.1%	184.2%	185.3%	198.5%	221.1%	194.9%	120.0%	

*Information will be accumulated until 10 years are presented

MORROW COUNTY
SCHEDULE OF EMPLOYER CONTRIBUTIONS
RETIREMENT PLAN FOR THE EMPLOYEES OF MORROW COUNTY
Last 10 Fiscal Years
(Amounts in Thousands)

	June 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 1,970	\$ 1,796	\$ 1,973	\$ 1,979	\$ 1,956	\$ 1,812	\$ 1,770	\$ 1,350	\$ 1,225	\$ 1,110
Actual employer contribution	2,439	1,796	2,006	2,059	1,969	2,812	1,770	1,350	1,225	1,075
Contribution deficiency (excess)	(469)	-	(33)	(80)	(13)	(1,000)	-	-	-	35
Covered payroll	5,278	5,795	6,512	6,684	6,393	5,881	5,802	5,315	4,960	4,800
Contribution as a percent of covered payroll	46.21%	30.99%	30.80%	30.80%	30.80%	47.81%	30.51%	25.40%	24.70%	22.40%
Valuation date	7/1/2021	7/1/2020	7/1/2019	7/1/2018	7/1/2017	7/1/2016	7/1/2015	7/1/2014	7/1/2013	7/1/2012
Assumed investment rate of return	7.00%	7.00%	7.00%	7.00%	7.00%	7.50%	7.50%	7.50%	7.50%	7.50%

Notes to schedule

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Individual entry age normal, level percentage of pay	
Amortization method	Effective July 1, 2022: Closed 15-year amortization, level percent of pay, assume covered payroll increases 2.75% per year	
	Effective July 1, 2012: Closed 20-year amortization, level percent of pay, assume covered payroll increases 2.75% per year	
Asset valuation method	Effective July 1, 2012: Market value gains and losses smoothed over five years, with result not less than 80 percent or greater than 120 percent of market value	
Healthy mortality	Effective July 1, 2022: Pub-2010 General and Safety Healthy Retiree tables, sex distinct for members and dependents, with a one-year setback for male general service employees and female safety employees. Future mortality improvement is assumed to follow the Generational Unisex Social Security Data Scale	
	Effective July 1, 2015: RP-2000 blended 25% blue collar/75% white collar, sex distinct, set back 12 months for males and no set back for females.	
Cost of living increases	2.0 percent per year	
Salary increases	<u>Years of Service</u>	<u>Annual Salary Increase</u>
	0-1	7.50%
	2-4	6.25%
	5-9	4.75%
	10+	3.75%
Investment return	Effective July 1, 2022: 6.5%	
	Effective July 1, 2015: 7.0%	
	Through July 1, 2014: 7.5%	

MORROW COUNTY
SCHEDULE OF INVESTMENT RATE OF RETURN
RETIREMENT PLAN FOR THE EMPLOYEES OF MORROW COUNTY
Last 10 Fiscal Years Ended

<u>Year Ended</u> <u>June 30,</u>	<u>Rate of</u> <u>Return</u>
2022	-19.8%
2021	28.6%
2020	3.6%
2019	4.9%
2018	6.7%
2017	10.5%
2016	-2.3%

MORROW COUNTY
SCHEDULE OF CHANGES IN THE COUNTY'S TOTAL OTHER
POSTEMPLOYMENT BENEFITS LIABILITY AND RELATED RATIOS
Last Ten Years*

	2023	2022	2021	2020	2019	2018
Service cost	\$ 26,287	\$ 25,578	\$ 19,883	\$ 17,900	\$ 18,301	\$ 19,370
Interest on total OPEB liability	8,196	8,480	14,261	15,207	13,889	11,336
Effect of economic/demographic gains or losses	(4,119)	-	13,360	-	(28,503)	-
Effect of assumptions changes or inputs	4,543	753	(41,827)	6,969	24,058	(16,234)
Benefit payments	(41,618)	(37,978)	(32,201)	(22,936)	(21,810)	(24,592)
Net change in total OPEB liability	(6,711)	(3,167)	(26,524)	17,140	5,935	(10,120)
Total OPEB liability - beginning of year	373,849	377,016	403,540	386,400	380,465	390,585
Total OPEB liability - end of year	\$ 367,138	\$ 373,849	\$ 377,016	\$ 403,540	\$ 386,400	\$ 380,465
Covered employee payroll	\$ 5,794,797	\$ 6,511,875	\$ 6,684,360	\$ 6,392,832	\$ 5,881,681	\$ 5,802,486
Total OPEB liability as a percentage of covered payroll	6.34%	5.74%	5.64%	6.31%	6.57%	6.56%

Notes to schedule

* This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Implicit rate subsidy

Contributions are not based on a measure of pay, therefore the covered-employee payroll is used in the percentages above.

Changes in assumptions

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Discount rate used	3.54%	2.16%	2.21%	3.50%	3.87%	3.58%

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**COMBINING FINANCIAL STATEMENTS AND
INDIVIDUAL FUND AND OTHER SCHEDULES**

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GENERAL FUNDS

The County has nine funds, which are budgeted separately, but do not meet the definition of a special revenue, debt service, capital project or permanent fund as defined in generally accepted accounting principles.

General Fund – the County’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounts for in another fund.

Willow Creek Wind Fees Fund – accounts for revenues and expenditures associated with the Willow Creek Wind project.

PGE Carty Fund – accounts for revenues and expenditures associated with the PGE Carty project.

Orchard Wind Fund – accounts for revenues and expenditures associated with the Orchard Wind project.

Echo Wind Fund – accounts for for revenues and expenditures associated with the Echo Wind project.

Shepherds Flat Fees Fund – accounts for for revenues and expenditures associated with the Shepherds Flat project.

Wheatridge Wind Fund – accounts for accounts for for revenues and expenditures associated with the Wheatridge Wind project.

Resiliency Fund – accounts for revenues and expenditures associated with the Coronavirus State and Local Fiscal Relief Fund, Local Assistance and Tribal Consistency Fund, Competitive Renewable Energy Zone (CREZ), and in-lieu of taxes received from Amazon.

Finley Buttes License Fee Fund – accounts for license fees generated by the Finley Buttes landfill and the corresponding expenditures.

	Willow Creek			
	General	Wind Fees	PGE Carty	Orchard Wind
Assets				
Cash and investments	\$ 14,468,262	\$ 1,188	\$ 2	\$ 3,180
Receivables	602,010	-	-	-
Prepaid items	111,672	-	-	-
Due from other funds	170,381	-	-	-
Total assets	<u>\$ 15,352,325</u>	<u>\$ 1,188</u>	<u>\$ 2</u>	<u>\$ 3,180</u>
Liabilities and fund balances				
Liabilities				
Accounts payable and accrued liabilities	\$ 1,134,074	\$ -	\$ -	\$ -
Unearned revenues	-	-	-	-
Total liabilities	<u>1,134,074</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources				
Unavailable revenue	275,804	-	-	-
Total deferred inflows of resources	<u>275,804</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances				
Nonspendable	111,672	-	-	-
Restricted	915,511	-	-	-
Committed	-	-	-	-
Unassigned	12,915,264	1,188	2	3,180
Total fund balances	<u>13,942,447</u>	<u>1,188</u>	<u>2</u>	<u>3,180</u>
Total liabilities and fund balances	<u>\$ 15,352,325</u>	<u>\$ 1,188</u>	<u>\$ 2</u>	<u>\$ 3,180</u>

MORROW COUNTY
COMBINING BALANCE SHEET
GENERAL FUNDS
June 30, 2023

<u>Echo Wind</u>	<u>Shepherds Flat Fees</u>	<u>Wheatridge Wind</u>	<u>Resiliency</u>	<u>Finley Butte License Fee</u>	<u>Total</u>
\$ 65,875	\$ 6	\$ 2,246	\$ 5,241,410	\$ 1,253,917	\$ 21,036,086
-	-	-	-	401,430	1,003,440
-	-	-	-	-	111,672
-	-	-	-	-	170,381
<u>\$ 65,875</u>	<u>\$ 6</u>	<u>\$ 2,246</u>	<u>\$ 5,241,410</u>	<u>\$ 1,655,347</u>	<u>\$ 22,321,579</u>
\$ -	\$ -	\$ -	\$ 69,474	\$ 1,749	\$ 1,205,297
-	-	-	2,145,268	-	2,145,268
-	-	-	2,214,742	1,749	3,350,565
-	-	-	-	-	275,804
-	-	-	-	-	275,804
-	-	-	-	-	111,672
-	-	-	-	-	915,511
-	-	-	143,963	-	143,963
65,875	6	2,246	2,882,705	1,653,598	17,524,064
65,875	6	2,246	3,026,668	1,653,598	18,695,210
<u>\$ 65,875</u>	<u>\$ 6</u>	<u>\$ 2,246</u>	<u>\$ 5,241,410</u>	<u>\$ 1,655,347</u>	<u>\$ 22,321,579</u>

	Willow Creek			
	General	Wind Fees	PGE Carty	Orchard Wind
Revenues				
Property taxes	\$ 14,904,862	\$ -	\$ -	\$ -
Licenses, permits and fees	502,916	-	-	-
Fines and forfeitures	186,500	-	-	-
Charges for services	376,266	-	-	-
Strategic investment program payments	-	87,210	2,262,607	129,887
Intergovernmental	4,002,882	-	-	-
Interest	480,002	915	9,976	580
Miscellaneous	458,959	-	-	-
Total revenues	20,912,387	88,125	2,272,583	130,467
Expenditures				
Current				
General government	7,220,231	85,580	692,534	125,037
Public safety	5,855,117	-	-	-
Culture and recreation	11,000	-	-	-
Health and welfare	1,207,123	-	-	-
Capital outlay	492,022	-	-	-
Total expenditures	14,785,493	85,580	692,534	125,037
Excess (deficiency) of revenues over expenditures	6,126,894	2,545	1,580,049	5,430
Other financing sources (uses)				
Transfers in	95,651	-	-	-
Sale of assets	7,373	-	-	-
Transfers out	(3,174,794)	(47,630)	(1,808,484)	(4,850)
Total other financing sources (uses)	(3,071,770)	(47,630)	(1,808,484)	(4,850)
Net change in fund balances	3,055,124	(45,085)	(228,435)	580
Fund balances at beginning of year	10,887,323	46,273	228,437	2,600
Prior period adjustment	-	-	-	-
Fund balance at end of year	\$ 13,942,447	\$ 1,188	\$ 2	\$ 3,180

MORROW COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GENERAL FUNDS
Year Ended June 30, 2023

	Shepherds Flat			Finley Butte		
Echo Wind	Fees	Wheatridge Wind	Resiliency	License Fee	Eliminations	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,904,862
-	-	-	-	2,005,368	-	2,508,284
-	-	-	-	-	-	186,500
-	-	-	-	-	-	376,266
90,137	1,524,342	2,500,225	-	-	-	6,594,408
-	-	-	2,336,793	-	-	6,339,675
2,274	7,694	38,286	-	40,286	-	580,013
-	-	-	-	-	-	458,959
<u>92,411</u>	<u>1,532,036</u>	<u>2,538,511</u>	<u>2,336,793</u>	<u>2,045,654</u>	<u>-</u>	<u>31,948,967</u>
30,093	535,794	2,185,376	324,005	21,154	-	11,219,804
-	-	-	-	-	-	5,855,117
-	-	-	-	-	-	11,000
-	-	-	-	-	-	1,207,123
-	-	-	-	-	-	492,022
<u>30,093</u>	<u>535,794</u>	<u>2,185,376</u>	<u>324,005</u>	<u>21,154</u>	<u>-</u>	<u>18,785,066</u>
<u>62,318</u>	<u>996,242</u>	<u>353,135</u>	<u>2,012,788</u>	<u>2,024,500</u>	<u>-</u>	<u>13,163,901</u>
-	-	-	500,000	-	(505,581)	90,070
-	-	-	-	-	-	7,373
<u>(53,785)</u>	<u>(996,236)</u>	<u>(930,000)</u>	<u>(4,000,000)</u>	<u>(1,636,000)</u>	<u>505,581</u>	<u>(12,146,198)</u>
<u>(53,785)</u>	<u>(996,236)</u>	<u>(930,000)</u>	<u>(3,500,000)</u>	<u>(1,636,000)</u>	<u>-</u>	<u>(12,048,755)</u>
8,533	6	(576,865)	(1,487,212)	388,500	-	1,115,146
57,342	-	579,111	5,490,754	1,265,098	-	18,556,938
-	-	-	(976,874)	-	-	(976,874)
<u>\$ 65,875</u>	<u>\$ 6</u>	<u>\$ 2,246</u>	<u>\$ 3,026,668</u>	<u>\$ 1,653,598</u>	<u>\$ -</u>	<u>\$ 18,695,210</u>

MORROW COUNTY
WILLOW CREEK WIND FEES - GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET TO ACTUAL
Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Strategic investment program payments	\$ 132,210	\$ 87,210	\$ (45,000)
Interest	1,000	915	(85)
Total revenues	<u>133,210</u>	<u>88,125</u>	<u>(45,085)</u>
Expenditures			
Special payments	<u>85,580</u>	<u>85,580</u>	<u>-</u>
Total expenditures	<u>85,580</u>	<u>85,580</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>47,630</u>	<u>2,545</u>	<u>(45,085)</u>
Other financing sources (uses)			
Transfers out	<u>(47,630)</u>	<u>(47,630)</u>	<u>-</u>
Total other financing sources (uses)	<u>(47,630)</u>	<u>(47,630)</u>	<u>-</u>
Net change in fund balance	-	(45,085)	(45,085)
Fund balance at beginning of year	<u>-</u>	<u>46,273</u>	<u>46,273</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 1,188</u>	<u>\$ 1,188</u>

MORROW COUNTY
PGE CARTY - GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET TO ACTUAL
Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Strategic investment program payments	\$ 2,500,000	\$ 2,262,607	\$ (237,393)
Interest	3,500	9,976	6,476
Miscellaneous	-	-	-
Total revenues	<u>2,503,500</u>	<u>2,272,583</u>	<u>(230,917)</u>
Expenditures			
Special payments	<u>692,550</u>	<u>692,534</u>	<u>16</u>
Total expenditures	<u>692,550</u>	<u>692,534</u>	<u>16</u>
Excess (deficiency) of revenues over expenditures	<u>1,810,950</u>	<u>1,580,049</u>	<u>(230,901)</u>
Other financing sources (uses)			
Transfers out	<u>(2,810,950)</u>	<u>(1,808,484)</u>	<u>1,002,466</u>
Total other financing sources (uses)	<u>(2,810,950)</u>	<u>(1,808,484)</u>	<u>1,002,466</u>
Net change in fund balance	(1,000,000)	(228,435)	771,565
Fund balance at beginning of year	<u>1,000,000</u>	<u>228,437</u>	<u>(771,563)</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 2</u>	<u>\$ 2</u>

MORROW COUNTY
ORCHARD WIND - GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET TO ACTUAL
Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Strategic investment program payments	\$ 154,850	\$ 129,887	\$ (24,963)
Interest	-	580	580
Total revenues	<u>154,850</u>	<u>130,467</u>	<u>(24,383)</u>
Expenditures			
Special payments	<u>150,000</u>	<u>125,037</u>	<u>24,963</u>
Total expenditures	<u>150,000</u>	<u>125,037</u>	<u>24,963</u>
Excess (deficiency) of revenues over expenditures	<u>4,850</u>	<u>5,430</u>	<u>580</u>
Other financing sources (uses)			
Transfers out	<u>(4,850)</u>	<u>(4,850)</u>	<u>-</u>
Total other financing sources (uses)	<u>(4,850)</u>	<u>(4,850)</u>	<u>-</u>
Net change in fund balance	-	580	580
Fund balance at beginning of year	<u>-</u>	<u>2,600</u>	<u>2,600</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 3,180</u>	<u>\$ 3,180</u>

MORROW COUNTY
ECHO WIND FEES - GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET TO ACTUAL
Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Strategic investment program payments	\$ 84,100	\$ 90,137	\$ 6,037
Interest	<u>100</u>	<u>2,274</u>	<u>2,174</u>
Total revenues	<u>84,200</u>	<u>92,411</u>	<u>8,211</u>
Expenditures			
Special payments	<u>48,100</u>	<u>30,093</u>	<u>18,007</u>
Total expenditures	<u>48,100</u>	<u>30,093</u>	<u>18,007</u>
Excess (deficiency) of revenues over expenditures	<u>36,100</u>	<u>62,318</u>	<u>26,218</u>
Other financing sources (uses)			
Transfers out	<u>(53,785)</u>	<u>(53,785)</u>	<u>-</u>
Total other financing sources (uses)	<u>(53,785)</u>	<u>(53,785)</u>	<u>-</u>
Net change in fund balance	(17,685)	8,533	26,218
Fund balance at beginning of year	<u>17,685</u>	<u>57,342</u>	<u>39,657</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 65,875</u>	<u>\$ 65,875</u>

MORROW COUNTY
SHEPHERDS FLAT FEES - GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET TO ACTUAL
Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Strategic investment program payments	\$ 1,660,000	\$ 1,524,342	\$ (135,658)
Interest	<u>1,000</u>	<u>7,694</u>	<u>6,694</u>
Total revenues	<u>1,661,000</u>	<u>1,532,036</u>	<u>(128,964)</u>
Expenditures			
Special payments	<u>521,500</u>	<u>535,794</u>	<u>(14,294)</u>
Total expenditures	<u>521,500</u>	<u>535,794</u>	<u>(14,294)</u>
Excess (deficiency) of revenues over expenditures	<u>1,139,500</u>	<u>996,242</u>	<u>(143,258)</u>
Other financing sources (uses)			
Transfers out	<u>(1,139,500)</u>	<u>(996,236)</u>	<u>143,264</u>
Total other financing sources (uses)	<u>(1,139,500)</u>	<u>(996,236)</u>	<u>143,264</u>
Net change in fund balance	-	6	6
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 6</u>	<u>\$ 6</u>

MORROW COUNTY
WHEATRIDGE WIND - GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET TO ACTUAL
Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Strategic initiative program payments	\$ 2,536,266	\$ 2,500,225	\$ (36,041)
Interest	-	38,286	38,286
	<u>2,536,266</u>	<u>2,538,511</u>	<u>2,245</u>
Expenditures			
Personnel services	685,377	685,376	1
Special payments	1,500,000	1,500,000	-
	<u>2,185,377</u>	<u>2,185,376</u>	<u>1</u>
Excess (deficiency) of revenues over expenditures	<u>350,889</u>	<u>353,135</u>	<u>2,246</u>
Other financing sources (uses)			
Transfers out	<u>(930,000)</u>	<u>(930,000)</u>	<u>-</u>
	<u>(930,000)</u>	<u>(930,000)</u>	<u>-</u>
Net change in fund balance	(579,111)	(576,865)	2,246
Fund balance at beginning of year	<u>579,111</u>	<u>579,111</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 2,246</u>	<u>\$ 2,246</u>

MORROW COUNTY
RESILIENCY - GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET TO ACTUAL
Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Intergovernmental	\$ 2,400,000	\$ 3,505,187	\$ 1,105,187
Total revenues	<u>2,400,000</u>	<u>3,505,187</u>	<u>1,105,187</u>
Expenditures			
Materials and services	<u>5,400,000</u>	<u>324,005</u>	<u>5,075,995</u>
Total expenditures	<u>5,400,000</u>	<u>324,005</u>	<u>5,075,995</u>
Excess (deficiency) of revenues over expenditures	<u>(3,000,000)</u>	<u>3,181,182</u>	<u>6,181,182</u>
Other financing sources (uses)			
Transfers in	500,000	500,000	-
Transfers out	<u>(4,000,000)</u>	<u>(4,000,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(3,500,000)</u>	<u>(3,500,000)</u>	<u>-</u>
Net change in fund balance	(6,500,000)	(318,818)	6,181,182
Fund balance at beginning of year	<u>6,500,000</u>	<u>5,490,754</u>	<u>(1,009,246)</u>
Fund balance at end of year	<u>\$ -</u>	<u>5,171,936</u>	<u>\$ 5,171,936</u>
Reconciliation to generally accepted accounting principles			
Unearned revenues		<u>(2,145,268)</u>	
Fund balance at end of year		<u>\$ 3,026,668</u>	

MORROW COUNTY
FINLEY BUTTES LICENSE FEE - GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET TO ACTUAL
Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Licenses, permits and fees	\$ 1,690,665	\$ 2,005,368	\$ 314,703
Interest	6,000	40,286	34,286
Total revenues	<u>1,696,665</u>	<u>2,045,654</u>	<u>348,989</u>
Expenditures			
Materials and services	<u>710,665</u>	<u>21,154</u>	<u>689,511</u>
Total expenditures	<u>710,665</u>	<u>21,154</u>	<u>689,511</u>
Excess (deficiency) of revenues over expenditures	<u>986,000</u>	<u>2,024,500</u>	<u>1,038,500</u>
Other financing sources (uses)			
Transfers out	<u>(1,636,000)</u>	<u>(1,636,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(1,636,000)</u>	<u>(1,636,000)</u>	<u>-</u>
Net change in fund balance	(650,000)	388,500	1,038,500
Fund balance at beginning of year	<u>650,000</u>	<u>1,265,098</u>	<u>615,098</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 1,653,598</u>	<u>\$ 1,653,598</u>

MORROW COUNTY
CAPITAL IMPROVEMENT - CAPITAL PROJECTS FUND (MAJOR FUND)
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET TO ACTUAL
Year Ended June 30, 2023

	Budget		Actual	Variance
	Original	Final		
Revenues				
Interest	\$ -	\$ -	\$ 196,105	\$ 196,105
Total revenues	-	-	196,105	196,105
Expenditures				
Capital outlay	9,275,458	9,275,458	704,364	8,571,094
Debt service	773,582	773,582	570,206	203,376
Total expenditures	10,049,040	10,049,040	1,274,570	8,774,470
Excess (deficiency) of revenues over expenditures	(10,049,040)	(10,049,040)	(1,078,465)	8,970,575
Other financing sources (uses)				
Transfers in	8,049,040	8,049,040	8,057,661	8,621
Total other financing sources (uses)	8,049,040	8,049,040	8,057,661	8,621
Net change in fund balance	(2,000,000)	(2,000,000)	6,979,196	8,979,196
Fund balance at beginning of year	2,000,000	2,000,000	2,125,962	125,962
Fund balance at end of year	\$ -	\$ -	\$ 9,105,158	\$ 9,105,158

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special revenue funds account for revenues derived from specific taxes or other earmarked revenue sources, including federal and state grant awards, which are restricted to finance particular functions or activities. Funds included in this category are:

Heritage Fund – accounts for revenues and expenditures for upkeep of county trails.

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 designed 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 with surveyor preservation.

County School Fund – accounts for revenues designated specifically for the school districts located in the County.

Lone School Fund – accounts for revenues designated specifically for the lone 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 certain County residents with transportation throughout the County.

Alcohol Enforcement Fund – accounts for the 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.

NONMAJOR GOVERNMENTAL FUNDS (Continued)

Special Revenue Funds (continued)

CAMI Grant Fund – accounts for revenues received from the State of Oregon’s Child Abuse Multidisciplinary Intervention’ (CAMI) program.

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 associated turnover to other governmental agencies.

Clerks Records Fund – accounts for revenues and expenditures associated with the clerk’s records.

DUII Impact Fund – accounts for court ordered fees specifically designated to help fund the County’s DUII enforcement programs.

Building Permit 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.

Court Security Fund – accounts for revenues specifically designated to fund the County’s court security programs.

Equity Fund – accounts for revenues received specifically designated to the fund the County’s small business development programs.

Liquor Control Fund – accounts for revenues 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.

5310 FTA Grant Fund – accounts for revenues and expenditures associated with the FTA grant.

NONMAJOR GOVERNMENTAL FUNDS (Continued)

Special Revenue Funds (continued)

Community Corrections Fund – accounts for revenues and expenditures associated with the parole and probation of the County.

Sheriff Reserve – accounts for revenues and expenditures associated with Sheriff donations.

State and Federal Wildlife – accounts for revenues and expenditures of state and federal wildlife funds.

Capital Projects Funds

These funds account for the resources used for the acquisition, construction or major improvement of County buildings, office meeting rooms and education facilities. Funds included in this category are:

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 County's weed fund equipment.

Fair Roof Reserve Fund - accounts for the improvements made to buildings located at the fairgrounds.

Bleacher Reserve Fund – accounts the acquisition of bleachers at the fairgrounds.

Fair Improvement Fund – accounts for the acquisition and payment of new dorms and showers at the fairgrounds.

Building Reserve – accounts for the construction and acquisition of County buildings.

Road Equipment Reserve Fund – accounts for the acquisition of road equipment.

STF Vehicle Reserve Fund – accounts for the acquisition of special transportation buses.

Finley Buttes Trust Fund – accounts for revenues collected in landfill fees that are designed to maintain the Bombing Range road section associated with landfill traffic.

MORROW COUNTY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2023

	<u>Special Revenue</u>	<u>Capital Projects</u>	
	<u>Funds</u>	<u>Funds</u>	<u>Totals</u>
Assets			
Cash and cash equivalents	\$ 5,984,821	\$ 4,233,531	\$ 10,218,352
Receivables	1,002,068	323,423	1,325,491
Inventory	19,560	-	19,560
Total assets	<u>\$ 7,006,449</u>	<u>\$ 4,556,954</u>	<u>\$ 11,563,403</u>
Liabilities and fund balances			
Accounts payable and accrued liabilities	\$ 136,746	\$ 857,191	\$ 993,937
Due to other funds	170,381	-	170,381
Total liabilities	<u>307,127</u>	<u>857,191</u>	<u>1,164,318</u>
Fund balances			
Nonspendable	19,560	-	19,560
Restricted	5,985,138	2,138,094	8,123,232
Committed	694,624	1,561,669	2,256,293
Total fund balances	<u>6,699,322</u>	<u>3,699,763</u>	<u>10,399,085</u>
Total liabilities and fund balances	<u>\$ 7,006,449</u>	<u>\$ 4,556,954</u>	<u>\$ 11,563,403</u>

MORROW COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2023

	Special Revenue	Capital Projects	
	Funds	Funds	Totals
Revenues			
Licenses, permits and fees	\$ 1,267,671	\$ -	\$ 1,267,671
Fines and forfeitures	280,227	-	280,227
Charges for services	153,467	492,442	645,909
Intergovernmental	3,364,040	1,225,396	4,589,436
Interest	192,799	121,354	314,153
Miscellaneous	20,374	-	20,374
	<u>5,278,578</u>	<u>1,839,192</u>	<u>7,117,770</u>
Expenditures			
Current			
General government	116,499	-	116,499
Public safety	1,522,901	-	1,522,901
Highways and streets	585,390	-	585,390
Culture and recreation	882,832	5,000	887,832
Education	271,710	-	271,710
Capital outlay	338,967	1,523,804	1,862,771
	<u>3,718,299</u>	<u>1,528,804</u>	<u>5,247,103</u>
Excess (deficiency) of revenues over expenditures	<u>1,560,279</u>	<u>310,388</u>	<u>1,870,667</u>
Other financing sources (uses)			
Transfers in	149,252	1,343,646	1,492,898
Sale of assets	46	-	46
Transfers out	(625,410)	(500,000)	(1,125,410)
	<u>(476,112)</u>	<u>843,646</u>	<u>367,534</u>
Net change in fund balances	1,084,167	1,154,034	2,238,201
Fund balances at beginning of year	5,608,958	2,545,729	8,154,687
Prior period adjustment	6,197	-	6,197
Fund balance at end of year	<u>\$ 6,699,322</u>	<u>\$ 3,699,763</u>	<u>\$ 10,399,085</u>

MORROW COUNTY
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
June 30, 2023

	Commission on					
	Heritage Trail	Children and Families	Airport	Law Library	911 Emergency	Surveyor Preservation
Assets						
Cash and investments	\$ 43,611	\$ 62,271	\$ 207,541	\$ 34,737	\$ 852,967	\$ 298,933
Receivables	41,500	-	15,717	-	148,944	-
Inventory	-	-	19,560	-	-	-
Total assets	<u>\$ 85,111</u>	<u>\$ 62,271</u>	<u>\$ 242,818</u>	<u>\$ 34,737</u>	<u>\$ 1,001,911</u>	<u>\$ 298,933</u>
Liabilities and fund balances						
Accounts payable and accrued liabilities	\$ 2,123	\$ -	\$ 10,354	\$ 234	\$ 2,827	\$ -
Due to other funds	-	-	-	-	-	-
Total liabilities	<u>2,123</u>	<u>-</u>	<u>10,354</u>	<u>234</u>	<u>2,827</u>	<u>-</u>
Fund balances						
Nonspendable	-	-	19,560	-	-	-
Restricted	82,988	62,271	212,904	34,503	999,084	298,933
Committed	-	-	-	-	-	-
Total fund balances	<u>82,988</u>	<u>62,271</u>	<u>232,464</u>	<u>34,503</u>	<u>999,084</u>	<u>298,933</u>
Total liabilities and fund balances	<u>\$ 85,111</u>	<u>\$ 62,271</u>	<u>\$ 242,818</u>	<u>\$ 34,737</u>	<u>\$ 1,001,911</u>	<u>\$ 298,933</u>

MORROW COUNTY
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
June 30, 2023

	Fair	Special Transportation	Alcohol Enforcement	Video Lottery	Victim/Witness Assistance	CAMI Grant
Assets						
Cash and investments	\$ 232,277	\$ 358,532	\$ 19,979	\$ 41,189	\$ 24,841	\$ 34,768
Receivables	-	24,846	-	31,073	24,696	4,598
Inventory	-	-	-	-	-	-
Total assets	\$ 232,277	\$ 383,378	\$ 19,979	\$ 72,262	\$ 49,537	\$ 39,366
Liabilities and fund balances						
Accounts payable and accrued liabilities	\$ 5,775	\$ 15,719	\$ -	\$ -	\$ 3,071	\$ 9,758
Due to other funds	-	-	-	-	27,425	-
Total liabilities	5,775	15,719	-	-	30,496	9,758
Fund balances						
Nonspendable	-	-	-	-	-	-
Restricted	226,502	367,659	19,979	72,262	19,041	29,608
Committed	-	-	-	-	-	-
Total fund balances	226,502	367,659	19,979	72,262	19,041	29,608
Total liabilities and fund balances	\$ 232,277	\$ 383,378	\$ 19,979	\$ 72,262	\$ 49,537	\$ 39,366

MORROW COUNTY
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
June 30, 2023

	Safety Committee	Justice Court Bails/Fines	Clerks Records	DUII Impact	Building Permit	Park
Assets						
Cash and investments	\$ 13,565	\$ 32,646	\$ 25,798	\$ 30,820	\$ 2,310,658	\$ 519,025
Receivables	-	-	-	-	43,706	175,115
Inventory	-	-	-	-	-	-
Total assets	<u>\$ 13,565</u>	<u>\$ 32,646</u>	<u>\$ 25,798</u>	<u>\$ 30,820</u>	<u>\$ 2,354,364</u>	<u>\$ 694,140</u>
Liabilities and fund balances						
Accounts payable and accrued liabilities	\$ 151	\$ 12,632	\$ -	\$ -	\$ 160	\$ 34,191
Due to other funds	-	-	-	-	-	-
Total liabilities	<u>151</u>	<u>12,632</u>	<u>-</u>	<u>-</u>	<u>160</u>	<u>34,191</u>
Fund balances						
Nonspendable	-	-	-	-	-	-
Restricted	-	20,014	25,798	30,820	2,354,204	659,949
Committed	13,414	-	-	-	-	-
Total fund balances	<u>13,414</u>	<u>20,014</u>	<u>25,798</u>	<u>30,820</u>	<u>2,354,204</u>	<u>659,949</u>
Total liabilities and fund balances	<u>\$ 13,565</u>	<u>\$ 32,646</u>	<u>\$ 25,798</u>	<u>\$ 30,820</u>	<u>\$ 2,354,364</u>	<u>\$ 694,140</u>

MORROW COUNTY
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
June 30, 2023

	<u>Court Security</u>	<u>Equity</u>	<u>Liquor Control</u>	<u>Water Planning</u>	<u>Forest Service</u>	<u>5310 - FTA Grant</u>
Assets						
Cash and investments	\$ 53,197	\$ 279,735	\$ 908	\$ 10,258	\$ 95,480	\$ 186,911
Receivables	-	348,904	-	-	-	6,192
Inventory	-	-	-	-	-	-
Total assets	<u>\$ 53,197</u>	<u>\$ 628,639</u>	<u>\$ 908</u>	<u>\$ 10,258</u>	<u>\$ 95,480</u>	<u>\$ 193,103</u>
Liabilities and fund balances						
Accounts payable and accrued liabilities	\$ 8,118	-	-	-	-	\$ 4,864
Due to other funds	-	-	-	-	-	142,956
Total liabilities	<u>8,118</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>147,820</u>
Fund balances						
Nonspendable	-	-	-	-	-	-
Restricted	45,079	-	908	-	68,880	45,283
Committed	-	628,639	-	10,258	26,600	-
Total fund balances	<u>45,079</u>	<u>628,639</u>	<u>908</u>	<u>10,258</u>	<u>95,480</u>	<u>45,283</u>
Total liabilities and fund balances	<u>\$ 53,197</u>	<u>\$ 628,639</u>	<u>\$ 908</u>	<u>\$ 10,258</u>	<u>\$ 95,480</u>	<u>\$ 193,103</u>

MORROW COUNTY
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
June 30, 2023

	Community Corrections	Sheriff Reserve	State and Federal Wildlife	Total
Assets				
Cash and investments	\$ 188,349	\$ 16,141	\$ 9,684	\$ 5,984,821
Receivables	136,777	-	-	1,002,068
Inventory	-	-	-	19,560
Total assets	\$ 325,126	\$ 16,141	\$ 9,684	\$ 7,006,449
Liabilities and fund balances				
Liabilities				
Accounts payable and accrued liabilities	\$ 26,341	\$ 428	\$ -	\$ 136,746
Due to other funds	-	-	-	170,381
Total liabilities	26,341	428	-	307,127
Fund balances				
Nonspendable	-	-	-	19,560
Restricted	298,785	-	9,684	5,985,138
Committed	-	15,713	-	694,624
Total fund balances	298,785	15,713	9,684	6,699,322
Total liabilities and fund balances	\$ 325,126	\$ 16,141	\$ 9,684	\$ 7,006,449

MORROW COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
Year Ended June 30, 2023

	Heritage Trail	Commission on Children and Families	Airport	Law Library	911 Emergency	Surveyor Preservation
Revenues						
Licenses, permits and fees	\$ -	\$ -	\$ 20,469	\$ -	\$ -	\$ 13,167
Fines and forfeitures	-	-	-	-	-	-
Charges for services	-	-	48,376	-	-	-
Intergovernmental	41,500	25,183	215,420	6,390	570,219	-
Interest	1,105	-	5,685	1,140	24,901	9,315
Miscellaneous	-	-	600	-	-	-
Total revenues	42,605	25,183	290,550	7,530	595,120	22,482
Expenditures						
Current						
General government	-	-	52,999	2,919	-	600
Public safety	-	-	-	-	356,862	-
Highways and streets	-	-	-	-	-	-
Culture and recreation	11,280	-	-	-	-	-
Education	-	-	-	-	-	-
Capital outlay	-	-	174,149	-	19,752	-
Total expenditures	11,280	-	227,148	2,919	376,614	600
Excess (deficiency) of revenues over expenditures	31,325	25,183	63,402	4,611	218,506	21,882
Other financing sources (uses)						
Transfers in	28,000	-	38,406	-	-	-
Sale of assets	-	-	-	-	-	-
Transfers out	-	(29,070)	-	-	-	-
Total other financing sources (uses)	28,000	(29,070)	38,406	-	-	-
Net change in fund balances	59,325	(3,887)	101,808	4,611	218,506	21,882
Fund balances at beginning of year	23,663	66,158	130,656	29,892	780,578	277,051
Prior period adjustment	-	-	-	-	-	-
Fund balance at end of year	\$ 82,988	\$ 62,271	\$ 232,464	\$ 34,503	\$ 999,084	\$ 298,933

MORROW COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
Year Ended June 30, 2023

	County School	lone School	Fair	Special Transportation	Alchol Enforcement	Video Lottery
Revenues						
Licenses, permits and fees	\$ -	\$ -	\$ 3,365	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	-	-	-
Charges for services	-	-	31,635	33,560	-	-
Intergovernmental	254,185	16,983	53,167	423,564	-	152,078
Interest	449	30	8,215	20,343	647	1,052
Miscellaneous	-	-	1,908	113	-	-
Total revenues	254,634	17,013	98,290	477,580	647	153,130
Expenditures						
Current						
General government	-	-	-	-	-	40,000
Public safety	-	-	-	-	1,201	-
Highways and streets	-	-	-	371,645	-	-
Culture and recreation	-	-	174,633	-	-	-
Education	254,691	17,019	-	-	-	-
Capital outlay	-	-	-	1,294	-	-
Total expenditures	254,691	17,019	174,633	372,939	1,201	40,000
Excess (deficiency) of revenues over expenditures	(57)	(6)	(76,343)	104,641	(554)	113,130
Other financing sources (uses)						
Transfers in	-	-	-	-	-	-
Sale of assets	-	-	-	-	-	-
Transfers out	-	-	(7,000)	(404,002)	-	(81,500)
Total other financing sources (uses)	-	-	(7,000)	(404,002)	-	(81,500)
Net change in fund balances	(57)	(6)	(83,343)	(299,361)	(554)	31,630
Fund balances at beginning of year	57	6	309,845	667,020	20,533	40,632
Prior period adjustment	-	-	-	-	-	-
Fund balance at end of year	\$ -	\$ -	\$ 226,502	\$ 367,659	\$ 19,979	\$ 72,262

MORROW COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
Year Ended June 30, 2023

	Victim/Witness			Rodeo	Justice Court	
	Assistance	CAMI Grant	Safety Committee		Bail and Fines	Clerk Records
Revenues						
Licenses, permits and fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,517
Fines and forfeitures	-	-	-	-	274,539	-
Charges for services	-	-	-	-	-	-
Intergovernmental	141,540	22,990	-	-	-	-
Interest	-	1,094	522	-	-	798
Miscellaneous	-	-	5,129	-	-	-
Total revenues	141,540	24,084	5,651	-	274,539	2,315
Expenditures						
Current						
General government	-	-	6,491	-	-	-
Public safety	111,851	30,719	-	-	273,028	-
Highways and streets	-	-	-	-	-	-
Culture and recreation	-	-	-	12,500	-	-
Education	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	111,851	30,719	6,491	12,500	273,028	-
Excess (deficiency) of revenues over expenditures	29,689	(6,635)	(840)	(12,500)	1,511	2,315
Other financing sources (uses)						
Transfers in	-	-	-	12,500	-	-
Sale of assets	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	12,500	-	-
Net change in fund balances	29,689	(6,635)	(840)	-	1,511	2,315
Fund balances at beginning of year	(10,648)	36,243	14,254	-	18,503	23,483
Prior period adjustment	-	-	-	-	-	-
Fund balance at end of year	\$ 19,041	\$ 29,608	\$ 13,414	\$ -	\$ 20,014	\$ 25,798

MORROW COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
Year Ended June 30, 2023

	<u>DUII Impact</u>	<u>Building Permit</u>	<u>Park</u>	<u>Court Security</u>	<u>Equity</u>	<u>Liquor Control</u>
Revenues						
Licenses, permits and fees	\$ -	\$ 971,136	\$ 255,617	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	5,688	-	-
Charges for services	-	-	30,896	-	-	-
Intergovernmental	-	-	580,845	906	-	-
Interest	977	65,040	17,361	1,970	15,134	29
Miscellaneous	-	-	9,154	-	-	-
Total revenues	<u>977</u>	<u>1,036,176</u>	<u>893,873</u>	<u>8,564</u>	<u>15,134</u>	<u>29</u>
Expenditures						
Current						
General government	-	160	-	-	7,330	-
Public safety	-	-	-	29,436	-	-
Highways and streets	-	-	-	-	-	-
Culture and recreation	-	-	684,419	-	-	-
Education	-	-	-	-	-	-
Capital outlay	-	-	104,998	-	-	-
Total expenditures	<u>-</u>	<u>160</u>	<u>789,417</u>	<u>29,436</u>	<u>7,330</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>977</u>	<u>1,036,016</u>	<u>104,456</u>	<u>(20,872)</u>	<u>7,804</u>	<u>29</u>
Other financing sources (uses)						
Transfers in	-	-	-	-	-	-
Sale of assets	-	-	46	-	-	-
Transfers out	-	(50,000)	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>(50,000)</u>	<u>46</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	977	986,016	104,502	(20,872)	7,804	29
Fund balances at beginning of year	29,843	1,368,188	555,447	65,951	620,835	879
Prior period adjustment	-	-	-	-	-	-
Fund balance at end of year	<u>\$ 30,820</u>	<u>\$ 2,354,204</u>	<u>\$ 659,949</u>	<u>\$ 45,079</u>	<u>\$ 628,639</u>	<u>\$ 908</u>

MORROW COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
Year Ended June 30, 2023

	Water Planning	Forest Service	5310 - FTA Grant	Community Corrections	Sheriff Reserve	State and Federal Wildlife	Total
Revenues							
Licenses, permits and fees	\$ -	\$ -	\$ -	\$ -	\$ 2,400	\$ -	\$ 1,267,671
Fines and forfeitures	-	-	-	-	-	-	280,227
Charges for services	-	-	-	9,000	-	-	153,467
Intergovernmental	-	5,992	216,988	632,638	-	3,452	3,364,040
Interest	-	2,886	4,956	8,585	530	35	192,799
Miscellaneous	-	-	-	3,370	100	-	20,374
Total revenues	-	8,878	221,944	653,593	3,030	3,487	5,278,578
Expenditures							
Current							
General government	6,000	-	-	-	-	-	116,499
Public safety	-	-	-	717,929	1,875	-	1,522,901
Highways and streets	-	-	213,745	-	-	-	585,390
Culture and recreation	-	-	-	-	-	-	882,832
Education	-	-	-	-	-	-	271,710
Capital outlay	-	-	-	38,774	-	-	338,967
Total expenditures	6,000	-	213,745	756,703	1,875	-	3,718,299
Excess (deficiency) of revenues over expenditures	(6,000)	8,878	8,199	(103,110)	1,155	3,487	1,560,279
Other financing sources (uses)							
Transfers in	16,000	-	54,346	-	-	-	149,252
Sale of assets	-	-	-	-	-	-	46
Transfers out	-	-	(53,838)	-	-	-	(625,410)
Total other financing sources (uses)	16,000	-	508	-	-	-	(476,112)
Net change in fund balances	10,000	8,878	8,707	(103,110)	1,155	3,487	1,084,167
Fund balances at beginning of year	258	86,602	36,576	401,895	14,558	-	5,608,958
Prior period adjustment	-	-	-	-	-	6,197	6,197
Fund balance at end of year	\$ 10,258	\$ 95,480	\$ 45,283	\$ 298,785	\$ 15,713	\$ 9,684	\$ 6,699,322

MORROW COUNTY
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
June 30, 2023

	Computer Equipment Reserve	Programming Reserve	Weed Equipment Reserve	Fair Roof Reserve	Bleacher Reserve	Fair Improvement
Assets						
Cash and cash equivalents	\$ 110,439	\$ 140,484	\$ 31,884	\$ 29,993	\$ 21,695	\$ 1,061,793
Receivables	-	-	-	-	-	-
Total assets	<u>\$ 110,439</u>	<u>\$ 140,484</u>	<u>\$ 31,884</u>	<u>\$ 29,993</u>	<u>\$ 21,695</u>	<u>\$ 1,061,793</u>
Liabilities and fund balances						
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total liabilities	-	-	-	-	-	-
Fund balances						
Restricted	-	-	-	29,993	21,695	1,061,793
Committed	110,439	140,484	31,884	-	-	-
Total fund balances	<u>110,439</u>	<u>140,484</u>	<u>31,884</u>	<u>29,993</u>	<u>21,695</u>	<u>1,061,793</u>
Total liabilities and fund balances	<u>\$ 110,439</u>	<u>\$ 140,484</u>	<u>\$ 31,884</u>	<u>\$ 29,993</u>	<u>\$ 21,695</u>	<u>\$ 1,061,793</u>

MORROW COUNTY
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
June 30, 2023

	Building Reserve	Road Equipment Reserve	STF Vehicle Reserve	Finley Buttes Trust	Total
Assets					
Cash and cash equivalents	\$ 571,007	\$ 1,007,663	\$ 331,987	\$ 926,586	\$ 4,233,531
Receivables	-	-	225,396	98,027	323,423
Total assets	\$ 571,007	\$ 1,007,663	\$ 557,383	\$ 1,024,613	\$ 4,556,954
Liabilities and fund balances					
Liabilities					
Accounts payable and accrued liabilities	-	396,281	460,910	-	857,191
Total liabilities	-	396,281	460,910	-	857,191
Fund balances					
Restricted	-	-	-	1,024,613	2,138,094
Committed	571,007	611,382	96,473	-	1,561,669
Total fund balances	571,007	611,382	96,473	1,024,613	3,699,763
Total liabilities and fund balances	\$ 571,007	\$ 1,007,663	\$ 557,383	\$ 1,024,613	\$ 4,556,954

MORROW COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
Year Ended June 30, 2023

	Computer Equipment Reserve	Programming Reserve	Weed Equipment Reserve	Fair Roof Reserve	Bleacher Reserve	Fair Improvement
Revenues						
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	1,000,000
Interest	3,224	2,647	941	923	705	30,436
Total revenues	<u>3,224</u>	<u>2,647</u>	<u>941</u>	<u>923</u>	<u>705</u>	<u>1,030,436</u>
Expenditures						
Current						
Culture and recreation	-	-	-	-	5,000	-
Capital outlay	-	47,550	-	-	-	-
Total expenditures	<u>-</u>	<u>47,550</u>	<u>-</u>	<u>-</u>	<u>5,000</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>3,224</u>	<u>(44,903)</u>	<u>941</u>	<u>923</u>	<u>(4,295)</u>	<u>1,030,436</u>
Other financing sources (uses)						
Transfers in	20,000	187,000	5,000	2,000	-	5,000
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>20,000</u>	<u>187,000</u>	<u>5,000</u>	<u>2,000</u>	<u>-</u>	<u>5,000</u>
Net change in fund balances	23,224	142,097	5,941	2,923	(4,295)	1,035,436
Fund balances at beginning of year	87,215	(1,613)	25,943	27,070	25,990	26,357
Fund balance at end of year	<u>\$ 110,439</u>	<u>\$ 140,484</u>	<u>\$ 31,884</u>	<u>\$ 29,993</u>	<u>\$ 21,695</u>	<u>\$ 1,061,793</u>

MORROW COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
Year Ended June 30, 2023

	Building Reserve	Road Equipment Reserve	STF Vehicle Reserve	Finley Buttes Trust	Total
Revenues					
Charges for services	\$ -	\$ -	\$ -	\$ 492,442	\$ 492,442
Intergovernmental	-	-	225,396	-	1,225,396
Interest	21,485	32,108	5,181	23,704	121,354
Total revenues	<u>21,485</u>	<u>32,108</u>	<u>230,577</u>	<u>516,146</u>	<u>1,839,192</u>
Expenditures					
Current					
Culture and recreation	-	-	-	-	5,000
Capital outlay	-	890,951	585,303	-	1,523,804
Total expenditures	<u>-</u>	<u>890,951</u>	<u>585,303</u>	<u>-</u>	<u>1,528,804</u>
Excess (deficiency) of revenues over expenditures	<u>21,485</u>	<u>(858,843)</u>	<u>(354,726)</u>	<u>516,146</u>	<u>310,388</u>
Other financing sources (uses)					
Transfers in	204,596	586,556	333,494	-	1,343,646
Transfers out	(500,000)	-	-	-	(500,000)
Total other financing sources (uses)	<u>(295,404)</u>	<u>586,556</u>	<u>333,494</u>	<u>-</u>	<u>843,646</u>
Net change in fund balances	(273,919)	(272,287)	(21,232)	516,146	1,154,034
Fund balances at beginning of year	844,926	883,669	117,705	508,467	2,545,729
Fund balance at end of year	<u>\$ 571,007</u>	<u>\$ 611,382</u>	<u>\$ 96,473</u>	<u>\$ 1,024,613</u>	<u>\$ 3,699,763</u>

MORROW COUNTY
HERITAGE TRAIL - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET TO ACTUAL
Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Intergovernmental	\$ -	\$ 41,500	\$ 41,500
Interest	100	1,105	1,005
Total revenues	<u>100</u>	<u>42,605</u>	<u>42,505</u>
Expenditures			
Materials and services	<u>51,726</u>	<u>11,280</u>	<u>40,446</u>
Total expenditures	<u>51,726</u>	<u>11,280</u>	<u>40,446</u>
Excess (deficiency) of revenues over expenditures	<u>(51,626)</u>	<u>31,325</u>	<u>82,951</u>
Other financing sources (uses)			
Transfers in	<u>28,000</u>	<u>28,000</u>	<u>-</u>
Total other financing sources (uses)	<u>28,000</u>	<u>28,000</u>	<u>-</u>
Net change in fund balance	(23,626)	59,325	82,951
Fund balance at beginning of year	<u>23,626</u>	<u>23,663</u>	<u>37</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 82,988</u>	<u>\$ 82,988</u>

MORROW COUNTY
COMMISSION ON CHILDREN AND FAMILIES - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET TO ACTUAL
Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Intergovernmental	\$ -	\$ 25,183	\$ 25,183
Total revenues	<u>-</u>	<u>25,183</u>	<u>25,183</u>
Other financing sources (uses)			
Transfers out	<u>(66,158)</u>	<u>(29,070)</u>	<u>37,088</u>
Total other financing sources (uses)	<u>(66,158)</u>	<u>(29,070)</u>	<u>37,088</u>
Net change in fund balance	(66,158)	(3,887)	62,271
Fund balance at beginning of year	<u>66,158</u>	<u>66,158</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 62,271</u>	<u>\$ 62,271</u>

MORROW COUNTY
AIRPORT - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET TO ACTUAL
Year Ended June 30, 2023

	Budget	Actual	Variance
Revenues			
Licenses, permits and fees	\$ 20,731	\$ 20,469	\$ (262)
Charges for services	45,000	48,376	3,376
Intergovernmental	557,467	215,420	(342,047)
Interest	200	5,685	5,485
Miscellaneous	18,300	600	(17,700)
Total revenues	641,698	290,550	(351,148)
Expenditures			
Materials and services	69,140	72,559	(3,419)
Capital outlay	557,500	174,149	383,351
Contingency	167,514	-	167,514
Total expenditures	794,154	246,708	547,446
Excess (deficiency) of revenues over expenditures	(152,456)	43,842	196,298
Other financing sources (uses)			
Transfers in	38,406	38,406	-
Total other financing sources (uses)	38,406	38,406	-
Net change in fund balance	(114,050)	82,248	196,298
Fund balance at beginning of year	134,050	130,656	(3,394)
Fund balance at end of year	\$ 20,000	212,904	\$ 192,904
Reconciliation to generally accepted accounting principles			
Inventory		19,560	
Fund balance at end of year		\$ 232,464	

MORROW COUNTY
LAW LIBRARY - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET TO ACTUAL
Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Intergovernmental	\$ 7,000	\$ 6,390	\$ (610)
Interest	<u>1,000</u>	<u>1,140</u>	<u>140</u>
Total revenues	<u>8,000</u>	<u>7,530</u>	<u>(470)</u>
Expenditures			
Materials and services	<u>40,379</u>	<u>2,919</u>	<u>37,460</u>
Total expenditures	<u>40,379</u>	<u>2,919</u>	<u>37,460</u>
Net change in fund balance	(32,379)	4,611	36,990
Fund balance at beginning of year	<u>32,379</u>	<u>29,892</u>	<u>(2,487)</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ 34,503</u></u>	<u><u>\$ 34,503</u></u>

MORROW COUNTY
911 EMERGENCY - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET TO ACTUAL
Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Intergovernmental	\$ 497,295	\$ 570,219	\$ 72,924
Interest	2,500	24,901	22,401
	<u>499,795</u>	<u>595,120</u>	<u>95,325</u>
Expenditures			
Personnel services	317,853	296,849	21,004
Materials and services	70,400	60,013	10,387
Capital outlay	100,000	19,752	80,248
Contingency	308,195	-	308,195
	<u>796,448</u>	<u>376,614</u>	<u>419,834</u>
Net change in fund balance	(296,653)	218,506	515,159
Fund balance at beginning of year	496,653	771,521	274,868
Prior period adjustment	-	9,057	9,057
Fund balance at end of year	<u>\$ 200,000</u>	<u>\$ 999,084</u>	<u>\$ 799,084</u>

MORROW COUNTY
SURVEYOR PRESERVATION - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET TO ACTUAL
Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Licenses, permits and fees	\$ 13,000	\$ 13,167	\$ 167
Interest	<u>4,000</u>	<u>9,315</u>	<u>5,315</u>
Total revenues	<u>17,000</u>	<u>22,482</u>	<u>5,482</u>
Expenditures			
Materials and services	<u>288,984</u>	<u>600</u>	<u>288,384</u>
Total expenditures	<u>288,984</u>	<u>600</u>	<u>288,384</u>
Net change in fund balance	(271,984)	21,882	293,866
Fund balance at beginning of year	<u>271,984</u>	<u>277,051</u>	<u>5,067</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 298,933</u>	<u>\$ 298,933</u>

MORROW COUNTY
COUNTY SCHOOL - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET TO ACTUAL
Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Property taxes	\$ 28,700	\$ -	\$ (28,700)
Intergovernmental	225,341	254,185	28,844
Interest	<u>300</u>	<u>449</u>	<u>149</u>
Total revenues	<u>254,341</u>	<u>254,634</u>	<u>293</u>
Expenditures			
Special payments	<u>254,691</u>	<u>254,691</u>	<u>-</u>
Total expenditures	<u>254,691</u>	<u>254,691</u>	<u>-</u>
Net change in fund balance	(350)	(57)	293
Fund balance at beginning of year	<u>350</u>	<u>57</u>	<u>(293)</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

MORROW COUNTY
IONE SCHOOL - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET TO ACTUAL
Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Property taxes	\$ 3,200	\$ -	\$ (3,200)
Intergovernmental	17,000	16,983	(17)
Interest	<u>30</u>	<u>30</u>	<u>-</u>
 Total revenues	 <u>20,230</u>	 <u>17,013</u>	 <u>(3,217)</u>
Expenditures			
Special payments	<u>20,265</u>	<u>17,019</u>	<u>3,246</u>
 Total expenditures	 <u>20,265</u>	 <u>17,019</u>	 <u>3,246</u>
 Net change in fund balance	 (35)	 (6)	 29
 Fund balance at beginning of year	 <u>35</u>	 <u>6</u>	 <u>(29)</u>
 Fund balance at end of year	 <u><u>\$ -</u></u>	 <u><u>\$ -</u></u>	 <u><u>\$ -</u></u>

MORROW COUNTY
FAIR - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET TO ACTUAL
Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Property taxes	\$ 73,674	\$ -	\$ (73,674)
Licenses, permits and fees	3,900	3,365	(535)
Charges for services	31,300	31,635	335
Intergovernmental	53,166	53,167	1
Interest	2,000	8,215	6,215
Miscellaneous	6,100	1,908	(4,192)
	<u>170,140</u>	<u>98,290</u>	<u>(71,850)</u>
Expenditures			
Personnel services	25,842	23,050	2,792
Materials and services	188,050	151,583	36,467
Capital outlay	15,000	-	15,000
Contingency	168,418	-	168,418
	<u>397,310</u>	<u>174,633</u>	<u>222,677</u>
Excess (deficiency) of revenues over expenditures	<u>(227,170)</u>	<u>(76,343)</u>	<u>150,827</u>
Other financing sources (uses)			
Transfers out	<u>(7,000)</u>	<u>(7,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(7,000)</u>	<u>(7,000)</u>	<u>-</u>
Net change in fund balance	(234,170)	(83,343)	150,827
Fund balance at beginning of year	275,000	306,153	31,153
Prior period adjustment	<u>-</u>	<u>3,692</u>	<u>3,692</u>
Fund balance at end of year	<u>\$ 40,830</u>	<u>\$ 226,502</u>	<u>\$ 185,672</u>

MORROW COUNTY
SPECIAL TRANSPORTATION - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET TO ACTUAL
Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Charges for services	\$ 3,500	\$ 33,560	\$ 30,060
Intergovernmental	905,676	423,564	(482,112)
Interest	3,500	20,343	16,843
Miscellaneous	-	113	113
	<u>912,676</u>	<u>477,580</u>	<u>(435,096)</u>
Total revenues			
Expenditures			
Personnel services	298,674	209,266	89,408
Materials and services	612,060	162,379	449,681
Capital outlay	77,500	1,294	76,206
Contingency	15,520	-	15,520
	<u>1,003,754</u>	<u>372,939</u>	<u>630,815</u>
Total expenditures			
Excess (deficiency) of revenues over expenditures	<u>(91,078)</u>	<u>104,641</u>	<u>195,719</u>
Other financing sources (uses)			
Transfers out	<u>(608,922)</u>	<u>(404,002)</u>	<u>204,920</u>
Total other financing sources (uses)	<u>(608,922)</u>	<u>(404,002)</u>	<u>204,920</u>
Net change in fund balance	(700,000)	(299,361)	400,639
Fund balance at beginning of year	700,000	663,100	(36,900)
Prior period adjustment	-	3,920	3,920
Fund balance at end of year	<u>\$ -</u>	<u>\$ 367,659</u>	<u>\$ 367,659</u>

MORROW COUNTY
ALCOHOL ENFORCEMENT - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET TO ACTUAL
Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Interest	\$ 500	\$ 647	\$ 147
Total revenues	<u>500</u>	<u>647</u>	<u>147</u>
Expenditures			
Materials and services	<u>21,275</u>	<u>1,201</u>	<u>20,074</u>
Total expenditures	<u>21,275</u>	<u>1,201</u>	<u>20,074</u>
Net change in fund balance	(20,775)	(554)	20,221
Fund balance at beginning of year	<u>20,775</u>	<u>20,533</u>	<u>(242)</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 19,979</u>	<u>\$ 19,979</u>

MORROW COUNTY
VIDEO LOTTERY - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET TO ACTUAL
Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Intergovernmental	\$ 130,000	\$ 152,078	\$ 22,078
Interest	900	1,052	152
Total revenues	<u>130,900</u>	<u>153,130</u>	<u>22,230</u>
Expenditures			
Materials and services	15,000	15,000	-
Special payments	25,000	25,000	-
Contingency	51,250	-	51,250
Total expenditures	<u>91,250</u>	<u>40,000</u>	<u>51,250</u>
Excess (deficiency) of revenues over expenditures	<u>39,650</u>	<u>113,130</u>	<u>73,480</u>
Other financing sources (uses)			
Transfers out	<u>(81,500)</u>	<u>(81,500)</u>	<u>-</u>
Total other financing sources (uses)	<u>(81,500)</u>	<u>(81,500)</u>	<u>-</u>
Net change in fund balance	(41,850)	31,630	73,480
Fund balance at beginning of year	<u>41,850</u>	<u>40,632</u>	<u>(1,218)</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 72,262</u>	<u>\$ 72,262</u>

MORROW COUNTY
VICTIM/WITNESS ASSISTANCE - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET TO ACTUAL
Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Intergovernmental	\$ 105,969	\$ 141,540	\$ 35,571
Total revenues	<u>105,969</u>	<u>141,540</u>	<u>35,571</u>
Expenditures			
Personnel services	99,211	99,577	(366)
Materials and services	<u>14,527</u>	<u>12,274</u>	<u>2,253</u>
Total expenditures	<u>113,738</u>	<u>111,851</u>	<u>1,887</u>
Net change in fund balance	(7,769)	29,689	37,458
Fund balance at beginning of year	23,113	(11,211)	(34,324)
Prior period adjustment	<u>-</u>	<u>563</u>	<u>563</u>
Fund balance at end of year	<u>\$ 15,344</u>	<u>\$ 19,041</u>	<u>\$ 3,697</u>

MORROW COUNTY
CAMI GRANT - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET TO ACTUAL
Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Intergovernmental	\$ 29,160	\$ 22,990	\$ (6,170)
Interest	<u>250</u>	<u>1,094</u>	<u>844</u>
Total revenues	<u>29,410</u>	<u>24,084</u>	<u>(5,326)</u>
Expenditures			
Materials and services	<u>36,920</u>	<u>30,719</u>	<u>6,201</u>
Total expenditures	<u>36,920</u>	<u>30,719</u>	<u>6,201</u>
Net change in fund balance	(7,510)	(6,635)	875
Fund balance at beginning of year	<u>7,510</u>	<u>36,243</u>	<u>28,733</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 29,608</u>	<u>\$ 29,608</u>

MORROW COUNTY
SAFETY COMMITTEE - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET TO ACTUAL
Year Ended June 30, 2023

	Budget	Actual	Variance
Revenues			
Interest	\$ 100	\$ 522	\$ 422
Miscellaneous	<u>3,000</u>	<u>5,129</u>	<u>2,129</u>
Total revenues	<u>3,100</u>	<u>5,651</u>	<u>2,551</u>
Expenditures			
Materials and services	<u>23,100</u>	<u>6,491</u>	<u>16,609</u>
Total expenditures	<u>23,100</u>	<u>6,491</u>	<u>16,609</u>
Net change in fund balance	(20,000)	(840)	19,160
Fund balance at beginning of year	<u>20,000</u>	<u>14,254</u>	<u>(5,746)</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 13,414</u>	<u>\$ 13,414</u>

MORROW COUNTY
RODEO - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET TO ACTUAL
Year Ended June 30, 2023

	Budget	Actual	Variance
Expenditures			
Materials and services	\$ 12,500	\$ 12,500	\$ -
Total expenditures	12,500	12,500	-
Other financing sources (uses)			
Transfers in	12,500	12,500	-
Total other financing sources (uses)	12,500	12,500	-
Net change in fund balance	-	-	-
Fund balance at beginning of year	-	-	-
Fund balance at end of year	\$ -	\$ -	\$ -

MORROW COUNTY
JUSTICE COURT BAIL AND FINES - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET TO ACTUAL
Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Fines and forfeitures	\$ 500,000	\$ 274,539	\$ (225,461)
Total revenues	<u>500,000</u>	<u>274,539</u>	<u>(225,461)</u>
Expenditures			
Materials and services	6,400	5,864	536
Special payments	<u>533,600</u>	<u>267,164</u>	<u>266,436</u>
Total expenditures	<u>540,000</u>	<u>273,028</u>	<u>266,972</u>
Net change in fund balance	(40,000)	1,511	41,511
Fund balance at beginning of year	<u>40,000</u>	<u>18,503</u>	<u>(21,497)</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 20,014</u>	<u>\$ 20,014</u>

MORROW COUNTY
CLERK RECORDS - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET TO ACTUAL
Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Licenses, permits and fees	\$ -	\$ 1,517	\$ 1,517
Interest	<u>200</u>	<u>798</u>	<u>598</u>
Total revenues	<u>200</u>	<u>2,315</u>	<u>2,115</u>
Expenditures			
Materials and services	<u>22,850</u>	<u>-</u>	<u>22,850</u>
Total expenditures	<u>22,850</u>	<u>-</u>	<u>22,850</u>
Net change in fund balance	(22,650)	2,315	24,965
Fund balance at beginning of year	<u>21,150</u>	<u>23,483</u>	<u>2,333</u>
Fund balance at end of year	<u><u>\$ (1,500)</u></u>	<u><u>\$ 25,798</u></u>	<u><u>\$ 27,298</u></u>

MORROW COUNTY
DUII IMPACT - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET TO ACTUAL
Year Ended June 30, 2023

	Budget	Actual	Variance
Revenues			
Interest	\$ 400	\$ 977	\$ 577
Total revenues	400	977	577
Expenditures			
Materials and services	30,290	-	30,290
Total expenditures	30,290	-	30,290
Net change in fund balance	(29,890)	977	30,867
Fund balance at beginning of year	29,890	29,843	(47)
Fund balance at end of year	\$ -	\$ 30,820	\$ 30,820

MORROW COUNTY
BUILDING PERMIT - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET TO ACTUAL
Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Licenses, permits and fees	\$ 245,000	\$ 971,136	\$ 726,136
Interest	8,000	65,040	57,040
Total revenues	<u>253,000</u>	<u>1,036,176</u>	<u>783,176</u>
Expenditures			
Personnel services	-	160	(160)
Materials and services	<u>2,000</u>	<u>-</u>	<u>2,000</u>
Total expenditures	<u>2,000</u>	<u>160</u>	<u>1,840</u>
Excess (deficiency) of revenues over expenditures	<u>251,000</u>	<u>1,036,016</u>	<u>785,016</u>
Other financing sources (uses)			
Transfers out	<u>(50,000)</u>	<u>(50,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(50,000)</u>	<u>(50,000)</u>	<u>-</u>
Net change in fund balance	201,000	986,016	785,016
Fund balance at beginning of year	<u>1,253,440</u>	<u>1,368,188</u>	<u>114,748</u>
Fund balance at end of year	<u>\$ 1,454,440</u>	<u>\$ 2,354,204</u>	<u>\$ 899,764</u>

MORROW COUNTY
PARK - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET TO ACTUAL
Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Licenses, permits and fees	\$ 135,900	\$ 255,617	\$ 119,717
Charges for services	54,850	30,896	(23,954)
Intergovernmental	438,550	580,845	142,295
Interest	2,000	17,361	15,361
Miscellaneous	6,200	9,154	2,954
	<u>637,500</u>	<u>893,873</u>	<u>256,373</u>
Expenditures			
Personnel services	304,976	332,577	(27,601)
Materials and services	378,741	351,842	26,899
Capital outlay	105,000	104,998	2
Contingency	148,783	-	148,783
	<u>937,500</u>	<u>789,417</u>	<u>148,083</u>
Excess (deficiency) of revenues over expenditures	<u>(300,000)</u>	<u>104,456</u>	<u>404,456</u>
Other financing sources (uses)			
Sale of capital assets	-	46	46
	<u>-</u>	<u>46</u>	<u>46</u>
Net change in fund balance	(300,000)	104,502	404,502
Fund balance at beginning of year	300,000	541,856	241,856
Prior period adjustment	-	13,591	13,591
	<u>-</u>	<u>13,591</u>	<u>13,591</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 659,949</u>	<u>\$ 659,949</u>

MORROW COUNTY
COURT SECURITY - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET TO ACTUAL
Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Fines and forfeitures	\$ 11,000	\$ 5,688	\$ (5,312)
Intergovernmental	-	906	906
Interest	<u>1,500</u>	<u>1,970</u>	<u>470</u>
Total revenues	<u>12,500</u>	<u>8,564</u>	<u>(3,936)</u>
Expenditures			
Materials and services	52,500	29,436	23,064
Capital outlay	<u>35,000</u>	<u>-</u>	<u>35,000</u>
Total expenditures	<u>87,500</u>	<u>29,436</u>	<u>58,064</u>
Net change in fund balance	(75,000)	(20,872)	54,128
Fund balance at beginning of year	<u>75,000</u>	<u>65,951</u>	<u>(9,049)</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 45,079</u>	<u>\$ 45,079</u>

MORROW COUNTY
EQUITY - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET TO ACTUAL
Year Ended June 30, 2023

	Budget	Actual	Variance
Revenues			
Interest	\$ 11,000	\$ 15,134	\$ 4,134
Total revenues	11,000	15,134	4,134
Expenditures			
Materials and services	21,000	7,330	13,670
Net change in fund balance	(10,000)	7,804	17,804
Fund balance at beginning of year	615,000	620,835	5,835
Fund balance at end of year	\$ 605,000	\$ 628,639	\$ 23,639

MORROW COUNTY
LIQUOR CONTROL - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET TO ACTUAL
Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Interest	\$ 15	\$ 29	\$ 14
Total revenues	<u>15</u>	<u>29</u>	<u>14</u>
Expenditures			
Materials and services	<u>893</u>	<u>-</u>	<u>893</u>
Total expenditures	<u>893</u>	<u>-</u>	<u>893</u>
Net change in fund balance	(878)	29	907
Fund balance at beginning of year	<u>878</u>	<u>879</u>	<u>1</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 908</u>	<u>\$ 908</u>

MORROW COUNTY
WATER PLANNING - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET TO ACTUAL
Year Ended June 30, 2023

	Budget	Actual	Variance
Expenditures			
Materials and services	\$ 16,258	\$ 6,000	\$ 10,258
Total expenditures	16,258	6,000	10,258
Other financing sources (uses)			
Transfers in	16,000	16,000	-
Total other financing sources (uses)	16,000	16,000	-
Net change in fund balance	(258)	10,000	10,258
Fund balance at beginning of year	258	258	-
Fund balance at end of year	\$ -	\$ 10,258	\$ 10,258

MORROW COUNTY
FOREST SERVICE - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET TO ACTUAL
Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Intergovernmental	\$ -	\$ 5,992	\$ 5,992
Interest	<u>1,000</u>	<u>2,886</u>	<u>1,886</u>
Total revenues	<u>1,000</u>	<u>8,878</u>	<u>7,878</u>
Expenditures			
Materials and services	<u>87,700</u>	<u>-</u>	<u>87,700</u>
Total expenditures	<u>87,700</u>	<u>-</u>	<u>87,700</u>
Net change in fund balance	(86,700)	8,878	95,578
Fund balance at beginning of year	<u>86,700</u>	<u>86,602</u>	<u>(98)</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 95,480</u>	<u>\$ 95,480</u>

MORROW COUNTY
5310 - FTA GRANT - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET TO ACTUAL
Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Intergovernmental	\$ 994,729	\$ 216,988	\$ (777,741)
Interest	1,000	4,956	3,956
	<u>995,729</u>	<u>221,944</u>	<u>(773,785)</u>
Expenditures			
Personnel services	113,604	115,862	(2,258)
Materials and services	448,538	97,883	350,655
Capital outlay	126,956	-	126,956
Contingency	302,679	-	302,679
	<u>991,777</u>	<u>213,745</u>	<u>778,032</u>
Excess (deficiency) of revenues over expenditures	<u>3,952</u>	<u>8,199</u>	<u>4,247</u>
Other financing sources (uses)			
Transfers in	59,048	54,346	(4,702)
Transfers out	(63,000)	(53,838)	9,162
	<u>(3,952)</u>	<u>508</u>	<u>4,460</u>
Net change in fund balance	-	8,707	8,707
Fund balance at beginning of year	-	36,060	36,060
Prior period adjustment	-	516	516
Fund balance at end of year	<u>\$ -</u>	<u>\$ 45,283</u>	<u>\$ 45,283</u>

MORROW COUNTY
COMMUNITY CORRECTIONS - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET TO ACTUAL
Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Charges for services	\$ 118,422	\$ 9,000	\$ (109,422)
Intergovernmental	515,678	632,638	116,960
Interest	6,000	8,585	2,585
Miscellaneous	-	3,370	3,370
	<u>640,100</u>	<u>653,593</u>	<u>13,493</u>
Total revenues			
Expenditures			
Personnel services	532,733	564,273	(31,540)
Materials and services	219,862	153,656	66,206
Capital outlay	55,000	38,774	16,226
Contingency	32,505	-	32,505
	<u>840,100</u>	<u>756,703</u>	<u>83,397</u>
Total expenditures			
Net change in fund balance	(200,000)	(103,110)	96,890
Fund balance at beginning of year	200,000	380,572	180,572
Prior period adjustment	-	21,323	21,323
	<u>-</u>	<u>21,323</u>	<u>21,323</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 298,785</u>	<u>\$ 298,785</u>

MORROW COUNTY
SHERIFF RESERVE - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET TO ACTUAL
Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Licenses, permits and fees	\$ 2,000	\$ 2,400	\$ 400
Interest	-	530	530
Miscellaneous	<u>2,000</u>	<u>100</u>	<u>(1,900)</u>
Total revenues	<u>4,000</u>	<u>3,030</u>	<u>(970)</u>
Expenditures			
Materials and services	10,800	1,875	8,925
Contingency	<u>8,200</u>	<u>-</u>	<u>8,200</u>
Total expenditures	<u>19,000</u>	<u>1,875</u>	<u>17,125</u>
Net change in fund balance	(15,000)	1,155	16,155
Fund balance at beginning of year	<u>15,000</u>	<u>14,558</u>	<u>(442)</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 15,713</u>	<u>\$ 15,713</u>

MORROW COUNTY
STATE AND FEDERAL WILDLIFE - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET TO ACTUAL
Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Intergovernmental	\$ -	\$ 3,452	\$ 3,452
Interest	-	35	35
	<u>-</u>	<u>3,487</u>	<u>3,487</u>
Total revenues	-	3,487	3,487
Net change in fund balance	-	3,487	3,487
Fund balance at beginning of year	-	6,197	6,197
Fund balance at end of year	<u>\$ -</u>	<u>\$ 9,684</u>	<u>\$ 9,684</u>

MORROW COUNTY
COMPUTER EQUIPMENT RESERVE - CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET TO ACTUAL
Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Interest	\$ 400	\$ 3,224	\$ 2,824
Total revenues	<u>400</u>	<u>3,224</u>	<u>2,824</u>
Expenditures			
Capital Outlay	<u>107,350</u>	<u>-</u>	<u>107,350</u>
Total expenditures	<u>107,350</u>	<u>-</u>	<u>107,350</u>
Excess (deficiency) of revenues over expenditures	<u>(106,950)</u>	<u>3,224</u>	<u>110,174</u>
Other financing sources (uses)			
Transfers in	<u>20,000</u>	<u>20,000</u>	<u>-</u>
Total other financing sources (uses)	<u>20,000</u>	<u>20,000</u>	<u>-</u>
Net change in fund balance	(86,950)	23,224	110,174
Fund balance at beginning of year	<u>86,950</u>	<u>87,215</u>	<u>265</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 110,439</u>	<u>\$ 110,439</u>

MORROW COUNTY
PROGRAMMING RESERVE - CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET TO ACTUAL
Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Interest	\$ 100	\$ 2,647	\$ 2,547
Total revenues	<u>100</u>	<u>2,647</u>	<u>2,547</u>
Expenditures			
Capital outlay	<u>187,100</u>	<u>47,550</u>	<u>139,550</u>
Total expenditures	<u>187,100</u>	<u>47,550</u>	<u>139,550</u>
Excess (deficiency) of revenues over expenditures	<u>(187,000)</u>	<u>(44,903)</u>	<u>142,097</u>
Other financing sources (uses)			
Transfers in	<u>187,000</u>	<u>187,000</u>	<u>-</u>
Total other financing sources (uses)	<u>187,000</u>	<u>187,000</u>	<u>-</u>
Net change in fund balance	-	142,097	142,097
Fund balance at beginning of year	<u>-</u>	<u>(1,613)</u>	<u>(1,613)</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 140,484</u>	<u>\$ 140,484</u>

MORROW COUNTY
WEED EQUIPMENT RESERVE - CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET TO ACTUAL
Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Interest	\$ 50	\$ 941	\$ 891
Total revenues	<u>50</u>	<u>941</u>	<u>891</u>
Expenditures			
Capital outlay	<u>30,915</u>	<u>-</u>	<u>30,915</u>
Total expenditures	<u>30,915</u>	<u>-</u>	<u>30,915</u>
Excess (deficiency) of revenues over expenditures	<u>(30,865)</u>	<u>941</u>	<u>31,806</u>
Other financing sources (uses)			
Transfers in	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Total other financing sources (uses)	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Net change in fund balance	(25,865)	5,941	31,806
Fund balance at beginning of year	<u>25,865</u>	<u>25,943</u>	<u>78</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 31,884</u>	<u>\$ 31,884</u>

MORROW COUNTY
FAIR ROOF RESERVE - CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET TO ACTUAL
Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Interest	\$ 200	\$ 923	\$ 723
Total revenues	<u>200</u>	<u>923</u>	<u>723</u>
Expenditures			
Capital outlay	<u>31,307</u>	<u>-</u>	<u>31,307</u>
Total expenditures	<u>31,307</u>	<u>-</u>	<u>31,307</u>
Excess (deficiency) of revenues over expenditures	<u>(31,107)</u>	<u>923</u>	<u>32,030</u>
Other financing sources (uses)			
Transfers in	<u>2,000</u>	<u>2,000</u>	<u>-</u>
Total other financing sources (uses)	<u>2,000</u>	<u>2,000</u>	<u>-</u>
Net change in fund balance	(29,107)	2,923	32,030
Fund balance at beginning of year	<u>29,107</u>	<u>27,070</u>	<u>(2,037)</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 29,993</u>	<u>\$ 29,993</u>

MORROW COUNTY
BLEACHER RESERVE - CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET TO ACTUAL
Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Interest	\$ 200	\$ 705	\$ 505
Total revenues	<u>200</u>	<u>705</u>	<u>505</u>
Expenditures			
Materials and services	-	5,000	(5,000)
Capital outlay	<u>26,231</u>	<u>-</u>	<u>26,231</u>
Total expenditures	<u>26,231</u>	<u>5,000</u>	<u>21,231</u>
Net change in fund balance	(26,031)	(4,295)	21,736
Fund balance at beginning of year	<u>26,031</u>	<u>25,990</u>	<u>(41)</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 21,695</u>	<u>\$ 21,695</u>

MORROW COUNTY
FAIR IMPROVEMENT - CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET TO ACTUAL
Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Intergovernmental	\$ -	\$ 1,000,000	\$ 1,000,000
Interest	100	30,436	30,336
Total revenues	<u>100</u>	<u>1,030,436</u>	<u>1,030,336</u>
Expenditures			
Capital outlay	<u>36,485</u>	-	<u>36,485</u>
Total expenditures	<u>36,485</u>	-	<u>36,485</u>
Excess (deficiency) of revenues over expenditures	<u>(36,385)</u>	<u>1,030,436</u>	<u>1,066,821</u>
Other financing sources (uses)			
Transfers in	<u>5,000</u>	<u>5,000</u>	-
Total other financing sources (uses)	<u>5,000</u>	<u>5,000</u>	-
Net change in fund balance	(31,385)	1,035,436	1,066,821
Fund balance at beginning of year	<u>31,385</u>	<u>26,357</u>	<u>(5,028)</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 1,061,793</u>	<u>\$ 1,061,793</u>

MORROW COUNTY
BUILDING RESERVE - CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET TO ACTUAL
Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Interest	\$ 2,500	\$ 21,485	\$ 18,985
Total revenues	<u>2,500</u>	<u>21,485</u>	<u>18,985</u>
Expenditures			
Capital outlay	<u>500,000</u>	<u>-</u>	<u>500,000</u>
Total expenditures	<u>500,000</u>	<u>-</u>	<u>500,000</u>
Excess (deficiency) of revenues over expenditures	<u>(497,500)</u>	<u>21,485</u>	<u>518,985</u>
Other financing sources (uses)			
Transfers in	228,510	204,596	(23,914)
Transfers out	<u>(500,000)</u>	<u>(500,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(271,490)</u>	<u>(295,404)</u>	<u>(23,914)</u>
Net change in fund balance	(768,990)	(273,919)	495,071
Fund balance at beginning of year	<u>842,861</u>	<u>844,926</u>	<u>2,065</u>
Fund balance at end of year	<u>\$ 73,871</u>	<u>\$ 571,007</u>	<u>\$ 497,136</u>

MORROW COUNTY
ROAD EQUIPMENT RESERVE - CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET TO ACTUAL
Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Interest	\$ 6,000	\$ 32,108	\$ 26,108
Total revenues	<u>6,000</u>	<u>32,108</u>	<u>26,108</u>
Expenditures			
Capital outlay	<u>1,771,000</u>	<u>890,951</u>	<u>880,049</u>
Total expenditures	<u>1,771,000</u>	<u>890,951</u>	<u>880,049</u>
Excess (deficiency) of revenues over expenditures	<u>(1,765,000)</u>	<u>(858,843)</u>	<u>906,157</u>
Other financing sources (uses)			
Transfers in	<u>755,000</u>	<u>586,556</u>	<u>(168,444)</u>
Total other financing sources (uses)	<u>755,000</u>	<u>586,556</u>	<u>(168,444)</u>
Net change in fund balance	(1,010,000)	(272,287)	737,713
Fund balance at beginning of year	<u>1,010,000</u>	<u>883,669</u>	<u>(126,331)</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 611,382</u>	<u>\$ 611,382</u>

MORROW COUNTY
STF VEHICLE RESERVE - CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET TO ACTUAL
Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Intergovernmental	\$ -	\$ 225,396	\$ 225,396
Interest	<u>2,000</u>	<u>5,181</u>	<u>3,181</u>
Total revenues	<u>2,000</u>	<u>230,577</u>	<u>228,577</u>
Expenditures			
Capital outlay	<u>581,874</u>	<u>585,303</u>	<u>(3,429)</u>
Total expenditures	<u>581,874</u>	<u>585,303</u>	<u>(3,429)</u>
Excess (deficiency) of revenues over expenditures	<u>(579,874)</u>	<u>(354,726)</u>	<u>225,148</u>
Other financing sources (uses)			
Transfers in	<u>612,874</u>	<u>333,494</u>	<u>(279,380)</u>
Total other financing sources (uses)	<u>612,874</u>	<u>333,494</u>	<u>(279,380)</u>
Net change in fund balance	33,000	(21,232)	(54,232)
Fund balance at beginning of year	<u>100,000</u>	<u>117,705</u>	<u>17,705</u>
Fund balance at end of year	<u>\$ 133,000</u>	<u>\$ 96,473</u>	<u>\$ (36,527)</u>

MORROW COUNTY
FINLEY BUTTES TRUST FUND - CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET TO ACTUAL
Year Ended June 30, 2023

	Budget	Actual	Variance
Revenues			
Charges for services	\$ 385,000	\$ 492,442	\$ 107,442
Interest	<u>9,000</u>	<u>23,704</u>	<u>14,704</u>
 Total revenues	 <u>394,000</u>	 <u>516,146</u>	 <u>122,146</u>
 Net change in fund balance	 394,000	 516,146	 122,146
 Fund balance at beginning of year	 <u>1,854,382</u>	 <u>508,467</u>	 <u>(1,345,915)</u>
 Fund balance at end of year	 <u>\$ 2,248,382</u>	 <u>\$ 1,024,613</u>	 <u>\$ (1,223,769)</u>

MORROW COUNTY
SCHEDULE OF ACCOUNTABILITY FOR INDEPENDENTLY ELECTED OFFICIALS
As of and for the Year Ended June 30, 2023

Elected Officials	Cash and Investments Balances July 1, 2022	Cash Receipts	Cash Turnovers and Disbursements to County Treasurer and Others	Cash and Investments Balances June 30, 2023
County Clerk	\$ -	\$ 213,968	\$ 213,968	\$ -
Justice of the Peace	-	274,540	274,540	-
Sheriff	-	602,559	602,559	-
Tax Collector	-	54,582,206	54,582,206	-
Treasurer	<u>36,272,721</u>	<u>88,833,135</u>	<u>76,164,477</u>	<u>48,941,379</u>
Totals	<u>\$ 36,272,721</u>	<u>\$ 144,506,408</u>	<u>\$ 131,837,750</u>	<u>\$ 48,941,379</u>
Cash and investments as of June 30, 2023				
Deposits with financial institutions				\$ 945,681
Cash on hand				1,735
State treasurer's investment pool				<u>47,993,963</u>
Cash and investments for elected officials				48,941,379
Held by custodian under pension plan, primarily mutual funds				<u>29,884,129</u>
Total cash and investments				<u>\$ 78,825,508</u>
Reported in the basic financial statements as:				
Governmental activities - cash and cash equivalents				\$ 44,234,655
Pension trust				
Cash and cash equivalents				2,901,246
Investments				26,982,883
Custodial funds				
Cash and cash equivalents				<u>4,706,724</u>
				<u>\$ 78,825,508</u>

COMPLIANCE SECTION

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**INDEPENDENT AUDITOR'S REPORT REQUIRED BY
OREGON STATE REGULATIONS**

Board of County Commissioners
Morrow County
Heppner, Oregon

We have audited the basic financial statements of Morrow County (the "County") as of and for the year ended June 30, 2023, and have issued our report thereon dated February 29, 2024. Our audit was conducted 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 the County'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 statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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

- **Deposit of public funds with financial institutions (ORS Chapter 295).**
- **Indebtedness limitations, restrictions and repayment.**
- **Budgets legally required (ORS Chapter 294).**
- **Insurance and fidelity bonds in force or required by law.**
- **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).**

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

Board of Commissioners
Morrow County
Independent Auditor's Report
Required by Oregon State Regulations
February 29, 2024

Budgets legally required

- 1) During the year ended June 30, 2023 expenditures in excess of appropriations occurred as follows:

<u>Fund</u>	<u>Appropriation Category</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
General	County treasurer	\$ 140,565	144,766	(4,201)
General	District attorney	449,246	463,463	(14,217)
General	Sheriff	4,726,344	4,783,422	(57,078)
General	Weed department	158,668	163,532	(4,864)
Shepherds Flat Fees	Special payments	521,500	535,794	(14,294)
Airport	Materials and services	69,140	72,559	(3,419)
Victim/Witness Assistance	Personnel services	99,211	99,577	(366)
Building Permit	Personnel services	-	160	(160)
Park	Personnel services	304,976	332,577	(27,601)
5310 FTA Grant	Personnel services	113,604	115,862	(2,258)
Community Corrections	Personnel services	532,733	564,273	(31,540)
Bleacher Reserve	Materials and services	-	5,000	(5,000)
STF Vehicle Reserve	Capital outlay	581,874	585,303	(3,429)

- 2) In the detail budget document for the 2023-24 fiscal year, the historical amounts for the General, Road, Emergency Dispatch, Fair, Special Transportation, Victim/Witness Advocate, and Parks do not agree with the audited financial statements for 2020-21 and 2021-22, and the historical amounts for the Equity fund do not agree with the audited financial statements for 2021-22.

Internal Control OAR 162-10-0230

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

Restriction on Use

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

Singer Lewak LLP

February 29, 2024

By:



Bradley G. Bingenheimer, Partner

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

Board of Commissioners
Morrow County
Heppner, Oregon

We have audited, 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Polk County (the “County”) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the County’s basic financial statements, and have issued our report thereon dated February 29, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County’s internal control over financial reporting (“internal control”) as a basis for designing 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 the County’s internal control. Accordingly, we do not express an opinion on the effectiveness of the County’s internal control.

Our consideration of internal control 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 material weaknesses or significant deficiencies. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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 County’s financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency described in the accompanying schedule of findings and responses as item 2023-001 to be a material weakness.

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. We consider the deficiencies described in the accompanying schedule of findings and responses as items 2023-002 and 2023-003 to be significant deficiencies.

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
February 29, 2024

County's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the County's responses to the findings identified in our audit and described in the accompanying schedule of findings and responses. The County's response was not subject to the other audit procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from 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 financial statements. 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 the 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 *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



February 29, 2024

MORROW COUNTY
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2023

2023-001 Material Adjustments to Prior Period Financial Statements

Criteria: Internal controls over financial reporting should include sufficient knowledge of the requirements for financial reporting to allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis.

Condition: Material adjustments were required to correct the classification of Coronavirus State and Local Fiscal Relief Funds that were not properly reported as unearned revenue in the prior year and to correct beginning fund balance to account for inventory held in the fund but not reported in the prior period. In addition, adjustments were required to correct budgetary balances in funds for compensated absences. Lastly, classification corrections were necessary funds required to be reported under GASB 54 which were reported as special revenue funds in the prior year.

Cause: Management did not identify the transactions and reporting requirements appropriately to ensure correct reporting.

Effect: Prior period financial statements were misstated.

Response: There has been turnover in key management in the last year. Current management is aware of how transactions should be recorded in the financial statements. Review processes have been implemented to ensure proper reporting in the future.

2023-002 Lack of Documented Review of Journal Entries

Criteria: Internal controls over financial reporting should include sufficient review of financial transactions to allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis.

Condition: Lack of documentation supporting the review of journal entries posted by the Treasurer.

Cause: A documented review process was not in place to support all journal entries posted.

Effect: Journal entries could be erroneously recorded resulting in misstatements in the financial statements.

Response: Historically, there was no policy requiring review over the Treasurer's transactions recorded in the financial system. Management is in the process of reviewing procedures and processes to ensure checks and balances are in place.

MORROW COUNTY
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2023

2023-003 Insufficient IT Controls

Criteria: Internal controls over financial reporting should include sufficient controls over information technology to ensure the County's data is protected and the risk of unauthorized access is mitigated.

Condition: No disaster recovery plan exists, there is no requirement to routinely change system access passwords, and user access is not restricted to system modules pertaining to their job requirements.

Cause: Sufficient IT controls have not been implemented.

Effect: Loss of data could occur and the County is exposed to unauthorized access by employees or individuals outside of the County.

Response: There has been turnover in key management in the last year. As part of the review of policies and procedures, management will implement controls to ensure County information is safeguarded.

February 29, 2024

Board of Commissioners
Morrow County
Heppner, Oregon

This letter is to inform the Board of Commissioners of Morrow County (the “County”) about significant matters related to the conduct of our audit as of and for the year ended June 30, 2022, so that it can appropriately discharge its oversight responsibility and we comply with our professional responsibilities.

Auditing standards generally accepted in the United States of America (AU-C 260, *The Auditor’s Communication with Those Charged with Governance*) require the auditor to promote effective two-way communication between the auditor and those charged with governance. Consistent with this requirement, the following summarizes our responsibilities regarding the financial statement audit as well as observations arising from our audit that are significant and relevant to your responsibility to oversee the financial reporting process.

Our Responsibilities With Regard to the Financial Statement Audit

Our responsibility under auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States has been described to you in our arrangement letter dated April 12, 2023. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities, which are also described in that letter.

Overview of the Planned Scope and Timing of the Financial Statement Audit

We have issued a separate communication dated June 21, 2023, regarding the planned scope and timing of our audit and identified significant risks.

Significant Accounting Practices, Including Policies, Estimates and Disclosures

In our meeting with you, we will discuss our views about the qualitative aspects of the Company’s significant accounting practices, including significant accounting policies, significant unusual transactions, accounting estimates and financial statement disclosures. The following is a list of the matters that will be discussed, including the significant estimates, which you may wish to monitor for your oversight responsibilities of the financial reporting process:

Significant Accounting Estimates

- Accounts receivables are stated net of estimated allowances for uncollectible accounts. Such allowance is determined based on an analysis performed by management that considers past collection experience, collections subsequent to the financial statements date, current economic conditions, among other factors.

- In the statements of activities, the costs of capital assets are allocated over their estimated useful lives as depreciation expense. In determining the estimated useful life of an asset, management considers the asset's present condition, use of the asset, construction type, maintenance policy, and how long it is expected to meet service and technology demands.
- The net pension liability represents the amount by which the total pension liability exceeds the plan's fiduciary net position. The total pension liability was determined based on an actuarial valuation as of July 1, 2022. The County has hired an external actuarial specialist to assist in the measurement of such liability. The total pension liability was measured using the entry age actuarial cost method based on the actuarial present value of projected benefit payments that is attributed to past periods of employee service. The present value of the total pension liability was determined using a discount rate of 6.5% based on the long-term expected rate of return on plan investments as it is management's assumption that the plan's fiduciary net position is projected to be sufficient to pay benefits and plan assets are expected to be invested using a strategy to achieve that return.
- The total other postemployment benefits (OPEB) liability was determined based on an actuarial valuation as of July 1, 2022. The County has hired an external actuarial specialist to assist in the measurement of such liability. The total OPEB liability was measured using the entry age actuarial cost method based on the actuarial present value of projected benefit payments that is attributed to past periods of employee service. The present value of the total OPEB liability was determined using a discount rate of 3.54% based on the 20-year, tax exempt municipal bond rate with average rating of AA/Aa or higher.

Disclosures

- The disclosure of prior period adjustments in Note 3 to the financial statements, which describes adjustments to compensated absences at a budgetary level resulting in an increase in budgetary fund balances, an adjustment to the Road fund balance to recognize inventory balances that existed at June 30, 2022, an adjustment the Resiliency fund to recognized unspent Coronavirus State and Local Fiscal Relief Funds as unearned revenue as required by the U.S. Treasury, and an adjustment to reclassify fund balance for the State and Federal Wildlife fund from custodial funds to special revenue funds.
- The disclosure of cash, cash equivalents and investments in Note 5 to the financial statements which describes the liquid assets available for operations of the County.
- The disclosure of long-term obligations in Note 10 to the financial statements, which describes the future principal and interest payments for which the County is legally obligated.

Audit Adjustments and Uncorrected Misstatements

Management corrected the misstatements in the attached schedule that were identified as a result of our audit procedures.

Board of Commissioners
Morrow County
Heppner, Oregon
February 29, 2024
Page 3

We are not aware of any uncorrected misstatements other than misstatements that are clearly trivial.

Emphasis of Matter Paragraph in our Auditor's Report

We have included an emphasis-of-matter paragraph in our audit report to draw attention to the County's disclosures with respect to restatement of beginning balances.

Consultation With Other Accountants

We are not aware of any consultations management had with other accountants about accounting or auditing matters.

Management Representations

Attached is a copy of the management representation letter.

Other Matters

Pursuant to professional standards, our responsibility as auditors for other information in documents containing the County's audited financial statements does not extend beyond the financial information identified in the audit report, and we are not required to perform any procedures to corroborate such other information. However, in accordance with such standards, we have read the information and considered whether such information, or the manner of its presentation, was materially inconsistent with its presentation in the financial statements.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

Closing

We will be pleased to respond to any questions you have about the foregoing. We appreciate the opportunity to continue to be of service to the County.

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

Singer Lewak LLP

Morrow County

Year End: June 30, 2023

Recorded Misstatements

Date: 7/1/2022 To 6/30/2023

9001

Prepared by	In-Chrg Review	Manager Review
Partner Review	EQCR Review	Other Review
BB2 2/23/2024	OT 2/25/2024	KW 2/16/2024

Number	Date	Name	Account No	Reference	Debit	Credit	Recurrence	Misstatement
3	6/30/2023	MISCELLANEOUS EXPENSES	662-662-5-20-5420 AF01	5910 GOV LE/		50,000.00		
3	6/30/2023	XFR TO IONE LIBRARY DIST BLDG	662-662-5-50-8686 AF01	5910 GOV LE/	50,000.00			
		To reclass miscoded interfund transfer between lone library funds						Factual
4	6/30/2023	Due to Other Funds	220-100-2-40-4002 SRF17	1004		27,425.00		
4	6/30/2023	BEGINNING FUND BALANCE	220-100-3-01-0101 SRF17	1004	27,425.00			
		To adjust due to/due from for missed entry in PY						Factual
5	6/30/2023	ACCOUNTS RECEIVABLE-OTHER	510-100-1-20-2300 SRF35	1004	133,385.00			
5	6/30/2023	BEGINNING FUND BALANCE	510-100-3-01-0101 SRF35	1004		133,385.00		
		TO adjust fund balance for entry not made by client in PY						Factual
7	6/30/2023	ACCRUED VACATION	101-100-2-65-6502 GF01A	6210	226,977.00			
7	6/30/2023	PRIOR PERIOD ADJUSTMENT	101-100-3-01-3001 GF01A	6210		255,372.00		
7	6/30/2023	FRINGE BENEFITS	101-101-5-10-1430 GF01A	6210	28,395.00			
7	6/30/2023	ACCRUED VACATION	202-100-2-65-6502 SRF01	6210	76,350.00			
7	6/30/2023	Prior Period Adjustment	202-100-3-01-3001 SRF01	6210		79,977.00		
7	6/30/2023	FRINGE BENEFITS	202-220-5-10-1430 SRF01	6210	3,627.00			
7	6/30/2023	ACCRUED VACATION	207-100-2-65-6502 SRF09	6210	13,971.00			
7	6/30/2023	Prior period adjustment	207-100-3-01-3001 SRF09	6210		9,057.00		
7	6/30/2023	FRINGE BENEFITS	207-113-5-10-1430 SRF09	6210		4,914.00		
7	6/30/2023	ACCRUED VACATION	214-100-2-65-6502 SRF14	6210	26.00			
7	6/30/2023	Prior period adjustment	214-100-3-10-3001 SRF14	6210		3,692.00		
7	6/30/2023	FRINGE BENEFITS	214-304-5-10-1430 SRF14	6210	3,666.00			
7	6/30/2023	ACCRUED VACATION	216-100-2-65-6502 SRF46	6210	4,865.00			
7	6/30/2023	Prior period adjustment	216-100-3-01-3001 SRF46	6210		3,920.00		
7	6/30/2023	FRINGE BENEFITS	216-320-5-10-1430 SRF46	6210		945.00		
7	6/30/2023	ACCRUED VACATION	220-100-2-65-6502 SRF17	6210	247.00			
7	6/30/2023	Prior period adjustment	220-100-3-01-3001 SRF17	6210		563.00		
7	6/30/2023	FRINGE BENEFITS	220-111-5-10-1430 SRF17	6210	316.00			
7	6/30/2023	ACCRUED VACATION	238-100-2-65-6502 SRF26	6210	12,391.00			
7	6/30/2023	Prior period adjustment	238-100-3-01-3001 SRF26	6210		13,591.00		
7	6/30/2023	FRINGE BENEFITS	238-300-5-10-1430 SRF26	6210	1,200.00			
7	6/30/2023	ACCRUED VACATION	504-100-2-65-6502 SRF34	6210	516.00			
7	6/30/2023	Prior period adjustment	504-100-3-01-3001 SRF34	6210		516.00		
7	6/30/2023	Accrued Vacation	510-100-2-65-6502 SRF35	6210	12,041.00			
7	6/30/2023	Prior period adjustment	510-100-3-01-3001 SRF35	6210		21,323.00		
7	6/30/2023	FRINGE BENEFITS	510-113-5-10-1430 SRF35	6210	9,282.00			
		To remove fund-level compensated absence amounts.						Factual
14	6/30/2023	Financing lease proceeds	202-220-3-64-1050 SRF01	6001		58,500.00		
14	6/30/2023	CAPITAL OUTLAY - OTHER	202-220-5-40-9000 SRF01	6001	58,500.00			
		To record capital lease proceeds and purchase (GASB 87)						Factual
22	6/30/2023	Unearned revenue	540-100-2-70-7010 GF01H			976,874.00		
22	6/30/2023	Prior Period Adjustment	540-100-3-01-3001 GF01H		976,874.00			
		To record prior period adjustment for unspent ARPA funds						Factual
					1,640,054.00	1,640,054.00		
Net Income (Loss)			10,285,544.00					



MORROW COUNTY FINANCE DEPARTMENT

P.O. Box 867
Heppner, Oregon 97836-0412
(541) 676-5615

Kevin C. Ince
Finance Director & County Accountant
kince@co.morrow.or.us

February 29, 2024

SingerLewak LLP
1255 Lee St SE Suite 210
Salem, OR 97302

This representation letter is provided in connection with your audits of the governmental activities, each major fund and the remaining fund information of Morrow County (the "County") as of and for the year ended June 30, 2023 for the purpose of expressing an opinion on whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

We confirm, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves, that as of the date of this letter:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit arrangement letter dated April 12, 2023, for the preparation and fair presentation of the financial statements referred to above in accordance with U.S. GAAP.
2. We acknowledge our responsibility for 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.
3. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.
4. The methods, data, and significant assumptions used by us in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure that is reasonable in the context of U.S. GAAP, and reflect our judgment based on our knowledge and experience about past and current events, and our assumptions about conditions we expect to exist and courses of action we expect to take.
5. Related-party transactions have been recorded in accordance with the economic substance of the transaction and appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP. Types of related party transactions engaged in by the County include:
 - a. Those with component units for which the County is accountable.

- b. Interfund transactions, including interfund accounts and advances receivable and payable, sale and purchase transactions, interfund transfers, long-term loans, leasing arrangements and guarantees.
6. The financial statements properly classify all funds and activities in accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, as amended.
7. The County is following either its established accounting policy regarding which resources (that is, restricted, committed, assigned or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available or is following paragraph 18 of GASB Statement No. 54 to determine the fund balance classifications for financial reporting purposes.
8. The financial statements include all fiduciary activities required by GASB Statement No. 84, *Fiduciary Activities*, as amended.
9. All events subsequent to the date of the financial statements, and for which U.S. GAAP requires adjustment or disclosure, have been adjusted or disclosed.
10. The effects of all known actual or possible litigation and claims have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
11. Management has followed applicable laws and regulations in adopting, approving and amending budgets.
12. Risk disclosures associated with deposit and investment securities and derivative transactions are presented in accordance with GASB requirements.
13. Provisions for uncollectible receivables have been properly identified and recorded.
14. Capital assets, including infrastructure, intangible assets, and right of use assets are properly capitalized, reported and, if applicable, depreciated.
15. The County has properly separated information in debt disclosures related to direct borrowings and direct placements of debt from other debt and disclosed any unused lines of credit, collateral pledged to secure debt, terms in the debt agreements related to significant default or termination events with finance-related consequences and significant subjective acceleration clauses in accordance with GASB Statement No. 88.
16. Components of net position (net investment in capital assets, restricted, and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
17. Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.

18. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
19. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
20. The County's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and appropriately disclosed and that net position is properly recognized under the policy.
21. We have no direct or indirect legal or moral obligation for any debt of any organization, public or private, or to special assessment bond holders, that is not disclosed in the financial statements.
22. We have complied with all aspects of laws, regulations and provisions of contracts and agreements that would have a material effect on the financial statements in the event of noncompliance.
23. With respect to drafting the financial statements and posting approved journal entries performed in the course of the audit:
 - a. We have made all management decisions and performed all management functions;
 - b. We assigned an appropriate individual to oversee the services;
 - c. We evaluated the adequacy and results of the services performed, and made an informed judgment on the results of the services performed;
 - d. We have accepted responsibility for the results of the services; and
 - e. We have accepted responsibility for all significant judgments and decisions that were made.
24. We have reviewed the GASB Statements effective for the fiscal year ending June 30, 2023, and concluded the implementation of the following Statements did not have a material impact on the basic financial statements:
 - a. GASB Statement No. 94, *Public-Private Partnerships and Availability Payment Arrangements*
 - b. GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*
25. We have no knowledge of any uncorrected misstatements in the financial statements. For purposes of this representation, we consider items to be material, regardless of their size, if they involve the misstatement or omission of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.
26. We agree with the restatement of the previously issued financial statements discussed in Note 3. In that regard:

- a. The restatement corrects errors in those financial statements.
- b. We were not aware of the errors when those financial statements were issued.
- c. We are not aware of any other errors in those financial statements.

We do not believe it is necessary to recall those financial statements and all users of those financial statements will receive a copy of the current year's financial statements and independent auditor's report.

Information Provided

27. We have provided you with:

- c. Access to all information of which we are aware that is relevant to the preparation and fair presentation of the basic financial statements such as records, documentation and other matters.
- d. Additional information that you have requested from us for the purpose of the audit.
- e. Unrestricted access to persons within the County from whom you determined it necessary to obtain audit evidence.
- f. Minutes of the meetings of the Board of Commissioners, or summaries of actions of recent meetings for which minutes have not yet been prepared.

28. All transactions have been recorded in the accounting records and are reflected in the basic financial statements.

29. We have disclosed to you the results of our assessment of risk that the basic financial statements may be materially misstated as a result of fraud.

30. It is our responsibility to establish and maintain internal control over financial reporting. One of the components of internal control is risk assessment. We hereby represent that our risk assessment process includes identification and assessment of risks of material misstatement due to fraud. We have shared with you our fraud risk assessment, including a description of the risks, our assessment of the magnitude and likelihood of misstatements arising from those risks, and the controls that we have designed and implemented in response to those risks.

31. We have no knowledge of allegations of fraud or suspected fraud affecting the County's basic financial statements involving:

- a. Management.
- b. Employees who have significant roles in internal control.
- c. Others where the fraud could have a material effect on the basic financial statements.

32. We have no knowledge of any allegations of fraud or suspected fraud affecting the County's basic financial statements received in communications from employees, former employees, analysts, regulators, short sellers or others.
33. We have no knowledge of noncompliance or suspected noncompliance with laws and regulations.
34. We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.
35. We have disclosed to you the identity of the County's related parties and all the related-party relationships and transactions of which we are aware.
36. We are aware of no significant deficiencies, including material weaknesses, in the design or operation of internal controls that could adversely affect the County's ability to record, process, summarize and report financial data other than those identified during the audit.
37. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
38. We believe that the actuarial assumptions and methods used by the actuary for funding purposes and for determining accumulated Plan benefits are appropriate in the circumstances. We did not give instructions, or cause any instructions to be given, to the specialist with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the Plan's actuary.
39. During the course of your audit, you may have accumulated records containing data that should be reflected in our books and records. All such data have been so reflected. Accordingly, copies of such records in your possession are no longer needed by us.

Supplementary Information

40. With respect to the combining statements and individual fund schedules presented in relation to the basic financial statements as a whole:
 - a. We acknowledge our responsibility for the presentation of such information.
 - b. We believe such information, including its form and content, is fairly presented in accordance with U.S. GAAP.
 - c. The methods of measurement or presentation have not changed from those used in the prior period.
 - d. The significant assumptions or interpretations underlying the measurement or presentation of the combining statements and individual fund schedules and the basis for our assumptions and interpretations are reasonable and appropriate in the circumstances.

- e. When supplementary information is not presented with the audited basic financial statements, we will make the audited basic financial statements readily available to the intended users of the supplementary information no later than the date of issuance of the supplementary information and the auditor's report thereon.
41. With respect to Management's Discussion and Analysis and Schedules of Net Pension Liability and Changes in Net Pension Liability, Employer Contributions, Investment Rate of Return, and Changes in the County's Total Other Postemployment Benefit Liability and Related Ratios presented as required by U.S. GAAP to supplement the basic financial statements:
- a. We acknowledge our responsibility for the presentation of such required supplementary information.
 - b. We believe such required supplementary information is measured and presented in accordance with guidelines prescribed by U.S. GAAP.
 - c. The methods of measurement or presentation have not changed from those used in the prior period.
 - d. The significant assumptions or interpretations underlying the measurement or presentation of the Required Supplementary Information and the basis for our assumptions and interpretations are reasonable and appropriate in the circumstances.

Compliance Considerations

In connection with your audit conducted in accordance with *Government Auditing Standards*, we confirm that management:

- 42. Is responsible for the preparation and fair presentation of the financial statements in accordance with the applicable financial reporting framework.
- 43. Is responsible for compliance with the laws, regulations and provisions of contracts and grant agreements applicable to the auditee.
- 44. Is not aware of any instances of identified and suspected fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that have a material effect on the financial statements.
- 45. Is responsible for 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.
- 46. Acknowledges its responsibility for the design, implementation and maintenance of controls to prevent and detect fraud.
- 47. Has a process to track the status of audit findings and recommendations.

48. Is not aware of any investigations or legal proceedings that have been initiated with respect to the period under audit.
49. Acknowledges its responsibilities as it relates to non-audit services performed by the auditor, including that it assumes all management responsibilities; that it oversees the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge or experience; that it evaluates the adequacy and results of the services performed; and that it accepts responsibility for the results of the services.



Kevin Ince, Finance Director

February 29, 2024

Date

February 29, 2024

Management and the County Commissioners
Morrow County
Heppner, Oregon

In planning and performing our audit of the financial statements of Morrow County (the County) as of June 30, 2023 and for the year then ended, in accordance with auditing standards generally accepted in the United States of America, we considered the County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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. Therefore, material weaknesses may exist that were not identified. However, as discussed below, we identified a deficiency in internal control that we consider to be a material weakness.

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 deficiency in design exists when (a) a control necessary to meet the control objective is missing, or (b) an existing control is not properly designed so that, even if the control operates as designed, the control objective would not be met. A deficiency in operation exists when a properly designed control does not operate as designed or when the person performing the control does not possess the necessary authority or competence to perform the control effectively.

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. We consider the following deficiency in the County's internal control to be a material weakness:

Prior period adjustments

A material adjustment was required to correct the classification of Coronavirus State and Local Fiscal Relief Funds in the Resiliency fund that were not properly reported as unearned revenue in the prior year. As a result, beginning fund balance was reduced by \$976,874. In addition, a material adjustment was required to correct beginning fund balance for the Road fund. As a result, the Road fund was increased by \$743,400 to account for inventory held in the fund but not reported in the prior period.

Internal Controls should be designed and implemented to detect and correct material errors on a timely basis.

Management response: There has been turnover in key management in the last year. Current management is aware of how transactions should be recorded in the financial statements. Review processes have been implemented to ensure proper reporting in the future.

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. We consider the following deficiencies in the County's internal control to be significant deficiencies:

Lack of Documented Review of Journal Entries

During work performed over journal entries, we noted there was no evidence of review of journal entries posted by the Treasurer.

We recommend a review of journal entries be performed and documented to support the appropriateness of the entry recorded.

Management response: Historically, there was no policy requiring review over the Treasurer's transactions recorded in the financial system. Management is in the process of reviewing procedures and processes to ensure checks and balances are in place.

Insufficient IT Controls

It was noted that the County does not have a disaster recovery plan in place and, additionally, there is no requirement to routinely change user passwords to mitigate the possibility of unauthorized use of user passwords. Furthermore, the Finance Director is responsible for adding new users to InCode, however all InCode users have the same administrative access rights and, as a result, have the ability to add new users to the system and access modules that are not relevant to their duties.

Internal controls should be designed and implemented to ensure that the County can recover data in the event of a disaster, avoid a breach of system security, and that system access rights are restricted to only the areas that are relevant to each employee's position.

Management response: There has been turnover in key management in the last year. As part of the review of policies and procedures, management will implement controls to ensure County information is safeguarded.

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

Singer Lewak LLP