

MORROW COUNTY, OREGON

**Financial Statements and
Independent Auditors' Report**

June 30, 2020

MORROW COUNTY, OREGON

List of Officials
June 30, 2020

COMMISSIONERS:

Don Russell, Chair

Jim Doherty, Vice Chair

Melissa Lindsay

TITLE:

Commissioner

Commissioner

Commissioner

OTHER ELECTED OFFICIALS:

Michael Gorman

Bobbi Childers

Kenneth Matlack

Jaylene Papineau

Glenn Diehl

Assessor & Tax Collector

Clerk

Sheriff

Treasurer

Justice of the Peace

FINANCE DEPARTMENT:

Katherine Knop

Finance Director

ADDRESS:

Courthouse

P. O. Box 867

Heppner, OR 97836

Telephone: 541-676-9061

MORROW COUNTY, OREGON

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Independent Auditors' Report

County Commissioners
Morrow County
Heppner, Oregon

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Morrow County, Oregon, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Morrow County, Oregon, as of June 30, 2020, and the respective changes in financial position, and the respective budgetary comparison for the General Fund and General Road Fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, pension, and OPEB information on pages 9-20 and 58-64 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

The combining and individual nonmajor fund financial statements, other schedules, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, The combining and individual nonmajor fund financial statements, other schedules, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Reports on Other Legal and Regulatory Requirements

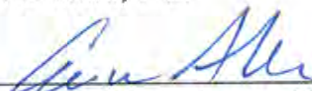
Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated February 15, 2021, on our consideration of Morrow County, Oregon's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Morrow County, Oregon's internal control over financial reporting and compliance.

Other Reporting Required by Oregon Minimum Standards

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have also issued our report dated February 15, 2021, on our consideration of Morrow County, Oregon's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

Barnett & Moro, P.C.

By: 
Cameron W. Anderson, Shareholder
February 15, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

MORROW COUNTY, OREGON MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Morrow County, Oregon, we offer readers of the county's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2020. We encourage readers to consider the information presented here in conjunction with the financial statements.

FINANCIAL HIGHLIGHTS

- Morrow County's assets exceeded its liabilities at June 30, 2020, by \$80,731,827 (Net Position). Of this amount, \$4,100,908 may be used to meet the County's ongoing obligations to citizens and creditors.
- The total net position increased by \$859,613 for fiscal year ended June 30, 2020. All of this amount was due to the increase in governmental activities net position. The County had no business-type activities.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$17,038,271, an increase of \$3,863,241 in comparison to the prior year. Approximately \$10,297,703 is restricted or committed for purposes designated by special revenue or capital outlay funds, and \$6,579,252 is unassigned and available for spending at the County's discretion.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$6,579,252 or 49 % of total General Fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to Morrow County's basic financial statements. The County's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business. These statements include:

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

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

MORROW COUNTY, OREGON MANAGEMENT'S DISCUSSION AND ANALYSIS

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

The government-wide financial statements can be found on pages 22 and 23 of this report.

Fund Financial Statements. The fund financial statements provide more detailed information about the County's funds, focusing on its most significant or "major" funds—not the county as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

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

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

MORROW COUNTY, OREGON MANAGEMENT'S DISCUSSION AND ANALYSIS

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

The basic governmental fund financial statements can be found on pages 24 through 27 of this report.

Proprietary Funds. The County does not maintain any proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County does not have any enterprise funds in fiscal year 2020. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

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

The basic fiduciary fund financial statement can be found on page 31 of this report.

Notes to Basic Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 32 through 57 of this report.

The combining statements referred to earlier in connection with non-major governmental funds are presented as Supplemental Information beginning on page 65 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The County's assets exceeded liabilities by \$80.7 million at June 30, 2020.

Capital assets, which consist of the county's land, buildings, improvements, machinery and equipment, and infrastructure, less any related debt to acquire those assets that is still outstanding, represent about 79.34 percent of total assets. The remaining assets consist mainly of investments, cash, and grant and property taxes receivable.

The County's liabilities consist primarily of payables on accounts, salaries and benefits (15.53 percent), pension obligations (71.32 percent), capital leases and loans payable (9.67 percent), and Other post-employment benefits (2.48 percent). Current liabilities, not including current portions of long-term debts, represents about 15.82 percent of the county's total liabilities, and consists almost entirely of payables on accounts, salaries and benefits.

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

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

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Current assets	\$ 19,334	\$ 15,356
Capital assets	<u>74,265</u>	<u>76,538</u>
Total assets	<u>93,599</u>	<u>91,894</u>
Deferred outflows of resources	<u>3,417</u>	<u>3,277</u>
Current liabilities	2,529	2,288
Long-term debt	<u>13,756</u>	<u>12,878</u>
Total liabilities	<u>16,285</u>	<u>15,166</u>
Deferred inflows of resources	<u>-</u>	<u>133</u>
Net position:		
Net investment in capital assets	72,691	74,946
Restricted	3,940	3,744
Unrestricted	<u>4,101</u>	<u>1,182</u>
	<u>\$ 80,732</u>	<u>\$ 79,872</u>

Of the County's net position, its investment in capital assets (e.g. land, buildings, vehicles and equipment, and infrastructure) is substantially more than the related debt still outstanding used to acquire those assets. The County uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the county's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources (generally property taxes), since the capital assets themselves cannot be used to liquidate these liabilities. During the current fiscal year, the County's net position increased by \$859,613. This was due to the increase in net position from Governmental activities. The primary increase to assets was \$3,593,400 in cash and investments. As of June 30, 2020, the total bank balances were \$828,334. Of these deposits, \$500,000, was covered by federal depository insurance. The net result of the transaction regarding capital assets resulted in decreasing net position by \$2,254,868. The County saw an increase in long term debt for the 19-20 fiscal year. The net result of the County's debt transactions was a decrease in long term debt of \$17,825, and an increase in pension liabilities of \$895,596. The County entered into a note payable with Community Bank for the construction of the Administration Building in Heppner, Oregon. The balance of the note on June 30, 2020 is \$1,072,747. The net result of these transactions resulted in a \$859,613 net increase in the county's net position.

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

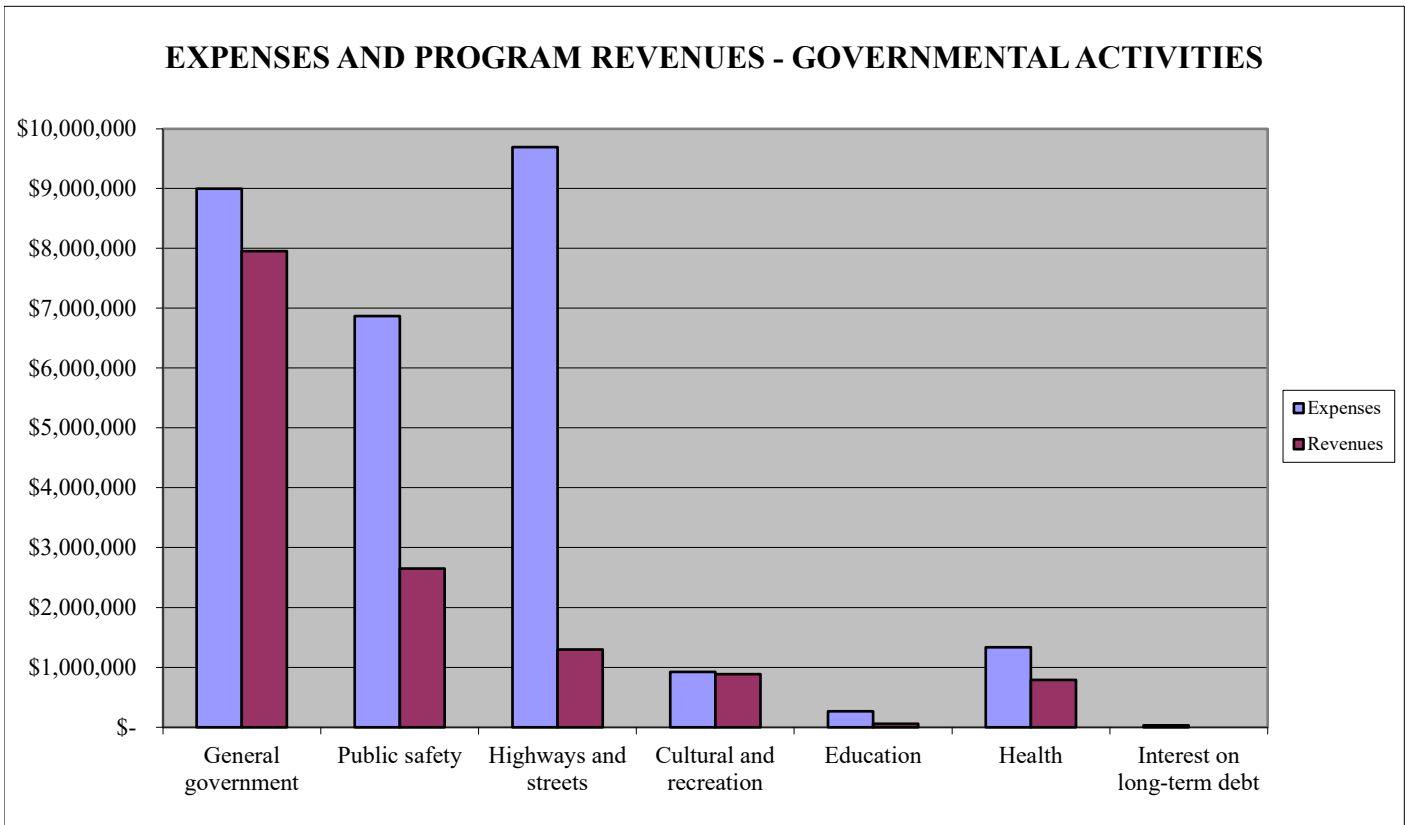
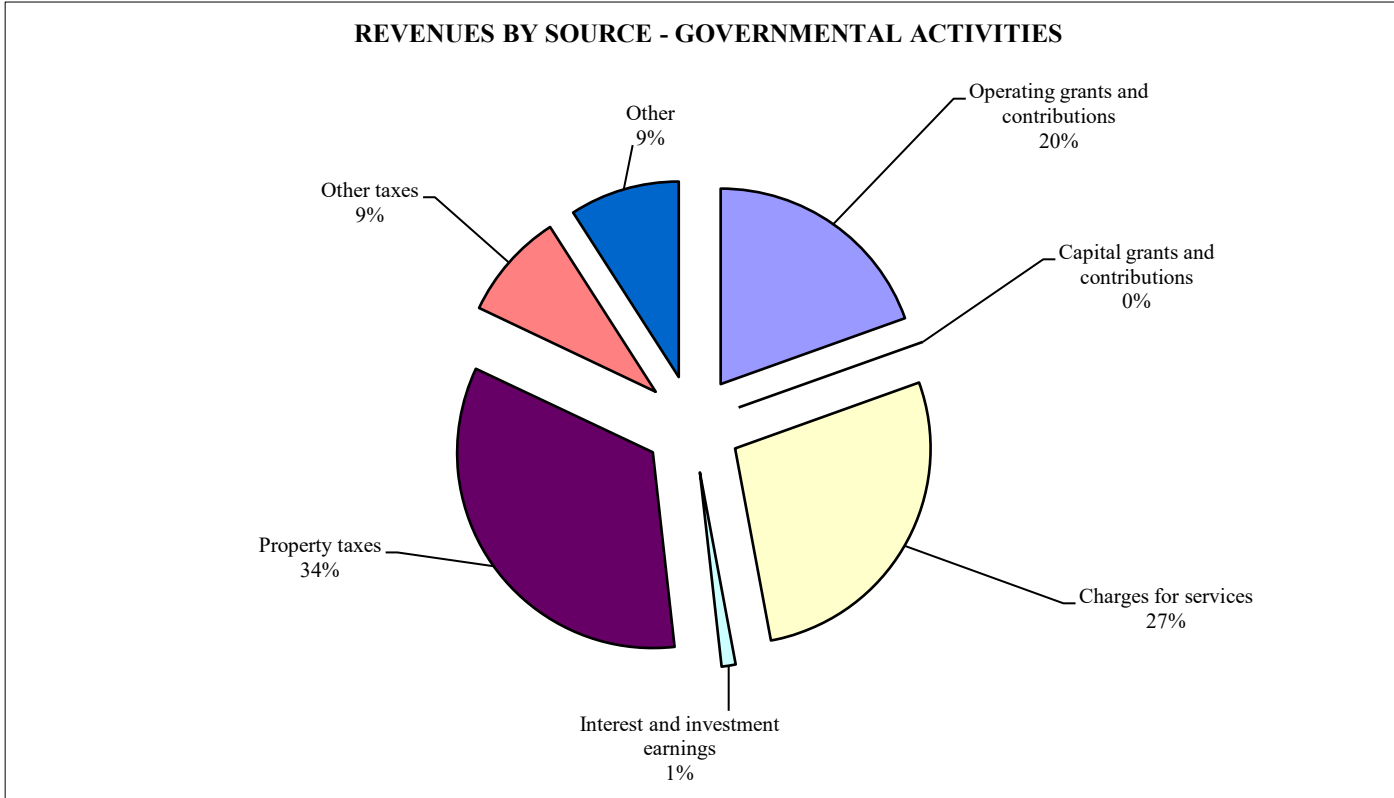
Governmental Activities. During the current fiscal year, the County's net position increased by \$859,613 compared to a \$2,162,310 decrease in the prior year.

Morrow County Changes in Net Position-Governmental Activities

	2019-2020	2018-2019
Revenues		
Program revenues		
Charges for services	\$7,966,004	\$ 8,600,552
Operating grants and contributions	5,663,131	5,423,504
Capital grants and contributions	-	309,232
General revenues		
Property taxes	9,794,092	8,859,710
Payments in lieu of taxes	941,143	956,619
State shared taxes	1,633,111	1,510,918
Interest and investment earnings	341,804	348,199
Other revenues, net	<u>2,629,871</u>	<u>305,282</u>
Total revenues	<u>28,969,156</u>	<u>26,314,016</u>
Expenses		
General government	8,994,747	9,936,186
Public safety	6,866,568	6,664,268
Highways and streets	9,690,897	9,240,487
Cultural and recreation	924,873	980,684
Education	267,524	235,606
Health	1,336,390	1,352,670
Interest on long-term debt	<u>28,544</u>	<u>28,830</u>
Total expenses	<u>28,109,543</u>	<u>28,476,326</u>
Increase in net assets before transfer	859,613	(2,162,310)
Transfers	-	-
Change in net position	<u>859,613</u>	<u>(2,162,310)</u>
Beginning net position	79,872,214	82,034,524
Ending net position	<u>\$80,731,827</u>	<u>\$79,872,214</u>

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

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



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

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

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

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$17,038,271, an increase of \$3,863,241 in comparison with the prior year. Approximately 38.61% or \$6,579,252 of this total amount constitutes unassigned fund balance, which is available for spending at the government's discretion. \$10,459,019 or 61.39% is restricted or committed to purposes designated by special revenue or reserve funds. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed for prepaid items which will not provide spendable resources.

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, the total fund balance of the General Fund was \$6,740,568, of which \$6,579,252 was unassigned. This indicates a high degree of liquidity of the General Fund.

The fund balance of the County's General Fund increased by \$1,862,021 during the fiscal year ended June 30, 2020.

Budgetary Highlights

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

The budget resolutions increasing or transferring appropriations in the following areas:

- The General Fund budget for the Veteran's Department was increased by \$10,211 to reflect an increase in Suicide Awareness grant dollars. The modification allows Morrow County to increase services to Veterans within the County.
- General Fund, Health Department, increase in office equipment for purchase of Patagonia software.
- General Fund, Community Development Department, creation of new department and budget appropriations for personnel, material & services, and capital outlay, total \$78,587.

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

Budgetary Highlights (continued):

- General Fund, North & South transfer station departments, increase in expenditures for \$43,900, for reservation processing fees, equipment & rental, and Finley Buttes fees.
- General Fund, Non-departmental, increase in liability & property insurance, \$56,000.
- Court Security, transferred \$10,000 from materials & services to capital outlay for the purchase of appropriations from.
- Victim Witness Fund, temporary interfund loan from General Fund for \$27,425; until grant revenue was received.
- Special Transportation Fund, supplemental budget increase in grant dollars and expenditures for personnel, materials, and services, total \$737,336.
- Justice Court, amendment to Judge salary from \$77,250 to \$74,820. Reflects retirement on elected to newly appointed Judge.
- Road Fund, increase revenue and expenditures to reflect increase in the amount of \$1,052,702 for the NextEra-Wheatridge Road Use Agreement.
- Emergency Management Fund, budget transfer from contingency to capital equipment, \$51,558, to purchase dispatcher recording software.
- Community Corrections, budget increase for LPSCC contract services, \$12,030.
- Program Reserve Fund, increase for Patagonia software, \$25,000.

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

Capital Projects and Debt Administration

Capital Assets. The County's investment in capital assets for its governmental activities as of June 30, 2020, amounts to \$74,265,632 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, machinery and equipment, roads and bridges, vehicles, and campsites and trails.

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

- General – Administration, \$6,438
- General – Assessor, \$23,353
- General – District Attorney, \$26,990
- General - Sheriff's Equipment, \$284,909
- General – Health Department, \$189,543
- General – Public Works General Maintenance, \$17,580
- General – Non-Departmental, \$281,992
- Road Equipment Reserve - \$527,832
- Emergency Management- \$29,096
- Parks - \$113,104
- Building Reserve Fund - \$42,970
- Court Security - \$19,177
- Community Corrections Fund - \$41,339

Additional information on the County's capital assets can be found in note 5 on page 42 of this report.

Long-term debt. At the end of the current fiscal year, the County had total debt outstanding of \$1,574,348. This was in the form of long-term capital lease obligations, and a construction loan for the new Heppner Administrative Building. The County's total long-term debt increased by \$17,825 during the current fiscal year.

Additional information on the County's long-term debt can be found in note 6 on page 43 of this report.

MORROW COUNTY, OREGON MANAGEMENT’S DISCUSSION AND ANALYSIS

Key Economic Factors and Budget Information

- Morrow County was impacted by the 2020 Coronavirus (COVID-19) Pandemic. The Board of Commissioners organized an Emergency Operations Center consisting of key management team including a Commissioner, County Administrator, Public Health Director, Emergency Manager, and other management staff as needed. The County received U.S. Department of the Treasury federal funding, passed through the Oregon Department of Administrative Services, Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”) dollars in the amount of \$1,154,412.46. The permissible use of Funds was limited to necessary expenditures incurred due to the public health emergency.
- The County continues to experience significant industrial development over the last several years, with food processing and data centers in the Port of Morrow and large wind power projects throughout the County. Most of these projects involve some sort of property tax exemption, like SIP (Strategic Investment Program) which is a 15 year exemption or EZ (Enterprise Zone) which can be a 3 year to 15 year exemption. These programs have resulted in an exempt value of around one billion dollars for the County. These projects have created several hundred jobs for the County but unfortunately the residential and commercial development has not increased as much.
- The 2020-2021 fiscal year the County will see the ninth significant payment of Strategic Investment Program (SIP) monies from the Caithness/Shepherds Flat Wind Project and the second significant payment from PGE – Carty Plant. The 2020-2021 budget includes an estimated receipt of \$3,596,877 for these payments which will be used to fund Road Fund, Road Equipment, and Building Maintenance Reserve for capital projects and equipment within the County.
- It is anticipated that the costs of providing cost of living wage increases to be 2.5%, and medical & dental insurance coverage to employees will continue to rise in the next fiscal year.
- The County’s retirement plan experienced a significant change in 2020-2021. The Board of Commissioners, along with three Collective Bargaining Units, approved moving forward with a new defined contribution and PERS retirement plan, effective to all new-hires on or after July 1, 2020. The approval will assist the County in paying down the defined benefit unfunded liability over an estimated twenty-eight years.
 - Defined Benefit Plan:
 - Continue to be “equal to or better” than the PERS plan through the end of fiscal year 2020-2021. The Plan was tested in 2009-2010 and passed the “equal to or better” standard required for public safety members and has historically been applied to all members;
 - County will continue to contribute 24.8% for the 2020-2021 fiscal year.

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

Key Economic Factors and Budget Information (continued):

- Defined Contribution Plan
 - Open to new, 'non-safety', hires effective on or after July 1, 2020;
 - probationary waiting period is six months from the date of hire;
 - employer will contribute 9%, and employee will contribute 6%.
- PERS
 - Open to new, Teamster members, hires effective on or after July 1, 2020;
 - terms are reflective of the PERS agreement.
- Road funding continues to be a priority for Morrow County. In an effort to continue to provide the Road Department with sufficient funds and cover general operation of the department, the 2020-2021 budget included several transfers to the Road Fund of unrestricted, non-property tax monies. The 2020-2021 budget included a transfer of \$1,636,000 from the Finley Buttes License Fee Fund, and a transfer of \$2,610,667 of Strategic Investment Program (SIP) monies from the Shepherds Flat Fees Fund and PGE Carty Fees.
- Road Equipment Reserve received an increase in transfers to support the road equipment replacement plan. The transfers were from the Road Fund, \$730,000, and Shepherds Flat SIP money, \$175,000.

All of these factors were considered in preparing the County's budget for fiscal year 2020-2021. The unassigned fund balances increased to \$6,935,783, (General Fund - \$3,236,199, and all other funds, \$3,695,584).

Requests for Information:

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

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

BASIC FINANCIAL STATEMENTS

MORROW COUNTY, OREGON

Statement of Net Position
June 30, 2020

	<u>Governmental Activities</u>
<u>ASSETS:</u>	
Cash and investments	\$ 17,017,270
Receivables (net of allowance for uncollectibles):	
Property taxes	365,545
Other receivables	1,790,110
Prepaid expenses	161,316
Capital assets:	
Land and other non-depreciable assets	3,411,081
Other capital assets (net of accumulated depreciation)	70,854,551
Total assets	<u>93,599,873</u>
<u>DEFERRED OUTFLOWS OF RESOURCES:</u>	
Pension and other post employment benefits deferrals	3,417,126
Total deferred outflows of resources	<u>3,417,126</u>
<u>LIABILITIES:</u>	
Accounts payable	1,548,625
Accrued payroll and payroll taxes payable	467,737
Compensated absences	513,119
Non current liabilities:	
Long-term debt, due within one year	480,111
Long-term debt, due in more than one year	1,094,237
Net pension liability	11,777,803
Other post employment benefits	403,540
Total liabilities	<u>16,285,172</u>
<u>NET POSITION:</u>	
Net investment in capital assets	72,691,284
Restricted for:	
Highways and streets	2,879,015
Public safety	1,042,104
Education	1,423
Other restrictions	17,093
Unrestricted	4,100,908
Total net position	<u>\$ 80,731,827</u>

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

MORROW COUNTY, OREGON

Statement of Activities
Year Ended June 30, 2020

<u>Functions/Programs</u>	Program Revenues			Net (Expense) Revenue and Change in Net Position	
	<u>Expenses</u>	<u>Fees, Fines, and Charges for Services</u>	<u>Operating Grants and Contributions</u>		<u>Capital Grants and Contributions</u>
General government	\$ 8,994,747	\$ 6,104,072	\$ 1,847,255	\$ -	\$ (1,043,420)
Public safety	6,866,568	1,012,557	1,636,618	-	(4,217,393)
Highways and streets	9,690,897	433,530	863,929	-	(8,393,438)
Cultural and recreation	924,873	187,094	699,156	-	(38,623)
Education	267,524	5,976	49,285	-	(212,263)
Health	1,336,390	222,775	566,888	-	(546,727)
Interest on long-term debt	28,544	-	-	-	(28,544)
Total governmental activities	<u>\$ 28,109,543</u>	<u>\$ 7,966,004</u>	<u>\$ 5,663,131</u>	<u>\$ -</u>	<u>(14,480,408)</u>

General revenues:

Taxes:

Property taxes, levied for general purposes	9,794,092
Payments in lieu of taxes	941,143
State shared taxes	1,633,111
Interest and investment earnings	341,804
Other revenues	2,629,871
Total general revenues	<u>15,340,021</u>
Change in net position	859,613
Net position--beginning	<u>79,872,214</u>
Net position--ending	<u>\$ 80,731,827</u>

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

MORROW COUNTY, OREGON

Governmental Funds
Balance Sheet
June 30, 2020

	<u>General</u>	<u>General Road</u>	<u>Other Governmental</u>	<u>Total</u>
<u>ASSETS:</u>				
Cash and investments	\$ 7,026,781	\$ 2,444,091	\$ 7,546,398	\$ 17,017,270
Receivables				
Property taxes	361,424	-	4,121	365,545
Due from other funds	27,425	-	-	27,425
Other receivables	270,160	311,007	1,208,943	1,790,110
Prepays	161,316	-	-	161,316
Total assets	<u>\$ 7,847,106</u>	<u>\$ 2,755,098</u>	<u>\$ 8,759,462</u>	<u>\$ 19,361,666</u>
<u>LIABILITIES:</u>				
Accounts payable	\$ 488,122	\$ 897,928	\$ 162,575	\$ 1,548,625
Accrued payroll and payroll taxes payable	341,960	82,506	43,271	467,737
Due to other entities	-	-	-	-
Due to other funds	-	-	27,425	27,425
Total liabilities	<u>830,082</u>	<u>980,434</u>	<u>233,271</u>	<u>2,043,787</u>
<u>DEFERRED INFLOWS OF RESOURCES:</u>				
Deferred property taxes	276,456	-	3,152	279,608
Total deferred inflows of resources	<u>276,456</u>	<u>-</u>	<u>3,152</u>	<u>279,608</u>
<u>FUND BALANCES:</u>				
Nonspendable	161,316	-	-	161,316
Restricted	-	1,774,664	2,161,776	3,936,440
Committed	-	-	6,361,263	6,361,263
Unassigned	6,579,252	-	-	6,579,252
Total fund balances	<u>6,740,568</u>	<u>1,774,664</u>	<u>8,523,039</u>	<u>17,038,271</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 7,847,106</u>	<u>\$ 2,755,098</u>	<u>\$ 8,759,462</u>	<u>\$ 19,361,666</u>

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

MORROW COUNTY, OREGON

Governmental Funds
Reconciliation of the Balance Sheet
to the Statement of Net Position
June 30, 2020

Fund Balances - Governmental Funds	\$ 17,038,271
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.	
Governmental capital assets	\$ 175,931,342
Less accumulated depreciation	<u>(101,665,710)</u>
	74,265,632
Deferred outflows of resources related to pensions and other post employment benefits are not current financial resources, so are not reported in the governmental fund statements.	3,417,126
Long-term liabilities, including capital leases payable are not due and payable in the current period and therefore are not reported in the governmental funds.	
Notes payable	(1,072,747)
Capital leases payable	(501,601)
Accrued compensated absences are not due and payable in the current period and therefore are not reported in the funds.	(513,119)
Net pension liability for the County's retirement plan is not reported in the governmental fund financial statements because such amounts are not due and payable in the current period. (See Note 19 to the financial statements)	(11,777,803)
Other post employment benefits liability for the County is not reported in the governmental fund financial statements because such amounts are not due and payable in the current period. (See Note 20 to the financial statements)	(403,540)
Deferred revenue represents amounts that were not available to fund current expenditures and therefore are not reported in the governmental funds.	<u>279,608</u>
Net Position of Governmental Activities	<u><u>\$ 80,731,827</u></u>

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

MORROW COUNTY, OREGON

Governmental Funds

Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended June 30, 2020

	<u>General</u>	<u>General Road</u>	<u>Other Governmental</u>	<u>Total</u>
<u>REVENUES:</u>				
Taxes	\$ 10,530,311	\$ 1,036,787	\$ 415,291	\$ 11,982,389
Intergovernmental	2,751,000	863,928	2,435,681	6,050,609
Fees, fines, and charges for services	1,025,989	-	6,900,775	7,926,764
Investment interest	140,235	37,035	164,534	341,804
Miscellaneous	1,156,173	1,423,892	108,996	2,689,061
Total revenues	<u>15,603,708</u>	<u>3,361,642</u>	<u>10,025,277</u>	<u>28,990,627</u>
<u>EXPENDITURES:</u>				
Current:				
General government	6,584,790	-	1,612,064	8,196,854
Public safety	4,750,415	-	1,426,517	6,176,932
Highways and streets	-	6,470,349	-	6,470,349
Cultural and recreation	11,000	-	704,133	715,133
Education	-	-	267,524	267,524
Health	1,291,169	-	-	1,291,169
Capital outlay	872,549	5,109	1,085,398	1,963,056
Debt service:				
Principal	6,103	-	518,301	524,404
Interest	98	-	28,446	28,544
Total expenditures	<u>13,516,124</u>	<u>6,475,458</u>	<u>5,642,383</u>	<u>25,633,965</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>	<u>2,087,584</u>	<u>(3,113,816)</u>	<u>4,382,894</u>	<u>3,356,662</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
Capital lease proceeds	-	-	506,579	506,579
Transfers in	273,437	3,840,994	1,975,269	6,089,700
Transfers out	(499,000)	(730,000)	(4,860,700)	(6,089,700)
Total other financing sources (uses)	<u>(225,563)</u>	<u>3,110,994</u>	<u>(2,378,852)</u>	<u>506,579</u>
<u>NET CHANGE IN FUND BALANCES</u>	<u>1,862,021</u>	<u>(2,822)</u>	<u>2,004,042</u>	<u>3,863,241</u>
<u>FUND BALANCES, BEGINNING OF YEAR</u>	<u>4,878,547</u>	<u>1,777,486</u>	<u>6,518,997</u>	<u>13,175,030</u>
<u>FUND BALANCES, END OF YEAR</u>	<u>\$ 6,740,568</u>	<u>\$ 1,774,664</u>	<u>\$ 8,523,039</u>	<u>\$ 17,038,271</u>

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

MORROW COUNTY, OREGON

Governmental Funds
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances to the Statement of Activities
Year Ended June 30, 2020

Net change in fund balances - Governmental Funds \$ 3,863,241

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

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

Expenditures for capital assets	\$ 1,963,056	
Less current year depreciation	(4,213,656)	
Disposal of Capital Assets and other adjustments	<u>(22,093)</u>	(2,272,693)

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

Net change in deferred property taxes		622
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The issuance of long-term debt (e.g. notes payable, capital leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.

Proceeds from capital leases	(506,579)	
Principal payments on notes payable and capital leases	<u>524,404</u>	17,825

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

Net change in compensated absences		6,523
Net change in net pension liability	(878,456)	
Net change in net other post employment benefits liability	(17,140)	
Net change in deferred outflows of resources - pension deferrals	<u>139,691</u>	<u>(755,905)</u>

Change in Net Position of Governmental Activities		<u>\$ 859,613</u>
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The notes to the financial statements
are an integral part of this statement.

MORROW COUNTY, OREGON

General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget (Non-GAAP Budgetary Basis) to Actual
Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Property taxes	\$ 8,826,607	\$ 9,023,094	\$ 9,680,443	\$ 657,349
Payments in lieu of taxes	650,000	650,000	762,532	112,532
Liquor tax apportionment	50,000	50,000	76,087	26,087
Cigarette tax apportionment	10,000	10,000	8,377	(1,623)
Amusement Device Tax	-	-	2,872	2,872
Cultural trust grant	7,000	7,000	7,421	421
Wolf depredation grant	5,000	5,000	9,650	4,650
Assessor fees and other	19,600	19,600	22,078	2,478
Clerk, recorder fees, and grants	78,200	78,200	98,854	20,654
Veterans service office grants and other	77,121	81,054	61,839	(19,215)
District attorney grants and other	40,500	40,500	109,646	69,146
Emergency management grants	63,600	63,600	78,557	14,957
Health department fees	145,000	145,000	222,775	77,775
Health department grants and other	436,891	461,891	700,763	238,872
Juvenile court grants and other	22,250	22,250	17,425	(4,825)
State grant, assessment and taxation	120,400	120,400	113,615	(6,785)
Non-departmental fees and other	2,029,400	2,029,400	2,085,331	55,931
Planning fees and grants	31,800	31,800	39,817	8,017
Weed department fees and grants	27,000	27,000	37,380	10,380
Transfer station revenue and fees	57,500	57,500	71,971	14,471
Sheriff civil fees and other	321,650	321,650	405,200	83,550
Sheriff intergovernmental contracts	443,101	443,101	509,628	66,527
Justice court fines and other	273,000	273,000	341,212	68,212
Interest	100,000	100,000	140,235	40,235
Total revenues	<u>13,835,620</u>	<u>14,061,040</u>	<u>15,603,708</u>	<u>1,542,668</u>
EXPENDITURES:				
General government:				
County court	616,632	616,632	566,759	49,873
County accountant	552,618	552,618	546,949	5,669
Assessor	841,164	841,164	830,151	11,013
Treasurer	126,353	126,353	125,119	1,234
County clerk	345,782	345,782	327,724	18,058
Veteran's service officer	108,000	118,211	112,931	5,280
Juvenile	406,953	406,953	296,100	110,853
Planning department	395,990	395,990	310,174	85,816
Community development	-	78,587	33,555	45,032
County surveyor	39,040	39,040	38,104	936
Public works, administrator	571,265	571,265	252,839	318,426
Public works, general maintenance	601,255	601,255	501,020	100,235
Computer	198,930	198,930	190,807	8,123
Weed department	141,813	141,813	120,436	21,377
Board of Property Tax Appeals	2,787	2,787	2,338	449
Solid waste transfer station - north	42,845	65,745	61,759	3,986
Solid waste transfer station - south	47,660	68,660	69,753	(1,093)
Non-departmental	4,610,286	4,684,286	2,776,951	1,907,335
Total general government	<u>9,649,373</u>	<u>9,856,071</u>	<u>7,163,469</u>	<u>2,692,602</u>

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

MORROW COUNTY, OREGON

General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget (Non-GAAP Budgetary Basis) to Actual
Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Continued from previous page.				
<u>EXPENDITURES (continued):</u>				
Public Safety:				
District attorney	449,716	449,716	406,151	43,565
Justice of the peace	325,135	325,135	294,268	30,867
Sheriff	4,517,471	4,517,471	4,353,913	163,558
Emergency management	35,303	35,303	27,235	8,068
Total public safety	<u>5,327,625</u>	<u>5,327,625</u>	<u>5,081,567</u>	<u>246,058</u>
Heath:				
Health department	1,441,559	1,441,559	1,275,551	166,008
Total health	<u>1,441,559</u>	<u>1,441,559</u>	<u>1,275,551</u>	<u>166,008</u>
Cultural and recreation:				
Museum	11,000	11,000	11,000	-
Total cultural and recreation	<u>11,000</u>	<u>11,000</u>	<u>11,000</u>	<u>-</u>
Contingency	121,198	121,198	-	121,198
Total expenditures	<u>16,550,755</u>	<u>16,757,453</u>	<u>13,531,587</u>	<u>3,225,866</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>	<u>(2,715,135)</u>	<u>(2,696,413)</u>	<u>2,072,121</u>	<u>4,768,534</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
Transfers in	309,940	309,940	273,437	(36,503)
Transfers out	<u>(499,000)</u>	<u>(524,000)</u>	<u>(499,000)</u>	<u>25,000</u>
Total other financing sources (uses)	<u>(189,060)</u>	<u>(214,060)</u>	<u>(225,563)</u>	<u>(11,503)</u>
<u>NET CHANGE IN FUND BALANCES</u>	<u>(2,904,195)</u>	<u>(2,910,473)</u>	<u>1,846,558</u>	<u>4,757,031</u>
<u>FUND BALANCES, BEGINNING</u>	<u>5,570,402</u>	<u>5,576,680</u>	<u>4,561,939</u>	<u>(1,014,741)</u>
<u>FUND BALANCES, ENDING</u>	<u>\$ 2,666,207</u>	<u>\$ 2,666,207</u>	<u>\$ 6,408,497</u>	<u>\$ 3,742,290</u>

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

MORROW COUNTY, OREGON

General Road Fund

Statement of Revenues, Expenditures, and Changes in Fund Balances

Budget (Non-GAAP Budgetary Basis) to Actual

Year Ended June 30, 2020

	<u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u>
<u>REVENUES:</u>				
Federal forest fees	\$ 29,466	\$ 29,466	\$ 148,676	\$ 119,210
Licenses	1,623,293	1,623,293	1,036,787	(586,506)
Intergovernmental	632,211	632,211	715,252	83,041
Reimbursed items	124,750	1,177,452	1,323,114	145,662
Interest	4,000	4,000	37,035	33,035
Other	10,000	10,000	100,778	90,778
Total revenues	<u>2,423,720</u>	<u>3,476,422</u>	<u>3,361,642</u>	<u>(114,780)</u>
<u>EXPENDITURES:</u>				
Road department	5,937,499	6,990,201	6,457,236	532,965
Capital equipment	140,000	140,000	5,109	134,891
Contingency	659,501	659,501	-	659,501
Total expenditures	<u>6,737,000</u>	<u>7,789,702</u>	<u>6,462,345</u>	<u>1,327,357</u>
<u>EXCESS (DEFICIENCY) OF REVENUES</u>				
<u>OVER (UNDER) EXPENDITURES</u>	<u>(4,313,280)</u>	<u>(4,313,280)</u>	<u>(3,100,703)</u>	<u>1,212,577</u>
<u>OTHER FINANCING SOURCES:</u>				
Transfers in	3,840,994	3,840,994	3,840,994	-
Transfers out	(730,000)	(730,000)	(730,000)	-
Total other financing sources (uses)	<u>3,110,994</u>	<u>3,110,994</u>	<u>3,110,994</u>	<u>-</u>
<u>NET CHANGE IN FUND BALANCES</u>	<u>(1,202,286)</u>	<u>(1,202,286)</u>	<u>10,291</u>	<u>1,212,577</u>
<u>FUND BALANCES, BEGINNING</u>	<u>2,202,286</u>	<u>2,202,286</u>	<u>1,637,025</u>	<u>(565,261)</u>
<u>FUND BALANCES, ENDING</u>	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>	<u>\$ 1,647,316</u>	<u>\$ 647,316</u>

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

MORROW COUNTY, OREGON

Agency Funds
Statement of Fiduciary Net Position
June 30, 2020

	<u>Agency Funds</u>
ASSETS:	
Cash and investments	\$ 3,161,846
Taxes receivable	934,349
Total assets	<u>4,096,195</u>
LIABILITIES:	
Payable to other agencies	4,096,195
Total liabilities	<u>4,096,195</u>
NET POSITION	<u>\$ -</u>

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

MORROW COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2020

NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

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

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

Reporting Entity:

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

Government-wide and fund financial statements:

The government-wide financial statements (the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the County. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The County had no business-type activities for the year ended June 30, 2020.

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

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

MORROW COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2020

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, principal and interest of long-term debt are recorded as fund liabilities when payment is due.

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

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

The County reports the following major governmental funds:

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

MORROW COUNTY, OREGON

Notes to Basic Financial Statements
June 30, 2020

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

Additionally, the County reports the following fund types:

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

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

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

Assets, liabilities, and net position or equity:

Cash and investments:

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

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

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

Inventories:

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

MORROW COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2020

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

Receivables and payables:

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

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

Capital assets and long-term liabilities:

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

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

The estimated useful lives for depreciable assets are as follows:

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

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

MORROW COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2020

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

Compensated absences:

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

Income taxes:

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

Fund balance:

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

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

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

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

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

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

MORROW COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2020

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

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

Fund balances by classification for the year ended June 30, 2020 were as follows:

	General	General Road	Other Governmental	Total Governmental Funds
<u>Fund Balances</u>				
Nonspendable:				
Prepays and deposits	\$ 161,316	\$ -	\$ -	\$ 161,316
Restricted:				
Public safety	\$ -	\$ -	\$ 1,006,163	\$ 1,006,163
Highways and streets	-	1,774,664	977,003	2,751,667
Education	-	-	517	517
Other restrictions	-	-	178,093	178,093
Total restricted	-	1,774,664	2,161,776	3,936,440
Committed:				
Culture and recreation	-	-	523,052	523,052
Education	-	-	30,253	30,253
Capital projects	-	-	2,065,921	2,065,921
Economic development	-	-	618,483	618,483
Other committed	-	-	3,123,554	3,123,554
Total committed	-	-	6,361,263	6,361,263
Unassigned	6,579,252	-	-	6,579,252
Ending fund balance	\$ 6,740,568	\$ 1,774,664	\$ 8,523,039	\$ 17,038,271

Of the amount restricted for highways and streets, \$1,774,664 is restricted by enabling legislation.

Use of estimates:

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

MORROW COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2020

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY:

Budget procedures:

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

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

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

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

MORROW COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2020

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

Two supplemental budgets were adopted during the year ended June 30, 2020; total appropriations increased by \$1,714,538.

5. The following funds legally adopt annual budgets:

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

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

Budget overexpenditures:

Oregon state local budget laws prohibit overexpenditure of budgeted appropriations. For the year ended June 30, 2020, the County overexpended the budget of the following funds:

General Fund	Solid Waste Transfer - South	<u>\$ 1,093</u>
Finley Buttes License Fee Fund	Materials and Services	<u>\$ 22,651</u>
County School Fund	Special Payments	<u>\$ 27,475</u>
Ione School Fund	Special Payments	<u>\$ 4,856</u>
Park Fund	Anson Wright Park Dept.	<u>\$ 361</u>
Court Security Fund	Capital Outlay	<u>\$ 20,000</u>
Echo Winds Fees Fund	Special Payments	<u>\$ 1,789</u>
Shepherd Flat Fees Fund	Special Payments	<u>\$ 15,666</u>
Community Corrections Fund	Capital Outlay	<u>\$ 1,339</u>
PGE - Carty Fund	Special Payments	<u>\$ 53,562</u>

MORROW COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2020

NOTE 3 – CASH AND INVESTMENTS:

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

Cash

Demand deposits	\$ 529,292
Petty cash	2,845
	<u>532,137</u>

Investments

State of Oregon Local Government Investment Pool	19,646,979	<u>Weighted Average Maturity (Years)</u> 0.55
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Total cash and investments

\$ 20,179,116

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

Cash and investments - governmental activities	\$ 17,017,270
Statement of Fiduciary Net Position	<u>3,161,846</u>
	<u><u>\$ 20,179,116</u></u>

Custodial Credit Risk - Deposits

In the case of deposits, this is the risk that in the event of bank failure, the County's deposits may not be returned. ORS Chapter 295 governs the collateralization of Oregon public funds and provides the statutory requirements for the Public Funds Collateralization Program. The Public Funds Collateralization Program was created by the Office of the State Treasurer to facilitate bank depository, custodian, and public official compliance with ORS 295. ORS 295 requires the depository institutions to pledge collateral against any public funds deposits in excess of deposit insurance amounts. As of June 30, 2020, the total bank balances were \$828,334. Of these deposits, \$500,000, was covered by federal depository insurance. The County keeps its deposits at financial institutions deemed to be qualified depositories by the Office of the State Treasurer.

Credit Risk - Investments

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

MORROW COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2020

NOTE 3 – CASH AND INVESTMENTS (continued):

Credit Risk - Investments (continued)

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

Concentration Risk - Investments

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

Interest Rate Risk - Investments

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

Custodial Credit Risk - Investments

The Local Government Investment Pool is not subject to custodial credit risk because it is not evidenced by securities that exist in physical or book entry form as defined by GASB Statement No. 3. Other securities are held by a third party custodian in a segregated account. The County does not have investments exposed to custodial credit risk on June 30, 2020

NOTE 4 -- RECEIVABLES

The County lends money to businesses in Morrow County for economic development. The Equity Fund is used for this purpose. On June 30, 2020 loans receivable and corresponding interest of \$374,462 were outstanding. This balance is not expected to be collected within one year.

The County expects to collect all receivables, no allowance is deemed necessary. Other Receivables at June 30, 2020 are as follows:

Receivable	General		Other	Total
	General	Road	Governmental	
Intergovernmental	\$ 42,669	\$ 307,160	\$ 629,732	\$ 979,561
Other shared taxes	14,316	-	12,121	26,437
Charges for services	213,175	3,847	192,628	409,650
Equity Fund loans	-	-	365,435	365,435
Equity Fund interest	-	-	9,027	9,027
	<u>\$ 270,160</u>	<u>\$ 311,007</u>	<u>\$ 1,208,943</u>	<u>\$ 1,790,110</u>

MORROW COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2020

NOTE 5 - CAPITAL ASSETS:

Capital asset activity for the year ended June 30, 2020 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated				
Land	\$ 2,266,841	\$ 140,937	\$ -	\$ 2,407,778
Construction in progress	817,036	541,216	(354,949)	1,003,303
Total capital assets, not being depreciated	<u>3,083,877</u>	<u>682,153</u>	<u>(354,949)</u>	<u>3,411,081</u>
Capital assets, being depreciated:				
Buildings and improvements	17,260,464	211,737	(3,900)	17,468,301
Campsites and trails	876,507	85,391	-	961,898
Machinery and equipment	15,125,395	1,354,117	(228,909)	16,250,603
Bridges	23,384,760	-	-	23,384,760
Infrastructure	114,454,699	-	-	114,454,699
Total capital assets being depreciated	<u>171,101,825</u>	<u>1,651,245</u>	<u>(232,809)</u>	<u>172,520,261</u>
Less accumulated depreciation for:				
Buildings and improvements	(8,027,264)	(472,748)	2,119	(8,497,893)
Campsites and trails	(622,662)	(24,969)	-	(647,631)
Machinery and equipment	(10,390,629)	(851,903)	193,204	(11,049,328)
Bridges	(15,381,939)	(587,013)	-	(15,968,952)
Infrastructure	(63,224,883)	(2,277,023)	-	(65,501,906)
Total accumulated depreciation	<u>(97,647,377)</u>	<u>(4,213,656)</u>	<u>195,323</u>	<u>(101,665,710)</u>
Total capital assets being depreciated, net	<u>73,454,448</u>	<u>(2,562,411)</u>	<u>(37,486)</u>	<u>70,854,551</u>
Governmental activities capital assets, net	<u>\$ 76,538,325</u>	<u>\$ (1,880,258)</u>	<u>\$ (392,435)</u>	<u>\$ 74,265,632</u>

Depreciation was charged to functions and programs as follows:

	<u>Governmental activities</u>
General government	\$ 558,822
Public safety	367,495
Highways and streets	3,101,329
Cultural and recreation	181,596
Health	4,414
	<u>\$ 4,213,656</u>

MORROW COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2020

NOTE 6 - LONG TERM DEBT:

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

Lease purchase agreement payable at \$45,479 per year, by the Road Fund, including interest at 4.94%, collateralized by a Caterpillar 315F excavator. Final payment is due in October 2022.	123,668
Lease purchase agreement payable at \$60,553 per year, by the Road Fund, including interest at 2.95%, collateralized by a Caterpillar 938M wheel loader. Final payment is due in October 2022.	115,551
Lease purchase agreement payable at \$42,098 annually, by the Road fund, including interest at 2.95%, collateralized by John Deere 772G motor grader. Final payment is due in March 2027.	262,382
	\$ 501,601

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

Fiscal Year	Governmental		
	Payment	Interest	Principal
2021	\$ 148,131	\$ 17,466	\$ 130,665
2022	147,708	12,772	134,936
2023	87,408	7,928	79,480
2024	42,098	4,680	37,418
2025	42,098	3,561	38,537
2026-30	84,196	3,631	80,565
Total	\$ 551,639	\$ 50,038	\$ 501,601

The County entered into a note payable with Community Bank for the construction of the Administration Building in Heppner, Oregon during the year ended June 30, 2015. Starting in November 2016, semi-annual principal and interest payments are due each November and May for \$189,998. The balance of the note payable on June 30, 2020 is \$1,072,747.

MORROW COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2020

NOTE 6 - LONG TERM DEBT (continued):

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

Fiscal Year	Principal	Interest
2021	\$ 349,446	\$ 15,802
2022	355,067	10,183
2023	368,234	4,472
2024	-	-
Total	\$ 1,072,747	\$ 30,457

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

	Capital Leases	Note Payable	Totals
Principal balance June 30, 2019	\$ 167,182	\$ 1,424,991	\$ 1,592,173
New obligations	506,579	-	506,579
Payments	(180,326)	(372,622)	(552,948)
Interest included	8,166	20,378	28,544
Principal balance June 30, 2020	\$ 501,601	\$ 1,072,747	\$ 1,574,348

NOTE 7 – COMPENSATED ABSENCES:

The following is a summary of accumulated unpaid vacation pay transactions of the County for the year ended June 30, 2020:

Balance June 30, 2019	\$ 519,642
Net change in benefits payable	(6,523)
Balance June 30, 2020	\$ 513,119

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

NOTE 8 - DEFERRED INFLOWS OF RESOURCES:

Deferred revenue at June 30, 2020 consisted of the following:

	Governmental Funds	Statement of Net Position
Property taxes	279,608	-
	\$ 279,608	\$ -

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

MORROW COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2020

NOTE 9 -- INTERFUND TRANSACTIONS:

During the course of normal operations, the County has numerous transactions between funds including expenditures and transfers of resources primarily to provide services. The governmental fund financial statements generally reflect such transactions as transfers. In addition, certain funds have been transferred for which repayment is anticipated during the next twelve months. These balances are to cover the funds expenses due to timing differences in revenue reimbursements. Amounts due from and to other funds at June 30, 2020 consisted of the following:

Due To	Due From	Amount
General Fund	Victim Witness Fund	\$ 27,425

The following are the County's interfund transfers for the year ended June 30, 2020. All transfers routinely occur between funds:

Transfer From	Transfer To	Purpose	Amount
General	Programming Res.	For purchase of software	\$ 30,000
General	Building Res.	For future construction	50,000
General	Computer Res.	For purchase of computer equipment	20,000
General	Heppner Admin Build.	For debt service payments of Heppner Admin Build.	394,000
General	Weed Equip Reserve	For capital purchases for weed equipment	5,000
General Road	Road Equip. Res.	For purchases of equipment	730,000
Finley Buttes Lic.	General Road	For improvements to County Road	1,636,000
Finley Buttes Lic.	General Fund	For general operations of the County	210,000
Fair	Fair Improvement	For capital upgrades to the fairgrounds	5,000
Fair	Fair Roof	For capital upgrades to fair buildings	2,000
Video Lottery Econ. Develop.	Fair	For general operations of the Fair Fund	5,000
Video Lottery Econ. Develop.	Rodeo	For general operations of the Rodeo Fund	10,000
Video Lottery Econ. Develop.	General	For general operations of the museum department	11,000
Video Lottery Econ. Develop.	Airport	For general operations of the Airport Fund	30,000
Willow Creek Wind	General	For general operations of the County	22,000
Rodeo Fund	Bleacher Res.	To close rodeo fund to bleacher reserve fund	19,269
Echo Wind Fees	General	For general operations of the County	30,437
Shepherds Flat Fees	General Road	For general operations & impr. of Co. Roads	528,700
Shepherds Flat Fees	Road Equip. Res.	For purchases of equipment	175,000
Shepherds Flat Fees	Building Res.	For future construction	500,000
PGE - CARTY	General Road	For general operations & improv. of Co. Roads	1,676,294
Total			\$ 6,089,700

MORROW COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2020

NOTE 10 -- CONTINGENT LIABILITY, GRANTS:

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

NOTE 11 -- DEFERRED COMPENSATION PLAN:

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

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

NOTE 12 -- LITIGATION:

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

NOTE 13 -- RISK MANAGEMENT:

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

MORROW COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2020

NOTE 14 -- SUBSEQUENT TAX REVENUES:

The 2020-2021 budget was adopted anticipating property tax revenues at a rate of \$4.1347 per \$1,000 of assessed value for operations. Budgeted property tax revenues, after discount and adjustments, are as follows:

	Budgeted Property tax Revenue
General fund	\$ 10,405,044
County school fund	28,500
Ione school fund	3,200
Fair fund	72,674
	<u>\$ 10,509,418</u>

After an allowance for expected delinquent tax payments, the County expects to collect at least the amount of property taxes budgeted for 2020-2021.

NOTE 15 -- TAXES:

County governmental funds received the following tax revenues:

Property taxes	\$ 9,642,607
Fuel tax apportionment	1,036,787
Payments in lieu of taxes	762,532
Other taxes	540,463
	<u>\$ 11,982,389</u>

MORROW COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2020

NOTE 16 -- INTERGOVERNMENTAL REVENUES:

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

Health department funds	\$ 700,763
Oregon Health Authority funds	1,304,304
Park department funds	645,981
Community Corrections funds	548,602
Airport grants	-
Sheriff department grants	509,628
Road department funds	715,252
911 Emergency funds	339,675
Federal forest fees and federal mineral lease	148,676
Assessment and taxation funds	113,615
Video lottery apportionment	86,269
Victim/Witness assistance funds	82,318
Other federal and state funds	855,526
	<u>\$ 6,050,609</u>

NOTE 17 -- FINLEY BUTTES LANDFILL:

A private company operates the Finley Buttes Landfill in Morrow County. The County receives licensing fees from the landfill operator. During the year ended June 30, 2020, Morrow County received the following fees from the landfill operator:

Finley Buttes road fund	\$ 392,364
Finley Buttes license fee fund	<u>1,576,548</u>
	<u>\$ 1,968,912</u>

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

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

The agency fund portion of landfill fees is dedicated to future landfill closing costs. The landfill operator and the landfill owners are responsible for future landfill closure costs. Morrow County is obligated for future closure costs only to the extent of funds available in the agency fund. At June 30, 2020, the balance of funds in the landfill closure agency fund was \$1,262,382.

MORROW COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2020

NOTE 18 -- DEFINED BENEFIT PENSION PLAN:

A. Plan Description:

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

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

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

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

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

MORROW COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2020

NOTE 18 -- DEFINED BENEFIT PENSION PLAN (continued):

The following is a summary of plan participants at July 1, 2019:

Active members:	
Public safety	24
General	85
Total active	<u>109</u>
Inactive participants:	
Vested terminated	25
Non-vested terminated entitled to account balance	51
Retirees and beneficiaries	65
Total inactive	<u>141</u>
Total participants	<u><u>250</u></u>

B. Funding Policy and Net Pension Liability:

County employees are required to contribute 6% of their annual covered salary. The County uses actuarial reports to determine the recommended pension contribution percentages. For the fiscal year ended June 30, 2020, the recommended rate was 23.6% of covered payroll. The County contributed 23.6% of covered payroll for the fiscal year ended June 30, 2020. On July 1, 2020 the recommended rate increased to 24.3% of covered payroll for fiscal year ended June 30, 2021.

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

	<u>June 30, 2018</u>	<u>June 30, 2019</u>
Total pension liability	\$34,875,126	\$37,244,726
Plan fiduciary net position	23,975,779	25,466,923
Net pension liability	<u>\$10,899,347</u>	<u>\$11,777,803</u>
Fiduciary net position as a % of total pension liability	68.75%	68.38%
Covered payroll	\$ 5,881,681	\$ 6,392,832
Net pension liability as a % of covered payroll	185.31%	184.23%

C. Actuarial Methods and Assumptions:

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

MORROW COUNTY, OREGON

Notes to Basic Financial Statements
June 30, 2020

NOTE 18 -- DEFINED BENEFIT PENSION PLAN (continued):

D. Changes in Net Pension Liability:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances June 30, 2018	\$ 34,875,126	\$ 23,975,779	\$ 10,899,347
Changes for the year:			
Service cost	917,396	-	917,396
Interest on total pension liability	2,450,738	-	2,450,738
Effect of plan changes	-	-	-
Effect of economic/demographic (gains) or losses	565,425	-	565,425
Effect of assumptions changes or inputs	-	-	-
Benefit payments	(1,627,635)	(1,627,635)	-
Administrative expenses	-	(95,888)	95,888
Member contributions	63,676	63,676	-
Net investment income	-	1,181,999	(1,181,999)
Employer contributions	-	1,968,992	(1,968,992)
	\$ 37,244,726	\$ 25,466,923	\$ 11,777,803
Balances as of June 30, 2019			

E. Sensitivity Analysis:

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

	1% Decrease 6.0%	Current Rate 7.0%	1% Increase 8.0%
Total pension liability	\$ 41,909,675	\$ 37,244,726	\$ 33,344,548
Fiduciary net position	25,466,923	25,466,923	25,466,923
Net pension liability	\$ 16,442,752	\$ 11,777,803	\$ 7,877,625

MORROW COUNTY, OREGON

Notes to Basic Financial Statements
June 30, 2020

NOTE 18 -- DEFINED BENEFIT PENSION PLAN (continued):

F. Pension Expense:

	Fiscal Year Ending June 30, 2020
Service cost	\$ 917,396
Interest on total pension liability	2,450,738
Effect of plan changes	-
Administrative expenses	95,888
Expected investment return net of investment expenses	(1,689,125)
Recognition of deferred (inflows)outflows of resources:	
Recognition of economic/demographic (gains) or losses	478,891
Recognition of assumption changes or inputs	-
Recognition of investment (gains) or losses	585,709
Pension expense	<u>\$ 2,839,497</u>

G. Deferred (Inflows) / Outflows of Resources:

As of June 30, 2020, the deferred inflows and outflows of resources are as follows:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$ -	\$ 692,365
Changes in assumptions or inputs	-	-
Net difference between projected and actual earnings	-	549,586
Contributions made subsequent to measurement date	-	2,148,376
	<u>\$ -</u>	<u>\$ 3,390,327</u>

Deferred outflows of resources are presented as positive amounts. Deferred inflows or resources are presented as negative amounts. Contributions made subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021.

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

<u>Year ended June 30:</u>	<u>Annual Recognition</u>
2021	\$ 732,747
2022	208,964
2023	198,814
2024	101,426
	<u>\$ 1,241,951</u>

MORROW COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2020

NOTE 19 -- OTHER POST EMPLOYMENT BENEFIT PLAN:

A. Plan Description:

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

The County's annual other postemployment benefit (OPEB) liability is determined using the normal actuarial cost allocation method in accordance with the parameters of GASB Statement No. 75. In addition, GASB 75 requires that the allocation of costs for accounting purposes be made as a level percentage of employee's projected pay, including future anticipated pay increases. The following table shows the total OPEB liability as of June 30, 2020, based on the July 1, 2018 valuation date and a June 30, 2019 measurement date. The total OPEB liability was determined by an actuarial valuation as of the valuation date, calculated based on the discount rate and actuarial assumptions below, and was then projected forward to the measurement date.

	Year Ended June 30, 2019	Year Ended June 30, 2020
Total OPEB liability	\$ 386,400	\$ 403,540
Covered payroll	\$ 5,881,681	\$ 6,392,832
Total OPEB liability as a % of covered payroll	6.57%	6.31%
Discount rate	3.87%	3.50%
Other Key Actuarial Assumptions and Methods:		
Valuation date	July 1, 2018	July 1, 2018
Measurement Date	June 30, 2018	June 30, 2019
Inflation	2.50%	2.50%
Salary Increases	3.50%	3.50%
Healthy Mortality	RP-2000 healthy white collar male and female mortality tables, set back one year for males. Mortality is projected on a generational basis using Scale BB for males and females	RP-2000 healthy white collar male and female mortality tables, set back one year for males. Mortality is projected on a generational basis using Scale BB for males and females
Actuarial Cost Method	Entry Age Normal	Entry Age Normal

MORROW COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2020

NOTE 19 -- OTHER POST EMPLOYMENT BENEFIT PLAN (continued):

The following table shows the changes in net OPEB liability from June 30, 2019 to June 30, 2020:

	Increase (Decrease) Total
Balance as of June 30, 2019	\$ 386,400
Changes for the year:	
Service cost	17,900
Interest on total OPEB liability	15,207
Effect of changes to benefit terms	-
Effect of economic/demographic gains or losses	-
Effect of assumptions changes or inputs	6,969
Benefit payments	(22,936)
Balance as of June 30, 2020	<u>\$ 403,540</u>

The following presents the total OPEB liability of the Plan, calculated using the discount rate of 3.5%, as well as what the Plan's total OPEB liability would be if it were calculate using a discount rate that is 1 percentage point lower (2.5%) or 1 percentage point higher (4.5%) than the current rate. A similar sensitivity analysis is then presented for changes in the healthcare cost trend assumption.

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Total OPEB Liability	<u>\$ 424,009</u>	<u>\$ 403,540</u>	<u>\$ 384,016</u>
	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
Total OPEB Liability	<u>\$ 378,542</u>	<u>\$ 403,540</u>	<u>\$ 431,464</u>

MORROW COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2020

NOTE 19 -- OTHER POST EMPLOYMENT BENEFIT PLAN (continued):

The annual OPEB expense is an accounting item designed to recognize certain changes to the Total OPEB Liability in the current period income statement. Additionally, changes to the total OPEB Liability not fully recognized in a given year's OPEB expense will be tracked as deferred inflows and outflows, and recognized incrementally in the OPEB expense over time. The following table shows the OPEB expense for the fiscal year ending June 30, 2020.

	July 1, 2018 to June 30, 2019
Service cost	\$ 17,900
Interest on total OPEB liability	15,207
Effect of plan changes	-
Recognition of Deferred (Inflows)/Outflows of Resources	
Recognition of economic/demographic (gains) or losses	(4,831)
Recognition of assumptions changes or inputs	2,598
Administrative expenses	-
Balance as of June 30, 2019	\$ 30,874

The following shows the total deferred inflows and outflows of resources as of June 30, 2020, along with a schedule showing the amounts that will be recognized in future years.

	Deferred Inflows of Resources	Deferred Outflows of
Difference between expected and actual experience	\$ (18,841)	\$ -
Changes of assumptions or inputs	(8,251)	21,690
Benefit payments	-	32,201
Total as of June 30, 2020	\$ (27,092)	\$ 53,891

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

Year ended June 30:	Annual recognition
2021	\$ (2,233)
2022	(2,233)
2023	(2,233)
2024	233
2025	1,064
Thereafter	-
	\$ (5,402)

MORROW COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2020

NOTE 20 -- RECONCILIATION OF GAAP BASIS REVENUES AND EXPENDITURES TO BUDGETARY BASIS REVENUES AND EXPENDITURES:

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

<u>Fund:</u>	<u>GAAP Basis Change in Fund Balances</u>	<u>Change in Compensated Absences</u>	<u>Budgetary Basis - Change in Fund Balances</u>
General	\$ 1,862,021	\$ (15,463)	\$ 1,846,558
General Road	(2,822)	13,113	10,291
911 Emergency Telephone	33,935	(1,569)	32,366
Fair	33,720	(217)	33,503
Special Transportation	359,014	9,014	368,028
Victim/Witness Assistance	(11,528)	4,951	(6,577)
Park	165,378	(5,288)	160,090
Community Corrections	(21,392)	1,982	(19,410)

NOTE 21 -- RECONCILIATION OF GAAP BASIS FUND EQUITY TO BUDGETARY BASIS FUND EQUITY:

<u>Fund:</u>	<u>GAAP Basis Fund Balances</u>	<u>Compensated Absences</u>	<u>Budgetary Basis Fund Balances</u>
General Fund	6,740,568	\$ (332,071)	\$ 6,408,497
General Road	1,774,664	(127,348)	1,647,316
911 Emergency Telephone	325,153	(13,503)	311,650
Fair	262,799	(2,638)	260,161
Special Transportation	390,361	(792)	389,569
Victim/Witness Assistance	13,929	(648)	13,281
Park	403,631	(13,681)	389,950
Community Corrections	436,686	(22,438)	414,248

MORROW COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2020

NOTE 22 -- TAX ABATEMENT AGREEMENTS:

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

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

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

For the year ended June 30, 2020, the County abated taxes as follows:

<u>Tax Abatement Program</u>	<u>Amount Abated (in thousands)</u>		<u>In-Lieu and Community Service Fees Collected (in thousands)</u>	
	<u>Total</u>	<u>County Share</u>	<u>Total</u>	<u>County Share</u>
Enterprise Zone	\$ 35,496	\$ 10,513	\$ 435	\$ -
Strategic Investment Program	\$ 11,134	\$ 3,389	\$ 4,065	\$ 3,110

NOTE 23 -- SUBSEQUENT EVENTS:

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

The County is currently in the planning stages of constructing a new administration building in Irrigon, Oregon. The estimated cost for the new building is between \$6,000,000 and \$8,000,000, with an estimated completion date of Spring 2022. The budget for the fiscal year 2020-21 includes approximately \$550,000 in appropriation for this project. The County has approved \$6,900,000 of credit bonds to finance this project, payable over 15 years.

REQUIRED SUPPLEMENTARY INFORMATION

MORROW COUNTY, OREGON

Schedule of Deferred (Inflows) and Outflows of Resources

	Original Amount	Experience Period	Original Recognition Period	Amount Recognized in Expense 6/30/2020	Balance of Deferred Inflows 6/30/2020	Balance of Deferred Outflows 6/30/2020
Investment	\$ 507,126	2018-2019	5.0	\$ 101,425	\$ -	\$ 405,701
(gains) or losses	83,078	2017-2018	5.0	16,616	-	49,846
	(673,578)	2016-2017	5.0	(134,716)	(269,430)	-
	(1,817,353)	2015-2016	5.0	363,471	-	363,469
	1,194,561	2014-2015	5.0	238,913	-	-
				<u>\$ 585,709</u>	<u>\$ (269,430)</u>	<u>\$ 819,016</u>
Economic/demographic	\$ 565,425	2018-2019	3.5	\$ 161,550	\$ -	\$ 403,875
(gains) or losses	448,618	2017-2018	3.5	128,117	-	192,264
	577,357	2016-2017	3.6	160,377	-	96,226
	201,509	2015-2016	3.5	28,787	-	-
				<u>\$ 478,831</u>	<u>\$ -</u>	<u>\$ 692,365</u>
Assumption	\$ -	2018-2019	3.5	\$ -	\$ -	\$ -
changes or inputs	-	2017-2018	3.6	-	-	-
	-	2016-2017	3.5	-	-	-
	-	2015-2016	3.6	-	-	-
				<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying independent auditor's report.

MORROW COUNTY, OREGON

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

	Fiscal Year Ending June 30,					
	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019
Total Pension Liability						
Service cost	\$ 581,265	\$ 564,657	\$ 670,931	\$ 768,358	\$ 851,065	\$ 917,396
Interest on total pension liability	1,758,584	1,894,605	2,049,096	2,143,810	2,297,651	2,450,738
Effect of plan changes	-	-	-	-	-	-
Effect of economic/demographic (gains) or losses	393,080	1,362,260	201,509	577,357	448,618	565,425
Effect of assumptions changes or inputs	-	1,567,973	-	-	-	-
Benefit payments	(834,561)	(1,030,803)	(2,021,216)	(1,416,721)	(1,443,225)	(1,627,635)
Member contributions	25,633	34,322	48,953	57,180	53,759	63,676
Net change in total pension liability	1,924,001	4,393,014	949,273	2,129,984	2,207,868	2,369,600
Total pension liability, beginning	23,270,986	25,194,987	29,588,001	30,537,274	32,667,258	34,875,126
Total pension liability, ending	<u>\$ 25,194,987</u>	<u>\$ 29,588,001</u>	<u>\$ 30,537,274</u>	<u>\$ 32,667,258</u>	<u>\$ 34,875,126</u>	<u>\$ 37,244,726</u>
Fiduciary Net Position						
Employer contributions	\$ 1,074,867	\$ 1,225,021	\$ 1,350,209	\$ 1,769,758	\$ 2,811,558	\$ 1,968,992
Member contributions	25,633	34,322	48,953	57,180	53,759	63,676
Investment income net of investment expenses	2,778,923	271,052	(447,095)	2,001,161	1,445,686	1,181,999
Benefit payments	(834,561)	(1,030,803)	(2,021,216)	(1,416,721)	(1,443,225)	(1,627,635)
Administrative expenses	(92,124)	(13,825)	(67,539)	(45,738)	(40,865)	(95,888)
Net change in plan fiduciary net position	2,952,738	485,767	(1,136,688)	2,365,640	2,826,913	1,491,144
Fiduciary net position, beginning	16,481,409	19,434,147	19,919,914	18,783,226	21,148,866	23,975,779
Fiduciary net position, ending	<u>\$ 19,434,147</u>	<u>\$ 19,919,914</u>	<u>\$ 18,783,226</u>	<u>\$ 21,148,866</u>	<u>\$ 23,975,779</u>	<u>\$ 25,466,923</u>
Net pension liability, ending	\$ 5,760,840	\$ 9,668,087	\$ 11,754,048	\$ 11,518,392	\$ 10,899,347	\$ 11,777,803
Fiduciary net position as a % of total pension liability	77.13%	67.32%	61.51%	64.74%	68.75%	68.38%
Covered payroll	\$ 4,800,421	\$ 4,959,599	\$ 5,315,783	\$ 5,802,486	\$ 5,881,681	\$ 6,392,832
Net pension liability as a % of covered payroll	120.01%	194.94%	221.12%	198.51%	185.31%	184.23%

See accompanying independent auditor's report.

MORROW COUNTY, OREGON

Schedule of Employer Contributions

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Actuarially determined contribution	\$ 1,956	\$ 1,812	\$ 1,770	\$ 1,350	\$ 1,225	\$ 1,110	\$ 1,005	\$ 1,133	\$ 1,123	\$ 835
Actual employer contribution	1,969	2,812	1,770	1,350	1,225	1,075	909	896	1,089	835
Contribution deficiency (Excess)	13	1,000	-	-	-	(35)	(96)	(237)	(34)	-
Covered payroll	6,393	5,881	5,802	5,315	4,960	4,800	4,748	4,837	4,813	4,154
Contribution as a % of covered payroll	30.80%	47.81%	30.51%	25.40%	24.70%	22.40%	19.14%	18.52%	22.63%	20.10%
Valuation Date	7/1/2018	7/1/2017	7/1/2016	7/1/2015	7/1/2014	7/1/2013	7/1/2012	7/1/2011	7/1/2010	7/1/2009
Investment Rate of Return Assumption	7.00%	7.00%	7.00%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%

See accompanying independent auditor's report.

MORROW COUNTY, OREGON

Money -Weighted Rate of Return

Fiscal Year Ending June 30, 2019

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

	<u>Net External Cash Flows</u>	<u>Periods Invested</u>	<u>Period Weight</u>	<u>Net External Cash Flows With Interest</u>
Beginning Value - July 1, 2018	\$ 23,975,779	12.00	1.00	\$ 25,160,556
Monthly net external cash flows:				
July	(300,662)	11.00	0.96	(314,844)
August	(63,936)	10.00	0.88	(66,692)
September	140,465	9.00	0.79	145,932
October	40,078	8.00	0.71	41,471
November	(11,536)	7.00	0.63	(11,890)
December	160,143	6.00	0.54	164,382
January	48,481	5.00	0.46	49,564
February	49,359	4.00	0.38	50,260
March	54,232	3.00	0.29	55,000
April	25,618	2.00	0.21	25,877
May	26,514	1.00	0.13	26,674
June	140,351	0.00	0.04	140,633
Ending Value - June 30, 2019	25,466,923			
Money - Weighted Rate of Return	4.94%			

Schedule of Investment Returns

Fiscal Year Ending June 30,	Money-Weighted Rate of Return Net of Investment Expenses
2019	4.94%
2018	6.67%
2017	10.51%
2016	(2.27)%
2015	1.39%
2014	16.77%

See accompanying independent auditor's report.

MORROW COUNTY, OREGON

Schedule of Changes in Total OPEB Liability and Related Ratios

	Fiscal Year Ending June 30,		
	<u>June 30, 2018</u>	<u>June 30, 2019</u>	<u>June 30, 2020</u>
Total Pension Liability			
Service cost	\$ 19,370	\$ 18,301	\$ 17,900
Interest on total OPEB liability	11,336	13,889	15,207
Effect of plan changes	-	-	-
Effect of economic/demographic (gains) or losses	-	(28,503)	-
Effect of assumptions changes or inputs	(16,234)	24,058	6,969
Benefit payments	(24,592)	(21,810)	(22,936)
Net change in total pension liability	(10,120)	5,935	17,140
Total pension liability, beginning	390,585	380,465	386,400
Total pension liability, ending	<u>\$ 380,465</u>	<u>\$ 386,400</u>	<u>\$ 403,540</u>
Covered payroll	\$ 5,802,486	\$ 5,881,681	\$ 6,392,832
Net pension liability as a % of covered payroll	6.56%	6.57%	6.31%

See accompanying independent auditor's report.

MORROW COUNTY, OREGON

Notes to Required Supplementary Information

June 30, 2020

CHANGE IN BENEFIT TERMS:

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

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

OTHER SUPPLEMENTARY INFORMATION

MORROW COUNTY, OREGON

Non-Major Governmental Funds

June 30, 2020

Special Revenue Funds:

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

Capital Projects Funds:

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

See accompanying independent auditor's report.

MORROW COUNTY, OREGON

Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2020

	<u>Total Nonmajor Special Revenue Funds</u>	<u>Total Nonmajor Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
<u>ASSETS:</u>			
Cash	\$ 5,480,477	\$ 2,065,921	\$ 7,546,398
Property taxes receivable	4,121	-	4,121
Other receivables	1,208,943	-	1,208,943
Total assets	<u>\$ 6,693,541</u>	<u>\$ 2,065,921</u>	<u>\$ 8,759,462</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</u>			
<u>LIABILITIES:</u>			
Accounts payable	\$ 162,575	\$ -	\$ 162,575
Accrued payroll and payroll taxes payable	43,271	-	43,271
Due to other funds	27,425	-	27,425
Total liabilities	<u>233,271</u>	<u>-</u>	<u>233,271</u>
<u>DEFERRED INFLOWS OF RESOURCES:</u>			
Deferred property taxes	3,152	-	3,152
Total deferred inflows of resources	<u>3,152</u>	<u>-</u>	<u>3,152</u>
<u>FUND BALANCES:</u>			
Restricted	2,161,776	-	2,161,776
Committed	4,295,342	2,065,921	6,361,263
Unassigned	-	-	-
Total fund balances	<u>6,457,118</u>	<u>2,065,921</u>	<u>8,523,039</u>
Total fund balances and liabilities	<u>\$ 6,693,541</u>	<u>\$ 2,065,921</u>	<u>\$ 8,759,462</u>

See accompanying independent auditor's report.

MORROW COUNTY, OREGON

Nonmajor Governmental Funds

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

Year Ended June 30, 2020

	Total Nonmajor Special Revenue Funds	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<u>REVENUES:</u>			
Taxes	\$ 415,291	\$ -	\$ 415,291
Intergovernmental	2,435,681	-	2,435,681
Fees, fines and charges for services	6,900,775	-	6,900,775
Interest	132,412	32,122	164,534
Miscellaneous	37,876	71,120	108,996
Total revenues	<u>9,922,035</u>	<u>103,242</u>	<u>10,025,277</u>
<u>EXPENDITURES:</u>			
General government	1,574,764	37,300	1,612,064
Public safety	1,426,517	-	1,426,517
Culture and recreation	699,983	4,150	704,133
Education	267,524	-	267,524
Capital outlay	275,453	809,945	1,085,398
Debt service	-	546,747	546,747
Total expenditures	<u>4,244,241</u>	<u>1,398,142</u>	<u>5,642,383</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>	<u>5,677,794</u>	<u>(1,294,900)</u>	<u>4,382,894</u>
<u>OTHER FINANCING SOURCES (USES):</u>			
Capital lease proceeds	-	506,579	506,579
Operating transfers in	45,000	1,930,269	1,975,269
Operating transfers out	(4,860,700)	-	(4,860,700)
Total other financing sources (uses)	<u>(4,815,700)</u>	<u>2,436,848</u>	<u>(2,378,852)</u>
<u>NET CHANGE IN FUND BALANCES</u>	862,094	1,141,948	2,004,042
<u>FUND BALANCE, BEGINNING OF YEAR</u>	<u>5,595,024</u>	<u>923,973</u>	<u>6,518,997</u>
<u>FUND BALANCE, END OF YEAR</u>	<u>\$ 6,457,118</u>	<u>\$ 2,065,921</u>	<u>\$ 8,523,039</u>

See accompanying independent auditor's report.

MORROW COUNTY, OREGON

Non-Major Special Revenue Funds

June 30, 2020

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

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

MORROW COUNTY, OREGON

Non-Major Special Revenue Funds (Continued)

June 30, 2020

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

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

MORROW COUNTY, OREGON

Nonmajor Special Revenue Funds
Combining Balance Sheet
June 30, 2020

	<u>Heritage</u>	<u>Finley Buttes Road</u>	<u>Commission on Children and Families</u>	<u>Airport</u>	<u>Law Library</u>	<u>911 Emergency Telephone</u>	<u>Surveyor Preserve- tion</u>	<u>Finley Buttes Lic. Fees</u>	<u>County School</u>
<u>ASSETS:</u>									
Cash	\$ 17,866	\$ 940,550	\$ 66,158	\$ 31,192	\$ 30,801	\$ 255,195	\$ 242,273	\$ 930,745	\$ 217
Property taxes receivable	-	-	-	-	-	-	-	-	1,080
Other receivables	-	36,453	-	-	-	108,863	114	147,842	-
Total assets	<u>\$ 17,866</u>	<u>\$ 977,003</u>	<u>\$ 66,158</u>	<u>\$ 31,192</u>	<u>\$ 30,801</u>	<u>\$ 364,058</u>	<u>\$ 242,387</u>	<u>\$ 1,078,587</u>	<u>\$ 1,297</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>									
<u>LIABILITIES:</u>									
Accounts payable	\$ -	\$ -	\$ -	\$ 1,695	\$ 548	\$ 31,029	\$ -	\$ 7,359	\$ -
Accrued payroll and payroll taxes payable	-	-	-	-	-	7,876	-	-	-
Due to other funds	-	-	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,695</u>	<u>548</u>	<u>38,905</u>	<u>-</u>	<u>7,359</u>	<u>-</u>
<u>DEFERRED INFLOWS OF RESOURCES:</u>									
Deferred property taxes	-	-	-	-	-	-	-	-	826
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>826</u>
<u>FUND BALANCES:</u>									
Restricted	-	977,003	66,158	-	-	325,153	-	-	471
Committed	17,866	-	-	29,497	30,253	-	242,387	1,071,228	-
Unassigned	-	-	-	-	-	-	-	-	-
Total fund balances	<u>17,866</u>	<u>977,003</u>	<u>66,158</u>	<u>29,497</u>	<u>30,253</u>	<u>325,153</u>	<u>242,387</u>	<u>1,071,228</u>	<u>471</u>
	<u>\$ 17,866</u>	<u>\$ 977,003</u>	<u>\$ 66,158</u>	<u>\$ 31,192</u>	<u>\$ 30,801</u>	<u>\$ 364,058</u>	<u>\$ 242,387</u>	<u>\$ 1,078,587</u>	<u>\$ 1,297</u>

See accompanying independent
auditor's report.

Continued on next page.

MORROW COUNTY, OREGON

Nonmajor Special Revenue Funds
Combining Balance Sheet
June 30, 2020

Continued from previous page.

	<u>Ione School</u>	<u>Fair</u>	<u>Special Trans- portation</u>	<u>Alcohol Enforcement</u>	<u>Video Lottery Economic Development</u>	<u>Victim/ Witness Assistance</u>	<u>Willow Creek Wind</u>	<u>CAMI Grant</u>	<u>Safety Committee</u>
<u>ASSETS:</u>									
Cash	\$ 21	\$ 265,495	\$ 393,925	\$ 23,892	\$ 37,599	\$ 25,878	\$ 47,710	\$ 21,149	\$ 17,266
Property taxes receivable	105	2,936	-	-	-	-	-	-	-
Other receivables	-	-	1,450	-	-	18,508	-	22,291	3,413
Total assets	<u>\$ 126</u>	<u>\$ 268,431</u>	<u>\$ 395,375</u>	<u>\$ 23,892</u>	<u>\$ 37,599</u>	<u>\$ 44,386</u>	<u>\$ 47,710</u>	<u>\$ 43,440</u>	<u>\$ 20,679</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>									
<u>LIABILITIES:</u>									
Accounts payable	\$ -	\$ 2,389	\$ 3,649	\$ -	\$ 3,000	\$ 263	\$ -	\$ -	\$ 3,727
Accrued payroll and payroll taxes payable	-	997	1,365	-	-	2,769	-	-	-
Due to other funds	-	-	-	-	-	27,425	-	-	-
Total liabilities	<u>-</u>	<u>3,386</u>	<u>5,014</u>	<u>-</u>	<u>3,000</u>	<u>30,457</u>	<u>-</u>	<u>-</u>	<u>3,727</u>
<u>DEFERRED INFLOWS OF RESOURCES:</u>									
Deferred property taxes	80	2,246	-	-	-	-	-	-	-
Total deferred inflows of resources	<u>80</u>	<u>2,246</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>FUND BALANCES:</u>									
Restricted	46	-	-	23,892	34,599	-	-	43,440	-
Committed	-	262,799	390,361	-	-	13,929	47,710	-	16,952
Unassigned	-	-	-	-	-	-	-	-	-
Total fund balances	<u>46</u>	<u>262,799</u>	<u>390,361</u>	<u>23,892</u>	<u>34,599</u>	<u>13,929</u>	<u>47,710</u>	<u>43,440</u>	<u>16,952</u>
	<u>\$ 126</u>	<u>\$ 268,431</u>	<u>\$ 395,375</u>	<u>\$ 23,892</u>	<u>\$ 37,599</u>	<u>\$ 44,386</u>	<u>\$ 47,710</u>	<u>\$ 43,440</u>	<u>\$ 20,679</u>

See accompanying independent
auditor's report.

Continued on next page.

MORROW COUNTY, OREGON

Nonmajor Special Revenue Funds
Combining Balance Sheet
June 30, 2020

Continued from previous page.

	<u>Rodeo</u>	<u>Justice Court Bail and Fine</u>	<u>Clerks Records</u>	<u>DUII Impact</u>	<u>Building Permit Fees</u>	<u>Parks</u>	<u>Equity</u>	<u>Liquor Control</u>	<u>Water Planning</u>
<u>ASSETS:</u>									
Cash	\$ -	\$ 61,093	\$ 22,119	\$ 30,048	\$ 914,558	\$ 118,265	\$ 252,036	\$ 867	\$ 6,258
Property taxes receivable	-	-	-	-	-	-	-	-	-
Other receivables	-	-	13	-	-	325,422	374,462	-	-
Total assets	<u>\$ -</u>	<u>\$ 61,093</u>	<u>\$ 22,132</u>	<u>\$ 30,048</u>	<u>\$ 914,558</u>	<u>\$ 443,687</u>	<u>\$ 626,498</u>	<u>\$ 867</u>	<u>\$ 6,258</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>									
<u>LIABILITIES:</u>									
Accounts payable	\$ -	\$ 31,596	\$ -	\$ 629	\$ -	\$ 28,712	\$ 8,015	\$ -	\$ -
Accrued payroll and payroll taxes payable	-	-	-	-	-	11,344	-	-	-
Due to other funds	-	-	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>31,596</u>	<u>-</u>	<u>629</u>	<u>-</u>	<u>40,056</u>	<u>8,015</u>	<u>-</u>	<u>-</u>
<u>DEFERRED INFLOWS OF RESOURCES:</u>									
Deferred property taxes	-	-	-	-	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>FUND BALANCES:</u>									
Restricted	-	29,497	-	29,419	-	-	-	867	-
Committed	-	-	22,132	-	914,558	403,631	618,483	-	6,258
Unassigned	-	-	-	-	-	-	-	-	-
Total fund balances	<u>-</u>	<u>29,497</u>	<u>22,132</u>	<u>29,419</u>	<u>914,558</u>	<u>403,631</u>	<u>618,483</u>	<u>867</u>	<u>6,258</u>
	<u>\$ -</u>	<u>\$ 61,093</u>	<u>\$ 22,132</u>	<u>\$ 30,048</u>	<u>\$ 914,558</u>	<u>\$ 443,687</u>	<u>\$ 626,498</u>	<u>\$ 867</u>	<u>\$ 6,258</u>

See accompanying independent
auditor's report.

Continued on next page.

MORROW COUNTY, OREGON

Nonmajor Special Revenue Funds
Combining Balance Sheet
June 30, 2020

Continued from previous page.

	<u>Forest Service</u>	<u>Court Security</u>	<u>Echo Wind Fees</u>	<u>Shepherds Flat Fees</u>	<u>FTA Grant</u>	<u>Comm. Corrections Fund</u>	<u>PGE Carty</u>	<u>Sheriff Reserve</u>	<u>Totals</u>
<u>ASSETS:</u>									
Cash	\$ 76,846	\$ 113,231	\$ 7,137	\$ 119,280	\$ (24,483)	\$ 354,409	\$ 66,047	\$ 14,834	\$ 5,480,477
Property taxes receivable	-	-	-	-	-	-	-	-	4,121
Other receivables	-	502	-	-	49,546	120,064	-	-	1,208,943
Total assets	<u>\$ 76,846</u>	<u>\$ 113,733</u>	<u>\$ 7,137</u>	<u>\$ 119,280</u>	<u>\$ 25,063</u>	<u>\$ 474,473</u>	<u>\$ 66,047</u>	<u>\$ 14,834</u>	<u>\$ 6,693,541</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>									
<u>LIABILITIES:</u>									
Accounts payable	\$ -	\$ 19,242	\$ -	\$ -	\$ 494	\$ 20,228	\$ -	\$ -	\$ 162,575
Accrued payroll and payroll taxes payable	-	-	-	-	1,361	17,559	-	-	43,271
Due to other funds	-	-	-	-	-	-	-	-	27,425
Total liabilities	<u>-</u>	<u>19,242</u>	<u>-</u>	<u>-</u>	<u>1,855</u>	<u>37,787</u>	<u>-</u>	<u>-</u>	<u>233,271</u>
<u>DEFERRED INFLOWS OF RESOURCES:</u>									
Deferred property taxes	-	-	-	-	-	-	-	-	3,152
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,152</u>
<u>FUND BALANCES:</u>									
Restricted	76,846	94,491	-	-	23,208	436,686	-	-	2,161,776
Committed	-	-	7,137	119,280	-	-	66,047	14,834	4,295,342
Unassigned	-	-	-	-	-	-	-	-	-
Total fund balances	<u>76,846</u>	<u>94,491</u>	<u>7,137</u>	<u>119,280</u>	<u>23,208</u>	<u>436,686</u>	<u>66,047</u>	<u>14,834</u>	<u>6,457,118</u>
	<u>\$ 76,846</u>	<u>\$ 113,733</u>	<u>\$ 7,137</u>	<u>\$ 119,280</u>	<u>\$ 25,063</u>	<u>\$ 474,473</u>	<u>\$ 66,047</u>	<u>\$ 14,834</u>	<u>\$ 6,693,541</u>

See accompanying independent
auditor's report.

MORROW COUNTY, OREGON

Nonmajor Special Revenue Funds

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

Year Ended June 30, 2020

	Heritage	Finley Buttes Road	Commission on Children/ Families	Airport	Law Library	911 Emergency Telephone	Surveyor Preserva- tion	Finley Buttes Lic. Fees	County School
<u>REVENUES:</u>									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 191,736
Intergovernmental	-	-	-	-	-	339,675	-	-	45,220
Fees, fines, and charges for services	-	392,364	-	36,408	5,976	-	15,789	1,576,548	-
Interest	374	15,115	-	951	736	5,425	4,905	30,331	403
Miscellaneous	-	-	-	250	-	-	-	-	-
Total revenues	<u>374</u>	<u>407,479</u>	<u>-</u>	<u>37,609</u>	<u>6,712</u>	<u>345,100</u>	<u>20,694</u>	<u>1,606,879</u>	<u>237,359</u>
<u>EXPENDITURES:</u>									
General government	-	-	-	60,072	-	-	-	22,651	-
Public safety	-	-	-	-	-	311,165	-	-	-
Highways and streets	-	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	800	-	-
Education	-	-	-	-	7,080	-	-	-	237,001
Capital outlay	-	-	-	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>60,072</u>	<u>7,080</u>	<u>311,165</u>	<u>800</u>	<u>22,651</u>	<u>237,001</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>	<u>374</u>	<u>407,479</u>	<u>-</u>	<u>(22,463)</u>	<u>(368)</u>	<u>33,935</u>	<u>19,894</u>	<u>1,584,228</u>	<u>358</u>
<u>OTHER FINANCING SOURCES (USES):</u>									
Operating transfers in	-	-	-	30,000	-	-	-	-	-
Operating transfers out	-	-	-	-	-	-	-	(1,846,000)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,846,000)</u>	<u>-</u>
<u>NET CHANGE IN FUND BALANCES:</u>	<u>374</u>	<u>407,479</u>	<u>-</u>	<u>7,537</u>	<u>(368)</u>	<u>33,935</u>	<u>19,894</u>	<u>(261,772)</u>	<u>358</u>
<u>FUND BALANCE, BEGINNING OF YEAR</u>	<u>17,492</u>	<u>569,524</u>	<u>66,158</u>	<u>21,960</u>	<u>30,621</u>	<u>291,218</u>	<u>222,493</u>	<u>1,333,000</u>	<u>113</u>
<u>FUND BALANCE, END OF YEAR</u>	<u>\$ 17,866</u>	<u>\$ 977,003</u>	<u>\$ 66,158</u>	<u>\$ 29,497</u>	<u>\$ 30,253</u>	<u>\$ 325,153</u>	<u>\$ 242,387</u>	<u>\$ 1,071,228</u>	<u>\$ 471</u>

See accompanying independent auditor's report.

MORROW COUNTY, OREGON

Nonmajor Special Revenue Funds

Continued from previous page.

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

Year Ended June 30, 2020

	Ione School	Fair	Special Trans- portation	Alcohol Enforce- ment	Video Lottery Econ. Devel.	Victim/ Witness Assistance	Willow Creek Wind	CAMI Grant	Safety Committee
<u>REVENUES:</u>									
Taxes	\$ 19,372	\$ 80,529	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	4,066	53,174	500,700	-	86,269	82,318	-	37,534	-
Fees, fines, and charges for services	-	14,071	5,070	120	-	-	91,987	-	-
Interest	40	4,965	4,750	499	1,077	-	1,076	672	410
Miscellaneous	-	6,474	66	-	-	97	-	1,500	8,832
Total revenues	<u>23,478</u>	<u>159,213</u>	<u>510,586</u>	<u>619</u>	<u>87,346</u>	<u>82,415</u>	<u>93,063</u>	<u>39,706</u>	<u>9,242</u>
<u>EXPENDITURES:</u>									
General government	-	-	151,572	-	58,893	-	68,386	14,350	9,950
Public safety	-	-	-	-	-	93,943	-	-	-
Highways and streets	-	-	-	-	-	-	-	-	-
Culture and recreation	-	123,493	-	-	-	-	-	-	-
Education	23,443	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
Total expenditures	<u>23,443</u>	<u>123,493</u>	<u>151,572</u>	<u>-</u>	<u>58,893</u>	<u>93,943</u>	<u>68,386</u>	<u>14,350</u>	<u>9,950</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>	<u>35</u>	<u>35,720</u>	<u>359,014</u>	<u>619</u>	<u>28,453</u>	<u>(11,528)</u>	<u>24,677</u>	<u>25,356</u>	<u>(708)</u>
<u>OTHER FINANCING SOURCES (USES)</u>									
Operating transfers in	-	5,000	-	-	-	-	-	-	-
Operating transfers out	-	(7,000)	-	-	(56,000)	-	(22,000)	-	-
Total other financing sources (uses)	<u>-</u>	<u>(2,000)</u>	<u>-</u>	<u>-</u>	<u>(56,000)</u>	<u>-</u>	<u>(22,000)</u>	<u>-</u>	<u>-</u>
<u>NET CHANGE IN FUND BALANCES:</u>	<u>35</u>	<u>33,720</u>	<u>359,014</u>	<u>619</u>	<u>(27,547)</u>	<u>(11,528)</u>	<u>2,677</u>	<u>25,356</u>	<u>(708)</u>
<u>FUND BALANCE, BEGINNING OF YEAR</u>	<u>11</u>	<u>229,079</u>	<u>31,347</u>	<u>23,273</u>	<u>62,146</u>	<u>25,457</u>	<u>45,033</u>	<u>18,084</u>	<u>17,660</u>
<u>FUND BALANCE, END OF YEAR</u>	<u>\$ 46</u>	<u>\$ 262,799</u>	<u>\$ 390,361</u>	<u>\$ 23,892</u>	<u>\$ 34,599</u>	<u>\$ 13,929</u>	<u>\$ 47,710</u>	<u>\$ 43,440</u>	<u>\$ 16,952</u>

See accompanying independent auditor's report.

Continued on next page.

MORROW COUNTY, OREGON

Nonmajor Special Revenue Funds

Continued from previous page.

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

Year Ended June 30, 2020

	Rodeo	Justice Court Bail and Fine	Clerks Records	DUII Impact	Building Permit Fees	Parks	Equity	Liquor Control	Water Planning
<u>REVENUES:</u>									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 123,654	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	645,981	-	-	-
Fees, fines, and charges for services	-	421,717	1,880	-	136,949	157,234	-	-	-
Interest	334	-	443	630	17,267	6,065	16,715	18	-
Miscellaneous	-	-	-	-	219	7,328	-	-	-
Total revenues	<u>334</u>	<u>421,717</u>	<u>2,323</u>	<u>630</u>	<u>154,435</u>	<u>940,262</u>	<u>16,715</u>	<u>18</u>	<u>-</u>
<u>EXPENDITURES:</u>									
General government	-	-	-	-	9,439	-	8,015	-	-
Public safety	-	422,835	-	629	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-	-	-
Culture and recreation	10,000	-	-	-	-	565,690	-	-	-
Education	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	209,194	-	-	-
Total expenditures	<u>10,000</u>	<u>422,835</u>	<u>-</u>	<u>629</u>	<u>9,439</u>	<u>774,884</u>	<u>8,015</u>	<u>-</u>	<u>-</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>	<u>(9,666)</u>	<u>(1,118)</u>	<u>2,323</u>	<u>1</u>	<u>144,996</u>	<u>165,378</u>	<u>8,700</u>	<u>18</u>	<u>-</u>
<u>OTHER FINANCING SOURCES (USES)</u>									
Operating transfers in	10,000	-	-	-	-	-	-	-	-
Operating transfers out	(19,269)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>(9,269)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>NET CHANGE IN FUND BALANCES:</u>	<u>(18,935)</u>	<u>(1,118)</u>	<u>2,323</u>	<u>1</u>	<u>144,996</u>	<u>165,378</u>	<u>8,700</u>	<u>18</u>	<u>-</u>
<u>FUND BALANCE, BEGINNING OF YEAR</u>	<u>18,935</u>	<u>30,615</u>	<u>19,809</u>	<u>29,418</u>	<u>769,562</u>	<u>238,253</u>	<u>609,783</u>	<u>849</u>	<u>6,258</u>
<u>FUND BALANCE, END OF YEAR</u>	<u>\$ -</u>	<u>\$ 29,497</u>	<u>\$ 22,132</u>	<u>\$ 29,419</u>	<u>\$ 914,558</u>	<u>\$ 403,631</u>	<u>\$ 618,483</u>	<u>\$ 867</u>	<u>\$ 6,258</u>

See accompanying independent auditor's report.

Continued on next page.

MORROW COUNTY, OREGON

Nonmajor Special Revenue Funds

Continued from previous page.

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

Year Ended June 30, 2020

	Forest Service	Court Security	Echo Wind Fees	Shepherds Flat Fees	FTA Grant	Comm. Corrections Fund	PGE Carty	Sheriff Reserve	Totals
<u>REVENUES:</u>									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 415,291
Intergovernmental	6,922	-	-	-	85,220	548,602	-	-	2,435,681
Fees, fines, and charges for services	-	10,714	87,987	1,685,916	-	34,032	2,224,294	1,719	6,900,775
Interest	1,489	2,685	233	2,450	1,228	8,325	2,796	5	132,412
Miscellaneous	-	-	-	-	-	-	-	13,110	37,876
Total revenues	<u>8,411</u>	<u>13,399</u>	<u>88,220</u>	<u>1,688,366</u>	<u>86,448</u>	<u>590,959</u>	<u>2,227,090</u>	<u>14,834</u>	<u>9,922,035</u>
<u>EXPENDITURES:</u>									
General government	-	-	63,889	402,966	101,019	-	603,562	-	1,574,764
Public safety	-	26,933	-	-	-	571,012	-	-	1,426,517
Highways and streets	-	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-	699,983
Education	-	-	-	-	-	-	-	-	267,524
Capital outlay	-	24,920	-	-	-	41,339	-	-	275,453
Total expenditures	<u>-</u>	<u>51,853</u>	<u>63,889</u>	<u>402,966</u>	<u>101,019</u>	<u>612,351</u>	<u>603,562</u>	<u>-</u>	<u>4,244,241</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>	<u>8,411</u>	<u>(38,454)</u>	<u>24,331</u>	<u>1,285,400</u>	<u>(14,571)</u>	<u>(21,392)</u>	<u>1,623,528</u>	<u>14,834</u>	<u>5,677,794</u>
<u>OTHER FINANCING SOURCES (USES)</u>									
Operating transfers in	-	-	-	-	-	-	-	-	45,000
Operating transfers out	-	-	(30,437)	(1,203,700)	-	-	(1,676,294)	-	(4,860,700)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(30,437)</u>	<u>(1,203,700)</u>	<u>-</u>	<u>-</u>	<u>(1,676,294)</u>	<u>-</u>	<u>(4,815,700)</u>
<u>NET CHANGE IN FUND BALANCES:</u>	<u>8,411</u>	<u>(38,454)</u>	<u>(6,106)</u>	<u>81,700</u>	<u>(14,571)</u>	<u>(21,392)</u>	<u>(52,766)</u>	<u>14,834</u>	<u>862,094</u>
<u>FUND BALANCE, BEGINNING OF YEAR</u>	<u>68,435</u>	<u>132,945</u>	<u>13,243</u>	<u>37,580</u>	<u>37,779</u>	<u>458,078</u>	<u>118,813</u>	<u>-</u>	<u>5,595,024</u>
<u>FUND BALANCE, END OF YEAR</u>	<u>\$76,846</u>	<u>\$ 94,491</u>	<u>\$ 7,137</u>	<u>\$ 119,280</u>	<u>\$ 23,208</u>	<u>\$ 436,686</u>	<u>\$ 66,047</u>	<u>\$ 14,834</u>	<u>\$ 6,457,118</u>

See accompanying independent auditor's report.

MORROW COUNTY, OREGON

Heritage Trail Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (Non-GAAP Budgetary Basis) to Actual
Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Interest	\$ 225	\$ 225	\$ 374	\$ 149
Grants	10,000	10,000	-	(10,000)
Total revenues	<u>10,225</u>	<u>10,225</u>	<u>374</u>	<u>(9,851)</u>
<u>EXPENDITURES:</u>				
Materials and services	<u>27,695</u>	<u>27,695</u>	<u>-</u>	<u>27,695</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>				
	(17,470)	(17,470)	374	17,844
<u>FUND BALANCES, BEGINNING</u>				
	<u>17,470</u>	<u>17,470</u>	<u>17,492</u>	<u>22</u>
<u>FUND BALANCES, ENDING</u>				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,866</u>	<u>\$ 17,866</u>

See accompanying independent auditor's report.

MORROW COUNTY, OREGON

Finley Buttes Road Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances

Budget (Non-GAAP Budgetary Basis) to Actual

Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Landfill fees	\$ 350,000	\$ 350,000	\$ 392,364	\$ 42,364
Interest	1,000	1,000	15,115	14,115
Total revenues	<u>351,000</u>	<u>351,000</u>	<u>407,479</u>	<u>56,479</u>
<u>EXPENDITURES:</u>				
Contractual services	<u>100,000</u>	<u>100,000</u>	<u>-</u>	<u>100,000</u>
<u>EXCESS OF REVENUES OVER EXPENDITURES</u>				
	251,000	251,000	407,479	156,479
<u>FUND BALANCES, BEGINNING</u>				
	<u>415,515</u>	<u>415,515</u>	<u>569,524</u>	<u>154,009</u>
<u>FUND BALANCES, ENDING</u>				
	<u>\$ 666,515</u>	<u>\$ 666,515</u>	<u>\$ 977,003</u>	<u>\$ 310,488</u>

See accompanying independent auditor's report.

MORROW COUNTY, OREGON

Commission on Children and Families Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (Non-GAAP Budgetary Basis) to Actual
Year Ended June 30, 2020

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

See accompanying independent auditor's report.

MORROW COUNTY, OREGON

Airport Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (Non-GAAP Budgetary Basis) to Actual
Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Rental and leases	\$ 13,722	\$ 13,722	\$ 10,670	\$ (3,052)
Charges for services	24,000	24,000	25,738	1,738
Interest	100	100	951	851
Miscellaneous revenue	800	800	250	(550)
Total revenues	<u>38,622</u>	<u>38,622</u>	<u>37,609</u>	<u>(1,013)</u>
<u>EXPENDITURES:</u>				
Materials and services	61,122	61,122	60,072	1,050
Capital outlay	7,500	7,500	-	7,500
Total expenditures	<u>68,622</u>	<u>68,622</u>	<u>60,072</u>	<u>8,550</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>	(30,000)	(30,000)	(22,463)	7,537
<u>OTHER FINANCING SOURCES:</u>				
Transfers in	30,000	30,000	30,000	-
<u>NET CHANGE IN FUND BALANCES</u>	-	-	7,537	7,537
<u>FUND BALANCES, BEGINNING</u>	-	-	21,960	21,960
<u>FUND BALANCES, ENDING</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,497</u>	<u>\$ 29,497</u>

See accompanying independent auditor's report.

MORROW COUNTY, OREGON

Law Library Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (Non-GAAP Budgetary Basis) to Actual
Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
State court, clerk fees	\$ 6,832	\$ 6,832	\$ 5,976	\$ (856)
Interest	600	600	736	136
Total revenues	<u>7,432</u>	<u>7,432</u>	<u>6,712</u>	<u>(720)</u>
<u>EXPENDITURES:</u>				
Materials and services	<u>44,327</u>	<u>44,327</u>	<u>7,080</u>	<u>37,247</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>				
	(36,895)	(36,895)	(368)	36,527
<u>FUND BALANCES, BEGINNING</u>				
	<u>36,895</u>	<u>36,895</u>	<u>30,621</u>	<u>(6,274)</u>
<u>FUND BALANCES, ENDING</u>				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,253</u>	<u>\$ 30,253</u>

See accompanying independent auditor's report.

MORROW COUNTY, OREGON

911 Emergency Telephone Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (Non-GAAP Budgetary Basis) to Actual
Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
State 911 apportionment	\$ 296,900	\$ 296,900	\$ 339,675	\$ 42,775
Interest	3,000	3,000	5,425	2,425
Total revenues	<u>299,900</u>	<u>299,900</u>	<u>345,100</u>	<u>45,200</u>
<u>EXPENDITURES:</u>				
Personnel services	272,690	272,690	238,830	33,860
Materials and services	44,200	44,200	23,097	21,103
Capital outlay	-	51,558	50,807	751
Contingency	192,010	140,452	-	140,452
Total expenditures	<u>508,900</u>	<u>508,900</u>	<u>312,734</u>	<u>196,166</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>				
	(209,000)	(209,000)	32,366	241,366
<u>FUND BALANCES, BEGINNING</u>				
	<u>209,000</u>	<u>209,000</u>	<u>279,284</u>	<u>70,284</u>
<u>FUND BALANCES, ENDING</u>				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 311,650</u>	<u>\$ 311,650</u>

See accompanying independent auditor's report.

MORROW COUNTY, OREGON

Surveyor Preservation Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (Non-GAAP Budgetary Basis) to Actual
Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Charges for services	\$ 11,000	\$ 11,000	\$ 15,789	\$ 4,789
Interest	4,000	4,000	4,905	905
Total revenues	<u>15,000</u>	<u>15,000</u>	<u>20,694</u>	<u>5,694</u>
<u>EXPENDITURES:</u>				
Materials and services	<u>235,777</u>	<u>235,777</u>	<u>800</u>	<u>234,977</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>				
	(220,777)	(220,777)	19,894	240,671
<u>FUND BALANCES, BEGINNING</u>				
	<u>220,777</u>	<u>220,777</u>	<u>222,493</u>	<u>1,716</u>
<u>FUND BALANCES, ENDING</u>				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 242,387</u>	<u>\$ 242,387</u>

See accompanying independent auditor's report.

MORROW COUNTY, OREGON

Finley Buttes License Fee Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (Non-GAAP Budgetary Basis) to Actual
Year Ended June 30, 2020

	<u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
<u>REVENUES:</u>				
Landfill license fees	\$ 1,420,000	\$ 1,420,000	\$ 1,576,548	\$ 156,548
Interest	5,000	5,000	30,331	25,331
Total revenues	<u>1,425,000</u>	<u>1,425,000</u>	<u>1,606,879</u>	<u>181,879</u>
<u>EXPENDITURES:</u>				
Materials and services	<u>-</u>	<u>-</u>	<u>22,651</u>	<u>(22,651)</u>
<u>EXCESS OF REVENUES OVER EXPENDITURES</u>				
	1,425,000	1,425,000	1,584,228	159,228
<u>OTHER FINANCING SOURCES (USES):</u>				
Transfers out	<u>(1,846,939)</u>	<u>(1,846,939)</u>	<u>(1,846,000)</u>	<u>939</u>
<u>NET CHANGE IN FUND BALANCES</u>	(421,939)	(421,939)	(261,772)	160,167
<u>FUND BALANCES, BEGINNING</u>	<u>421,939</u>	<u>421,939</u>	<u>1,333,000</u>	<u>911,061</u>
<u>FUND BALANCES, ENDING</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,071,228</u>	<u>\$ 1,071,228</u>

See accompanying independent auditor's report.

MORROW COUNTY, OREGON

County School Fund (ORS 328.005)

Schedule of Revenues, Expenditures, and Changes in Fund Balances

Budget (Non-GAAP Budgetary Basis) to Actual

Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Property taxes	\$ 26,926	\$ 26,926	\$ 29,615	\$ 2,689
Federal forest rentals (25%)	12,500	12,500	45,220	32,720
In lieu of taxes	170,000	170,000	162,121	(7,879)
Interest	100	100	403	303
Total revenues	<u>209,526</u>	<u>209,526</u>	<u>237,359</u>	<u>27,833</u>
<u>EXPENDITURES:</u>				
Tax turnovers	<u>209,526</u>	<u>209,526</u>	<u>237,001</u>	<u>(27,475)</u>
<u>EXCESS OF REVENUES OVER EXPENDITURES</u>				
	-	-	358	358
<u>FUND BALANCES, BEGINNING</u>				
	-	-	113	113
<u>FUND BALANCES, ENDING</u>				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 471</u>	<u>\$ 471</u>

See accompanying independent auditor's report.

MORROW COUNTY, OREGON

Ione School Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (Non-GAAP Budgetary Basis) to Actual
Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
<u>REVENUES:</u>				
Property taxes	\$ 2,627	\$ 2,627	\$ 2,883	\$ 256
Federal forest rentals	950	950	4,066	3,116
In lieu of taxes	15,000	15,000	16,489	1,489
Interest	10	10	40	30
Total revenues	<u>18,587</u>	<u>18,587</u>	<u>23,478</u>	<u>4,891</u>
<u>EXPENDITURES:</u>				
Tax turnovers	<u>18,587</u>	<u>18,587</u>	<u>23,443</u>	<u>(4,856)</u>
<u>EXCESS OF REVENUES</u>				
<u>OVER EXPENDITURES</u>				
	-	-	35	35
<u>FUND BALANCES, BEGINNING</u>				
	<u>-</u>	<u>-</u>	<u>11</u>	<u>11</u>
<u>FUND BALANCES, ENDING</u>				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 46</u>	<u>\$ 46</u>

See accompanying independent auditor's report.

MORROW COUNTY, OREGON

Fair Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (Non-GAAP Budgetary Basis) to Actual
Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Gate admissions	\$ 5,000	\$ 5,000	\$ -	\$ (5,000)
Concessions	800	800	1,000	200
Rental of facilities	3,150	3,150	3,691	541
Donations	100	100	-	(100)
Sponsors and premium book advertising	12,400	12,400	9,380	(3,020)
Other	2,100	2,100	6,474	4,374
Intergovernmental (Oregon State)	53,166	53,166	53,174	8
Property taxes	73,674	73,674	80,529	6,855
Interest	2,000	2,000	4,965	2,965
Total revenues	<u>152,390</u>	<u>152,390</u>	<u>159,213</u>	<u>6,823</u>
<u>EXPENDITURES:</u>				
Administrative and non-departmental	50,973	50,973	47,916	3,057
Fair	82,949	82,949	73,936	9,013
Queen and court	2,300	2,300	1,858	442
Multipurpose buildings	2,550	2,550	-	2,550
St. Pats event	2,260	2,260	-	2,260
Operating contingency	213,420	213,420	-	213,420
Total expenditures	<u>354,452</u>	<u>354,452</u>	<u>123,710</u>	<u>230,742</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>				
	<u>(202,062)</u>	<u>(202,062)</u>	<u>35,503</u>	<u>237,565</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
Transfers in	5,000	5,000	5,000	-
Transfers out	<u>(7,000)</u>	<u>(7,000)</u>	<u>(7,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(2,000)</u>	<u>(2,000)</u>	<u>(2,000)</u>	<u>-</u>
<u>NET CHANGE IN FUND BALANCES</u>				
	<u>(204,062)</u>	<u>(204,062)</u>	<u>33,503</u>	<u>237,565</u>
<u>FUND BALANCES, BEGINNING</u>				
	<u>204,062</u>	<u>204,062</u>	<u>226,658</u>	<u>22,596</u>
<u>FUND BALANCES, ENDING</u>				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 260,161</u>	<u>\$ 260,161</u>

See accompanying independent auditor's report.

MORROW COUNTY, OREGON

Special Transportation Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (Non-GAAP Budgetary Basis) to Actual
Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Grants	\$ 112,000	\$ 112,000	\$ 115,366	\$ 3,366
State apportionment	-	737,336	385,334	(352,002)
Bus receipts and other	2,500	2,500	5,070	2,570
Interest	300	300	4,750	4,450
Other	-	-	66	66
Total revenues	<u>114,800</u>	<u>852,136</u>	<u>510,586</u>	<u>(341,550)</u>
<u>EXPENDITURES:</u>				
Personal services	42,146	79,484	65,787	13,697
Materials and services	75,100	320,100	76,771	243,329
Contingency	4,857	459,855	-	459,855
Total expenditures	<u>122,103</u>	<u>859,439</u>	<u>142,558</u>	<u>716,881</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>				
	<u>(7,303)</u>	<u>(7,303)</u>	<u>368,028</u>	<u>375,331</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
Transfers out	<u>(6,282)</u>	<u>(6,282)</u>	<u>-</u>	<u>6,282</u>
<u>NET CHANGE IN FUND BALANCES</u>				
	<u>(13,585)</u>	<u>(13,585)</u>	<u>368,028</u>	<u>381,613</u>
<u>FUND BALANCES, BEGINNING</u>				
	<u>13,585</u>	<u>13,585</u>	<u>21,541</u>	<u>7,956</u>
<u>FUND BALANCES, ENDING</u>				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 389,569</u>	<u>\$ 389,569</u>

See accompanying independent auditor's report.

MORROW COUNTY, OREGON

Alcohol Enforcement Fund (ORS 471.670)
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (Non-GAAP Budgetary Basis) to Actual
Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Fines and forfeits	\$ -	\$ -	\$ 120	\$ 120
Interest	100	100	499	399
Total revenues	<u>100</u>	<u>100</u>	<u>619</u>	<u>519</u>
<u>EXPENDITURES:</u>				
Materials and services	18,214	18,214	-	18,214
Capital outlay	5,000	5,000	-	5,000
Total expenditures	<u>23,214</u>	<u>23,214</u>	<u>-</u>	<u>23,214</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>	(23,114)	(23,114)	619	23,733
<u>FUND BALANCES, BEGINNING</u>	<u>23,114</u>	<u>23,114</u>	<u>23,273</u>	<u>159</u>
<u>FUND BALANCES, ENDING</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,892</u>	<u>\$ 23,892</u>

See accompanying independent auditor's report.

MORROW COUNTY, OREGON

Video Lottery Economic Development
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (Non-GAAP Budgetary Basis) to Actual
Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
<u>REVENUES:</u>				
Video lottery	\$ 75,000	\$ 75,000	\$ 86,269	\$ 11,269
Interest	750	750	1,077	327
Total revenues	<u>75,750</u>	<u>75,750</u>	<u>87,346</u>	<u>11,596</u>
<u>EXPENDITURES:</u>				
Materials and services	<u>59,129</u>	<u>59,129</u>	<u>58,893</u>	<u>236</u>
<u>EXCESS OF REVENUES</u>				
<u>OVER EXPENDITURES</u>	16,621	16,621	28,453	11,832
<u>OTHER FINANCING SOURCES (USES):</u>				
Transfers out	<u>(77,000)</u>	<u>(77,000)</u>	<u>(56,000)</u>	<u>21,000</u>
<u>NET CHANGE IN FUND BALANCES</u>	(60,379)	(60,379)	(27,547)	32,832
<u>FUND BALANCES, BEGINNING</u>	<u>60,379</u>	<u>60,379</u>	<u>62,146</u>	<u>1,767</u>
<u>FUND BALANCES, ENDING</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,599</u>	<u>\$ 34,599</u>

See accompanying independent auditor's report.

MORROW COUNTY, OREGON

Victim-Witness Assistance Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (Non-GAAP Budgetary Basis) to Actual
Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
State apportionment	\$ 109,698	\$ 109,698	\$ 82,318	\$ (27,380)
Other	-	-	97	97
Total revenues	<u>109,698</u>	<u>109,698</u>	<u>82,415</u>	<u>(27,283)</u>
<u>EXPENDITURES:</u>				
Personal services	96,569	96,569	83,990	12,579
Materials and services	38,019	38,019	5,002	33,017
Total expenditures	<u>134,588</u>	<u>134,588</u>	<u>88,992</u>	<u>45,596</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>				
	(24,890)	(24,890)	(6,577)	18,313
<u>FUND BALANCES, BEGINNING</u>				
	<u>24,890</u>	<u>24,890</u>	<u>19,858</u>	<u>(5,032)</u>
<u>FUND BALANCES, ENDING</u>				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,281</u>	<u>\$ 13,281</u>

See accompanying independent auditor's report.

MORROW COUNTY, OREGON

Willow Creek Wind
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (Non-GAAP Budgetary Basis) to Actual
Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Wind fees	\$ 104,750	\$ 104,750	\$ 91,987	\$ (12,763)
Interest	1,000	1,000	1,076	76
Total revenues	<u>105,750</u>	<u>105,750</u>	<u>93,063</u>	<u>(12,687)</u>
<u>EXPENDITURES:</u>				
Willow Creek Fee Distribution	<u>83,750</u>	<u>83,750</u>	<u>68,386</u>	<u>15,364</u>
Total expenditures	<u>83,750</u>	<u>83,750</u>	<u>68,386</u>	<u>15,364</u>
<u>EXCESS OF REVENUES OVER EXPENDITURES</u>				
	22,000	22,000	24,677	2,677
<u>OTHER FINANCING SOURCES (USES):</u>				
Transfers out	<u>(22,000)</u>	<u>(22,000)</u>	<u>(22,000)</u>	<u>-</u>
<u>NET CHANGE IN FUND BALANCES</u>				
	-	-	2,677	2,677
<u>FUND BALANCES, BEGINNING</u>				
	<u>-</u>	<u>-</u>	<u>45,033</u>	<u>45,033</u>
<u>FUND BALANCES, ENDING</u>				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 47,710</u>	<u>\$ 47,710</u>

See accompanying independent auditor's report.

MORROW COUNTY, OREGON

CAMI Grant Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (Non-GAAP Budgetary Basis) to Actual
Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Grants	\$ 33,493	\$ 33,493	\$ 37,534	\$ 4,041
Interest	-	-	672	672
Other	-	-	1,500	1,500
Total revenues	<u>33,493</u>	<u>33,493</u>	<u>39,706</u>	<u>6,213</u>
<u>EXPENDITURES:</u>				
Materials and services	<u>41,909</u>	<u>41,909</u>	<u>14,350</u>	<u>27,559</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>	(8,416)	(8,416)	25,356	33,772
<u>FUND BALANCES, BEGINNING</u>	<u>8,416</u>	<u>8,416</u>	<u>18,084</u>	<u>9,668</u>
<u>FUND BALANCES, ENDING</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 43,440</u>	<u>\$ 43,440</u>

See accompanying independent auditor's report.

MORROW COUNTY, OREGON

Safety Committee Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (Non-GAAP Budgetary Basis) to Actual
Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
SAIF dividend	\$ 3,000	\$ 3,000	\$ 8,832	\$ 5,832
Interest	100	100	410	310
Total revenues	<u>3,100</u>	<u>3,100</u>	<u>9,242</u>	<u>6,142</u>
<u>EXPENDITURES:</u>				
Materials and services	<u>21,452</u>	<u>21,452</u>	<u>9,950</u>	<u>11,502</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>				
	(18,352)	(18,352)	(708)	17,644
<u>FUND BALANCES, BEGINNING</u>				
	<u>18,352</u>	<u>18,352</u>	<u>17,660</u>	<u>(692)</u>
<u>FUND BALANCES, ENDING</u>				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,952</u>	<u>\$ 16,952</u>

See accompanying independent auditor's report.

MORROW COUNTY, OREGON

Rodeo Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (Non-GAAP Budgetary Basis) to Actual
Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Interest	\$ 350	\$ 350	\$ 334	\$ (16)
<u>EXPENDITURES:</u>				
Materials and services	10,000	10,000	10,000	-
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>	<u>(9,650)</u>	<u>(9,650)</u>	<u>(9,666)</u>	<u>(16)</u>
<u>OTHER FINANCING SOURCES (USES):</u>				
Transfers in	10,000	10,000	10,000	-
Transfers out	<u>(20,151)</u>	<u>(20,151)</u>	<u>(19,269)</u>	<u>882</u>
Total other financing sources (uses)	<u>(10,151)</u>	<u>(10,151)</u>	<u>(9,269)</u>	<u>882</u>
<u>NET CHANGE IN FUND BALANCES</u>	(19,801)	(19,801)	(18,935)	866
<u>FUND BALANCES, BEGINNING</u>	19,801	19,801	18,935	(866)
<u>FUND BALANCES, ENDING</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying independent auditor's report.

MORROW COUNTY, OREGON

Justice Court Bail and Fine Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (Non-GAAP Budgetary Basis) to Actual
Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Fines	\$ 525,000	\$ 525,000	\$ 421,717	\$ (103,283)
<u>EXPENDITURES:</u>				
Fine turnover	<u>588,950</u>	<u>588,950</u>	<u>422,835</u>	<u>166,115</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>	(63,950)	(63,950)	(1,118)	62,832
<u>FUND BALANCES, BEGINNING</u>	<u>63,950</u>	<u>63,950</u>	<u>30,615</u>	<u>(33,335)</u>
<u>FUND BALANCES, ENDING</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,497</u>	<u>\$ 29,497</u>

See accompanying independent auditor's report.

MORROW COUNTY, OREGON

Clerks Records Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (Non-GAAP Budgetary Basis) to Actual
Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Records fees	\$ 1,500	\$ 1,500	\$ 1,880	\$ 380
Interest	200	200	443	243
Total revenues	<u>1,700</u>	<u>1,700</u>	<u>2,323</u>	<u>623</u>
<u>EXPENDITURES:</u>				
Materials and services	<u>20,943</u>	<u>20,943</u>	-	<u>20,943</u>
Total expenditures	<u>20,943</u>	<u>20,943</u>	-	<u>20,943</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>				
	(19,243)	(19,243)	2,323	21,566
<u>FUND BALANCES, BEGINNING</u>				
	<u>19,243</u>	<u>19,243</u>	<u>19,809</u>	<u>566</u>
<u>FUND BALANCES, ENDING</u>				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,132</u>	<u>\$ 22,132</u>

See accompanying independent auditor's report.

MORROW COUNTY, OREGON

DUII Impact Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (Non-GAAP Budgetary Basis) to Actual
Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Court ordered fees	\$ 500	\$ 500	\$ -	\$ (500)
Interest	500	500	630	130
Total revenues	<u>1,000</u>	<u>1,000</u>	<u>630</u>	<u>(370)</u>
<u>EXPENDITURES:</u>				
Materials and services	<u>28,902</u>	<u>28,902</u>	<u>629</u>	<u>28,273</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>				
	(27,902)	(27,902)	1	27,903
<u>FUND BALANCES, BEGINNING</u>				
	<u>27,902</u>	<u>27,902</u>	<u>29,418</u>	<u>1,516</u>
<u>FUND BALANCES, ENDING</u>				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,419</u>	<u>\$ 29,419</u>

See accompanying independent auditor's report.

MORROW COUNTY, OREGON

Building Permit Fees Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (Non-GAAP Budgetary Basis) to Actual
Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Building permit fees	\$ 100,000	\$ 100,000	\$ 136,949	\$ 36,949
Other	-	-	219	219
Interest	12,000	12,000	17,267	5,267
Total revenues	<u>112,000</u>	<u>112,000</u>	<u>154,435</u>	<u>42,435</u>
<u>EXPENDITURES:</u>				
Materials & Service	252,000	252,000	6,164	245,836
Capital outlay	28,000	28,000	3,275	24,725
Total Expenditures	<u>280,000</u>	<u>280,000</u>	<u>9,439</u>	<u>270,561</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>				
	(168,000)	(168,000)	144,996	312,996
<u>FUND BALANCES, BEGINNING</u>				
	<u>737,111</u>	<u>737,111</u>	<u>769,562</u>	<u>32,451</u>
<u>FUND BALANCES, ENDING</u>				
	<u>\$ 569,111</u>	<u>\$ 569,111</u>	<u>\$ 914,558</u>	<u>\$ 345,447</u>

See accompanying independent auditor's report.

MORROW COUNTY, OREGON

Park Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (Non-GAAP Budgetary Basis) to Actual
Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Grants	\$ 366,719	\$ 419,818	\$ 645,981	\$ 226,163
Camping fees and other charges for services	118,100	162,200	157,234	(4,966)
State apportionment	137,796	145,000	123,654	(21,346)
Interest	2,000	2,000	6,065	4,065
Other	4,200	6,700	7,328	628
Total revenues	<u>628,815</u>	<u>735,718</u>	<u>940,262</u>	<u>204,544</u>
<u>EXPENDITURES:</u>				
Cutsforth park	84,253	87,614	86,360	1,254
Anson Wright park	58,953	60,415	60,776	(361)
OHV park	587,736	707,116	631,146	75,970
Fair park		1,941	1,890	51
Contingency	117,873	183,307	-	183,307
Total expenditures	<u>848,815</u>	<u>1,040,393</u>	<u>780,172</u>	<u>260,221</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>				
	(220,000)	(304,675)	160,090	464,765
<u>FUND BALANCES, BEGINNING</u>				
	<u>220,000</u>	<u>304,675</u>	<u>229,860</u>	<u>(74,815)</u>
<u>FUND BALANCES, ENDING</u>				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 389,950</u>	<u>\$ 389,950</u>

See accompanying independent auditor's report.

MORROW COUNTY, OREGON

Equity Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (Non-GAAP Budgetary Basis) to Actual
Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Interest-Loans	\$ 6,500	\$ 6,500	\$ 12,039	\$ 5,539
Interest	2,500	2,500	4,676	2,176
Total revenues	<u>9,000</u>	<u>9,000</u>	<u>16,715</u>	<u>7,715</u>
<u>EXPENDITURES:</u>				
Materials and services	<u>19,000</u>	<u>19,000</u>	<u>8,015</u>	<u>10,985</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>	(10,000)	(10,000)	8,700	18,700
<u>FUND BALANCES, BEGINNING</u>	<u>10,000</u>	<u>10,000</u>	<u>609,783</u>	<u>599,783</u>
<u>FUND BALANCES, ENDING</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 618,483</u>	<u>\$ 618,483</u>

See accompanying independent auditor's report.

MORROW COUNTY, OREGON

Liquor Control Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (Non-GAAP Budgetary Basis) to Actual
Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Interest	\$ 15	\$ 15	\$ 18	\$ 3
Total Revenues	<u>15</u>	<u>15</u>	<u>18</u>	<u>3</u>
<u>EXPENDITURES:</u>				
Materials and services	<u>858</u>	<u>858</u>	<u>-</u>	<u>858</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>	(843)	(843)	18	861
<u>FUND BALANCES, BEGINNING</u>	<u>843</u>	<u>843</u>	<u>849</u>	<u>6</u>
<u>FUND BALANCES, ENDING</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 867</u>	<u>\$ 867</u>

See accompanying independent auditor's report.

MORROW COUNTY, OREGON

Water Planning Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (Non-GAAP Budgetary Basis) to Actual
Year Ended June 30, 2020

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

See accompanying independent auditor's report.

MORROW COUNTY, OREGON

Forest Service Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (Non-GAAP Budgetary Basis) to Actual
Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Intergovernmental revenue	\$ -	\$ -	\$ 6,922	\$ 6,922
Interest	750	750	1,489	739
Total revenues	<u>750</u>	<u>750</u>	<u>8,411</u>	<u>7,661</u>
<u>EXPENDITURES:</u>				
Materials and services	<u>62,656</u>	<u>62,656</u>	<u>-</u>	<u>62,656</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>				
	(61,906)	(61,906)	8,411	70,317
<u>FUND BALANCES, BEGINNING</u>				
	<u>61,906</u>	<u>61,906</u>	<u>68,435</u>	<u>6,529</u>
<u>FUND BALANCES, ENDING</u>				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 76,846</u>	<u>\$ 76,846</u>

See accompanying independent auditor's report.

MORROW COUNTY, OREGON

Court Security Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (Non-GAAP Budgetary Basis) to Actual
Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Court security	\$ 18,000	\$ 18,000	\$ 10,714	\$ (7,286)
Interest	2,500	2,500	2,685	185
Total revenues	<u>20,500</u>	<u>20,500</u>	<u>13,399</u>	<u>(7,101)</u>
<u>EXPENDITURES:</u>				
Materials and services	109,000	99,000	21,102	77,898
Capital outlay	20,000	30,000	30,751	(751)
Total expenditures	<u>129,000</u>	<u>129,000</u>	<u>51,853</u>	<u>77,147</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>				
	(108,500)	(108,500)	(38,454)	70,046
<u>FUND BALANCES, BEGINNING</u>				
	<u>161,180</u>	<u>161,180</u>	<u>132,945</u>	<u>(28,235)</u>
<u>FUND BALANCES, ENDING</u>				
	<u>\$ 52,680</u>	<u>\$ 52,680</u>	<u>\$ 94,491</u>	<u>\$ 41,811</u>

See accompanying independent auditor's report.

MORROW COUNTY, OREGON

Echo Wind Fees
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (Non-GAAP Budgetary Basis) to Actual
Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Wind fees	\$ 122,100	\$ 122,100	\$ 87,987	\$ (34,113)
Interest	100	100	233	133
Total revenues	<u>122,200</u>	<u>122,200</u>	<u>88,220</u>	<u>(33,980)</u>
<u>EXPENDITURES:</u>				
Other requirements	<u>62,100</u>	<u>62,100</u>	<u>63,889</u>	<u>(1,789)</u>
<u>EXCESS OF REVENUES OVER EXPENDITURES</u>				
	60,100	60,100	24,331	(35,769)
<u>OTHER FINANCING SOURCES (USES):</u>				
Transfers out	<u>(66,940)</u>	<u>(66,940)</u>	<u>(30,437)</u>	<u>36,503</u>
<u>NET CHANGE IN FUND BALANCES</u>				
	(6,840)	(6,840)	(6,106)	734
<u>FUND BALANCES, BEGINNING</u>				
	<u>6,840</u>	<u>6,840</u>	<u>13,243</u>	<u>6,403</u>
<u>FUND BALANCES, ENDING</u>				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,137</u>	<u>\$ 7,137</u>

See accompanying independent auditor's report.

MORROW COUNTY, OREGON

Shepherds Flat Fees
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (Non-GAAP Budgetary Basis) to Actual
Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Wind fees	\$ 1,325,000	\$ 1,590,000	\$ 1,685,916	\$ 95,916
Interest	1,000	1,000	2,450	1,450
Total revenues	<u>1,326,000</u>	<u>1,591,000</u>	<u>1,688,366</u>	<u>97,366</u>
<u>EXPENDITURES:</u>				
Materials and services	-	365,800	381,466	(15,666)
Other requirements	21,500	21,500	21,500	-
Total expenditures	<u>21,500</u>	<u>387,300</u>	<u>402,966</u>	<u>(15,666)</u>
<u>EXCESS OF REVENUES OVER EXPENDITURES</u>				
	1,304,500	1,203,700	1,285,400	81,700
<u>OTHER FINANCING SOURCES (USES):</u>				
Transfers out	<u>(1,304,500)</u>	<u>(1,203,700)</u>	<u>(1,203,700)</u>	<u>-</u>
<u>NET CHANGE IN FUND BALANCES</u>				
	-	-	81,700	81,700
<u>FUND BALANCES, BEGINNING</u>				
	<u>-</u>	<u>-</u>	<u>37,580</u>	<u>37,580</u>
<u>FUND BALANCES, ENDING</u>				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 119,280</u>	<u>\$ 119,280</u>

See accompanying independent auditor's report.

MORROW COUNTY, OREGON

FTA Grant Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (Non-GAAP Budgetary Basis) to Actual
Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
FTA grant	\$ 172,172	\$ 96,672	\$ 85,220	\$ (11,452)
Interest	-	-	1,228	1,228
Other	200	200	-	(200)
Total revenues	<u>172,372</u>	<u>96,872</u>	<u>86,448</u>	<u>(10,424)</u>
<u>EXPENDITURES:</u>				
Personal services	111,580	74,242	67,986	6,256
Materials and services	67,672	47,672	33,033	14,639
Contingency	29,230	11,068	-	11,068
Total expenditures	<u>208,482</u>	<u>132,982</u>	<u>101,019</u>	<u>31,963</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>				
	(36,110)	(36,110)	(14,571)	21,539
<u>OTHER FINANCING SOURCES:</u>				
Transfers in	6,282	6,282	-	(6,282)
<u>NET CHANGE IN FUND BALANCES</u>				
	(29,828)	(29,828)	(14,571)	15,257
<u>FUND BALANCES, BEGINNING</u>				
	29,828	29,828	37,779	7,951
<u>FUND BALANCES, ENDING</u>				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,208</u>	<u>\$ 23,208</u>

See accompanying independent auditor's report.

MORROW COUNTY, OREGON

Community Corrections Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (Non-GAAP Budgetary Basis) to Actual
Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
State P&P revenue	\$ 539,395	\$ 551,425	\$ 548,602	\$ (2,823)
Charges for services and other	45,500	45,500	34,032	(11,468)
Interest	-	-	8,325	8,325
Total revenues	<u>584,895</u>	<u>596,925</u>	<u>590,959</u>	<u>(5,966)</u>
<u>EXPENDITURES:</u>				
Personal services	433,371	433,371	419,788	13,583
Materials and services	176,600	188,630	149,242	39,388
Capital outlay	40,000	40,000	41,339	(1,339)
Contingency	100,000	100,000	-	100,000
Total expenditures	<u>749,971</u>	<u>762,001</u>	<u>610,369</u>	<u>151,632</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>				
	(165,076)	(165,076)	(19,410)	145,666
<u>FUND BALANCES, BEGINNING</u>				
	<u>349,410</u>	<u>349,410</u>	<u>433,658</u>	<u>84,248</u>
<u>FUND BALANCES, ENDING</u>				
	<u>\$ 184,334</u>	<u>\$ 184,334</u>	<u>\$ 414,248</u>	<u>\$ 229,914</u>

See accompanying independent auditor's report.

MORROW COUNTY, OREGON

PGE - Carty
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (Non-GAAP Budgetary Basis) to Actual
Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
PGE - Carty Comm Serv	\$ 2,224,294	\$ 2,224,294	\$ 2,224,294	\$ -
Interest	2,000	2,000	2,796	796
Total revenues	<u>2,226,294</u>	<u>2,226,294</u>	<u>2,227,090</u>	<u>796</u>
<u>EXPENDITURES:</u>				
Other requirements	<u>550,000</u>	<u>550,000</u>	<u>603,562</u>	<u>(53,562)</u>
Total expenditures	<u>550,000</u>	<u>550,000</u>	<u>603,562</u>	<u>(53,562)</u>
<u>EXCESS OF REVENUES OVER EXPENDITURES</u>				
	1,676,294	1,676,294	1,623,528	(52,766)
<u>OTHER FINANCING SOURCES (USES):</u>				
Transfers out	<u>(1,676,294)</u>	<u>(1,676,294)</u>	<u>(1,676,294)</u>	<u>-</u>
<u>NET CHANGE IN FUND BALANCES</u>				
	-	-	(52,766)	(52,766)
<u>FUND BALANCES, BEGINNING</u>				
	-	-	118,813	118,813
<u>FUND BALANCES, ENDING</u>				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 66,047</u>	<u>\$ 66,047</u>

See accompanying independent auditor's report.

MORROW COUNTY, OREGON

Sheriff Reserve Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (Non-GAAP Budgetary Basis) to Actual
Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Donations	\$ -	\$ -	\$ 13,110	\$ 13,110
Reserve fees	-	-	1,719	1,719
Interest	-	-	5	5
Total revenues	-	-	14,834	14,834
<u>EXPENDITURES:</u>				
Materials and services	-	-	-	-
Total expenditures	-	-	-	-
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>	-	-	14,834	14,834
<u>FUND BALANCES, BEGINNING</u>	-	-	-	-
<u>FUND BALANCES, ENDING</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,834</u>	<u>\$ 14,834</u>

See accompanying independent auditor's report.

MORROW COUNTY, OREGON

Non-Major Capital Projects Funds

June 30, 2020

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

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

MORROW COUNTY, OREGON

Nonmajor Capital Project Funds

Combining Balance Sheet

June 30, 2020

	<u>Road Equipment Reserve</u>	<u>Computer Equipment Reserve</u>	<u>Program- ming Reserve</u>	<u>Weed Equipment Reserve</u>	<u>STF Vehicle Reserve</u>	<u>Fair Roof Reserve</u>	<u>Heppner Admin. Building</u>	<u>Bleacher Reserve</u>	<u>Fair Improve. Reserve</u>	<u>Building Reserve</u>	<u>Totals</u>
<u>ASSETS:</u>											
Cash	<u>\$ 1,014,664</u>	<u>\$ 46,274</u>	<u>\$ 1,011</u>	<u>\$ 15,649</u>	<u>\$ 93,574</u>	<u>\$ 22,715</u>	<u>\$ 37,755</u>	<u>\$ 25,621</u>	<u>\$ 16,057</u>	<u>\$ 792,601</u>	<u>\$ 2,065,921</u>
Total assets	<u><u>\$ 1,014,664</u></u>	<u><u>\$ 46,274</u></u>	<u><u>\$ 1,011</u></u>	<u><u>\$ 15,649</u></u>	<u><u>\$ 93,574</u></u>	<u><u>\$ 22,715</u></u>	<u><u>\$ 37,755</u></u>	<u><u>\$ 25,621</u></u>	<u><u>\$ 16,057</u></u>	<u><u>\$ 792,601</u></u>	<u><u>\$ 2,065,921</u></u>
<u>LIABILITIES AND FUND BALANCES</u>											
<u>LIABILITIES:</u>											
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>FUND BALANCES:</u>											
Committed	<u>1,014,664</u>	<u>46,274</u>	<u>1,011</u>	<u>15,649</u>	<u>93,574</u>	<u>22,715</u>	<u>37,755</u>	<u>25,621</u>	<u>16,057</u>	<u>792,601</u>	<u>2,065,921</u>
Total liabilities and fund balances	<u><u>\$ 1,014,664</u></u>	<u><u>\$ 46,274</u></u>	<u><u>\$ 1,011</u></u>	<u><u>\$ 15,649</u></u>	<u><u>\$ 93,574</u></u>	<u><u>\$ 22,715</u></u>	<u><u>\$ 37,755</u></u>	<u><u>\$ 25,621</u></u>	<u><u>\$ 16,057</u></u>	<u><u>\$ 792,601</u></u>	<u><u>\$ 2,065,921</u></u>

See accompanying independent auditor's report.

MORROW COUNTY, OREGON

Nonmajor Capital Project Funds

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

Year Ended June 30, 2020

	Road Equipment Reserve	Computer Equipment Reserve	Program- ming Reserve	Weed Equipment Reserve	STF Vehicle Reserve	Fair Roof Reserve	Hepppner Admin. Building	Bleacher Reserve	Fair Improve. Reserve	Building Reserve	Totals
<u>REVENUES:</u>											
Miscellaneous	\$ -	\$ -	\$ -	\$ -	\$ 71,120	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 71,120
Interest	14,971	700	1,193	269	2,662	446	786	230	262	10,603	32,122
Total revenues	14,971	700	1,193	269	73,782	446	786	230	262	10,603	103,242
<u>EXPENDITURES</u>											
General government	-	-	37,300	-	-	-	-	-	-	-	37,300
Highways and streets	-	-	-	-	-	-	-	-	-	-	-
Cultural and recreation	-	-	-	-	-	-	-	4,150	-	-	4,150
Capital outlay	580,427	-	64,580	-	121,968	-	-	-	-	42,970	809,945
Debt service	174,125	-	-	-	-	-	372,622	-	-	-	546,747
Total expenditures	754,552	-	101,880	-	121,968	-	372,622	4,150	-	42,970	1,398,142
<u>EXCESS (DEFICIENCY) OF</u>											
<u>REVENUES OVER (UNDER)</u>											
<u>EXPENDITURES</u>	(739,581)	700	(100,687)	269	(48,186)	446	(371,836)	(3,920)	262	(32,367)	(1,294,900)
<u>OTHER FINANCING</u>											
<u>SOURCES:</u>											
Capital lease proceeds	506,579	-	-	-	-	-	-	-	-	-	506,579
Transfers in	905,000	20,000	30,000	5,000	-	2,000	394,000	19,269	5,000	550,000	1,930,269
Total other financing sources	1,411,579	20,000	30,000	5,000	-	2,000	394,000	19,269	5,000	550,000	2,436,848
<u>NET CHANGE IN</u>											
<u>FUND BALANCES</u>	671,998	20,700	(70,687)	5,269	(48,186)	2,446	22,164	15,349	5,262	517,633	1,141,948
<u>FUND BALANCES, BEGIN.</u>	342,666	25,574	71,698	10,380	141,760	20,269	15,591	10,272	10,795	274,968	923,973
<u>FUND BALANCES, ENDING</u>	\$ 1,014,664	\$ 46,274	\$ 1,011	\$ 15,649	\$ 93,574	\$ 22,715	\$ 37,755	\$ 25,621	\$ 16,057	\$ 792,601	\$ 2,065,921

See accompanying independent auditor's report.

MORROW COUNTY, OREGON

Road Equipment Reserve Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (Non-GAAP Budgetary Basis) to Actual
Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Interest	<u>4,000</u>	<u>4,000</u>	<u>14,971</u>	<u>10,971</u>
<u>EXPENDITURES:</u>				
Capital outlay	<u>1,294,329</u>	<u>1,294,329</u>	<u>247,973</u>	<u>1,046,356</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>	<u>(1,290,329)</u>	<u>(1,290,329)</u>	<u>(233,002)</u>	<u>1,057,327</u>
<u>OTHER FINANCING SOURCES:</u>				
Transfers in	<u>905,000</u>	<u>905,000</u>	<u>905,000</u>	<u>-</u>
<u>NET CHANGE IN FUND BALANCES</u>	<u>(385,329)</u>	<u>(385,329)</u>	<u>671,998</u>	<u>1,057,327</u>
<u>FUND BALANCES, BEGINNING</u>	<u>385,329</u>	<u>385,329</u>	<u>342,666</u>	<u>(42,663)</u>
<u>FUND BALANCES, ENDING</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,014,664</u>	<u>\$ 1,014,664</u>

See accompanying independent auditor's report.

MORROW COUNTY, OREGON

Computer Equipment Reserve Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (Non-GAAP Budgetary Basis) to Actual
Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Interest	\$ 600	\$ 600	\$ 700	\$ 100
<u>EXPENDITURES:</u>				
Capital outlay	42,565	42,565	-	42,565
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>	(41,965)	(41,965)	700	42,665
<u>OTHER FINANCING SOURCES:</u>				
Transfers in	20,000	20,000	20,000	-
<u>NET CHANGE IN FUND BALANCES</u>	(21,965)	(21,965)	20,700	42,665
<u>FUND BALANCES, BEGINNING</u>	21,965	21,965	25,574	3,609
<u>FUND BALANCES, ENDING</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 46,274</u>	<u>\$ 46,274</u>

See accompanying independent auditor's report.

MORROW COUNTY, OREGON

Programming Reserve Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (Non-GAAP Budgetary Basis) to Actual
Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Interest	\$ 1,000	\$ 1,000	\$ 1,193	\$ 193
<u>EXPENDITURES:</u>				
Capital outlay	102,508	127,508	101,880	25,628
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>	(101,508)	(126,508)	(100,687)	25,821
<u>OTHER FINANCING SOURCES:</u>				
Transfers in	30,000	55,000	30,000	-
<u>NET CHANGE IN FUND BALANCES</u>	(71,508)	(71,508)	(70,687)	25,821
<u>FUND BALANCES, BEGINNING</u>	71,508	71,508	71,698	190
<u>FUND BALANCES, ENDING</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,011</u>	<u>\$ 26,011</u>

See accompanying independent auditor's report.

MORROW COUNTY, OREGON

Weed Equipment Reserve
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (Non-GAAP Budgetary Basis) to Actual
Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Interest	\$ 50	\$ 50	\$ 269	\$ 219
<u>EXPENDITURES:</u>				
Capital outlay	15,380	15,380	-	15,380
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>	(15,330)	(15,330)	269	15,599
<u>OTHER FINANCING SOURCES:</u>				
Transfers in	5,000	5,000	5,000	-
<u>NET CHANGE IN FUND BALANCES</u>	(10,330)	(10,330)	5,269	15,599
<u>FUND BALANCES, BEGINNING</u>	10,330	10,330	10,380	50
<u>FUND BALANCES, ENDING</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,649</u>	<u>\$ 15,649</u>

See accompanying independent auditor's report.

MORROW COUNTY, OREGON

STF Vehicle Reserve Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (Non-GAAP Budgetary Basis) to Actual
Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Interest	\$ 500	\$ 500	\$ 2,662	\$ 2,162
Reimbursements	-	-	71,120	71,120
Total revenues	<u>500</u>	<u>500</u>	<u>73,782</u>	<u>73,282</u>
<u>EXPENDITURES:</u>				
Capital outlay	<u>139,853</u>	<u>139,853</u>	<u>121,968</u>	<u>17,885</u>
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>				
	(139,353)	(139,353)	(48,186)	91,167
<u>FUND BALANCES, BEGINNING</u>				
	<u>139,853</u>	<u>139,853</u>	<u>141,760</u>	<u>1,907</u>
<u>FUND BALANCES, ENDING</u>				
	<u><u>\$ 500</u></u>	<u><u>\$ 500</u></u>	<u><u>\$ 93,574</u></u>	<u><u>\$ 93,074</u></u>

See accompanying independent auditor's report.

MORROW COUNTY, OREGON

Fair Roof Reserve Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances

Budget (Non-GAAP Budgetary Basis) to Actual

Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Interest	\$ 200	\$ 200	\$ 446	\$ 246
<u>EXPENDITURES:</u>				
Capital outlay	22,335	22,335	-	22,335
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>	(22,135)	(22,135)	446	22,581
<u>OTHER FINANCING SOURCES:</u>				
Transfers in	2,000	2,000	2,000	-
<u>NET CHANGE IN FUND BALANCES</u>	(20,135)	(20,135)	2,446	22,581
<u>FUND BALANCES, BEGINNING</u>	20,135	20,135	20,269	134
<u>FUND BALANCES, ENDING</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,715</u>	<u>\$ 22,715</u>

See accompanying independent auditor's report.

MORROW COUNTY, OREGON

Heppner Administrative Building Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (Non-GAAP Budgetary Basis) to Actual
Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Interest	\$ -	\$ -	\$ 786	\$ 786
<u>EXPENDITURES:</u>				
Debt service	394,000	394,000	372,622	21,378
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>	(394,000)	(394,000)	(371,836)	22,164
<u>OTHER FINANCING SOURCES:</u>				
Transfers in	394,000	394,000	394,000	-
Total other financing sources	394,000	394,000	394,000	-
<u>NET CHANGE IN FUND BALANCES</u>	-	-	22,164	22,164
<u>FUND BALANCES, BEGINNING</u>	608	608	15,591	14,983
<u>FUND BALANCES, ENDING</u>	<u>\$ 608</u>	<u>\$ 608</u>	<u>\$ 37,755</u>	<u>\$ 37,147</u>

See accompanying independent auditor's report.

MORROW COUNTY, OREGON

Bleacher Reserve Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances

Budget (Non-GAAP Budgetary Basis) to Actual

Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Interest	\$ 200	\$ 200	\$ 230	\$ 30
<u>EXPENDITURES:</u>				
Capital outlay	30,552	30,552	4,150	26,402
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>	(30,352)	(30,352)	(3,920)	26,432
<u>OTHER FINANCING SOURCES:</u>				
Transfers in	20,151	20,151	19,269	(882)
<u>NET CHANGE IN FUND BALANCES</u>	(10,201)	(10,201)	15,349	25,550
<u>FUND BALANCES, BEGINNING</u>	10,201	10,201	10,272	71
<u>FUND BALANCES, ENDING</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,621</u>	<u>\$ 25,621</u>

See accompanying independent auditor's report.

MORROW COUNTY, OREGON
Fair Improvement Reserve Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (Non-GAAP Budgetary Basis) to Actual
Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Interest	\$ 100	\$ 100	\$ 262	\$ 162
<u>EXPENDITURES:</u>				
Capital outlay	20,833	20,833	-	20,833
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>				
	(20,733)	(20,733)	262	20,995
<u>OTHER FINANCING SOURCES:</u>				
Transfers in	5,000	5,000	5,000	-
<u>NET CHANGE IN FUND BALANCES</u>				
	(15,733)	(15,733)	5,262	20,995
<u>FUND BALANCES, BEGINNING</u>				
	15,733	15,733	10,795	(4,938)
<u>FUND BALANCES, ENDING</u>				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,057</u>	<u>\$ 16,057</u>

See accompanying independent auditor's report.

MORROW COUNTY, OREGON

Building Reserve Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget (Non-GAAP Budgetary Basis) to Actual
Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES:</u>				
Interest	\$ 1,000	\$ 1,000	\$ 10,603	\$ 9,603
<u>EXPENDITURES</u>				
Capital outlay	774,146	774,146	42,970	731,176
<u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u>	(773,146)	(773,146)	(32,367)	740,779
<u>OTHER FINANCING SOURCES:</u>				
Transfers in	500,000	500,000	550,000	50,000
<u>NET CHANGE IN FUND BALANCES</u>	(273,146)	(273,146)	517,633	790,779
<u>FUND BALANCES, BEGINNING</u>	273,146	273,146	274,968	1,822
<u>FUND BALANCES, ENDING</u>	\$ -	\$ -	\$ 792,601	\$ 792,601

See accompanying independent auditor's report.

MORROW COUNTY, OREGON

Other Schedules
June 30, 2020

Agency Funds:

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

Schedule of Accountabilities:

- County Treasurer
- Other Elected Officials

Schedule of Cash and Investments

Property taxes:

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

MORROW COUNTY, OREGON

Agency Funds
Combining Statement of Assets and Liabilities
(Arising from Cash Transactions)
June 30, 2020

	ASSETS			LIABILITIES AND FUND EQUITY		
	Cash and Investments	Taxes Receivable	Total	Payable to Other Agencies	Fund Balance	Total
<u>AGENCY FUNDS:</u>						
Property taxes	\$ -	\$ 934,349	\$ 934,349	\$ 934,349	\$ -	\$ 934,349
Assessments and taxation	25,242	-	25,242	25,242	-	25,242
Treasurer's account	1,151	-	1,151	1,151	-	1,151
Morrow Co. medical fund	15,771	-	15,771	15,771	-	15,771
Other districts, general	22,757	-	22,757	22,757	-	22,757
Other districts, debt service	24,952	-	24,952	24,952	-	24,952
Fire districts, general	880,095	-	880,095	880,095	-	880,095
Cemetery districts	130,917	-	130,917	130,917	-	130,917
Park districts	10,890	-	10,890	10,890	-	10,890
Water control districts	77	-	77	77	-	77
School districts, general	91,410	-	91,410	91,410	-	91,410
School districts, debt service	38,697	-	38,697	38,697	-	38,697
Morrow County Unified Recreation	493,142	-	493,142	493,142	-	493,142
North Morrow vector control	3,747	-	3,747	3,747	-	3,747
Ione-Lex Perpetual	26,159	-	26,159	26,159	-	26,159
Finley buttes landfill	1,262,382	-	1,262,382	1,262,382	-	1,262,382
Library district	93,495	-	93,495	93,495	-	93,495
Other	40,919	-	40,919	40,919	-	40,919
Mobile home ombudsman	43	-	43	43	-	43
	Total	\$ 934,349	\$ 4,096,195	\$ 4,096,195	\$ -	\$ 4,096,195

See accompanying independent auditor's report.

MORROW COUNTY, OREGON

Agency Funds

Combining Statement of Receipts, Expenditures, and Changes in Cash

(Arising from Cash Transactions)

Year Ended June 30, 2020

	Cash and Investments June 30, 2019	Additions	Deductions	Cash and Investments June 30, 2020
<u>AGENCY FUNDS:</u>				
Property taxes	\$ -	\$ 37,118,445	\$ 37,118,445	\$ -
Assessments and taxation	13,669	79,001	67,428	\$ 25,242
Treasurer's account	1,127	24	-	\$ 1,151
Morrow Co. Health District	3,849	2,343,667	2,331,745	\$ 15,771
Other districts, general	5,700	3,096,370	3,079,313	\$ 22,757
Other districts, debt service	20,381	634,987	630,416	\$ 24,952
Fire districts, general	867,767	1,952,169	1,939,841	\$ 880,095
Cemetery districts	108,117	192,097	169,297	\$ 130,917
Library districts	73,776	616,211	596,492	\$ 93,495
Park districts	2,884	1,493,864	1,485,858	\$ 10,890
Water control districts	20	10,361	10,304	\$ 77
School districts, general	22,638	12,485,447	12,416,675	\$ 91,410
School districts, debt service	74,006	2,800,238	2,835,547	\$ 38,697
Morrow County Unified Recreation	432,326	1,230,816	1,170,000	\$ 493,142
North Morrow vector control	908	549,604	546,765	\$ 3,747
Ione-Lex Perpetual	26,032	127	-	\$ 26,159
Finley buttes landfill	1,212,448	49,934	-	\$ 1,262,382
Other	58,995	1,283,490	1,301,566	\$ 40,919
Mobile home ombudsman	11	5,652	5,620	\$ 43
Total	<u>\$ 2,924,654</u>	<u>\$ 65,942,504</u>	<u>\$ 65,705,312</u>	<u>\$ 3,161,846</u>

See accompanying independent auditor's report.

MORROW COUNTY, OREGON

Schedule of Accountability -- County Treasurer

Cash Transactions

Year Ended June 30, 2020

<u>COUNTY FUNDS:</u>	Cash Balance <u>June 30, 2019</u>	<u>Receipts</u>	<u>Disbursements</u>	Cash Balance <u>June 30, 2020</u>
General	\$ 4,976,260	\$ 16,321,678	\$ 14,272,705	\$ 7,025,233
Heritage	17,708	374	216	17,866
Road Fund Equipment	342,666	924,470	252,472	1,014,664
General Road	2,549,448	7,060,315	7,165,972	2,443,791
Finley Buttes Road	538,031	402,519	-	940,550
Juvenile Services Commission	66,158	-	-	66,158
Airport	40,537	196,058	205,403	31,192
Law Library	30,841	10,390	10,430	30,801
911 Emergency Telephone	222,392	317,163	284,360	255,195
Surveyor Preservation	222,293	20,854	874	242,273
Finley Buttes license fee	1,207,526	1,585,519	1,862,300	930,745
County School	54	237,164	237,001	217
Ione School	5	23,460	23,444	21
Fair	231,639	165,966	132,260	265,345
Computer Equipment Reserve	25,574	20,700	-	46,274
Special Transportation	168,482	451,321	225,878	393,925
Programming Reserve	71,698	31,193	101,880	1,011
Alcohol Enforcement	23,273	619	-	23,892
Video Lottery	62,146	87,346	111,893	37,599
Victim/Witness Assistance	10,937	112,422	97,481	25,878
Willow Creek Wind	39,819	98,277	90,386	47,710
CAMI Grant	27,586	2,207	28,645	21,149
Weed Equipment Reserve	10,380	5,269	-	15,649
STF Vehicle Reserve	141,760	73,782	121,968	93,574
Roof Reserve	20,269	2,446	-	22,715
Heppner Admin Building	15,591	394,786	372,622	37,755
Safety committee	17,660	5,830	6,224	17,266
Bleacher Reserve	10,272	19,499	4,150	25,621
Rodeo	18,935	10,390	29,325	-
Justice Court	194,716	431,140	564,763	61,093
Clerks Records	19,786	2,336	3	22,119
DUII Impact	29,445	630	27	30,048
Fair Improvement Reserve	10,795	5,262	-	16,057
Building Permit Fees	748,624	200,103	34,169	914,558
Park	226,779	668,204	777,565	117,418
Equity	171,746	82,290	2,000	252,036
Building Reserve	274,968	610,603	92,970	792,601
Liquor Control	849	18	-	867
Water Planning	6,258	-	-	6,258
Forest Service	68,435	8,411	-	76,846
Court Security	151,161	15,141	53,071	113,231
Echo Wind Fees	6,904	94,558	94,325	7,137
Shepherds Flat Fees	15,996	1,709,950	1,606,666	119,280
FTA Grant	33,665	78,320	136,468	(24,483)
Community Corrections	331,728	612,452	589,771	354,409
PGE - Carty	15,251	2,330,652	2,279,856	66,047
Sheriff Reserve	-	14,834	-	14,834
Total County Funds	<u>13,417,046</u>	<u>35,446,921</u>	<u>31,869,543</u>	<u>17,014,425</u>
<u>AGENCY FUNDS</u>	<u>2,924,654</u>	<u>65,942,504</u>	<u>65,705,312</u>	<u>3,161,846</u>
County Treasurer Totals	<u>\$ 16,341,700</u>	<u>\$ 101,389,425</u>	<u>\$ 97,574,855</u>	<u>\$ 20,176,271</u>

See accompanying independent auditor's report.

MORROW COUNTY, OREGON

Schedule of Cash and Investments
June 30, 2020

County Treasurer	\$ 20,176,271
Cash on hand, various funds	<u>2,845</u>
Total cash and investments	<u>\$ 20,179,116</u>

See accompanying independent auditor's report.

MORROW COUNTY, OREGON

Schedule of Property Tax Transactions and Outstanding Balances
Year Ended June 30, 2020

<u>Fiscal Year</u>	<u>Property Taxes Receivable July 1, 2019</u>	<u>Current Levy as Extended by Assessor</u>	<u>Discounts Allowed</u>	<u>Corrections and Adjustments</u>	<u>Cash Collections</u>	<u>Property Taxes Receivable June 30, 2020</u>
2019-20	\$ -	\$ 37,541,920	\$ (1,038,503)	\$ 24,152	\$ (36,020,296)	\$ 507,273
2018-19	559,005	-	-	(2,963)	(262,623)	293,419
2017-18	415,477	-	-	(154)	(72,112)	343,211
2016-17	200,993	-	-	(150)	(70,357)	130,486
2015-16	77,491	-	-	(158)	(63,080)	14,253
2014-15	10,497	-	-	(181)	(3,676)	6,640
2013-14	3,034	-	-	-	(1,875)	1,159
Prior years	4,908	-	-	-	(1,455)	3,453
	<u>\$ 1,271,405</u>	<u>\$ 37,541,920</u>	<u>\$ (1,038,503)</u>	<u>\$ 20,546</u>	<u>\$ (36,495,474)</u>	<u>\$ 1,299,894</u>

County Summary:

County Operations	\$ 298,987	\$ 9,979,746	\$ (276,065)	\$ 5,484	\$ (9,642,607)	\$ 365,545
Agency Funds	972,418	27,562,174	(762,438)	15,062	(26,852,867)	934,349
	<u>\$ 1,271,405</u>	<u>\$ 37,541,920</u>	<u>\$ (1,038,503)</u>	<u>\$ 20,546</u>	<u>\$ (36,495,474)</u>	<u>\$ 1,299,894</u>

See accompanying independent auditor's report.

MORROW COUNTY, OREGON

Schedule of Property Taxes Receivable -- By Fund
June 30, 2020

General fund	\$ 361,424
County school fund	1,080
Ione school fund	105
Fair fund	<u>2,936</u>
Sub-total	365,545
Agency funds	<u>934,349</u>
Total	<u><u>\$ 1,299,894</u></u>

See accompanying independent auditor's report.

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

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.....
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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING
STANDARDS**

County Commissioners
Morrow County, Oregon

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Morrow County, Oregon, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Morrow County, Oregon's basic financial statements and have issued our report thereon dated February 15, 2021.

Internal Control Over Financial Reporting

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

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

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

County Commissioners
Morrow County
Page two

Compliance and Other Matters

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

Purpose of this Report

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

Barnett & Moro, P.C.

By 

Cameron W. Anderson, Shareholder
Hermiston, Oregon
February 15, 2021

AUDIT COMMENTS AND DISCLOSURES
REQUIRED BY STATE REGULATIONS

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

INDEPENDENT AUDITOR'S REPORT
REQUIRED BY OREGON STATE REGULATIONS

County Commissioners
Morrow County
Heppner, Oregon

We have audited the basic financial statements of Morrow County, Oregon as of and for the year ended June 30, 2020, and have issued our report thereon dated February 15, 2021. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

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

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

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

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

OAR 162-10-0230 Internal Control


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

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

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

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

Barnett & Moro, P.C.

By: 

Cameron W. Anderson, Shareholder
Hermiston, Oregon
February 15, 2021

SINGLE AUDIT SECTION

MORROW COUNTY, OREGON

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2020

<u>Federal Grantor/Program Name:</u>	<u>Federal CFDA Number</u>	<u>Major Programs (X)</u>	<u>Amount</u>
<u>U.S. DEPARTMENT OF AGRICULTURE:</u>			
Schools and roads - grants to states	10.665	X	\$ 202,834
<u>U.S. DEPARTMENT OF JUSTICE:</u>			
Crime victim assistance	16.575		\$ 66,864
Justice reinvestment initiative	16.827		70,040
			\$ 136,904
<u>U.S. DEPARTMENT OF DEFENSE</u>			
Flood control projects	12.106		\$ 1,233
<u>U.S. DEPARTMENT OF ENERGY:</u>			
Environmental remediation and waste processing and disposal	81.104		\$ 8,000
<u>U.S. DEPARTMENT OF VETERAN AFFAIRS</u>			
Veterans transportation program	64.035		\$ 45,006
<u>U.S. DEPARTMENT OF TREASURY</u>			
Coronavirus Relief Fund	21.019	X	\$ 240,051
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:</u>			
Oregon Health Authority:			
Public health emergency preparedness	93.069		\$ 78,444
Family planning services	93.217		3,669
Public health emergency response	93.354		38,344
Opioid STR	93.788		130,000
Hospital preparedness program (HPP)	93.817		1,004
National bioterrorism hospital preparedness program	93.889		9,805
Block grants for community mental health services	93.958		67,834
Block grants for prevention and treatment of substance abuse	93.959		87,013
Maternal and child health services block grants to the states	93.994		29,979
			446,092
Oregon Department of Justice:			
Child support enforcement	93.563		79,823
			\$ 525,915
<u>U.S. DEPARTMENT OF TRANSPORTATION:</u>			
Enhanced mobility of seniors and individuals with disabilities	20.513		\$ 98,971
<u>U.S. DEPARTMENT OF THE INTERIOR:</u>			
Bureau of Land Management, Mineral Land Leasing	15.214		\$ 818
Payment in Lieu of Taxes	15.226		287,500
Distributions of Receipts to State & Local Governments	15.227		51
			\$ 288,369
<u>U.S. DEPARTMENT OF HOMELAND SECURITY:</u>			
Emergency management performance grants	97.042		\$ 56,265
			\$ 1,603,548

See notes to schedule of
expenditures of federal awards.

MORROW COUNTY, OREGON

Notes to Schedule of Expenditures of Federal Awards **Year Ended June 30, 2020**

NOTE A - BASIS OF PRESENTATION:

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

NOTE B -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

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

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

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

County Commissioners
Morrow County
Heppner, Oregon

Report on Compliance for Each Major Federal Program

We have audited Morrow County, Oregon's compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of Morrow County, Oregon's major federal programs for the year ended June 30, 2020. Morrow County, Oregon's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Morrow County, Oregon's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Morrow County, Oregon's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, Morrow County, Oregon, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Report on Internal Control Over Compliance

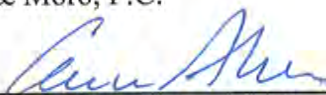
Management of Morrow County, Oregon, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Morrow County, Oregon's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Morrow County, Oregon's internal control over compliance.

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

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

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

Barnett & Moro, P.C.

By: 

Cameron W. Anderson, Shareholder
Hermiston, Oregon
February 15, 2021

MORROW COUNTY, OREGON

Schedule of Findings and Questioned Costs

Year Ended June 30, 2020

Section I-Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: unmodified opinion

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? ___ yes X no

Federal Awards

Internal control over major programs:

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

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

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

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster
10.665	Schools and Roads - Grants to States
21.019	Coronavirus Relief Fund

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

Auditee qualified as low-risk auditee? X yes ___ no

Section II-Financial Statement Findings

There are no financial statement findings for the year ended June 30, 2020.

Section III-Federal Award Findings and Questioned Costs

There are no federal award findings or questioned costs for the year ended June 30, 2020.

MORROW COUNTY, OREGON

SUMMARY SCHEDULE OF PRIOR YEAR'S AUDIT FINDINGS

Year Ended June 30, 2020

QUESTIONED COSTS:

There were no questioned costs for the year ended June 30, 2019.

FINDINGS:

There were no findings for the year ended June 30, 2019.