

**MORROW COUNTY BOARD OF COMMISSIONERS MEETING AGENDA**  
**Wednesday, January 17, 2018 at 9:00 a.m.**  
**Port of Morrow Riverfront Center, Sand Hollow Room**  
**2 Marine Drive, Boardman, Oregon**

- 1. Call to Order and Pledge of Allegiance - 9:00 a.m.**
- 2. City and Citizen Comments** – This is the time provided for individuals wishing to address the Board regarding issues that are not already on the agenda.
- 3. Open Agenda** – This is the time for the Board to introduce subjects that are not already on the agenda.
- 4. Consent Calendar**
  - a. Approve Claims: Accounts Payable dated January 18<sup>th</sup>; January 2018 One-Time Retirement Taxes dated January 11<sup>th</sup> in the amount of \$33,580.05; Void Check dated January 3<sup>rd</sup> in the amount of \$154.85
  - b. Minutes: Corrected Minutes of December 6, 2017; December 20, 2017; January 3, 2018
  - c. Pickup Purchase Pre-Authorization Request, Public Works/Road Department (Matt Scrivner, Public Works Director)
  - d. Cargo Van Purchase Pre-Authorization Request, Public Works/General Maintenance (Public Works Director)
  - e. Resolution No. R-2018-1 – Budget Transfer from General Fund – Contingency to General Fund – Sheriff’s Department for the Purchase of Cell Phone Extraction Hardware; Resolution No. R-2018-2 Budget Transfer - Weed Equipment Reserve
  - f. 2016-17 Financial Statements (Kate Knop, Finance Director)
  - g. Draft Letter to the Oregon Congressional Delegation concerning the Navy and Boardman to Hemingway Transmission Line Project (Carla McLane, Planning Director)
  - h. CARE Program Letter of Support
  - i. Authorization to invite David Rabiner for Leadership Training in May
  - j. Application for Property Tax Refund (Mike Gorman, Assessor/Tax Collector)
- 5. Business Items**
  - a. Update on Legislative Concepts: Solar Tax Credits; Personal Property Rental Equipment (Mike Gorman, Assessor/Tax Collector)
  - b. Equity Fund Loan Application Recommendation; Discussion on Application Process (Rex Baker, Greater Eastern Oregon Development Corporation)
  - c. Budget Committee Membership Discussion
  - d. Compensation Board Process Review (Karen Wolff, Human Resources Director)
  - e. Compensation Board Appointment (Darrel Green, Administrator)
  - f. Review Proposed Board of Commissioners Seal (Darrell Green, Administrator)
- 6. Department Reports**
  - a. Juvenile Department Quarterly Report (Tom Meier, Juvenile Department Director)
  - b. The Loop Quarterly Report (Anita Pranger, Coordinator, The Loop)
  - c. Emergency Management Quarterly Report (Undersheriff John Bowles)
- 7. Correspondence**
- 8. Commissioner Reports**
- 9. Adjournment**

Agendas are available every Friday on our website ([www.co.morrow.or.us/boc](http://www.co.morrow.or.us/boc) under "Upcoming Events"). Meeting Packets are also available the following Monday.

The meeting location is accessible to persons with disabilities. A request for an interpreter for the hearing impaired or for other accommodations for persons with disabilities should be made at least 48 hours before the meeting to Roberta Lutcher at (541) 676-5613.

Pursuant to ORS 192.640, this agenda includes a list of the principal subjects anticipated to be considered at the meeting; however, the Board may consider additional subjects as well. This meeting is open to the public and interested citizens are invited to attend. Executive sessions are closed to the public; however, with few exceptions and under specific guidelines, are open to the media. The Board may recess for lunch depending on the anticipated length of the meeting and the topics on the agenda. If you have anything that needs to be on the agenda, please notify the Board office before noon of the preceding Friday. If something urgent comes up after this publication deadline, please notify the office as soon as possible. If you have any questions about items listed on the agenda, please contact Darrell J. Green, County Administrator at (541) 676-2529.



**AGENDA ITEM COVER SHEET**  
**Morrow County Board of Commissioners**  
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**1. ISSUES, BACKGROUND, DISCUSSION AND OPTIONS (IF ANY):**

I accidentally omitted the discussion and motion concerning the following item as it appeared on that day's agenda:

11. Request for Proposals for Project Management Services for Facility Planning Submitter Interview
  - a. 1:15-2:00 p.m. - M. Merino Consulting (Michael Merino)

This is what I added to page 5 of the minutes:

"Request for Proposals for Project Management Services for Facility Planning Submitter Interview Michael Merino, M. Merino Consulting (via telephone)  
Mr. Merino discussed his firm's proposal and answered questions from the Board and staff.

After the interview with Mr. Merino concluded, the Commissioners and staff discussed the interviews with both companies that submitted proposals (Crow Engineering interview held November 29th).

Commissioner Doherty moved to extend an offer to Crow Engineering for Project Management Services for North County Facility Planning, pending reference checks. Commissioner Russell seconded. Unanimous approval."

**2. FISCAL IMPACT:**

**3. SUGGESTED ACTION(S)/MOTION(S):**

Approve with other Consent Calendar items.

Attach additional background documentation as needed.

**Morrow County Board of Commissioners Meeting Minutes  
December 6, 2017 - Corrected  
Bartholomew Building Upper Conference Room  
Heppner, Oregon**

**Present**

Chair Melissa Lindsay  
Commissioner Don Russell  
Commissioner Jim Doherty  
Darrell J. Green, Administrator  
Kate Knop, Finance Director  
Karen Wolff, Human Resources Director  
Justin Nelson, County Counsel  
Richard Tovey, County Counsel  
Roberta Lutchter, Executive Assistant

**Call to Order and Pledge of Allegiance:** 9:03 a.m.

**City and Citizen Comments:** Justin Nelson encouraged people to take in the holiday decorations at the Courthouse. He said staff in the Clerk's and Assessor's Offices did a very good job on them.

**Open Agenda:** Add an update on the Wheatridge Project by Columbia Basin Electric Cooperative, rather than the easement request.

**Public Hearing:**

To hear testimony and receive written comment on the formation of an Oregon State University Extension Service District

After hearing from the Board that there were no conflicts of interest or reasons to abstain, Chair Lindsay called for the Staff Report.

County Counsel Richard Tovey discussed the process to-date and explained the options available to the Commissioners.

Chair Lindsay called for testimony from proponents:

Mary Corp, OSU Regional Administrator

Ms. Corp presented OSU's Feasibility Study and mentioned that OSU/Morrow County Extension has been in existence for nearly 100 years. She said the proposed district, officially titled the "4-H, Extension & Agricultural Research Service District" would support Extension and provide base funding for the two Research Stations (Hermiston Agricultural Research & Extension Center, Columbia Basin Agricultural Research Center). She said if successful, the budget process would still be through the County and under the Board of Commissioners. There would be an annual budgeting process by a committee consisting of the three Commissioners and three citizen members, said Ms. Corp.

Vern Frederickson, Hermiston

Mr. Frederickson said he has an irrigated farm in the north end of the County and has been involved in the process to stabilize funding for Extension and the Research Stations for several years. He said the service district is a reasonable option since all residents actually benefit from Extension. He urged the Commissioners to support the formation of the service district.

Clint Carlson, Ione

Mr. Carlson discussed the benefits his farming operation near Ione receives from OSU's local, regional and state researchers. He also enumerated the many positive experiences the 4-H Program offered his children. Mr. Carlson urged the Commissioners to support the district.

Greg Harris, Threemile Canyon Farms

Mr. Harris said Threemile Canyon Farms is a strong supporter of 4-H and recently received the "Friends of 4-H Award" from Morrow County. He continued by saying the benefits of the Research Stations go beyond just crops, but also help make Threemile Farms more profitable. These Research Stations conduct some of the best research in the United States, and have been instrumental in helping set state regulations regarding Confined Animal Feeding Operation (CAFO) permits, he said. The work of Extension personnel is very critical to our area, said Mr. Harris.

Chair Lindsay called for testimony from opponents: no response.

Chair Lindsay called for testimony of a general nature: no response.

**Closed Public Hearing:** 9:28 a.m.

Mr. Tovey informed the Board it needs to determine whether or not the County benefits from the formation of the service district and whether or not the tax rate is economically feasible.  
Discussion.

*Commissioner Russell moved to approve Order No. OR-2017-11 In the Matter of Initiating the Formation of an Extension Service District for Morrow County, Oregon; with the final Public Hearing to take place at the Board of Commissioners Meeting in Boardman on January 10, 2018. Commissioner Doherty seconded. Discussion: Commissioner Doherty said he supports Extension and Morrow County is truly an ag-based economy. He added he understands when people object to the service district because they are not farmers, but perhaps they do not understand the downstream dollars that come back to them many times over. However, compression of tax dollars spread among all the districts is a real issue that also has to be considered. He said he did not want to stand between the citizens of Morrow County and this vote, but he was discouraged the Board had to weigh in an opinion. Unanimous approval.*

### **Consent Calendar**

*Commissioner Russell moved to approve the following items in the Consent Calendar:*

1. *Accounts Payable dated December 7<sup>th</sup> in the amount of \$244,846.90*
2. *Executive Session Minutes of November 8<sup>th</sup>; Regular Meeting Minutes of November 15<sup>th</sup>*
3. *Oregon Health Authority Intergovernmental Agreement #153168, Tort Liability Coverage as a Provider for Psychiatric Security Review Board; effective through June 30, 2019; and authorize Chair Lindsay to sign on behalf of the County*
4. *Amendment No. 1 to the Community Counseling Solutions/Morrow County Contract 2017-2019 to provide services for persons under the jurisdiction of the Psychiatric Security Review Board; and adding the State of Oregon/Oregon Health Authority as a third party to the contract; effective through June 30, 2019; and authorize Chair Lindsay to sign on behalf of the County*

*Commissioner Doherty seconded. Unanimous approval.*

### **Business Items**

#### Willow Creek Valley Economic Development Group (WCVEDG) Update

Sheryll Bates, Executive Director, Heppner Chamber of Commerce

Ms. Bates provided a review of WCVEDG's activities involving the \$25,000 it receives from the County. She said without the assistance from the County, south Morrow County communities would miss many opportunities for economic growth. She thanked the Board for its support.

#### Sheriff's Office Marine Program Boat Purchase/Reimbursement

Sergeant Randy Rayburn

Sgt. Rayburn explained how funding for the purchase of boats comes to Morrow County through the Oregon State Marine Board (OSMB). The OSMB is currently offering \$55,000 to purchase a new boat for the Morrow County Sheriff's Office Marine Program. Sgt. Rayburn reviewed the four bids received.

*Commissioner Russell moved to accept the bid and proceed with the purchase of a 24' jet boat from River Wild Custom Boats in the amount of \$70,000, with a trade-in allowance of \$15,000 for the 1996 Thunder Jet, noting there will be no cost to the County. Commissioner Doherty seconded. Unanimous approval.*

#### Contract between Morrow County Sheriff's Office and Community Counseling Solutions, Inc. for Mental Health Services

Administrative Lieutenant Melissa Ross

Lt. Ross provided some history, going back to 2010, about their contractual agreement with CCS for mental health services. She added that the current contract with CCS is expired and recommended it be renewed. She described recent efforts to verify that other mental health providers in the area were still unable to meet Morrow County's requirements.

*Commissioner Doherty moved to approve the Morrow County Personal/Professional Services Contract – Counseling Services with Community Counseling Solutions, Inc., effective July 1, 2017 – June 30, 2018, in the amount of \$24,000. Commissioner Russell seconded. Unanimous approval.*

**Break:** 10:05 a.m.    **Resumed:** 10:12 a.m.

Columbia Basin Electric Cooperative Update on the NextEra Energy, Inc./Wheatridge Transmission Line Project

Thomas Wolff, Chief Executive Officer/General Manager, CBEC

Mr. Wolff explained CBEC signed a contract with NextEra Energy to design, permit and build the southern portion of the transmission line. He then discussed the route in detail, and the process of obtaining easements from landowners, including the County. He noted the line will be large enough to act as the utility corridor for future needs in the Mid-Columbia area. In most cases, he said, the line parallels property boundaries on fence lines. The line has been planned in conjunction with Idaho Power's proposed Boardman to Hemingway Project and the Bonneville Power Administration, and he said, no high-value irrigated farmland will be displaced.

Mr. Wolff fielded questions from the Commissioners about the easement from the County and said while CBEC will own the easements and the physical line itself, all landowners will receive the same value.

**Department Reports**

Administrator's Monthly Report

Darrell J. Green, Administrator

Mr. Green reviewed his report but noted as the second week of his employment, there were not a great deal of substantive issues to report yet. He discussed the week of Christmas, and said that due to a number of staff on vacation, perhaps December 27<sup>th</sup> could be a call-in meeting primarily to approve Accounts Payable; the Commissioners agreed.

Treasurer's Monthly Report

Ms. Knop said Treasurer Gayle Gutierrez, who was at the majority of the meeting, had to leave to take care of some business items in her office. The written report was reviewed.

**Commissioner Reports**

- Commissioner Russell said the Columbia River Enterprise Zone II Board met and agreed to an Enterprise Zone exemption for 15 years for a company that cannot yet be named. Commissioner Russell discussed his upcoming meeting schedule.
- Chair Lindsay said the employment contract originally considered for Mr. Green was eliminated and he will be a regular employee. The terms discussed in Executive Session will be retained, she said. If the County wants to pursue employment contracts, labor counsel recommended the County spend a great deal of time analyzing the situation, she said.
- Commissioner Doherty brought up the aggregate the Navy hauled in for a project on the Bombing Range from out-of-County, and said Planning Director Carla McLane will take them to task over the fact there were four gravel pits in-County that could have provided it.



**Request for Proposals for Project Management Services for Facility Planning Submitter Interview**

Michael Merino, M. Merino Consulting (via telephone)

Mr. Merino discussed his firm's proposal and answered questions from the Board and staff.

After the interview with Mr. Merino concluded, the Commissioners and staff discussed the interviews with both companies that submitted proposals (Crow Engineering interview held November 29<sup>th</sup>).

*Commissioner Doherty moved to extend an offer to Crow Engineering for Project Management Services for North County Facility Planning, pending reference checks. Commissioner Russell seconded. Unanimous approval.*

**Adjourned:** 11:09 a.m.

DRAFT

**Morrow County Board of Commissioners Meeting Minutes**  
**December 20, 2017**  
**Port of Morrow Riverfront Center**  
**Boardman, Oregon**

**Present**

Chair Melissa Lindsay  
Commissioner Don Russell  
Commissioner Jim Doherty  
Darrell J. Green, Administrator  
Karen Wolff, Human Resources Director  
Kate Knop, Finance Director  
Richard Tovey, County Counsel  
Roberta Lutchter, Executive Assistant

**Call to Order and Pledge of Allegiance:** 9:05 a.m.

**City and Citizen Comments:** No comments

**Open Agenda:** No items

**Consent Calendar**

Chair Lindsay requested to remove the Crow Engineering Contract to Business Items.

*Commissioner Russell moved to approve the following items in the Consent Calendar:*

1. *Accounts Payable dated December 21<sup>st</sup> in the amount of \$119,686.22; Two separate One-Time Retirement Payments dated December 11<sup>th</sup>, amounts \$790.79 and \$42,863.36*
2. *Reappointments to The Loop - Morrow County Transportation Advisory Committee as follows: Aaron Palmquist, representing Irrigon/Community, term to be January 1, 2018 through December 31, 2121; Kevin McCabe, representing Lexington/Community, term to be January 1, 2018 through December 31, 2121; Leann Rea, representing Heppner/Seniors, term to be January 1, 2018 through December 31, 2121; Betty Gray, representing Ione/Seniors, term to be January 1, 2018 through December 31, 2121*
3. *Resolution Number R-2017-32: Amending the Bylaws of the Morrow County Road Committee*

*Commissioner Doherty seconded. Unanimous approval.*

**Business Items**

Crow Engineering, Inc. Contract for North County Facility Planning

*Commissioner Russell moved to authorize the Administrator to sign the General Conditions - Memorandum of Engagement for Professional Services with Crow Engineering, Inc. with the condition the "Request for Proposal for Project Management Services for Facility Planning" be attached as an addendum. Commissioner Doherty seconded. Unanimous approval.*

Board of Commissioners Committee & Board Assignments 2018

The Commissioners reviewed the revised list and made one additional change. (The list is available on the County's website [www.co.morrow.or.us](http://www.co.morrow.or.us).)

Intergovernmental Agreement #154978 – Oregon Health Authority, Substance Abuse Prevention and Treatment Block Grant

Kate Knop, Finance Director

Ms. Knop explained the funds are used to prevent alcohol, tobacco and drug use. The \$106,758 associated with this agreement are passed-through to Community Counseling Solutions, Inc. She said she learned CCS contracts with an individual to provide these services. The Commissioners said they would like to know if CCS withholds an administrative fee in the contract with that person.

*Commissioner Doherty moved to approve Oregon Health Authority Intergovernmental Agreement #154978, Substance Abuse Prevention and Treatment Block Grant, funds sub-awarded to Community Counseling Solutions, Inc. in the amount of \$106,758; effective date being July 1, 2017 – July 30, 2019. Commissioner Russell seconded. Unanimous approval.*

Budget Process Discussion

Darrell J. Green, Administrator

Kate Knop, Finance Director

Mr. Green said the County has many things under consideration, such as north County facility planning; completing the purchase of property in Boardman for a new Public Works Yard; decisions regarding the Retirement Trust; and the upcoming budget process. He asked the Board to provide some direction as to priorities.

Ms. Knop said the Long Range Planning Work Session scheduled for January 10, 2018, 1:30 p.m., at the Port of Morrow will be of benefit as the Board works to establish priorities.

Mr. Green explained that since last week's updates on the status of the County's retirement plan, he and the Finance Director and Human Resources Director have been looking into some of the suggestions from that meeting. They will provide more information in the near future, he said.

The Commissioners and staff discussed the membership of the Budget Committee since one of the members, Jill Parker, will be moving out of County shortly. While the Board had nothing but praise for Ms. Parker's expertise and professionalism while serving on the Budget Committee, they asked Commissioner Doherty to contact her to learn if she will still be residing in Morrow County during the 2018 Budget Hearings.

Mr. Green and Ms. Knop said they will be sending out a survey to Department Directors about what worked and didn't during last year's Budget Hearings. Ms. Knop said they hope to simplify things this year. The Commissioners reiterated their desire to start the budget process much earlier and have information provided well in advance of the Budget Hearings.

Mr. Green then recommended the Board appoint the Finance Director as the Budget Officer for the upcoming 2018-2019 Fiscal Budget.

*Commissioner Russell moved to appoint the Finance Director, Kate Knop, as the Budget Officer for the 2018-2019 Fiscal Budget. Commissioner Doherty seconded. Unanimous approval.*

The Commissioners then discussed the Compensation Committee. Commissioner Russell said if the Board wants to request different salary and position comparisons, they need to provide that direction right away to Karen Wolff, Human Resources Director. He also asked if the job duties of elected officials could be evaluated through JobMeas™, the system the county uses in determining wages for employees. Ms. Wolff said if accurate job descriptions were to be developed, it could be done.

#### Juvenile Department New Job Description

Tom Meier, Juvenile Department Director

Karen Wolff, Human Resources Director

Ms. Wolff explained the Assistant to the Juvenile Director, John McCabe, will be retiring in January, and Mr. Meier is requesting to eliminate that position and instead hire a Parole & Probation Counselor. Mr. Meier outlined his rationale for the change, and Ms. Wolff explained the starting wage for the Counselor would be the same as the retiring Assistant to the Juvenile Director (\$3,626 per month). Discussion.

*Commissioner Doherty moved to approve creating a Juvenile Parole & Probation Counselor position and assigning it to Pay Range 12, Step A of the General Employee Wage Scale (\$3,626 per month). Commissioner Russell seconded. Discussion: Commissioner Doherty said by approving this new position, he did not want to see the Juvenile Department requesting additional staff at the next Budget Hearings. Mr. Meier said he's tried to instill more cross-training so one person is not solely responsible for certain tasks. This is an opportunity to bring in someone who will share that vision, he said. Unanimous approval.*

#### **Correspondence**

- Letter from the Bureau of Land Management requesting public input on a proposal for road maintenance across the Prineville District.

#### **Commissioner Reports**

- Commissioner Russell said some discussions at yesterday's Eastern Oregon Counties Association meeting centered on federal forest management issues as they relate to cattle allotment leases, and grazing. In the past, he said EOCA has been involved with Payment In Lieu of Taxes (PILT) issues, but the group is now moving in the direction of having a stronger voice in management of the federal forests.
- Chair Lindsay thanked her fellow Commissioners for electing her to the Chair position in 2017. She said she looked forward to 2018 with Commissioner Russell as Chair.

**Adjourned:** 10:16 a.m.

**Board of Commissioners Meeting Minutes**  
**January 3, 2018**  
**Bartholomew Building Upper Conference Room**  
**Heppner, Oregon**

**Present**

Chair Don Russell  
Commissioner Jim Doherty  
Commissioner Melissa Lindsay  
Darrell J. Green, Administrator  
Justin Nelson, County Counsel  
Roberta Lucher, Executive Assistant

**Call to Order and Pledge of Allegiance:** 9:00 a.m.

**City and Citizen Comments:** No comments

**Open Agenda:** Postpone the Emergency Management Performance Grant agenda item.

**Consent Calendar**

*Commissioner Doherty moved to approve the following items in the Consent Calendar:*

- 1. Accounts Payable dated January 4<sup>th</sup> in the amount of \$39,887.41.*

*Commissioner Lindsay seconded. Unanimous approval.*

**Department Reports**

Treasurer's Monthly Report

Gayle Gutierrez, Treasurer

- Ms. Gutierrez clarified the date listed in her report for Outstanding Checks should be November not October.
- The interest rate on the Local Government Investment Pool has increased slightly to 1.55%.
- There is just over \$10,000,000 in the General Fund.
- The Oregon Short Term Fund Board has not yet responded to the Treasurer's updated Investment Policy. When she hears back, she said she will present it to the Board for approval.

**Business Items**

Resolution No. R-2017-01 Establishing the Rotating Cycle of Chairmanship and Vice Chairmanship

Darrell Green, Administrator

For the record, Mr. Green, reviewed last year's Resolution that established the rotation cycle for the Chair and Vice Chair of the Board of Commissioners. That rotation now has Commissioner Russell serving as Chair and Commissioner Doherty as Vice Chair.

Reinstatement of Crow Agreement Pursuant to ORS 192.680(1)

Darrell Green, Administrator

Justin Nelson, County Counsel

Mr. Green explained that during the BOC Meeting of December 20<sup>th</sup>, the Crow Memorandum of Engagement (MOE) was included in the binders of staff and Commissioners, but not in the Agenda Packet posted to the website and emailed to our distribution list. To correct this unintended error, the MOE and Request for Proposals are in today's Agenda Packet and the public can make comment, he said.

Mr. Nelson said the document was omitted by mistake and Oregon Revised Statute (ORS) 192.680(1) allows a way to reinstate the prior decision while maintaining the original signatures and dates.

Chair Russell asked for any public comment about the Crow MOE, for or against. There was no response.

*Commissioner Doherty moved to reinstate the Crow Memorandum of Engagement for Professional Services pursuant to ORS 192.680(1). Commissioner Lindsay seconded. Unanimous approval.*

Crow Engineering Scope of Work

Darrell Green, Administrator

Matt Jones, Crow Engineering, via telephone

Hunter Wylie, Crow Engineering, via telephone

Discussion took place concerning:

- The dates Crow Engineering will conduct site visits at north County facilities and meet with affected departments to survey space, storage, security needs, etc. (January 16-19)
- Adding a shared facility assessment to the scope of work

*Commissioner Lindsay moved to authorize the Administrator to finalize and sign the revised Scope of Work for Project Management Services for Facility Planning with Crow Engineering. Commissioner Doherty seconded. Unanimous approval.*

AlertSense, Inc. Master Service Agreement

Undersheriff John Bowles

Undersheriff Bowles explained AlertSense is an emergency notification system that can be used to notify the public of information (emergent and non-emergent) by email, landline, cell phone, text message or social media message. Other departments in the County could utilize this, such as the Public Health Department, he said, and they are willing to pay half the yearly cost. Discussion.

*Commissioner Lindsay moved to approve the AlertSense, Inc. Master Service Agreement effective February 1, 2018 through January 31, 2019 at an annual fee of \$3,350 for up to three*

*years at that rate, and authorize Chair Russell to sign on behalf of the County. Commissioner Doherty seconded. Unanimous approval.*

Commissioner Doherty asked Mr. Green to work with the Public Health Department to coordinate the joint funding of this contract.

Letter of Support for Funding the CARE Program

Darrell Green, Administrator

Mr. Green said Andrea Fletch, Community Health Improvement Partnership of Morrow County, requested a letter of support for the 2018 application for funding from the Eastern Oregon Coordinated Care Organization for continued funding of wraparound services to children and families. He said a few minor changes are be needed to the draft before it is ready for signature and a final version will be brought forward to the Consent Calendar in the near future.

*Commissioner Doherty moved to provide a letter of support for the Morrow County CARE Program's 2018 application to the Eastern Oregon Coordinated Care Organization for funding for wraparound services to children and families. Commissioner Lindsay seconded. Unanimous approval.*

**Department Reports**

Fair Office Quarterly Report

Ann Jones, Fair Secretary

Ms. Jones reviewed her report and noted the 2018 Morrow County Fair will be held August 13<sup>th</sup>-19<sup>th</sup>. In addition, she discussed a fundraising idea being explored for the Wee Bit O'Ireland Celebration in Heppner in March. Fair Board members are pursuing sponsorship dollars to hold a Challenge of Champions Bull Riding Tournament, she said.

**Break:** 9:58 a.m.      **Resumed:** 10:03 a.m.

**10:03 a.m. Public Hearing** – Reducing Redemption Period for Property

Justin Nelson, County Counsel

Mike Gorman, Assessor/Tax Collector

Mr. Nelson explained the request is to reduce the redemption period in order to allow the County to sell this property and stop the Oregon Property Tax Deferral Program for Senior Citizens costs from continuing to accrue.

He provided the following background information – The property is located at 640 Elder St., Heppner, and owner Sally Marlatt died in 2013. The house has been vacant with no maintenance occurring since that time. Ms. Marlatt participated in the Oregon Property Tax Deferral Program for Senior Citizens beginning in 1994. The lien against the property now exceeds \$15,000, half of which is interest. The Senior Deferral Lien must be paid by the County to the Department of Revenue when the Tax Collector deeds the property to Morrow County. The normal end of redemption date will only allow the lien to grow larger and the house to fall into further

disrepair. Ms. Marlatt's estate was dismissed as insolvent in May 2015. Morrow County Ordinance No. MC-C-1-93 allows for an early redemption period if the Board holds a hearing and makes certain findings in an Order. After being officially notified of Property Alleged to be Subject to Waste or Abandonment, no response was received from the City of Heppner or any other party concerning this property.

Chair Russell asked if anyone wished to speak in support of the request: no response. He called for people to speak in opposition: no response. Chair Russell called for general comments: Greg Sweek, Heppner (former Assessor/Tax Collector) Mr. Sweek said this process has only been used a few times by the County, the first time being in 1993, which prompted the creation of the Ordinance. He said there is never anyone clamoring to pay the liens against properties like this.

**Closed Public Hearing:** 10:19 a.m.

*Commissioner Doherty moved to approve Order No. OR-2018-1: In the Matter of Reducing Redemption Period for Property Subject to Waste or Abandonment. Commissioner Lindsay seconded. Unanimous approval.*

### **Department Reports, continued**

#### Administrator's Report

Darrell Green, Administrator

Mr. Green reviewed his report of activity during December. He also mentioned the imminent retirement of longtime County employee John McCabe. Mr. McCabe will be retiring from his position as Assistant to the Juvenile Department Director.

#### County Counsel/District Attorney Office Quarterly Report

Justin Nelson, County Counsel/DA

Mr. Nelson reviewed his written report.

Commissioner Lindsay said she wants to better understand the issues the County and departments face, especially when it comes to policy and budget issues.

The Commissioners went on to discuss the desire to see reports take a form that reflects the issues faced in the County, and the true workload of the departments so budgets can be justified.

Mr. Nelson suggested an afternoon Work Session covering issues and challenges faced by the DA Office and the Sheriff's Office.

### **Commissioner Reports**

- Commissioner Doherty discussed the need to have consistent representation by the County's voting members on the North East Area Commission on Transportation. He reminded the Board that the Port of Morrow's voting member and alternate have not



regularly attended the meetings. He suggested the County be allowed some leeway to name our Public Works Director to the Port's voting member position, unless they have designated someone.

- Chair Russell said Brian Skeehan, Managing Director of the Community Renewable Association, is seeking \$15,000 from its members to fund an economic impact study of renewable energy in Oregon. CREA is requesting \$3,000 from Morrow County. Chair Russell said Morrow County already pays a disproportionately large share of CREA's budget, and CREA should be able to find the funds elsewhere in its budget if it's that important. He said he will know more after the January 12<sup>th</sup> meeting.  
Chair Russell requested a future discussion on the Surveyor position and how it could possibly be incorporated into Public Works, if it were not an elected position. As background, Chair Russell said County Counsel was directed to look into the situation after Clerk Bobbi Childers informed the Board on November 1<sup>st</sup> that in 2009 the County had the option of choosing whether the Surveyor position would be an elected or appointed position. After she notified the County Court at the time, and received no response, she listed it on the ballot as an elected position and continued to do so in subsequent elections.
- Commissioner Doherty thanked Commissioner Lindsay for serving as Chair in 2017. Chair Russell echoed the same sentiments and said it was especially noteworthy since she served as Chair in her first year as a Commissioner.

**Adjourned:** 11:17 a.m.

DRAFT



**AGENDA ITEM COVER SHEET**  
**Morrow County Board of Commissioners**  
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**1. ISSUES, BACKGROUND, DISCUSSION AND OPTIONS (IF ANY):**

Public works would like to replace a 2004 Ford Expedition with 161,886 miles. After research of available vehicles on the state bid list we found the following.

2018 Dodge 2500 Tradesman crew cab 4x4 (Power JCD)	\$ 38,072.42
2018 Dodge 2500 Tradesman crew cab 4x4 (Withnell)	\$ 38,491.50
2017 Ford Super duty F-250 crew cab 4x4 (Power JCD)	\$ 42,699.44

**2. FISCAL IMPACT:**

Current balance of line item # 202-220-5-40-4402 is \$ 83,205.00 and after already approved liabilities is \$51,000.

**3. SUGGESTED ACTION(S)/MOTION(S):**

Motion to approve purchase preauthorization and purchase of a 2018 Dodge 2500 Tradesman crew cab 4x4 from Power Jeep Chrysler Dodge for the amount of \$ 38,072.42 under state bid contract #5554.

Attach additional background documentation as needed.

POWER CHRYSLER JEEP DODGE  
1217 N COAST HWY  
NEWPORT, OR 973652499

Configuration Preview

Matt Scrivner  
MORROW COUNTY

Date Printed: 2018-01-04 9:12 AM  
Estimated Ship Date:

VIN:  
VON:

Quantity: 1  
Status: BA  
FAN 1: 48979 State of Oregon  
FAN 2:  
Client Code:  
Bid Number: TB8273  
PO Number:

Sold to:  
POWER CHRYSLER JEEP DODGE (88811)  
1217 N COAST HWY  
NEWPORT, OR 973652499

Ship to:  
POWER CHRYSLER JEEP DODGE (88811)  
1217 N COAST HWY  
NEWPORT, OR 973652499

Vehicle: 2018 2500 TRADESMAN CREW CAB 4X4 (149 in WB 8FT 4 IN box) (DJ7L91)

	Sales Code	Description	MSRP(USD)
Model:	DJ7L91	2500 TRADESMAN CREW CAB 4X4 (149 in WB 8FT 4 IN box)	38,945
Package:	2FA	Customer Preferred Package 2FA	0
	ETK	6.7L I6 Cummins Turbo Diesel Engine	9,200
	DG7	6-Spd Automatic 68RFE Transmission	0
Paint/Seat/Trim:	PW7	Bright White Clear Coat	0
	APA	Monotone Paint	0
	*V9	Cloth 40/20/40 Bench Seat	0
	-X8	Black/Diesel Gray	0
Options:	4ES	Delivery Allowance Credit	0
	MAF	Fleet Purchase Incentive	0
See attached	ARC	Off Road Package	495
	TCP	LT275/70R18E OWI On/Off Road Tires	245
See attached	XAA	ParkSense Rear Park Assist System	295
See attached	AED	Chrome Appearance Group	495
See attached	AJY	Popular Equipment Group	695
	DSA	Anti-Spin Differential Rear Axle	445
See attached	RAZ	Uconnect 3 with 5" Display	795
	4DH	Prepaid Holdback	0
	5N6	Easy Order	0
	4FM	Fleet Option Editor	0
	4FT	Fleet Sales Order	0
	170	Zone 70-Phoenix Arizona	0
	4EA	Sold Vehicle	0
Non Equipment:	4FA	Special Bid-Ineligible For Incentive	0
Bid Number:	TB8273	Government Incentives	0
Discounts:	YG4	5.5 Additional Gallons of Diesel	0
Destination Fees:			1,395


MORROW COUNTY

\$ 37,883.00

189.42 privilege tax

38,072.42 total

53,405  
Retail

 Chrysler-Jeep  
Dodge-Ram  
PO Box 360  
Newport, OR 97365  
503-871-0703 Cell

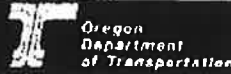
Don Kasinger  
Gov Fleet Mgr

Please Read

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Receive Updates

Oregon Department of Transportation



## New Oregon vehicle fees take effect Jan. 1, 2018

Oregon Department of Transportation sent this bulletin at 10/25/2017 01:36 PM PDT

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Oregon Department of Transportation



Oct. 25, 2017

ODOT News Release No. 17-113

News media Contact: David House, 503-945-5270 or david.j.house@odot.state.or.us

Customer contact: [www.OregonDMV.com](http://www.OregonDMV.com)

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- \* Increased funding for small cities and counties.
- \* A Safe Routes to School infrastructure program to reduce barriers and hazards for children walking or bicycling to and from school.
- \* Economic benefits by sustaining jobs, keeping freight moving, and providing a boost to local communities across the state.

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Any time you need to visit a DMV office, first check [www.OregonDMV.com](http://www.OregonDMV.com) to find office hours and locations, and to make sure you have everything you need before your visit. You also can do some DMV business from home at [OregonDMV.com](http://OregonDMV.com). You can renew your vehicle registration, file a change of address or file notice of the sale of your vehicle online without getting in line at an office.

###ODOT###

SHARE

**WITHNELL DODGE**  
**2650 COMMERCIAL SE**  
**SALEM, OR 973024451**

**Configuration Preview**

**Date Printed:** 2017-12-21 6:06 PM  
**Estimated Ship Date:**

**VIN:**  
**VON:**

**Quantity:** 1  
**Status:** BA - Pending order  
**FAN 1:** 48979 State of Oregon  
**FAN 2:**  
**Client Code:**  
**Bid Number:** TB8273  
**PO Number:**

**Sold to:**  
 WITHNELL DODGE (56440)  
 2650 COMMERCIAL SE  
 SALEM, OR 973024451

**Ship to:**  
 WITHNELL DODGE (56440)  
 2650 COMMERCIAL SE  
 SALEM, OR 973024451

**Vehicle:** 2018 2500 TRADESMAN CREW CAB 4X4 (149 in WB 6FT 4 IN box) (DJ7L91)

	Sales Code	Description	MSRP(USD)
<b>Model:</b>	DJ7L91	2500 TRADESMAN CREW CAB 4X4 (149 in WB 6FT 4 IN box)	38,945
<b>Package:</b>	2FA	Customer Preferred Package 2FA	0
	ETK	6.7L I6 Cummins Turbo Diesel Engine	9,200
	DG7	6-Spd Automatic 68RFE Transmssion	0
<b>Paint/Seat/Trim:</b>	PW7	Bright White Clear Coat	0
	APA	Monotone Paint	0
	*V9	Cloth 40/20/40 Bench Seat	0
	-X8	Black/Diesel Gray	0
	<b>Options:</b>	XAA	ParkSense Rear Park Assist System
	AED	Chrome Appearance Group	895
	AJY	Popular Equipment Group	695
	XHC	Trailer Brake Control	295
	XMF	Spray in Bedliner	495
	RA2	Uconnect 3 with 5" Display	795
	DSA	Anti-Spin Differential Rear Axle	445
	4DH	Prepaid Holdback	0
	DK3	Elec Shift-On-The-Fly Transfer Case	295
	4ES	Delivery Allowance Credit	0
	GPG	Power Black Trailer Tow Mirrors	195
	MAF	Fleet Purchase Incentive	0
	5N6	Easy Order	0
	4FM	Fleet Option Editor	0
	4FT	Fleet Sales Order	0
	170	Zone 70-Phoenix Arizona	0
	4EA	Sold Vehicle	0
<b>Non Equipment:</b>	4FA	Special Bid-Ineligible For Incentive	0
<b>Bid Number:</b>	TB8273	Government Incentives	0
<b>Discounts:</b>	YG4	5.5 Additional Gallons of Diesel	0
<b>Destination Fees:</b>			1,395

**Total Price:** 53,945

**Order Type:** Fleet  
**Scheduling Priority:** 1-Sold Order  
**Customer Name:**  
**Customer Address:** USA

**PSP Month/Week:**  
**Build Priority:** 99

38300<sup>02</sup>

**Note: This is not an invoice. The prices and equipment shown on this priced order confirmation are tentative and subject to change or correction without prior notice. No claims against the content listed or prices quoted will be accepted. Refer to the vehicle invoice for final vehicle content and pricing. Orders are accepted only when the vehicle is shipped by the factory.**

**WINDOW STICKER**

*Matt*

2017 Ford Super Duty F-250 SRW XLT 4WD Crew Cab 6.75' Box

*MORROW COUNTY*

\* 6.7 L/406 CID \* Intercooled Turbo Diesel V-8

6-Speed Automatic w/OD

CODE	MODEL	MSRP
W2B	2017 Ford Super Duty F-250 SRW XLT 4WD Crew Cab 6.75' Box	\$44,030.00
<b>OPTIONS</b>		
99T	ENGINE: 6.7L 4V OHV POWER STROKE V8 TURBO DIESEL B20	\$8,795.00
44W	TRANSMISSION: TORQSHIFT 6-SPEED AUTOMATIC	\$0.00
603A	ORDER CODE 603A	\$0.00
X3H	ELECTRONIC-LOCKING W/3.31 AXLE RATIO	\$390.00
648	WHEELS: 18" SPARKLE SILVER PAINTED CAST ALUMINUM	\$0.00
TDU	TIRES: LT275/70RX18E OWL A/T (4)	\$250.00
Z1	OXFORD WHITE	\$0.00
—	STANDARD PAINT	\$0.00
2S	MEDIUM EARTH GRAY, CLOTH 40/CONSOLE/40 FRONT SEATS	\$945.00
67D	EXTRA HEAVY-DUTY 220 AMP ALTERNATOR	\$0.00
17X	FX4 OFF-ROAD PACKAGE	\$295.00
213	4X4 ELECTRONIC-SHIFT-ON-THE-FLY (ESOF)	\$185.00
41P	TRANSFER CASE & FUEL TANK SKID PLATES	INC
54F	POWERSCOPE TRAILER TOW MIRRORS W/HEAT	\$280.00
913	SYNC 3 COMMUNICATIONS & ENTERTAINMENT SYSTEM	\$115.00
66S	UPFITTER SWITCHES (6)	\$165.00
43C	110V/400W OUTLET	INC
<b>SUBTOTAL</b>		<b>\$55,450.00</b>
Advert/Adjustments		\$0.00
Destination Charge		\$1,295.00
<b>TOTAL PRICE</b>		<b>\$56,745.00</b>

Est City: mpg  
 Est Highway: mpg  
 Est Highway Cruising Range: mi

*In stock*

*42,487<sup>00</sup>*

*Fob. Morrow Co.*

**POWER** Ford-Lincoln  
 PO Box 360  
 Newport, OR 97365  
 541-265-4601 Store  
 503-871-0703 Cell

*Alan Kasings*  
 Subject to Prior Sale.  
 1/4/18

Report content is based on current data version referenced. Any performance-related calculations are offered solely as guidelines. Actual unit performance will depend on your operating conditions.

GM AutoBook, Data Version: 523.0, Data updated 12/27/2017  
 © Copyright 1986-2012 Chrome Data Solutions, LP. All rights reserved.

Customer File:







**AGENDA ITEM COVER SHEET**  
**Morrow County Board of Commissioners**  
 (Page 1 of 2)

(For BOC Use)  
 Item #  
 4d

**Please complete for each agenda item submitted for consideration by the Board of Commissioners**  
 (See notations at bottom of form)

Staff Contact: Matt Scrivner / Tony Clements      Phone Number (Ext): 541-989-9500  
 Department: Public Works / General Maintenance      Requested Agenda Date: 1/17/2018  
 Short Title of Agenda Item: **Purchase Pre-Authorization of Cargo van**

**This Item Involves:** (Check all that apply for this meeting.)

<input type="checkbox"/> Order or Resolution	<input type="checkbox"/> Appointments
<input type="checkbox"/> Ordinance/Public Hearing:	<input type="checkbox"/> Update on Project/Committee
<input type="checkbox"/> 1st Reading <input type="checkbox"/> 2nd Reading	<input type="checkbox"/> Consent Agenda Eligible
<input type="checkbox"/> Public Comment Anticipated:	<input checked="" type="checkbox"/> Discussion & Action
Estimated Time:	Estimated Time: <b>5-10 Minutes</b>
<input type="checkbox"/> Document Recording Required	<input checked="" type="checkbox"/> Purchase Pre-Authorization
<input type="checkbox"/> Contract/Agreement	<input type="checkbox"/> Other

N/A      Purchase Pre-Authorizations, Contracts & Agreements

Contractor/Entity: **Power Chrysler Jeep Dodge**  
 Contractor/Entity Address: **1217 N Coast Highway Newport, Oregon 97365**  
 Effective Dates – From:      Through:  
 Total Contract Amount: **\$ 30,111.81**      Budget Line: **101-121-5-40-4423**  
 Does the contract amount exceed \$5,000?     Yes     No

Reviewed By:

	<u>1-9-18</u>	Department Head	Required for all BOC meetings
	<u>1/9/18</u>	Admin. Officer/BOC Office	Required for all BOC meetings
<u>N/A</u>		County Counsel	*Required for all legal documents
	<u>1/9/18</u>	Finance Office	*Required for all contracts; other items as appropriate.
<u>N/A</u>		Human Resources	*If appropriate

\*Allow 1 week for review (submit to all simultaneously). When each office has notified the submitting department of approval, then submit the request to the BOC for placement on the agenda.

**Note:** All other entities must sign contracts/agreements before they are presented to the Board of Commissioners (originals preferred). Agendas are published each Friday afternoon, so requests must be received in the BOC Office by 1:00 p.m. on the Friday prior to the Board's Wednesday meeting. Once this form is completed, including County Counsel, Finance and HR review/sign-off (if appropriate), then submit it to the Board of Commissioners Office.

**AGENDA ITEM COVER SHEET**  
**Morrow County Board of Commissioners**  
**(Page 2 of 2)**

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**1. ISSUES, BACKGROUND, DISCUSSION AND OPTIONS (IF ANY):**

General maintenance is looking to purchase a cargo van to replace the current pickup that is being used. This pickup was a road surplus vehicle that was given to the fair department for their maintenance personnel in and around the fairgrounds. General maintenance now assumes this maintenance along with other county duties. Maintenance is looking for a more reliable and a more versatile vehicle. Last year there was \$15,000.00 in pickup replacement in general maintenance's budget. It was never used because they were informed it would roll over into this year with enough money to purchase a pickup. With a \$20,000.00 budget this year, we ask for a budget transfer of \$ 15,000.00 to line item #101-121-5-40-4423 to bring the balance of that line to \$ 35,000.00. This will allow General maintenance to purchase a vehicle they anticipated purchasing this year and allow the shelving, ladder rack, and safety equipment to outfit this vehicle.

Under state bid contract #5554 (Power CJD) General maintenance found a 2017 3500 Cargo van high roof for \$ 30,111.81

**2. FISCAL IMPACT:**

Current balance of \$20,000.00 would need a budget transfer of \$15,000.00 to complete the purchase.

**3. SUGGESTED ACTION(S)/MOTION(S):**

(1) Motion to transfer \$ 15,000.00 to line item# 101-121-5-40-4423.

(2) Motion to authorize pre-purchase authorization and approve purchase of a 2017 Dodge 3500 Cargo Van high roof from Power Chrysler Jeep Dodge in the amount of \$ 30,111.81

Attach additional background documentation as needed.

POWER CHRYSLER JEEP DODGE  
1217 N COAST HWY  
NEWPORT, OR 973652499

Priced Order Confirmation (POC)

Matt

Date Printed: 2017-04-17 8:15 AM VIN: 3C6URVJGXHE660428 Quantity:  
 Estimated Ship Date: 2017-06-21 12:59 AM VON: 38781919 Status:  
 Date Ordered: 2017-04-07 9:36 AM Ordered By: S78881M FAN 1:  
 FAN 2:

MORROW  
County

Client Code:  
 Bid Number: TB7241  
 PO Number:

Sold to: POWER CHRYSLER JEEP DODGE (68811)  
 1217 N COAST HWY  
 NEWPORT, OR 973652499  
 Ship to: POWER CHRYSLER JEEP DODGE (68811)  
 1217 N COAST HWY  
 NEWPORT, OR 973652499

Vehicle: 2017 3500 CARGO VAN HIGH ROOF (159 IN WB EXT) (VF3L17)

	Sales Code	Description	MSRP(USD)
Model:	VF3L17	3500 CARGO VAN HIGH ROOF (159 IN WB EXT)	37,885
Package:	21A	Customer Preferred Package 21A	0
	ERB	3.6L V6 24V VVT Engine	0
	DG2	6-Speed Automatic 62TE Transmission	0
Paint/Seat/Trim:	PW7	Bright White Clear Coat	0
	APA	Monotone Paint	0
	*B7	Vinyl Bucket Seats	100
	-AA	Gray	0
Options:	GKD	Left Sliding Door with Fixed Glass	695
	GLB	Rear Hinged Doors w/Fixed Glass	195
	H0G	Rear Heater - A/C Prep Package <i>Front A/C Standard</i>	148
	NAS	60 State Emissions	0
	RA2	Uconnect 3 with 5" Display <i>blue-tooth</i>	545
	XAA	ParkSense Rear Park Assist System	295
	XAC	ParkView(TM) Rear Back-up Camera	265
	3AH	Price Protection - Code H	0
	XJ1	Cargo Partition w/Sliding Window	495
	GKB	Right Sliding Door with Fixed Glass	195
	4FM	Fleet Option Editor	0
	4ES	Delivery Allowance Credit	0
	2SQ		0
	YGV	4.5 Additional Gallons of Gas	0
	4FT		0
	5N6	Easy Order	0
	4FT	Fleet Sales Order	0
	4EA	Sold Vehicle	0
Non Equipment:	4KA	Special Bid Handling	0
	4FA	Special Bid-Ineligible For Incentive	0
	4DH	Prepaid Holdback	0
	MAF	Fleet Purchase Incentive	0
Bid Number:	TB7241	Government Incentives	0

Chrysler-Jeep  
 Dodge-Ram  
 PO Box 360  
 Newport, OR 97365  
 503-871-0703 Cell

*Chassis w/ Non skid floor*  
*Gov Fleet Mgr*  
*115/18*  
 \$ 29,962.00  
 149.81 Privilege tax  
 \$ 30,111.81 total  
 42,020 Retail

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Receive Updates

Oregon Department of Transportation



## New Oregon vehicle fees take effect Jan. 1, 2018

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Oct. 25, 2017

ODOT News Release No. 17-113

News media Contact: David House, 503-945-5270 or david.j.house@odot.state.or.us

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###ODOT###

© SHARE

## New 2017 Ram ProMaster Cargo Van 3500 High Roof 159 WB EXT

PRINT



**Stock Number:** H4374  
**Exterior Color:** Bright White Clearcoat  
**Interior Color:** Gray  
**VIN:** 3C6URVJGXHE550428  
**Engine:** Regular Unleaded V-6 3.6 L/220  
**Body Type:** Full-size Cargo Van  
**Transmission:** 6-Speed Automatic w/OD  
**Price:** \$42,020  
**Internet Price:** Call Us

(877) 459-8550

Power Buick GMC of Salem

3675 Market St. NE,  
 Salem, OR 97305

## Vehicle Options

Steel Spare Wheel  
 Clearcoat Paint  
 Black Side Windows Trim  
 Light Tinted Glass  
 Fully Galvanized Steel Panels  
 Front Cupholder  
 Manual Air Conditioning  
 Glove Box  
 Driver Foot Rest  
 Day-Night Rearview Mirror  
 Front Map Lights  
 Fade-To-Off Interior Lighting  
 Cargo Space Lights  
 FOB Controls -inc:  
 Trunk/Hatch/Tailgate  
 Power Door Locks w/Autolock Feature  
 Systems Monitor  
 Trip Computer  
 Outside Temp Gauge  
 Engine Immobilizer  
 1 12V DC Power Outlet  
 Front-Wheel Drive  
 Gas-Pressurized Shock Absorbers  
 Front And Rear Anti-Roll Bars  
 Single Stainless Steel Exhaust  
 Strut Front Suspension w/Coil Springs  
 ABS And Driveline Traction Control  
 Side Impact Beams  
 Dual Stage Driver And Passenger  
 Seat-Mounted Side Airbags  
 Dual Stage Driver And Passenger  
 Front Airbags  
 Tailgate/Rear Door Lock Included  
 w/Power Door Locks  
 Integrated Roof Antenna

Gauges -inc: Speedometer, Odometer,  
 Engine Coolant Temp, Tachometer,  
 Trip Odometer and Trip Computer  
 Analog Display  
 Outboard Front Lap And Shoulder  
 Safety Belts -inc: Height Adjusters and  
 Pretensioners  
 Variable intermittent wipers  
 4-Way Passenger Seat -inc: Manual  
 Recline and Fore/Aft Movement  
 Urethane Gear Shift Knob  
 Tire Specific Low Tire Pressure  
 Warning  
 Gray Grille  
 Curtain 1st Row Airbags  
 50 State Emissions  
 Black door handles  
 Engine oil cooler  
 Radio w/Seek-Scan, Clock, Aux Audio  
 Input Jack and External Memory  
 Control  
 4340# Maximum Payload  
 Gray front bumper  
 Leaf Rear Suspension w/Leaf Springs  
 Electronic Stability Control (ESC) And  
 Roll Stability Control (RSC)  
 Hydraulic Power-Assist Steering  
 Aero-Composite Halogen Headlamps  
 Cab Clearance Lights  
 Brake Actuated Limited Slip  
 Differential  
 Transmission w/Driver Selectable  
 Mode, Sequential Shift Control and Oil  
 Cooler  
 4-Wheel Disc Brakes w/4-Wheel ABS,  
 Front And Rear Vented Discs, Brake  
 Assist and Hill Hold Control  
 Towing w/Trailer Sway Control

Front Cloth Headliner  
 4 Speakers  
 Remote Keyless Entry w/Integrated  
 Key Transmitter and Illuminated Entry  
 Wheels: 16" x 6.0" Steel  
 Wheels w/Hub Covers  
 Full-Size Spare Tire Mounted  
 Underbody  
 Gray Rear Step Bumper  
 Gray Bodyside Moldings and Gray  
 Fender Flares  
 Black Manual Side Mirrors w/Convex  
 Spotter, Manual Folding and Turn  
 Signal Indicator  
 Trailer Style Mirrors  
 Radio: AM/FM/MP3  
 Manual Telescoping Steering Column  
 Instrument Panel Bin, Covered  
 Dashboard Storage, Driver And  
 Passenger Door Bins  
 Fixed Front Head Restraints  
 95-Amp/Hr 700CCA Maintenance-  
 Free Battery w/Run Down Protection  
 24 Gal. Fuel Tank  
 Tires: LT225/75R16E BSW All Season  
 Heavy Duty Suspension  
 Front Only Vinyl/Rubber Floor  
 Covering  
 3.86 Axle Ratio  
 GVWR: 9,350 lbs  
 REAR HEATER - A/C PREP  
 PACKAGE  
 CARGO PARTITION W/SLIDING  
 WINDOW  
 ENGINE: 3.6L V6 24V VVT (STD)  
 PARKVIEW REAR BACK-UP  
 CAMERA

180 Amp Alternator  
4-Way Driver Seat -inc: Manual  
Recline and Fore/Aft Movement  
Cloth bucket seats  
Power 1st Row Windows w/Driver And  
Passenger 1-Touch Down  
Seats w/Vinyl Back Material  
Split Swing-Out Rear Cargo Access  
Sliding Rear Passenger Side Door

PARKSENSE REAR PARK ASSIST  
SYSTEM  
TRANSMISSION: 6-SPEED  
AUTOMATIC 62TE (STD)  
LEFT SLIDING DOOR W/FIXED  
GLASS -inc: Deep Tint Sunscreen  
Glass  
REAR HINGED DOORS W/FIXED  
GLASS -inc: Deep Tint Sunscreen  
Glass  
RIGHT SLIDING DOOR W/FIXED  
GLASS -inc: Deep Tint Sunscreen  
Glass  
RADIO: UCONNECT 5.0 -inc: 5.0"  
Touchscreen Display, GPS Antenna  
Input, Steering Wheel Mounted Audio  
Controls, Media Input Hub, Media Hub  
(USB, AUX), Integrated Voice  
Command w/Bluetooth

The price for this vehicle as equipped does not include charges such as: License, Title, Registration Fees, State or Local Taxes, Finance Charges, Credit Investigation, Optional Credit Insurance, Physical Damage or Liability Insurance, Delivery Fees, or a Documentary Fee. MotorWebs, Inc. and Dealership makes no representations, expressed or implied, to any actual or prospective purchaser or owner of this vehicle as to the existence, ownership, accuracy, description or condition of this vehicle's listed equipment, accessories, price or any warranties. Any and all differences must be addressed prior to the sale of this vehicle.



**AGENDA ITEM COVER SHEET**  
**Morrow County Board of Commissioners**  
 (Page 1 of 2)

(For BOC Use)  
 Item #  
 4e

**Please complete for each agenda item submitted for consideration by the Board of Commissioners**  
 (See notations at bottom of form)

Staff Contact: Kate Knop

Phone Number (Ext): 5302

Department: Finance

Requested Agenda Date: 1/17/2018

Short Title of Agenda Item:

**Budget Transfer Resolution - R-2018-1 to transfer Contingency appropriation to Sheriff's Department**

**This Item Involves:** (Check all that apply for this meeting.)

- |   |  |
|---|--|
| <input type="checkbox"/> Order or Resolution                              | <input type="checkbox"/> Appointments                |
| <input type="checkbox"/> Ordinance/Public Hearing:                        | <input type="checkbox"/> Update on Project/Committee |
| <input type="checkbox"/> 1st Reading <input type="checkbox"/> 2nd Reading | <input type="checkbox"/> Consent Agenda Eligible     |
| <input type="checkbox"/> Public Comment Anticipated:                      | <input type="checkbox"/> Discussion & Action         |
| Estimated Time:   | Estimated Time:                                      |
| <input type="checkbox"/> Document Recording Required                      | <input type="checkbox"/> Purchase Pre-Authorization  |
| <input type="checkbox"/> Contract/Agreement                               | <input checked="" type="checkbox"/> Other            |

N/A

Purchase Pre-Authorizations, Contracts & Agreements

Contractor/Entity:

Contractor/Entity Address:

Effective Dates – From:

Through:


Total Contract Amount:

Budget Line: **101199-5-50-5999, 101-113-5-40-4**


Does the contract amount exceed \$5,000?     Yes     No

Reviewed By:

\_\_\_\_\_ DATE \_\_\_\_\_ Department Head                      Required for all BOC meetings

 DATE 1/16/18 Admin. Officer/BOC Office                      Required for all BOC meetings

\_\_\_\_\_ DATE \_\_\_\_\_ County Counsel                      \*Required for all legal documents

 DATE 1/16/18 Finance Office                      \*Required for all contracts; other items as appropriate.

\_\_\_\_\_ DATE \_\_\_\_\_ Human Resources                      \*If appropriate

*\*Allow 1 week for review (submit to all simultaneously). When each office has notified the submitting department of approval, then submit the request to the BOC for placement on the agenda.*

**Note:** All other entities must sign contracts/agreements before they are presented to the Board of Commissioners (originals preferred). Agendas are published each Friday afternoon, so requests must be received in the BOC Office by 1:00 p.m. on the Friday prior to the Board's Wednesday meeting. Once this form is completed, including County Counsel, Finance and HR review/sign-off (if appropriate), then submit it to the Board of Commissioners Office.

**AGENDA ITEM COVER SHEET**  
**Morrow County Board of Commissioners**  
**(Page 2 of 2)**

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**1. ISSUES, BACKGROUND, DISCUSSION AND OPTIONS (IF ANY):**

Attached the is th Budget Transfer Resolution R-2018-1 to allocate Contingency appropriation in the amount of \$8,995 to the Sheriff's Department for the cell phone extraction presented to the Board of Commissioners on January 10, 2018.

The Morrow County Sheriff Office and District Attorney Office received approval from the BOC to apply for a grant to help cover the costs of a cell phone extraction program/hardware. The grant provides \$6,000 towards the \$15,000 total cost of program and equipment.

**2. FISCAL IMPACT:**

The net impact to the general fund is zero. The budget resolution will transfer contingency appropriations in the amount of \$8,995 to the Sheriff's Department.

**3. SUGGESTED ACTION(S)/MOTION(S):**

I recommend a motion to approve the Budget Transfer Resolution R-2018-1 to transfer appropriations in the amount of \$8,995 from the General Fund, Non-Departmental-Other Requirements to General Fund, Sheriff's Department - Capital Outlay.

Attach additional background documentation as needed.



**BEFORE THE BOARD OF COMMISSIONERS FOR  
MORROW COUNTY, OREGON**

IN THE MATTER OF TRANSFERRING)  
 APPROPRIATIONS WITH THE ) RESOLUTION NO. R-2018-1  
 MORROW COUNTY GENERAL FUND,) )  
 PURSUANT TO ORS 294.463(1). )

**WHEREAS**, ORS 294.463(1) the transfer of appropriations may be made within a fund when authorized by ordinance or resolution of the governing body of a municipal corporation. The ordinance must state the need for the transfer, the purpose for the authorized expenditure and the amount transferred.

**WHEREAS**, the Morrow County General Fund – Sheriff’s Department Capital Outlay, will be incurring additional equipment expenditures, resulting from grant revenue and match higher than previously budgeted, it is necessary to transfer appropriations within the fund.

**NOW THEREFORE**, be it resolved that the Morrow County Board of Commissioners hereby authorizes the following inter-fund transfer within the Morrow County

	<u>Current Appropriation</u>	<u>Increase (Decrease)</u>	<u>Amended Budget</u>
<b><u>Morrow County General Fund – Sheriff’s Department</u></b>			
Capital Outlay - Equipment	\$0	\$ 8,995	\$8,995
<b><u>Morrow County General Fund – Non Departmental</u></b>			
Other Requirements - Contingency	\$270,000	\$ (8,995)	\$261,005

Dated this 17<sup>th</sup> day of January, 2018.

**MORROW COUNTY BOARD OF  
COMMISSIONERS  
MORROW COUNTY, OREGON**

\_\_\_\_\_  
Don Russell, Chair

\_\_\_\_\_  
Jim Doherty, Commissioner

\_\_\_\_\_  
Melissa Lindsay, Commissioner

Attest:

\_\_\_\_\_  
Bobbi Childers, County Clerk

Approved as to Form:

\_\_\_\_\_  
Morrow County Counsel

PACKET: 00113-Bdgt Tfr R-2018-1

BUDGET CODE: CB-Current Budget

FUND ACCOUNT	DATE	DESCRIPTION	ADJUSTMENT	ORIGINAL BUDGET	PREVIOUS ADJUSTMENTS	NEW BUDGET	BUDGET BALANCE
-----							
Budget Adj. # 000266							
101 113-5-40-4408	1/17/2018	Bdgt Tfr R-2018-1 EQUIPMENT DEPT: SHERIFF'S DEPARTMENT	8,995.00	40,000.00	40,000.00-	8,995.00	8,995.00
101 199-5-50-5999	1/17/2018	Bdgt Tfr R-2018-1 OPERATING CONTINGENCY DEPT: NON-DEPARTMENTAL PACKET NOTES:	8,995.00-	365,000.00	95,000.00-	261,005.00	261,005.00
TOTAL IN PACKET--						<u>0.00</u>	

\*\*\* NO WARNINGS \*\*\*

\*\*\* NO ERRORS \*\*\*

\*\*\* END OF REPORT \*\*\*



# AGENDA ITEM COVER SHEET

Morrow County Board of Commissioners

(Page 2 of 2)

---

## **1. ISSUES, BACKGROUND, DISCUSSION AND OPTIONS (IF ANY):**

Attached is a Budget Transfer Resolution R-2018-2 to request allocation of Contingency appropriations in the amount of \$30,944 to the Weed Department to correct the fiscal year 2015-2016 budgeted appropriation transfer to the #224 - Weed Equipment Reserve.

The original fiscal year 2015-2016 adopted budget appropriation transfer from General Fund - Weed Department to Weed Equipment Reserve was in the amount of \$30,944. The transfer journal entry was never made leaving the equipment reserve with a balance of zero.

The fiscal year 2016-2017 adopted budget appropriation transfer from General Fund - Weed Department to Weed Equipment Reserve was in the amount of \$5,000. The transfer journal entry was made leaving an ending fund balance of \$5,024.42.

The fiscal year 2017-2018 adopted budget appropriation transfer from General Fund - Weed Department to Weed Equipment Reserve was in the amount of \$15,252. The transfer journal entry was made leaving an ending fund balance of \$20,314.22.

The Weed Equipment Reserve would have an estimated ending fund balance of \$51,258.22 if the FY 2015-2016 transfer had been made from the General Fund - Weed Department. Unfortunately, it was not leaving the reserve insufficient to support the purchase pre-authorization in the amount of \$41,758.

The approved Budget Transfer Resolution R-2018-2 would correct the reserve balance.

## **2. FISCAL IMPACT:**

The net impact to the general fund is zero. The budget resolution will transfer contingency appropriations in the amount of \$30,944 to the Weed Department.

## **3. SUGGESTED ACTION(S)/MOTION(S):**

I recommend a motion to approve the Budget Transfer Resolution R-2018-2 to transfer appropriations in the amount of \$30,944 from the General Fund, Non-Departmental-Other Requirements to General Fund, Weed Department - Other Requirements.

Attach additional background documentation as needed.

**BEFORE THE BOARD OF COMMISSIONERS FOR  
MORROW COUNTY, OREGON**

IN THE MATTER OF TRANSFERRING)  
 APPROPRIATIONS WITH THE ) RESOLUTION NO. R-2018-2  
 MORROW COUNTY GENERAL FUND,) )  
 PURSUANT TO ORS 294.463(1). )

**WHEREAS**, ORS 294.463(1) the transfer of appropriations may be made within a fund when authorized by ordinance or resolution of the governing body of a municipal corporation. The ordinance must state the need for the transfer, the purpose for the authorized expenditure and the amount transferred.

**WHEREAS**, the Morrow County General Fund – Weed Department Other Requirements, will be requiring additional appropriation to weed equipment reserve, resulting from an error not transferring cash in the adopted fiscal year 2015-2016 budget, it is necessary to transfer appropriations within the fund.

**NOW THEREFORE**, be it resolved that the Morrow County Board of Commissioners hereby authorizes the following inter-fund transfer within the Morrow County

	<u>Current Appropriation</u>	<u>Increase (Decrease)</u>	<u>Amended Budget</u>
<b><u>Morrow County General Fund – Weed Department</u></b>			
Other Requirements – Transfer to Weed Equipment Reserve	\$15,252	\$ 30,944	\$46,196
<b><u>Morrow County General Fund – Non Departmental</u></b>			
Other Requirements - Contingency	\$261,005	\$ (30,944)	\$230,061

Dated this 17<sup>th</sup> day of January, 2018.

**MORROW COUNTY BOARD OF  
COMMISSIONERS  
MORROW COUNTY, OREGON**

\_\_\_\_\_  
Don Russell, Chair

\_\_\_\_\_  
Jim Doherty, Commissioner

\_\_\_\_\_  
Melissa Lindsay, Commissioner

Attest:

\_\_\_\_\_  
Bobbi Childers, County Clerk

Approved as to Form:

\_\_\_\_\_  
Morrow County Counsel

PACKET: 00114-Bdgt Tfr 2018-2

BUDGET CODE: CB-Current Budget

FUND ACCOUNT	DATE	DESCRIPTION	ADJUSTMENT	ORIGINAL BUDGET	PREVIOUS ADJUSTMENTS	NEW BUDGET	BUDGET BALANCE
-----							
Budget Adj. # 000267							
101 199-5-50-5999	1/16/2018	Bdgt Tfr R-2018-2 OPERATING CONTINGENCY DEPT: NON-DEPARTMENTAL	30,944.00-	365,000.00	95,000.00-	239,056.00	239,056.00
101 128-5-50-5375	1/16/2018	Bdgt Tfr R-2018-2 TRANSFER TO WEED EQUIP RES. DEPT: WEED DEPT. PACKET NOTES:	30,944.00	15,252.00	0.00	46,196.00	46,196.00
TOTAL IN PACKET--						0.00	

\*\*\* NO WARNINGS \*\*\*

\*\*\* NO ERRORS \*\*\*

\*\*\* END OF REPORT \*\*\*



PACKET : 03282 Journal Entry Packet

APPROVED: NO

JE NO#	DESC: Budgeted Tfr to Weed	POSTING DATE: 1/16/2018	REVERSING DATE:	
ACCOUNT	ACCOUNT NAME	REFERENCE	DESCRIPTION	AMOUNT
101 128-5-50-5375	TRANSFER TO WEED EQUIP RES.		Budgeted Tfr to Weed	15,252.00
224 100-3-90-3815	TRANS. FROM WEED DEPT. GEN		Budgeted Tfr to Weed	15,252.00CR
101 100-1-10-1500	GENERAL FC W/TREASURER		Budgeted Tfr to Weed	15,252.00CR
224 100-1-10-1500	WEED EQUIP RES. FC W/TREAS		Budgeted Tfr to Weed	15,252.00
TOTAL CREDITS:	\$ 30,504.00CR			
DEBITS:	\$ 30,504.00			

PACKET : 03282 Journal Entry Packet

APPROVED: NO

\*\*\* ACCOUNT TOTALS \*\*\*

ACCOUNT	ACCOUNT NAME	DEPARTMENT	AMOUNT
101 100-1-10-1500	GENERAL FC W/TREASURER	N/A	15,252.00CR
101 128-5-50-5375	TRANSFER TO WEED EQUIP RES.	WEED DEPT.	15,252.00
224 100-1-10-1500	WEED EQUIP RES. FC W/TREAS	N/A	15,252.00
224 100-3-90-3815	TRANS. FROM WEED DEPT. GEN FUN	N/A	15,252.00CR

JOURNAL ENTRIES: 1

ENTRIES: 4

O/B JOURNAL ENTRIES: 0

ERRORS: 0

WARNING: 0

TOTAL CREDITS: \$ 30,504.00CR

DEBITS: \$ 30,504.00

\*\* END OF REPORT \*\*

MORROW COUNTY, OREGON  
REVENUE & EXPENSE REPORT (UNAUDITED)  
AS OF: JANUARY 31ST, 2018

2017-2018

224-WEED EQUIP. RESERVE  
FINANCIAL SUMMARY

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
BEGINNING FUND EQUITY	35,944.00		5,025.42 ←		
<u>REVENUE SUMMARY</u>					
NON-DEPARTMENTAL	<u>15,402.00</u>	<u>15,252.00</u>	<u>15,288.80</u>	<u>113.20</u>	<u>99.27</u>
TOTAL REVENUES	<u>15,402.00</u>	<u>15,252.00</u>	<u>15,288.80</u>	<u>113.20</u>	<u>99.27</u>
TOTAL REVENUES AND FUND EQUITY	51,346.00		20,314.22		
<u>EXPENDITURE SUMMARY</u>					
NON-DEPARTMENTAL	<u>51,346.00</u>	<u>0.00</u>	<u>0.00</u>	<u>51,346.00</u>	<u>0.00</u>
TOTAL EXPENDITURES	<u>51,346.00</u>	<u>0.00</u>	<u>0.00</u>	<u>51,346.00</u>	<u>0.00</u>
REVENUES OVER/ (UNDER) EXPENDITURES	( 35,944.00)	15,252.00	15,288.80 (	51,232.80)	42.54-
PROJECTED ENDING FUND EQUITY	0.00		20,314.22 ←		

+ 30,944.00  
51,258.22

## REVENUE &amp; EXPENSE REPORT (UNAUDITED)

AS OF: JANUARY 31ST, 2018

224-WEED EQUIP. RESERVE  
NON-DEPARTMENTAL

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
<u>REVENUES</u>					
<u>INVESTMENT EARNINGS</u>					
224-100-3-65-0105 INVESTMENT EARNINGS	150.00	0.00	36.80	113.20	24.53
TOTAL INVESTMENT EARNINGS	150.00	0.00	36.80	113.20	24.53
<u>TRANSFER FROM OTHER FUND</u>					
224-100-3-90-3815 TRANS. FROM WEED DEPT.	15,252.00	15,252.00	15,252.00	0.00	100.00
TOTAL TRANSFER FROM OTHER FUND	15,252.00	15,252.00	15,252.00	0.00	100.00
TOTAL REVENUES	15,402.00	15,252.00	15,288.80	113.20	99.27
<u>EXPENDITURES</u>					
<u>CAPITAL OUTLAY</u>					
224-100-5-40-4401 EQUIPMENT	51,346.00	0.00	0.00	51,346.00	0.00
TOTAL CAPITAL OUTLAY	51,346.00	0.00	0.00	51,346.00	0.00
<u>OTHER REQUIREMENTS</u>					
224-100-5-50-5354 TRANSFER TO GENERAL FU	0.00	0.00	0.00	0.00	0.00
TOTAL OTHER REQUIREMENTS	0.00	0.00	0.00	0.00	0.00
<u>RESERVED FOR FUTURE EXP.</u>					
224-100-5-80-8102 RESERVE FOR WEED EQUIP	0.00	0.00	0.00	0.00	0.00
TOTAL RESERVED FOR FUTURE EXP.	0.00	0.00	0.00	0.00	0.00
<u>ENDING FUND BALANCE</u>					
224-100-5-90-9001 UNAPPROPRIATED ENDING	0.00	0.00	0.00	0.00	0.00
TOTAL ENDING FUND BALANCE	0.00	0.00	0.00	0.00	0.00
TOTAL EXPENDITURES	51,346.00	0.00	0.00	51,346.00	0.00
REVENUE OVER/(UNDER) EXPENDITURES (	35,944.00)	15,252.00	15,288.80 (	51,232.80)	42.54-

MORROW COUNTY, OREGON  
 REVENUE & EXPENSE REPORT (UNAUDITED)  
 AS OF: JANUARY 31ST, 2018

224-WEED EQUIP. RESERVE  
 NON-DEPARTMENTAL

	CURRENT BUDGET	CURRENT PERIOD	YEAR TO DATE ACTUAL	BUDGET BALANCE	% OF BUDGET
BEGINNING FUND EQUITY	35,944.00		5,025.42		
FUND TOTAL REVENUES	15,402.00	15,252.00	15,288.80	113.20	99.27
FUND TOTAL EXPENDITURES	<u>51,346.00</u>	<u>0.00</u>	<u>0.00</u>	<u>51,346.00</u>	<u>0.00</u>
REVENUES OVER/ (UNDER) EXPENDITURES	( 35,944.00)	15,252.00	15,288.80	( 51,232.80)	42.54-
PROJECTED ENDING FUND EQUITY	0.00		20,314.22		

\*\*\* END OF REPORT \*\*\*

FY 2015 - 2016

224-WEED EQUIP. RESERVE  
 NON-DEPARTMENTAL

	2012-2013	2013-2014	2014-2015	(----- 2015-2016 -----)	(----- 2016-2017 -----)			
	ACTUAL	ACTUAL	ACTUAL	CURRENT BUDGET	Y-T-D ACTUAL	PROJECTED YEAR END	REQUESTED BUDGET	
<b>REVENUES</b>								
<u>INVESTMENT EARNINGS</u>								
224-100-3-65-0105 INVESTMENT EARNINGS	0	0	0	0	0	0	0	0
TOTAL INVESTMENT EARNINGS	0	0	0	0	0	0	0	0
<u>TRANSFER FROM OTHER FUND</u>								
224-100-3-90-3815 TRANS. FROM WEED DEPT.	0	0	0	30,944	0	0	0	0
TOTAL TRANSFER FROM OTHER FUND	0	0	0	30,944	0	0	0	0
<hr/>								
TOTAL REVENUES	0	0	0	30,944	0	0	0	0
<b>EXPENDITURES</b>								
<u>CAPITAL OUTLAY</u>								
224-100-5-40-4401 EQUIPMENT	0	0	0	30,944	0	0	0	0
TOTAL CAPITAL OUTLAY	0	0	0	30,944	0	0	0	0
<u>OTHER REQUIREMENTS</u>								
224-100-5-50-5354 TRANSFER TO GENERAL FU	0	0	0	0	0	0	0	0
TOTAL OTHER REQUIREMENTS	0	0	0	0	0	0	0	0
<u>RESERVED FOR FUTURE EXP.</u>								
224-100-5-80-8102 RESERVE FOR WEED EQUIP	0	0	0	0	0	0	0	0
TOTAL RESERVED FOR FUTURE EXP.	0	0	0	0	0	0	0	0
<u>ENDING FUND BALANCE</u>								
224-100-5-90-9001 UNAPPROPRIATED ENDING	0	0	0	0	0	0	0	0
TOTAL ENDING FUND BALANCE	0	0	0	0	0	0	0	0
<hr/>								
TOTAL EXPENDITURES	0	0	0	30,944	0	0	0	0
REVENUE OVER/(UNDER) EXPENDITURES	0	0	0	0	0	0	0	0

①

① Adopted budget appropriation never journalled to Weed Reserve.

MORROW COUNTY, OREGON  
 PROPOSED BUDGET WORKSHEET  
 AS OF: JUNE 30TH, 2016

224-WEED EQUIP. RESERVE  
 NON-DEPARTMENTAL

	2012-2013	2013-2014	2014-2015	(----- 2015-2016 -----)	(----- 2016-2017 -----)		
	ACTUAL	ACTUAL	ACTUAL	CURRENT BUDGET	Y-T-D ACTUAL	PROJECTED YEAR END	REQUESTED BUDGET
<u>BEGINNING FUND BALANCE</u>							
224-100-3-01-0101 BEGINNING FUND BALANCE				0	0	0	0
224-100-3-01-0102 BEGINNING FUND BALANCE--BUD				0	0	0	0
TOTAL BEGINNING FUND BALANCE				0	0	0	0
FUND TOTAL REVENUES	0	0	0	30,944	0	0	0
TOTAL AVAILABLE RESOURCES				30,944	0	0	0
FUND TOTAL EXPENDITURES	0	0	0	30,944	0	0	0
REVENUE OVER/(UNDER) EXPENDITURES	0	0	0	0	0	0	0
PROJECTED ENDING FUND EQUITY				0	0	0	0

\*\*\* END OF REPORT \*\*\*



**AGENDA ITEM COVER SHEET**  
**Morrow County Board of Commissioners**  
 (Page 1 of 2)

(For BOC Use)  
 Item #  
 4f

Please complete for each agenda item submitted for consideration by the Board of Commissioners  
 (See notations at bottom of form)

Staff Contact: Kate Knop

Phone Number (Ext): 5302

Department: Finance

Requested Agenda Date: 1/17/2018

Short Title of Agenda Item: **Morrow County Financial Statements & Independent Auditors' Report for Fiscal Year ended June 30, 2017**

**This Item Involves:** (Check all that apply for this meeting.)

- |   |   |
|---|---|
| <input type="checkbox"/> Order or Resolution                              | <input type="checkbox"/> Appointments                   |
| <input type="checkbox"/> Ordinance/Public Hearing:                        | <input type="checkbox"/> Update on Project/Committee    |
| <input type="checkbox"/> 1st Reading <input type="checkbox"/> 2nd Reading | <input type="checkbox"/> Consent Agenda Eligible        |
| <input type="checkbox"/> Public Comment Anticipated:                      | <input type="checkbox"/> Discussion & Action            |
| Estimated Time:   | Estimated Time:   |
| <input type="checkbox"/> Document Recording Required                      | <input type="checkbox"/> Purchase Pre-Authorization     |
| <input type="checkbox"/> Contract/Agreement                               | <input checked="" type="checkbox"/> Other <b>Review</b> |

N/A

Purchase Pre-Authorizations, Contracts & Agreements

Contractor/Entity:

Contractor/Entity Address:

Effective Dates – From:

Through:

Total Contract Amount:

Budget Line:

Does the contract amount exceed \$5,000?     Yes     No

Reviewed By:

\_\_\_\_\_  
DATE Department Head                      Required for all BOC meetings

*[Signature]* 1/16/18  
DATE Admin. Officer/BOC Office            Required for all BOC meetings

\_\_\_\_\_  
DATE County Counsel                              \*Required for all legal documents

*[Signature]* 1/16/18  
DATE Finance Office                                \*Required for all contracts; other items as appropriate.

\_\_\_\_\_  
DATE Human Resources                            \*If appropriate

\*Allow 1 week for review (submit to all simultaneously). When each office has notified the submitting department of approval, then submit the request to the BOC for placement on the agenda.

**Note:** All other entities must sign contracts/agreements before they are presented to the Board of Commissioners (originals preferred). Agendas are published each Friday afternoon, so requests must be received in the BOC Office by 1:00 p.m. on the Friday prior to the Board's Wednesday meeting. Once this form is completed, including County Counsel, Finance and HR review/sign-off (if appropriate), then submit it to the Board of Commissioners Office.



**AGENDA ITEM COVER SHEET**  
**Morrow County Board of Commissioners**  
**(Page 2 of 2)**

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**1. ISSUES, BACKGROUND, DISCUSSION AND OPTIONS (IF ANY):**

Attached are the Morrow County Financial Statements and Independent Auditors' Report for the fiscal year ended June 30, 2017. The reports were finalized on December 29, 2017 and reflect an "unmodified" opinion.

The report also includes the Management's Discussion and Analysis (MD&A) which provides a narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2017.

The Financial Statements & Independent Auditors' Report will be posted to the Morrow County website.

**2. FISCAL IMPACT:**

N/A

**3. SUGGESTED ACTION(S)/MOTION(S):**

Attach additional background documentation as needed.

**MORROW COUNTY, OREGON**

**Financial Statements and  
Independent Auditors' Report**

**June 30, 2017**

**MORROW COUNTY, OREGON**

**List of Officials**  
**June 30, 2017**

**COMMISSIONERS:**

**TITLE:**

Melissa Lindsay, Chair

Commissioner

Don Russell, Vice-Chair

Commissioner

Jim Doherty

Commissioner

**OTHER ELECTED OFFICIALS:**

Michael Gorman

Assessor

Bobbi Childers

Clerk

Ken Matlack

Sheriff

Gayle Gutierrez

Treasurer

Ann Spicer

Justice of the Peace

Stephen K. Haddock

Surveyor

**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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MORROW COUNTY, OREGON

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**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, 2017, 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, 2017, 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 and the pension information on pages 9-19 and 54-58 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

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

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

#### **Reports on Other Legal and Regulatory Requirements**


##### *Other Reporting Required by Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated December 29, 2017, on our consideration of Morrow County, Oregon's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Morrow County, Oregon's internal control over financial reporting and compliance.

##### *Other Reporting Required by Oregon Minimum Standards*

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have also issued our report dated December 29, 2017, on our consideration of Morrow County, Oregon's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

Barnett & Moro, P.C.

By:   
Cameron W. Anderson, Shareholder  
December 29, 2017

## **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, 2017. 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, 2017, by \$83,835,990 (Net Position). Of this amount, \$3,179,816 may be used to meet the County's ongoing obligations to citizens and creditors.
- The total net position decreased by \$3,804,271 for fiscal year ended June 30, 2017. Of this amount \$3,804,271 was due to the decrease in governmental activities net position. The County had no business-type activities in fiscal year 2016 due to the dissolution of business-type activities in fiscal year 2008.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$12,487,637, an increase of \$249,625 in comparison to the prior year. Approximately \$5,584,715 is restricted or committed for purposes designated by special revenue or reserve funds, and \$6,902,922 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 \$6,902,922 or 61 % of total General Fund expenditures.

### OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

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

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

The County maintains 45 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General, and General Road which are considered to be major governmental funds. Data from the remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in the report.

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

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

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

**Proprietary Funds.** The County does not maintain any proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County does not have any enterprise funds in fiscal year 2017. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

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

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

**Notes to Basic Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 31 through 53 of this report.

The combining statements referred to earlier in connection with non-major governmental funds are presented as Supplemental Information beginning on page 57 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 \$83.8 million at June 30, 2017.

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 85.57 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 (9.09 percent), pension obligations (75.54 percent), and capital leases payable (15.37 percent). Current liabilities, not including current portions of long-term debts, represents about 9.09 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, 2017</u>	<u>June 30, 2016</u>
Current assets	\$ 13,631	\$ 13,368
Capital assets	<u>80,838</u>	<u>84,461</u>
Total assets	<u>94,469</u>	<u>97,829</u>
Deferred outflows of resources	<u>4,926</u>	<u>3,718</u>
Current liabilities	1,414	1,405
Long-term debt	<u>14,145</u>	<u>12,468</u>
Total liabilities	<u>15,559</u>	<u>13,873</u>
Deferred inflows of resources	<u>-</u>	<u>34</u>
Net position:		
Net investment in capital assets	78,446	81,661
Restricted	2,210	2,989
Unrestricted	<u>3,180</u>	<u>2,990</u>
	<u>\$ 83,836</u>	<u>\$ 87,640</u>

Of the County's net position, its investment in capital assets (e.g. land, buildings, vehicles and equipment, and infrastructure) is substantially more than the related debt still outstanding used to acquire those assets. The County uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the county's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources (generally property taxes), since the capital assets themselves cannot be used to liquidate these liabilities. During the current fiscal year, the County's net position decreased by \$3,804,271. This was due to the decrease in net position from Governmental activities. The primary decrease to assets was \$3,448,901 in other capital assets. As of June 30, 2017, the total bank balances were \$743,476. 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 \$3,623,653. The County saw a decrease in long term debt for the 16-17 fiscal year. The net result of the County's debt transactions was a decrease in long term debt of \$676,216. 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, 2017 is \$2,124,962. Other transactions contributing to the decrease in net position included accruing the County's net pension obligation during the fiscal year ended June 30, 2017 of \$4,926,005. The net result of these transactions resulted in a \$3,804,271 net decrease in the county's net position.

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

**Governmental Activities.** During the current fiscal year, the County's net position decreased by \$3,804,271 compared to a \$1,054,113 decrease in the prior year.

**Morrow County Changes in Net Position-Governmental Activities**

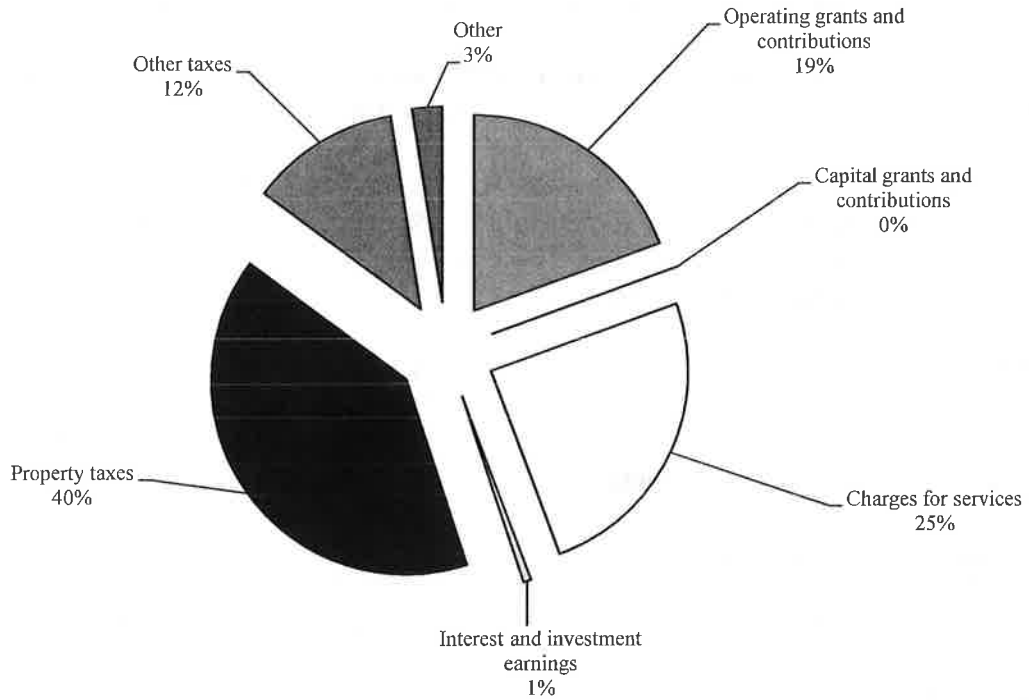
	2016-2017	2015-2016
<b>Revenues</b>		
Program revenues		
Charges for services	\$5,458,921	\$ 3,406,499
Operating grants and contributions	4,243,324	5,464,744
Capital grants and contributions	-	-
General revenues		
Property taxes	8,782,495	7,958,151
Payments in lieu of taxes	1,563,904	2,487,158
State shared taxes	1,146,496	1,133,932
Interest and investment earnings	139,813	81,254
Other revenues, net	540,546	348,779
Contribution of capital assets	-	-
Gain (Loss) on disposal	-	(14,296)
Total revenues	<u>21,875,499</u>	<u>20,866,221</u>
<b>Expenses</b>		
General government	7,130,729	6,414,596
Public safety	5,965,975	5,321,099
Highways and streets	9,823,849	7,643,125
Cultural and recreation	1,106,859	995,222
Education	189,617	209,278
Health	1,407,915	1,318,097
Interest on long-term debt	54,826	18,917
Total expenses	<u>25,679,770</u>	<u>21,920,334</u>
Decrease in net assets before transfer	(3,804,271)	(1,054,113)
Transfers	-	-
Change in net position	<u>(3,804,271)</u>	<u>(1,054,113)</u>
Beginning net position	87,640,261	88,694,374
Prior period adjustment	-	-
Beginning net position, as restated	<u>87,640,261</u>	<u>88,694,374</u>
Ending net position	<u>\$ 83,835,990</u>	<u>\$ 87,640,261</u>

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

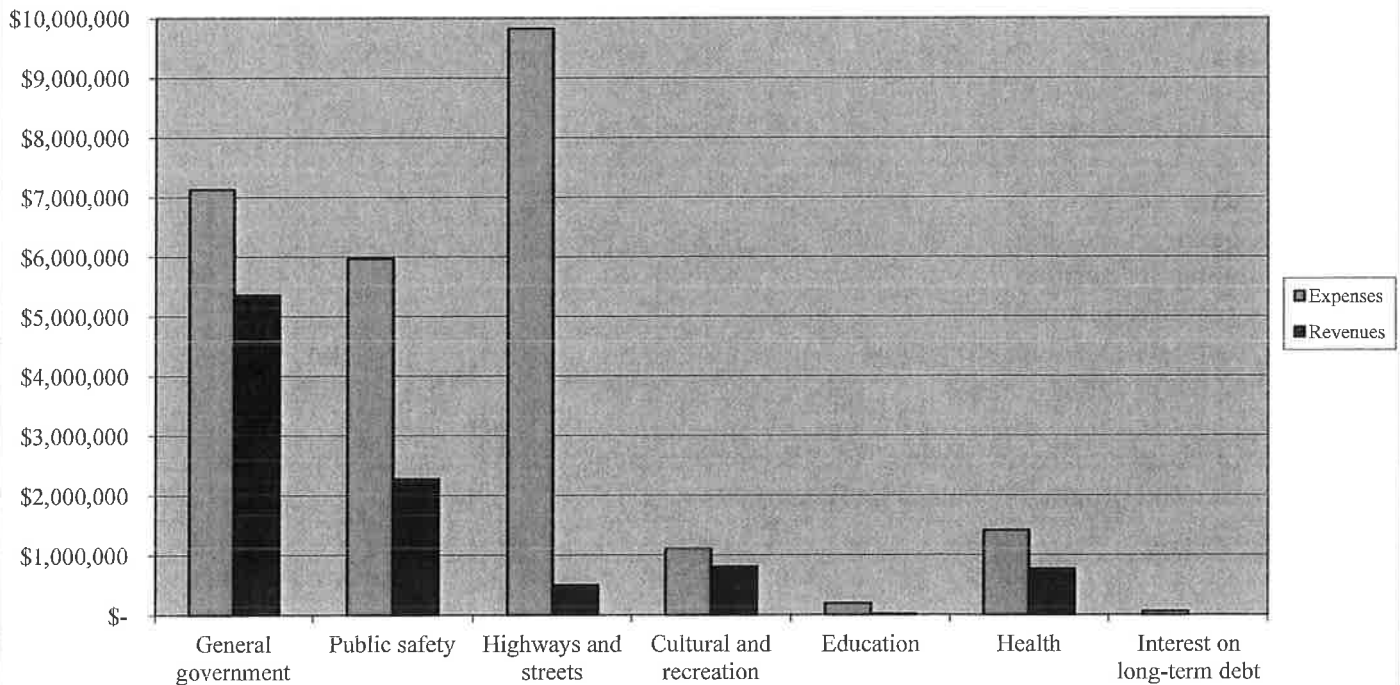


**MORROW COUNTY, OREGON  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**REVENUES BY SOURCE - GOVERNMENTAL ACTIVITIES**



**EXPENSES AND PROGRAM REVENUES - GOVERNMENTAL ACTIVITIES**



## 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 \$12,487,637, an increase of \$249,625 in comparison with the prior year. Approximately 55.29% or \$6,902,922 of this total amount constitutes unassigned fund balance, which is available for spending at the government's discretion. \$5,584,714 or 44.71% 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 \$6,902,922, all of which was unassigned. This indicates a high degree of liquidity of the General Fund.

The fund balance of the County's General Fund increased by \$1,080,575 during the fiscal year ended June 30, 2017. The primary factor in this increase was an unanticipated increase in property tax revenues for 2016 – 2017 due to a strategic investment program tax payer's failure to meet the requirements for their exemption, resulting in greater assessed taxable value for 16-17. This is likely an anomaly and not an item to be expected in future years. The budgeted decrease for the fund balance in 2017-2018 is \$1,348,418. This is less of a concern than in years past as the General fund has carried over significantly more fund balance from the previous year than in prior years.

#### **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.

MORROW COUNTY, OREGON  
MANAGEMENT'S DISCUSSION AND ANALYSIS

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

- The General Fund budget for the Assessor's Department was increased by \$600 from the receipt of additional property tax revenues.
- The General Fund budget for the Veteran's Department was increased by \$3,645 from the receipt of additional property tax revenues.
- The General Fund budget for the Health Department was increased by \$7,117 from the receipt of additional property tax revenues.
- The General Fund budget for the Public Works Administration and General Maintenance Departments was increased in the amount of \$1,000 from the receipt of additional property tax revenue and fees/charges for services.
- The General Fund budget for the Transfer Station-North was increased by \$17,600 due to the receipt of additional fees/charges for services.
- The General Fund budget for the Transfer Station-South was increased by \$12,000 due to the receipt of additional fees/charges for services.
- The General Fund budget for Computers was increased by \$3,800 due to the receipt of additional property tax revenue
- The General Fund budget for the Weed Department was increased by \$11,352 due to the additional funds received by a grant.
- The General Fund Non Departmental Special Payments budget increased by \$769,504 as a result of funds received from Oregon Health Authority passed thru to Community Counseling Solutions for the Intergovernmental Agreement financing of Community Additions and Mental Health. The IGA Agreement #147799 is for the 2015-17 Biennium.
- The Ione School Fund budget was increased by \$3,386 due to the receipt of additional revenue.
- Park Fund budget was increased by \$41,074 as a result of increased grant funds and fee revenues received.
- The Justice Court Bails & Fines Fund budget was increased by \$207,000 due to larger than anticipated carryover of beginning fund balance from the prior year
- The Equity Fund budget was increased by \$50,000 as a result of increased beginning fund balance and increase in appropriation for approved loan.

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, 2017, amounts to \$80,837,554 (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, 911 Fund, Road Fund, Airport Fund, and Park Fund which included the following:

- Assessor's Office – Surface Pro Tablets \$5,587
- District Attorney – Office Equipment \$3,800
- Sheriff Department vehicles of \$169,365
- Health Department trailer \$7,117
- Public Works General Maintenance – Boss Snow Plow for Pickup \$7,849
- Computer Department – Replacement Equipment \$10,824
- General - County Vehicles, Equinox \$23,045
- General – Courthouse HVAC System \$8,925
- Road Reserve – Equipment Replacement \$52,030
- Road Fund – Equipment \$25,459
- Victim/Witness – Vehicle \$23,000
- STF – Vehicles \$65,176
- Parks – Cutsforth Building \$186,837
- Parks – Cutsforth Tractor \$37,750

Additional information on the County's capital assets can be found in note 4 on page 42 of this report.

**Long-term debt.** At the end of the current fiscal year, the County had total debt outstanding of \$2,391,388. This was in the form of long-term capital lease obligations, and a construction loan for the new Heppner Administrative Building. The County's total long-term debt decreased by \$408,790 during the current fiscal year.

Additional information on the County's long-term debt can be found in note 5 on page 43 of this report.

MORROW COUNTY, OREGON  
MANAGEMENT'S DISCUSSION AND ANALYSIS

**Key Economic Factors and Budget Information**

- Morrow County has experienced significant industrial development over the last several years, with food processing and data centers in the Port of Morrow and large wind power projects throughout the County. Most of these projects involve some sort of property tax exemption, like SIP (Strategic Investment Program) which is a 15 year exemption or EZ (Enterprise Zone) which can be a 3 year to 15 year exemption. These programs have resulted in an exempt value of around one billion dollars for the County. These projects have created several hundred jobs for the County but unfortunately the residential and commercial development has not increased as much. The PGE – Carty plant went live on July 28, 2016: SIP funds will be received in 2017-18 in the amount of \$2,075,211. The new gas plant has a 15 year SIP exemption.
- The overall grant revenue outlook is relatively flat in the General Fund due to state budget uncertainty and the overall economy. However, the County received a Federal FAA grant award for the Lexington Municipal Airport in the amount of \$533,333.
- The 2017-2018 fiscal year the County will see the sixth significant payment of Strategic Investment Program (SIP) monies from the Caithness/Shepherds Flat Wind Project and the first significant payment from PGE – Carty Plant. The 2017-2018 budget includes an estimated receipt of \$2,946,211 for these payment which will be used to fund Road Fund capital projects within the County.
- It is anticipated that the costs of providing cost of living wage increases to be 3.0 %, and medical & dental insurance coverage to employees will continue to rise, by approximately 8-10% in the next fiscal year.
- The County's Retirement Plan must continue to be "equal to or better" than the PERS plan to remain in effect. The Plan was tested in 2009-2010 and passed the "equal to or better" standard. Retirement Plan contributions by the County will be at 24.8% for the 2016-2017 fiscal year. The contribution rate for 2017-2018 may increase slightly to mitigate Net Pension Liability.
- 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 2016-2017 budget included several transfers to the Road Fund of unrestricted, non-property tax monies. The 2016-2017 budget included a transfer of \$1,275,000 from the Finley Buttes License Fee Fund, a transfer of \$1,338,000 of Strategic Investment Program (SIP) monies from the Shepherds Flat Fees Fund and a transfer of \$1,300,000 of other non-property tax unrestricted monies from the General Fund. The transfers for 2017-18 budget includes transfers in the amount of \$4,963,865.

All of these factors were considered in preparing the County's budget for fiscal year 2016-2017. During the current fiscal year, unassigned fund balance in the General Fund increased to \$6,902,922.

**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, 2017**

	<u>Governmental Activities</u>
<b><u>ASSETS:</u></b>	
Cash and investments	\$ 11,885,111
Receivables (net of allowance for uncollectibles):	
Property taxes	261,059
Other receivables	1,485,493
Capital assets:	
Land	2,266,841
Other capital assets (net of accumulated depreciation)	<u>78,570,713</u>
Total assets	<u>94,469,217</u>
<b><u>DEFERRED OUTFLOWS OF RESOURCES:</u></b>	
Pension deferrals	<u>4,926,005</u>
<b><u>LIABILITIES:</u></b>	
Accounts payable	654,927
Accrued payroll and payroll taxes payable	320,563
Compensated absences	436,481
Due to other entities	1,825
Net pension liability	11,754,048
Non current liabilities:	
Long-term debt, due within one year	260,119
Long-term debt, due in more than one year	<u>2,131,269</u>
Total liabilities	<u>15,559,232</u>
<b><u>NET POSITION:</u></b>	
Net investment in capital assets	78,446,166
Restricted for:	
Highways and streets	1,411,087
Public safety	640,385
Education	937
Other restrictions	157,599
Unrestricted	<u>3,179,816</u>
Total net position	<u>\$ 83,835,990</u>

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

**MORROW COUNTY, OREGON**

**Statement of Activities**  
**Year Ended June 30, 2017**

<b><u>Functions/Programs</u></b>	<b>Program Revenues</b>			<b>Net (Expense) Revenue and Change in Net Position</b>	
	<b>Expenses</b>	<b>Fees, Fines, and Charges for Services</b>	<b>Operating Grants and Contributions</b>		<b>Capital Grants and Contributions</b>
General government	\$ 7,130,729	\$ 3,318,957	\$ 2,041,726	\$ -	\$ (1,770,046)
Public safety	5,965,975	1,044,416	1,224,551	-	(3,697,008)
Highways and streets	9,823,849	308,768	188,809	-	(9,326,272)
Cultural and recreation	1,106,859	564,361	235,339	-	(307,159)
Education	189,617	6,085	7,364	-	(176,168)
Health	1,407,915	216,334	545,535	-	(646,046)
Interest on long-term debt	54,826	-	-	-	(54,826)
<b>Total governmental activities</b>	<b>\$ 25,679,770</b>	<b>\$ 5,458,921</b>	<b>\$ 4,243,324</b>	<b>\$ -</b>	<b>\$ (15,977,525)</b>

General revenues:

Taxes:

Property taxes, levied for general purposes	8,782,495
Payments in lieu of taxes	1,563,904
State shared taxes	1,146,496
Interest and investment earnings	139,813
Other revenues	540,546

Total general revenues 12,173,254

Change in net position (3,804,271)

Net position--beginning 87,640,261

Net position--ending \$ 83,835,990

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



**MORROW COUNTY, OREGON**

**Governmental Funds**  
**Balance Sheet**  
**June 30, 2017**

	<u>General</u>	<u>General Road</u>	<u>Other Governmental</u>	<u>Total</u>
<b><u>ASSETS:</u></b>				
Cash and investments	\$ 7,138,215	\$ 1,272,583	\$ 3,474,313	\$ 11,885,111
Receivables				
Property taxes	258,044	-	3,015	261,059
Due from other funds	25,000	-	-	25,000
Other receivables	203,014	136,906	1,145,573	1,485,493
Total assets	<u>\$ 7,624,273</u>	<u>\$ 1,409,489</u>	<u>\$ 4,622,901</u>	<u>\$ 13,656,663</u>
<b><u>LIABILITIES:</u></b>				
Accounts payable	\$ 324,723	\$ 141,154	\$ 189,050	\$ 654,927
Accrued payroll and payroll taxes payable	230,018	58,241	32,304	320,563
Due to other entities	1,825	-	-	1,825
Due to other funds	-	-	25,000	25,000
Total liabilities	<u>556,566</u>	<u>199,395</u>	<u>246,354</u>	<u>1,002,315</u>
<b><u>DEFERRED INFLOWS OF RESOURCES:</u></b>				
Deferred property taxes	164,785	-	1,926	166,711
<b><u>FUND BALANCES:</u></b>				
Restricted	-	1,210,094	859,327	2,069,421
Committed	-	-	3,515,294	3,515,294
Unassigned	6,902,922	-	-	6,902,922
Total fund balances	<u>6,902,922</u>	<u>1,210,094</u>	<u>4,374,621</u>	<u>12,487,637</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 7,624,273</u>	<u>\$ 1,409,489</u>	<u>\$ 4,622,901</u>	<u>\$ 13,656,663</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, 2017**

Fund Balances - Governmental Funds		\$ 12,487,637
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.</p>		
Governmental capital assets	\$ 171,164,780	
Less accumulated depreciation	<u>(90,327,226)</u>	80,837,554
<p>Deferred outflows of resources related to pensions are not current financial resources, so are not reported in the governmental fund statements.</p>		
		4,926,005
<p>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.</p>		
Notes payable		(2,124,962)
Capital leases payable		(266,426)
<p>Accrued compensated absences are not due and payable in the current period and therefore are not reported in the funds.</p>		
		(436,481)
<p>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 17 to the financial statements)</p>		
		(11,754,048)
<p>Deferred revenue represents amounts that were not available to fund current expenditures and therefore are not reported in the governmental funds.</p>		
		<u>166,711</u>
Net Position of Governmental Activities		<u>\$ 83,835,990</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, 2017**

	<u>General</u>	<u>General Road</u>	<u>Other Governmental</u>	<u>Total</u>
<b><u>REVENUES:</u></b>				
Taxes	\$ 10,175,595	\$ 917,712	\$ 402,336	\$ 11,495,643
Intergovernmental	2,718,850	188,809	1,335,665	4,243,324
Fees, fines, and charges for services	947,927	-	4,510,994	5,458,921
Investment interest	77,228	8,453	54,132	139,813
Miscellaneous	203,850	240,438	107,496	551,784
Total revenues	<u>14,123,450</u>	<u>1,355,412</u>	<u>6,410,623</u>	<u>21,889,485</u>
<b><u>EXPENDITURES:</u></b>				
Current:				
General government	5,887,661	-	436,225	6,323,886
Public safety	3,927,678	-	1,320,139	5,247,817
Highways and streets	-	5,312,322	1,326,700	6,639,022
Cultural and recreation	11,000	-	916,671	927,671
Education	-	-	189,617	189,617
Health	1,329,699	-	-	1,329,699
Capital outlay	237,492	44,074	236,966	518,532
Debt service:				
Principal	13,050	60,172	335,568	408,790
Interest	2,414	8,085	44,327	54,826
Total expenditures	<u>11,408,994</u>	<u>5,424,653</u>	<u>4,806,213</u>	<u>21,639,860</u>
<b><u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u></b>	<u>2,714,456</u>	<u>(4,069,241)</u>	<u>1,604,410</u>	<u>249,625</u>
<b><u>OTHER FINANCING SOURCES (USES):</u></b>				
Transfers in	263,100	4,071,000	798,725	5,132,825
Transfers out	<u>(1,896,981)</u>	<u>-</u>	<u>(3,235,844)</u>	<u>(5,132,825)</u>
Total other financing sources (uses)	<u>(1,633,881)</u>	<u>4,071,000</u>	<u>(2,437,119)</u>	<u>-</u>
<b><u>NET CHANGE IN FUND BALANCES</u></b>	<u>1,080,575</u>	<u>1,759</u>	<u>(832,709)</u>	<u>249,625</u>
<b><u>FUND BALANCES, BEGINNING OF YEAR</u></b>	<u>5,822,347</u>	<u>1,208,335</u>	<u>5,207,330</u>	<u>12,238,012</u>
<b><u>FUND BALANCES, END OF YEAR</u></b>	<u>\$ 6,902,922</u>	<u>\$ 1,210,094</u>	<u>\$ 4,374,621</u>	<u>\$ 12,487,637</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, 2017

Net change in fund balances - Governmental Funds \$ 249,625

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	\$ 518,532	
Less current year depreciation	(4,130,947)	
Disposal of Capital Assets	<u>(11,238)</u>	(3,623,653)

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 (2,748)

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.

Principal payments on notes payable and capital leases 408,790

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 8,239

Net change in net pension liability	(2,085,961)	
Net change in deferred outflows of resources - pension deferrals	1,207,567	
Net change in deferred inflows of resources - pension deferrals	<u>33,870</u>	<u>(844,524)</u>

Change in Net Position of Governmental Activities \$ (3,804,271)

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, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Property taxes	\$ 8,169,217	\$ 8,231,263	\$ 8,683,801	\$ 452,538
Payments in lieu of taxes	496,500	496,500	712,131	215,631
Liquor tax apportionment	50,000	50,000	62,879	12,879
Cigarette tax apportionment	9,000	9,000	11,151	2,151
Oregon DEQ grant	10,000	10,000	-	(10,000)
Cultural trust grant	7,000	7,000	7,687	687
Wolf depredation grant	3,675	3,675	8,675	5,000
Assessor grants	10,000	10,000	25,735	15,735
Assessor fees and other	18,400	18,400	19,638	1,238
Clerk, recorder fees, and grants	69,359	69,359	86,383	17,024
Veterans service office grants and other	35,751	35,751	35,249	(502)
District attorney grants and other	53,500	53,500	73,166	19,666
Emergency management grants	13,600	13,600	10,897	(2,703)
Health department fees	131,800	131,800	249,776	117,976
Health department grants and other	612,696	619,813	545,535	(74,278)
Juvenile court grants and other	28,209	28,209	36,736	8,527
State grant, assessment and taxation	104,000	104,000	146,487	42,487
Non-departmental fees and other	1,343,550	2,113,054	2,400,812	287,758
Planning fees and grants	24,600	24,600	45,975	21,375
Weed department fees and grants	21,000	32,352	29,128	(3,224)
Transfer station revenue and fees	49,600	49,600	50,250	650
Sheriff civil fees and other	264,275	264,275	138,364	(125,911)
Sheriff intergovernmental contracts	317,900	317,900	323,449	5,549
Justice court fines and other	226,500	226,500	342,318	115,818
Interest	20,000	20,000	77,228	57,228
Total revenues	12,090,132	12,940,151	14,123,450	1,183,299
<b>EXPENDITURES:</b>				
General government:				
County court	626,309	626,309	590,115	36,194
County accountant	299,880	299,880	300,926	(1,046)
Assessor	748,414	749,014	721,866	27,148
Treasurer	116,768	116,768	112,428	4,340
County clerk	312,285	312,285	290,782	21,503
Veteran's service officer	63,711	67,356	61,704	5,652
Juvenile	366,795	366,795	320,947	45,848
Planning department	428,056	428,056	334,698	93,358
County surveyor	39,640	39,640	38,783	857
Public works, administrator	61,963	62,963	62,701	262
Public works, general maintenance	501,984	501,984	454,343	47,641
Computer	141,000	144,800	138,038	6,762
Weed department	138,176	149,528	127,689	21,839
Board of Property Tax Appeals	2,755	2,755	1,981	774
Solid waste transfer station - north	34,501	52,101	44,311	7,790
Solid waste transfer station - south	41,151	53,571	47,238	6,333
Non-departmental	2,453,524	3,176,028	2,312,329	863,699
Total general government	6,376,912	7,149,833	5,960,879	1,188,954

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, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Continued from previous page.				
<b><u>EXPENDITURES (continued):</u></b>				
Public Safety:				
District attorney	358,280	358,280	340,156	18,124
Justice of the peace	258,369	258,369	251,355	7,014
Sheriff	3,648,390	3,648,390	3,490,309	158,081
Emergency management	48,403	48,403	19,411	28,992
Total public safety	<u>4,313,442</u>	<u>4,313,442</u>	<u>4,101,231</u>	<u>212,211</u>
Heath:				
Health department	1,447,490	1,454,607	1,331,701	122,906
Total health	<u>1,447,490</u>	<u>1,454,607</u>	<u>1,331,701</u>	<u>122,906</u>
Cultural and recreation:				
Museum	11,000	11,000	11,000	-
Total cultural and recreation	<u>11,000</u>	<u>11,000</u>	<u>11,000</u>	<u>-</u>
Contingency	60,000	60,000	-	60,000
Total expenditures	<u>12,208,844</u>	<u>12,988,882</u>	<u>11,404,811</u>	<u>1,584,071</u>
<b><u>EXCESS (DEFICIENCY) OF REVENUES</u></b>				
<b><u>OVER (UNDER) EXPENDITURES</u></b>				
	<u>(118,712)</u>	<u>(48,731)</u>	<u>2,718,639</u>	<u>2,767,370</u>
<b><u>OTHER FINANCING SOURCES (USES):</u></b>				
Transfers in	272,270	272,270	263,100	(9,170)
Transfers out	<u>(1,822,000)</u>	<u>(1,891,981)</u>	<u>(1,896,981)</u>	<u>(5,000)</u>
Total other financing sources (uses)	<u>(1,549,730)</u>	<u>(1,619,711)</u>	<u>(1,633,881)</u>	<u>(14,170)</u>
<b><u>NET CHANGE IN FUND BALANCES</u></b>	<u>(1,668,442)</u>	<u>(1,668,442)</u>	<u>1,084,758</u>	<u>2,753,200</u>
<b><u>FUND BALANCES, BEGINNING</u></b>	<u>4,650,000</u>	<u>4,650,000</u>	<u>5,542,657</u>	<u>892,657</u>
<b><u>FUND BALANCES, ENDING</u></b>	<u>\$ 2,981,558</u>	<u>\$ 2,981,558</u>	<u>\$ 6,627,415</u>	<u>\$ 3,645,857</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, 2017**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES:</u></b>				
Federal forest fees	\$ 20,377	\$ 20,377	\$ 24,911	\$ 4,534
Licenses	948,542	948,542	917,712	(30,830)
Intergovernmental	598,481	598,481	163,898	(434,583)
Reimbursed items	10,000	10,000	177,412	167,412
Interest	3,500	3,500	8,453	4,953
Other	115,200	115,200	63,026	(52,174)
Total revenues	<u>1,696,100</u>	<u>1,696,100</u>	<u>1,355,412</u>	<u>(340,688)</u>
<b><u>EXPENDITURES:</u></b>				
Road department	5,563,100	5,563,100	5,271,806	291,294
Capital equipment	386,000	386,000	147,127	238,873
Contingency	30,000	30,000	-	30,000
Total expenditures	<u>5,979,100</u>	<u>5,979,100</u>	<u>5,418,933</u>	<u>560,167</u>
<b><u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u></b>	<u>(4,283,000)</u>	<u>(4,283,000)</u>	<u>(4,063,521)</u>	<u>219,479</u>
<b><u>OTHER FINANCING SOURCES:</u></b>				
Transfers in	<u>4,113,000</u>	<u>4,113,000</u>	<u>4,071,000</u>	<u>(42,000)</u>
<b><u>NET CHANGE IN FUND BALANCES</u></b>	<u>(170,000)</u>	<u>(170,000)</u>	<u>7,479</u>	<u>177,479</u>
<b><u>FUND BALANCES, BEGINNING</u></b>	<u>1,170,000</u>	<u>1,170,000</u>	<u>1,080,121</u>	<u>(89,879)</u>
<b><u>FUND BALANCES, ENDING</u></b>	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>	<u>\$ 1,087,600</u>	<u>\$ 87,600</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, 2017**

	<b><u>Agency Funds</u></b>
<b>ASSETS:</b>	
Cash and investments	\$ 2,623,534
Taxes receivable	760,362
Total assets	<u>3,383,896</u>
<b>LIABILITIES:</b>	
Payable to other agencies	<u>3,383,896</u>
Total liabilities	<u>3,383,896</u>
<b>NET POSITION</b>	<u><u>\$ -</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, 2017

#### 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, 2017.

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, 2017**

**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, 2017**

**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, 2017**

**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 \$1,000 and an estimated useful life in excess of one year. Effective July 1, 2017, the County increased the capitalization amount to \$5,000. 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, 2017**

**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, 2017**

**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, 2017 were as follows:

	General	General Road	Other Governmental	Total Governmental Funds
<b><u>Fund Balances</u></b>				
Restricted:				
Public safety	\$ -	\$ -	\$ 622,846	\$ 622,846
Highways and streets	-	1,210,094	78,499	1,288,593
Education	-	-	383	383
Other restrictions	-	-	157,599	157,599
Total restricted	<u>-</u>	<u>1,210,094</u>	<u>859,327</u>	<u>2,069,421</u>
Committed:				
Culture and recreation	-	-	375,275	375,275
Education	-	-	31,685	31,685
Capital projects	-	-	957,583	957,583
Economic development	-	-	601,988	601,988
Other committed	-	-	1,548,763	1,548,763
Total committed	<u>-</u>	<u>-</u>	<u>3,515,294</u>	<u>3,515,294</u>
Unassigned	<u>6,902,922</u>	<u>-</u>	<u>-</u>	<u>6,902,922</u>
Ending fund balance	<u>\$ 6,902,922</u>	<u>\$ 1,210,094</u>	<u>\$ 4,374,621</u>	<u>\$ 12,487,637</u>

Of the amount restricted for highways and streets, \$1,210,094 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, 2017**

**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, 2017**

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

Two supplemental budgets were adopted during the year ended June 30, 2017; total appropriations increased by \$1,133,498.

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, 2017, the County overexpended the budget of the following funds:

General Fund	County Accountant	\$ 1,046
Airport Fund	Materials and Services	<u>\$ 9,662</u>
Parks Fund	Anson Wright Park	<u>\$ 1,025</u>
Echo Wind Fees Fund	Other Requirements	<u>\$ 5,558</u>



**MORROW COUNTY, OREGON**

**Notes to Basic Financial Statements**

**June 30, 2017**

**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	\$ 311,550
Petty cash	1,789
	<u>313,339</u>
Investments	
State of Oregon Local Government Investment Pool	14,195,306
Total cash and investments	<u>\$ 14,508,645</u>

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

Cash and investments - governmental activities	\$ 11,885,111
Statement of Fiduciary Net Position	2,623,534
	<u>\$ 14,508,645</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, 2017, the total bank balances were \$743,476. 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.

**MORROW COUNTY, OREGON**

**Notes to Basic Financial Statements**

**June 30, 2017**

**NOTE 3 – CASH AND INVESTMENTS (continued):**

**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.

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 100% of the County's total investments.

**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.

**MORROW COUNTY, OREGON**

**Notes to Basic Financial Statements**

**June 30, 2017**

**NOTE 4 - CAPITAL ASSETS:**

Capital asset activity for the year ended June 30, 2017 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental activities:</b>				
Capital assets, not being depreciated				
Land	\$ 2,266,841	\$ -	\$ -	\$ 2,266,841
Total capital assets, not being depreciated	<u>2,266,841</u>	<u>-</u>	<u>-</u>	<u>2,266,841</u>
Capital assets, being depreciated:				
Buildings and improvements	16,777,957	-	-	16,777,957
Campsites and trails	838,274	-	-	838,274
Machinery and equipment	13,507,376	518,532	(348,357)	13,677,551
Bridges	23,159,458	-	-	23,159,458
Infrastructure	114,444,699	-	-	114,444,699
Total capital assets being depreciated	<u>168,727,764</u>	<u>518,532</u>	<u>(348,357)</u>	<u>168,897,939</u>
Less accumulated depreciation for:				
Buildings and improvements	(6,886,043)	(495,506)	-	(7,381,549)
Campsites and trails	(552,645)	(22,702)	-	(575,347)
Machinery and equipment	(9,062,564)	(754,736)	337,119	(9,480,181)
Bridges	(13,637,799)	(581,380)	-	(14,219,179)
Infrastructure	(56,394,347)	(2,276,623)	-	(58,670,970)
Total accumulated depreciation	<u>(86,533,398)</u>	<u>(4,130,947)</u>	<u>337,119</u>	<u>(90,327,226)</u>
Total capital assets being depreciated, net	<u>82,194,366</u>	<u>(3,612,415)</u>	<u>(11,238)</u>	<u>78,570,713</u>
Governmental activities capital assets, net	<u>\$ 84,461,207</u>	<u>\$ (3,612,415)</u>	<u>\$ (11,238)</u>	<u>\$ 80,837,554</u>

Depreciation was charged to functions and programs as follows:

	<u>Governmental activities</u>
General government	\$ 548,391
Public safety	385,710
Highways and streets	3,035,495
Cultural and recreation	155,903
Health	5,448
	<u>\$ 4,130,947</u>

**MORROW COUNTY, OREGON**

**Notes to Basic Financial Statements**

**June 30, 2017**

**NOTE 5 - LONG TERM DEBT:**

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

Lease purchase agreement payable at \$26,987 annually, by the Road fund, including interest at 3.33%, collateralized by road equipment. Final payment is due May 2019.	51,396
Lease purchase agreement payable at \$1,289 per month, by the General Fund, including interest at 5.65%, collateralized by real estate in Boardman. Final payment is due in October 2019.	34,673
Lease purchase agreement payable at \$41,270 annually, by the Road fund, including interest at 2.57%, collateralized by road equipment. The lease has a balloon payment of \$185,000 in August 2017.	180,357
	\$ 266,426

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

Fiscal Year	Governmental		
	Payment	Interest	Principal
2018	\$ 227,451	\$ 7,956	\$ 219,495
2019	42,451	1,670	40,781
2020	6,230	80	6,150
Total	\$ 276,132	\$ 9,706	\$ 266,426

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. The agreement is for interest only payments due monthly at a rate of 1.58% until November 2016. Starting in November 2016, semi-annual principal and interest payments will be due each November and May for \$189,998. The balance of the note payable on June 30, 2017 is \$2,124,962.

**MORROW COUNTY, OREGON**

**Notes to Basic Financial Statements**

**June 30, 2017**

**NOTE 5 - LONG TERM DEBT (continued):**

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

Fiscal Year	Principal	Interest
2018	\$ 347,327	\$ 32,668
2019	352,914	27,081
2020	358,535	21,460
2021	364,356	15,639
2022	370,217	9,779
2023-2025	331,613	3,824
Total	\$ 2,124,962	\$ 110,451

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

	Capital Leases	Note Payable	Totals
Principal balance June 30, 2016	\$ 339,648	\$ 2,460,530	\$ 2,800,178
New obligations	-	-	-
Payments	(83,721)	(379,895)	(463,616)
Interest included	10,499	44,327	54,826
Principal balance June 30, 2017	\$ 266,426	\$ 2,124,962	\$ 2,391,388

**NOTE 6 – COMPENSATED ABSENCES:**

The following is a summary of accumulated unpaid vacation pay transactions of the County for the year ended June 30, 2017:

Balance June 30, 2016	\$ 444,720
Net change in benefits payable	(8,239)
Balance June 30, 2017	\$ 436,481

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

**NOTE 7 - DEFERRED INFLOWS OF RESOURCES:**

Deferred revenue at June 30, 2017 consisted of the following:

	Governmental Funds	Statement of Net Position
Property taxes	\$ 166,711	\$ -

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

**MORROW COUNTY, OREGON**

**Notes to Basic Financial Statements**

**June 30, 2017**

**NOTE 8 -- 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, 2017 consisted of the following:

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

The following are the County's interfund transfers for the year ended June 30, 2017. All transfers routinely occur between funds:

<u>Transfer From</u>	<u>Transfer To</u>	<u>Purpose</u>	<u>Amount</u>
General	Programming Res.	For purchase of software	\$ 15,000
General	Victim/Witness	For general operations of Victim/Witness advocate	48,000
General	Building Res.	For future construction	50,000
General	Computer Res.	For purchase of computer equipment	15,000
General	Echo Wind Fees	For general operations of the Echo Wind Fee Fund	22,981
General	General Road	For general operations of General Road	1,300,000
General	Heppner Admin Build.	For debt service payments of Heppner Admin Build.	441,000
General	Weed Equip Reserve	For capital purchases for weed equipment	5,000
Finley Buttes Road	General Road	For improvements to County Road	200,000
911 Emerg. Tele.	General	For reimbursement of indirect costs	12,000
Finley Buttes Lic.	General Road	For general operations & impr. of Co. Roads	1,233,000
Fair	Fair Improvement	For capital upgrades to the fairgrounds	5,000
Fair	Fair Roof	For capital upgrades to fair buildings	2,000
Special Transportation	STO Operating Grant	For general operations of the STO Operating Grant	7,074
Alcohol Enforcement	General	For general operations of the County	500
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	7,670
Video Lottery Econ. Develop.	General	For general operations of the museum department	11,000
Willow Creek Wind	General	For general operations of the County	40,000
Building Permit Fees	General	For general operations of the planning department	85,000
Echo Wind Fees	General	For general operations of the County	114,600
Shepherds Flat Fees	General Road	For general operations & impr. of Co. Roads	1,338,000
Shepherds Flat Fees	Road Equip. Res.	For purchases of equipment	175,000
		Total	<u>\$ 5,132,825</u>

**MORROW COUNTY, OREGON**

**Notes to Basic Financial Statements**

**June 30, 2017**

**NOTE 9 -- 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 10 -- RECEIVABLES**

The County lends money to businesses in Morrow County for economic development. The Equity Fund is used for this purpose. On June 30, 2017, loans receivable and corresponding interest of \$516,569 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, 2017 are as follows:

<u>Receivable</u>	<u>General</u>	<u>General Road</u>	<u>Other Govern- mental</u>	<u>Total</u>
Intergovernmental	\$ 102,256	55,826	198,063	\$ 356,145
Other shared taxes	5,040	76,854	38,967	120,861
Charges for services	95,718	4,226	391,974	491,918
Equity Fund loans	-	-	507,581	507,581
Equity Fund interest	-	-	8,988	8,988
	<u>\$ 203,014</u>	<u>\$ 136,906</u>	<u>\$ 1,145,573</u>	<u>\$ 1,485,493</u>

**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.

**MORROW COUNTY, OREGON**

**Notes to Basic Financial Statements**

**June 30, 2017**

**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 -- SUBSEQUENT TAX REVENUES:**

The 2017-2018 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	\$ 6,694,396
County school fund	20,490
Ione school fund	1,995
Fair fund	55,718
	<u>\$ 6,772,599</u>

After an allowance for expected delinquent tax payments, the County expects to collect at least the amount of property taxes budgeted for 2017-2018.

**NOTE 14 -- TAXES:**

County governmental funds received the following tax revenues:

Property taxes	\$ 8,703,375
Fuel tax apportionment	917,712
Payments in lieu of taxes	1,563,904
Other taxes	310,652
	<u>\$ 11,495,643</u>



**MORROW COUNTY, OREGON**

**Notes to Basic Financial Statements**

**June 30, 2017**

**NOTE 15 -- INTERGOVERNMENTAL REVENUES:**

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

Health department funds	\$ 545,535
Oregon Health Authority funds	1,519,839
Park department funds	310,017
Community Corrections funds	453,907
Sheriff department grants	323,449
Road department funds	163,898
911 Emergency funds	290,158
Federal forest fees and federal mineral lease	24,911
Assessment and taxation funds	146,487
Video lottery apportionment	78,610
Victim/Witness assistance funds	78,618
Other federal and state funds	307,895
	<u>4,243,324</u>
	<u>\$ 4,243,324</u>

**NOTE 16 -- 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, 2017, Morrow County received the following fees from the landfill operator:

Finley Buttes road fund	\$ 308,768
Finley Buttes license fee fund	<u>1,361,057</u>
	<u>\$ 1,669,825</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, 2017, the balance of funds in the landfill closure agency fund was \$1,183,030.

**MORROW COUNTY, OREGON**

**Notes to Basic Financial Statements**

**June 30, 2017**

**NOTE 17 -- 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, 2017**

**NOTE 17 -- DEFINED BENEFIT PENSION PLAN (continued):**

The following is a summary of plan participants at July 1, 2016:

Active members:	
Public safety	20
General	81
Total active	<u>101</u>
Inactive participants:	
Vested terminated	23
Non-vested terminated entitled to account balance	38
Retirees and beneficiaries	47
Total inactive	<u>108</u>
Total participants	<u><u>209</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, 2017, the recommended rate was 24.5% of covered payroll. The County contributed 24.5% of covered payroll for the fiscal year ended June 30, 2017. On July 1, 2017 the recommended rate increased to 24.8% of covered payroll for fiscal year ended June 30, 2018.

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

	<u>June 30, 2015</u>	<u>June 30, 2016</u>
Total pension liability	\$29,588,001	\$30,537,274
Plan fiduciary net position	19,919,914	18,783,226
Net pension liability	<u>\$ 9,668,087</u>	<u>\$11,754,048</u>
Fiduciary net position as a % of total pension liability	67.32%	61.51%
Covered payroll	\$ 4,959,599	\$ 5,315,783
Net pension liability as a % of covered payroll	194.94%	221.12%

**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, 2017**

**NOTE 17 -- DEFINED BENEFIT PENSION PLAN (continued):**

**D. Changes in Net Pension Liability:**

	<u>Total Pension Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net Pension Liability (a)-(b)</u>
Balances June 30, 2015	\$ 29,588,001	\$ 19,919,914	\$ 9,668,087
Changes for the year:			
Service cost	670,931	-	670,931
Interest on total pension liability	2,049,096	-	2,049,096
Effect of plan changes	-	-	-
Effect of economic/demographic (gains) or losses	201,509	-	201,509
Effect of assumptions changes or inputs	-	-	-
Benefit payments	(2,021,216)	(2,021,216)	-
Administrative expenses	-	(67,539)	67,539
Member contributions	48,953	48,953	-
Net investment income	-	(447,095)	447,095
Employer contributions	-	1,350,209	(1,350,209)
	<u>\$ 30,537,274</u>	<u>\$ 18,783,226</u>	<u>\$ 11,754,048</u>
Balances as of June 30, 2016	<u>\$ 30,537,274</u>	<u>\$ 18,783,226</u>	<u>\$ 11,754,048</u>

**E. Sensitivity Analysis:**

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

	<u>1% Decrease 6.0%</u>	<u>Current Rate 7.0%</u>	<u>1% Increase 8.0%</u>
Total pension liability	\$ 34,541,561	\$ 30,537,274	\$ 27,201,109
Fiduciary net position	18,783,226	18,783,226	18,783,226
Net pension liability	<u>\$ 15,758,335</u>	<u>\$ 11,754,048</u>	<u>\$ 8,417,883</u>

**MORROW COUNTY, OREGON**

**Notes to Basic Financial Statements**  
**June 30, 2017**

**NOTE 17 -- DEFINED BENEFIT PENSION PLAN (continued):**

**F. Pension Expense:**

	<u>Fiscal Year Ending June 30, 2017</u>
Service cost	\$ 670,931
Interest on total pension liability	2,049,096
Effect of plan changes	-
Administrative expenses	67,539
Expected investment return net of investment expenses	(1,370,258)
Recognition of deferred (inflows)outflows of resources:	
Recognition of economic/demographic (gains) or losses	539,422
Recognition of assumption changes or inputs	435,548
Recognition of investment (gains) or losses	295,123
	<u>\$ 2,687,401</u>

**G. Deferred (Inflows) / Outflows of Resources:**

As of June 30, 2017, the deferred inflows and outflows of resources are as follows:

	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 832,137
Changes in assumptions or inputs	-	696,877
Net difference between projected and actual earnings	-	1,556,100
Contributions made subsequent to measurement date	-	1,840,891
	<u>\$ -</u>	<u>\$ 4,926,005</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, 2018.

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>
2018	\$ (1,249,405)
2019	(841,068)
2020	(631,170)
2021	(363,471)
2022	-
Thereafter	-

**MORROW COUNTY, OREGON**

**Notes to Basic Financial Statements**

**June 30, 2017**

**NOTE 18 -- 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):

<b><u>Fund:</u></b>	<b>GAAP Basis Change in Fund Balances</b>	<b>Change in Compensated Absences</b>	<b>Budgetary Basis - Change in Fund Balances</b>
General	\$ 1,080,575	\$ 4,183	\$ 1,084,758
General Road	1,759	5,720	7,479
911 Emergency Telephone	26,696	(2,338)	24,358
Fair	14,917	(453)	14,464
Special Transportation	(16,546)	(263)	(16,809)
Victim/Witness Assistance	20,732	1,071	21,803
Park	79,142	252	79,394
Community Corrections	59,348	66	59,414

**NOTE 19 -- RECONCILIATION OF GAAP BASIS FUND EQUITY TO**

The budgetary basis fund equity reconciles to GAAP basis fund equity as follows (only funds with differences are listed):

<b><u>Fund:</u></b>	<b>GAAP Basis Fund Balances</b>	<b>Compensated Absences</b>	<b>Budgetary Basis Fund Balances</b>
General Fund	6,902,922	\$ (275,507)	\$ 6,627,415
General Road	1,210,094	(122,494)	1,087,600
911 Emergency Telephone	130,802	(8,860)	121,942
Fair	96,661	(2,618)	94,043
Special Transportation	47,956	(8,449)	39,507
Victim/Witness Assistance	19,373	(5,055)	14,318
Park	351,423	(4,820)	346,603
Community Corrections	221,784	(8,679)	213,105

**MORROW COUNTY, OREGON**

**Notes to Basic Financial Statements**

**June 30, 2017**

**NOTE 20 -- 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.

**NOTE 21 -- 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, 2017, 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>
Enterprise Zone	\$ 21,729	\$ 1,177
Strategic Investment Program	\$ 3,977	\$ 1,983

**NOTE 22 -- 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.

**REQUIRED SUPPLEMENTARY INFORMATION**



**MORROW COUNTY, OREGON**

**Schedule of Deferred (Inflows) and Outflows of Resources**

	<u>Original Amount</u>	<u>Experience Period</u>	<u>Original Recognition Period</u>	<u>Amount Recognized in Expense 6/30/2017</u>	<u>Balance of Deferred Inflows 6/30/2017</u>	<u>Balance of Deferred Outflows 6/30/2017</u>
Investment	\$ 1,817,353	2015-2016	5.0	\$ 363,471	\$ -	\$ 1,453,882
(gains) or losses	1,194,561	2014-2015	5.0	238,912	-	716,737
	(1,536,299)	2013-2014	5.0	(307,260)	(614,519)	-
				<u>\$ 295,123</u>	<u>\$ (614,519)</u>	<u>\$ 2,170,619</u>
Economic/demographic	\$ 201,509	2015-2016	3.5	\$ 57,574	\$ -	\$ 143,935
(gains) or losses	1,362,260	2014-2015	3.6	378,406	-	605,448
	393,080	2013-2014	3.8	103,442	-	82,754
				<u>\$ 539,422</u>	<u>\$ -</u>	<u>\$ 832,137</u>
Assumption	\$ -	2015-2016	3.5	\$ -	\$ -	\$ -
changes or inputs	1,567,973	2014-2015	3.6	435,548	-	696,877
	-	2013-2014	3.8	-	-	-
				<u>\$ 435,548</u>	<u>\$ -</u>	<u>\$ 696,877</u>

See accompanying independent auditor's report.

**MORROW COUNTY, OREGON**

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

	<b>Fiscal Year Ending June 30,</b>	
	<b>June 30, 2015</b>	<b>June 30, 2016</b>
<b>Total Pension Liability</b>		
Service cost	\$ 564,657	\$ 670,931
Interest on total pension liability	1,894,605	2,049,096
Effect of plan changes	-	-
Effect of economic/demographic (gains) or losses	1,362,260	201,509
Effect of assumptions changes or inputs	1,567,973	-
Benefit payments	(1,030,803)	(2,021,216)
Member contributions	34,322	48,953
Net change in total pension liability	<u>4,393,014</u>	<u>949,273</u>
Total pension liability, beginning	25,194,987	29,588,001
Total pension liability, ending	<u>29,588,001</u>	<u>30,537,274</u>
<b>Fiduciary Net Position</b>		
Employer contributions	\$ 1,225,021	\$ 1,350,209
Member contributions	34,322	48,953
Investment income net of investment expenses	271,052	(447,095)
Benefit payments	(1,030,803)	(2,021,216)
Administrative expenses	(13,825)	(67,539)
Net change in plan fiduciary net position	<u>485,767</u>	<u>(1,136,688)</u>
Fiduciary net position, beginning	19,434,147	19,919,914
Fiduciary net position, ending	<u>19,919,914</u>	<u>18,783,226</u>
Net pension liability, ending	\$ 9,668,087	\$ 11,754,048
Fiduciary net position as a % of total pension liability	67.32%	61.51%
Covered payroll	\$ 4,959,599	\$ 5,315,783
Net pension liability as a % of covered payroll	194.94%	221.12%

See accompanying independent auditor's report.

**MORROW COUNTY, OREGON**

**Schedule of Employer Contributions**

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Actuarially determined contribution	\$ 1,350	\$ 1,225	\$ 1,110	\$ 1,005	\$ 1,133	\$ 1,123	\$ 835	\$ 710	\$ 684	\$ 758
Actual employer contribution	1,350	1,225	1,075	909	896	1,089	835	710	684	758
Contribution deficiency (Excess)	-	-	(35)	(96)	(237)	(34)	-	-	-	-
Covered payroll	5,315	4,960	4,800	4,748	4,837	4,813	4,154	4,165	3,819	3,690
Contribution as a % of covered payroll	25.40%	24.70%	22.40%	19.14%	18.52%	22.63%	20.10%	17.05%	17.91%	20.54%
Valuation Date	7/1/2015	7/1/2014	7/1/2013	7/1/2012	7/1/2011	7/1/2010	7/1/2009	7/1/2008	7/1/2007	7/1/2006
Investment Rate of Return Assumption	7.00%	7.50%	7.50%	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, 2016**

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, 2015	\$ 19,919,914	12.00	1.00	\$ 19,467,004
Monthly net external cash flows:				
July	(174,225)	11.00	0.96	(170,456)
August	87,557	10.00	0.88	85,813
September	25,249	9.00	0.79	24,793
October	(77,911)	8.00	0.71	(76,652)
November	(20,492)	7.00	0.63	(20,200)
December	25,125	6.00	0.54	24,814
January	10,093	5.00	0.46	9,987
February	21,761	4.00	0.38	21,574
March	(16,158)	3.00	0.29	(16,050)
April	(763,290)	2.00	0.21	(759,641)
May	158,339	1.00	0.13	157,884
June	34,389	0.00	0.04	34,356
Ending Value - June 30, 2016	18,783,226			
Money - Weighted Rate of Return	(2.27)%			

**Schedule of Investment Returns**

<b>Fiscal Year Ending June 30,</b>	<b>Money-Weighted Rate of Return Net of Investment Expenses</b>
2016	(2.27)%
2015	1.39%
2014-2007	16.77%

**OTHER SUPPLEMENTARY INFORMATION**

**MORROW COUNTY, OREGON**

**Non-Major Governmental Funds**

**June 30, 2017**

**Special Revenue Funds:**

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

**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, 2017**

	<u>Total Nonmajor Special Revenue Funds</u>	<u>Total Nonmajor Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
<b><u>ASSETS:</u></b>			
Cash	\$ 2,468,655	\$ 1,005,658	\$ 3,474,313
Property taxes receivable	3,015	-	3,015
Other receivables	1,145,573	-	1,145,573
Total assets	<u>\$ 3,617,243</u>	<u>\$ 1,005,658</u>	<u>\$ 4,622,901</u>
<b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</u></b>			
<b><u>LIABILITIES:</u></b>			
Accounts payable	\$ 140,975	\$ 48,075	\$ 189,050
Accrued payroll and payroll taxes payable	32,304	-	32,304
Due to other funds	25,000	-	25,000
Total liabilities	<u>198,279</u>	<u>48,075</u>	<u>246,354</u>
<b><u>DEFERRED INFLOWS OF RESOURCES:</u></b>			
Deferred property taxes	<u>1,926</u>	<u>-</u>	<u>1,926</u>
<b><u>FUND BALANCES:</u></b>			
Restricted	859,327	-	859,327
Committed	2,557,711	957,583	3,515,294
Unassigned	-	-	-
Total fund balances	<u>3,417,038</u>	<u>957,583</u>	<u>4,374,621</u>
Total fund balances and liabilities	<u>\$ 3,617,243</u>	<u>\$ 1,005,658</u>	<u>\$ 4,622,901</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, 2017**

	Total Nonmajor Special Revenue Funds	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<b><u>REVENUES:</u></b>			
Taxes	\$ 402,336	\$ -	\$ 402,336
Intergovernmental	1,335,665	-	1,335,665
Fees, fines and charges for services	4,510,994	-	4,510,994
Interest	43,888	10,244	54,132
Miscellaneous	82,453	25,043	107,496
Total revenues	<u>6,375,336</u>	<u>35,287</u>	<u>6,410,623</u>
<b><u>EXPENDITURES:</u></b>			
General government	355,927	80,298	436,225
Public safety	1,320,139	-	1,320,139
Highways and streets	1,310,000	16,700	1,326,700
Culture and recreation	902,132	14,539	916,671
Education	189,617	-	189,617
Capital outlay	160,261	76,705	236,966
Debt service	-	379,895	379,895
Total expenditures	<u>4,238,076</u>	<u>568,137</u>	<u>4,806,213</u>
<b><u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u></b>			
	<u>2,137,260</u>	<u>(532,850)</u>	<u>1,604,410</u>
<b><u>OTHER FINANCING SOURCES (USES):</u></b>			
Operating transfers in	90,725	708,000	798,725
Operating transfers out	(3,235,844)	-	(3,235,844)
Total other financing sources (uses)	<u>(3,145,119)</u>	<u>708,000</u>	<u>(2,437,119)</u>
<b><u>NET CHANGE IN FUND BALANCES</u></b>			
	(1,007,859)	175,150	(832,709)
<b><u>FUND BALANCE, BEGINNING OF YEAR</u></b>			
	<u>4,424,897</u>	<u>782,433</u>	<u>5,207,330</u>
<b><u>FUND BALANCE, END OF YEAR</u></b>			
	<u>\$ 3,417,038</u>	<u>\$ 957,583</u>	<u>\$ 4,374,621</u>

See accompanying independent auditor's report.



**MORROW COUNTY, OREGON**

**Non-Major Special Revenue Funds**

**June 30, 2017**

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, 2017**

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

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

**MORROW COUNTY, OREGON**

**Nonmajor Special Revenue Funds**

**Combining Balance Sheet**

**June 30, 2017**

	<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>
<b><u>ASSETS:</u></b>								
Cash	\$ 17,403	\$ 11,829	\$ 66,158	\$ 19,857	\$ 32,081	\$ 61,972	\$ 216,635	\$ 663
Property taxes receivable	-		-	-	-	-	-	-
Other receivables	-	66,670	-	6,225	-	73,838	85	264,109
	<u>17,403</u>	<u>78,499</u>	<u>66,158</u>	<u>26,082</u>	<u>32,081</u>	<u>135,810</u>	<u>216,720</u>	<u>264,772</u>
Total assets	<u>\$ 17,403</u>	<u>\$ 78,499</u>	<u>\$ 66,158</u>	<u>\$ 26,082</u>	<u>\$ 32,081</u>	<u>\$ 135,810</u>	<u>\$ 216,720</u>	<u>\$ 264,772</u>
<b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u></b>								
<b><u>LIABILITIES:</u></b>								
Accounts payable	\$ 216	\$ -	\$ -	\$ 10,533	\$ 396	\$ -	\$ -	\$ 1,218
Accrued payroll and payroll taxes payable	-	-	-	-	-	5,008	-	-
Due to other funds	-	-	-	15,000	-	-	-	-
	<u>216</u>	<u>-</u>	<u>-</u>	<u>25,533</u>	<u>396</u>	<u>5,008</u>	<u>-</u>	<u>1,218</u>
Total liabilities	<u>216</u>	<u>-</u>	<u>-</u>	<u>25,533</u>	<u>396</u>	<u>5,008</u>	<u>-</u>	<u>1,218</u>
<b><u>DEFERRED INFLOWS OF RESOURCES:</u></b>								
Deferred property taxes	-	-	-	-	-	-	-	-
<b><u>FUND BALANCES:</u></b>								
Restricted	-	78,499	66,158	-	-	130,802	-	-
Committed	17,187	-	-	549	31,685	-	216,720	263,554
Unassigned	-	-	-	-	-	-	-	-
	<u>17,187</u>	<u>78,499</u>	<u>66,158</u>	<u>549</u>	<u>31,685</u>	<u>130,802</u>	<u>216,720</u>	<u>263,554</u>
Total fund balances	<u>17,187</u>	<u>78,499</u>	<u>66,158</u>	<u>549</u>	<u>31,685</u>	<u>130,802</u>	<u>216,720</u>	<u>263,554</u>
	<u>\$ 17,403</u>	<u>\$ 78,499</u>	<u>\$ 66,158</u>	<u>\$ 26,082</u>	<u>\$ 32,081</u>	<u>\$ 135,810</u>	<u>\$ 216,720</u>	<u>\$ 264,772</u>

Continued on next page.

**MORROW COUNTY, OREGON**

**Nonmajor Special Revenue Funds**

**Combining Balance Sheet**

**June 30, 2017**

Continued from previous page.

	<u>County School</u>	<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>
<b><u>ASSETS:</u></b>									
Cash	\$ 64	\$ 6	\$ 102,438	\$ 43,920	\$ 22,310	\$ 49,970	\$ 18,441	\$ 219	\$ 24,523
Property taxes receivable	790	77	2,148	-	-	-	-	-	-
Other receivables	-	-	-	10,572	-	-	3,963	-	790
Total assets	<u>\$ 854</u>	<u>\$ 83</u>	<u>\$ 104,586</u>	<u>\$ 54,492</u>	<u>\$ 22,310</u>	<u>\$ 49,970</u>	<u>\$ 22,404</u>	<u>\$ 219</u>	<u>\$ 25,313</u>
<b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u></b>									
<b><u>LIABILITIES:</u></b>									
Accounts payable	\$ -	\$ -	\$ 4,979	\$ 3,563	\$ -	\$ -	\$ 21	\$ -	\$ 6,987
Accrued payroll and payroll taxes payable	-	-	1,574	2,973	-	-	3,010	-	-
Due to other funds	-	-	-	-	-	-	-	-	10,000
Total liabilities	<u>-</u>	<u>-</u>	<u>6,553</u>	<u>6,536</u>	<u>-</u>	<u>-</u>	<u>3,031</u>	<u>-</u>	<u>16,987</u>
<b><u>DEFERRED INFLOWS OF RESOURCES:</u></b>									
Deferred property taxes	<u>505</u>	<u>49</u>	<u>1,372</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b><u>FUND BALANCES:</u></b>									
Restricted	349	34	-	-	22,310	49,970	-	-	8,326
Committed	-	-	96,661	47,956	-	-	19,373	219	-
Unassigned	-	-	-	-	-	-	-	-	-
Total fund balances	<u>349</u>	<u>34</u>	<u>96,661</u>	<u>47,956</u>	<u>22,310</u>	<u>49,970</u>	<u>19,373</u>	<u>219</u>	<u>8,326</u>
	<u>\$ 854</u>	<u>\$ 83</u>	<u>\$ 104,586</u>	<u>\$ 54,492</u>	<u>\$ 22,310</u>	<u>\$ 49,970</u>	<u>\$ 22,404</u>	<u>\$ 219</u>	<u>\$ 25,313</u>

Continued on next page.

**MORROW COUNTY, OREGON**

**Nonmajor Special Revenue Funds**

**Combining Balance Sheet**

**June 30, 2017**

Continued from previous page.

	<u>Safety Committee</u>	<u>Rodeo</u>	<u>Justice Court Bail and Fine</u>	<u>Clerks Records</u>	<u>DUII Impact</u>	<u>Building Permit Fees</u>	<u>Parks</u>	<u>Equity</u>	<u>Liquor Control</u>
<b><u>ASSETS:</u></b>									
Cash	\$ 16,109	\$ 45,947	\$ 65,229	\$ 15,656	\$ 26,108	\$ 488,094	\$ 227,779	\$ 95,795	\$ 813
Property taxes receivable	-	-	-	-	-	-	-	-	-
Other receivables	-	-	-	78	-	31,083	157,829	516,569	-
Total assets	<u>\$ 16,109</u>	<u>\$ 45,947</u>	<u>\$ 65,229</u>	<u>\$ 15,734</u>	<u>\$ 26,108</u>	<u>\$ 519,177</u>	<u>\$ 385,608</u>	<u>\$ 612,364</u>	<u>\$ 813</u>
<b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u></b>									
<b><u>LIABILITIES:</u></b>									
Accounts payable	\$ 975	\$ 1,240	\$ 48,782	\$ -	\$ 13	\$ -	\$ 27,395	\$ 10,376	\$ -
Accrued payroll and payroll taxes payable	-	-	-	-	-	-	6,790	-	-
Due to other funds	-	-	-	-	-	-	-	-	-
Total liabilities	<u>975</u>	<u>1,240</u>	<u>48,782</u>	<u>-</u>	<u>13</u>	<u>-</u>	<u>34,185</u>	<u>10,376</u>	<u>-</u>
<b><u>DEFERRED INFLOWS OF RESOURCES:</u></b>									
Deferred property taxes	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b><u>FUND BALANCES:</u></b>									
Restricted	-	-	16,447	-	26,095	-	-	-	813
Committed	15,134	44,707	-	15,734	-	519,177	351,423	601,988	-
Unassigned	-	-	-	-	-	-	-	-	-
Total fund balances	<u>15,134</u>	<u>44,707</u>	<u>16,447</u>	<u>15,734</u>	<u>26,095</u>	<u>519,177</u>	<u>351,423</u>	<u>601,988</u>	<u>813</u>
	<u>\$ 16,109</u>	<u>\$ 45,947</u>	<u>\$ 65,229</u>	<u>\$ 15,734</u>	<u>\$ 26,108</u>	<u>\$ 519,177</u>	<u>\$ 385,608</u>	<u>\$ 612,364</u>	<u>\$ 813</u>

Continued on next page.

**MORROW COUNTY, OREGON**

**Nonmajor Special Revenue Funds**

**Combining Balance Sheet**

**June 30, 2017**

Continued from previous page.

	<u>Water Planning</u>	<u>Forest Service</u>	<u>Court Security</u>	<u>Echo Wind Fees</u>	<u>Shepherds Flat Fees</u>	<u>STO Operating Grant</u>	<u>Comm. Corrections Fund</u>	<u>Totals</u>
<b><u>ASSETS:</u></b>								
Cash	\$ 17,258	\$ 59,839	\$ 144,461	\$ 475	\$ 297,911	\$ 30,798	\$ 247,894	\$ 2,468,655
Property taxes receivable	-	-	-	-	-	-	-	3,015
Other receivables	-	-	170	-	-	12,899	693	1,145,573
Total assets	<u>\$ 17,258</u>	<u>\$ 59,839</u>	<u>\$ 144,631</u>	<u>\$ 475</u>	<u>\$ 297,911</u>	<u>\$ 43,697</u>	<u>\$ 248,587</u>	<u>\$ 3,617,243</u>
<b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u></b>								
<b><u>LIABILITIES:</u></b>								
Accounts payable	\$ -	\$ -	\$ 6,194	\$ -	\$ -	\$ 4,233	\$ 13,854	\$ 140,975
Accrued payroll and payroll taxes payable	-	-	-	-	-	-	12,949	32,304
Due to other funds	-	-	-	-	-	-	-	25,000
Total liabilities	<u>-</u>	<u>-</u>	<u>6,194</u>	<u>-</u>	<u>-</u>	<u>4,233</u>	<u>26,803</u>	<u>198,279</u>
<b><u>DEFERRED INFLOWS OF RESOURCES:</u></b>								
Deferred property taxes	-	-	-	-	-	-	-	1,926
<b><u>FUND BALANCES:</u></b>								
Restricted	-	59,839	138,437	-	-	39,464	221,784	859,327
Committed	17,258	-	-	475	297,911	-	-	2,557,711
Unassigned	-	-	-	-	-	-	-	-
Total fund balances	<u>17,258</u>	<u>59,839</u>	<u>138,437</u>	<u>475</u>	<u>297,911</u>	<u>39,464</u>	<u>221,784</u>	<u>3,417,038</u>
	<u>\$ 17,258</u>	<u>\$ 59,839</u>	<u>\$ 144,631</u>	<u>\$ 475</u>	<u>\$ 297,911</u>	<u>\$ 43,697</u>	<u>\$ 248,587</u>	<u>\$ 3,617,243</u>

**MORROW COUNTY, OREGON**

**Nonmajor Special Revenue Funds**

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

**Year Ended June 30, 2017**

	<u>Heritage</u>	<u>Finley Buttes Road</u>	<u>Commission on Children/ Families</u>	<u>Airport</u>	<u>Law Library</u>	<u>911 Emergency Telephone</u>	<u>Surveyor Preserva- tion</u>	<u>Finley Buttes Lic. Fees</u>
<b><u>REVENUES:</u></b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	3,301	-	290,158	-	-
Fees, fines, and charges for services	-	308,768	-	47,466	6,085	-	14,944	1,361,057
Interest	186	3,453	-	146	382	562	2,263	4,144
Miscellaneous	-	-	-	487	-	-	-	-
Total revenues	<u>186</u>	<u>312,221</u>	<u>-</u>	<u>51,400</u>	<u>6,467</u>	<u>290,720</u>	<u>17,207</u>	<u>1,365,201</u>
<b><u>EXPENDITURES:</u></b>								
General government	-	-	-	46,692	-	-	-	18,097
Public safety	-	-	-	-	-	242,843	-	-
Highways and streets	-	1,310,000	-	-	-	-	-	-
Culture and recreation	216	-	-	-	-	-	2,270	-
Education	-	-	-	-	6,176	-	-	-
Capital outlay	-	-	-	-	-	9,181	-	-
Total expenditures	<u>216</u>	<u>1,310,000</u>	<u>-</u>	<u>46,692</u>	<u>6,176</u>	<u>252,024</u>	<u>2,270</u>	<u>18,097</u>
<b><u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u></b>	<u>(30)</u>	<u>(997,779)</u>	<u>-</u>	<u>4,708</u>	<u>291</u>	<u>38,696</u>	<u>14,937</u>	<u>1,347,104</u>
<b><u>OTHER FINANCING SOURCES (USES):</u></b>								
Operating transfers in	-	-	-	-	-	-	-	-
Operating transfers out	-	(200,000)	-	-	-	(12,000)	-	(1,233,000)
Total other financing sources (uses)	<u>-</u>	<u>(200,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(12,000)</u>	<u>-</u>	<u>(1,233,000)</u>
<b><u>NET CHANGE IN FUND BALANCES:</u></b>	<u>(30)</u>	<u>(1,197,779)</u>	<u>-</u>	<u>4,708</u>	<u>291</u>	<u>26,696</u>	<u>14,937</u>	<u>114,104</u>
<b><u>FUND BALANCE, BEGINNING OF YEAR</u></b>	<u>17,217</u>	<u>1,276,278</u>	<u>66,158</u>	<u>(4,159)</u>	<u>31,394</u>	<u>104,106</u>	<u>201,783</u>	<u>149,450</u>
<b><u>FUND BALANCE, END OF YEAR</u></b>	<u>\$ 17,187</u>	<u>\$ 78,499</u>	<u>\$ 66,158</u>	<u>\$ 549</u>	<u>\$ 31,685</u>	<u>\$ 130,802</u>	<u>\$ 216,720</u>	<u>\$ 263,554</u>

See accompanying independent auditor's report.

**MORROW COUNTY, OREGON**

**Nonmajor Special Revenue Funds**

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

Continued from previous page.

**Year Ended June 30, 2017**

	<u>County School</u>	<u>Ione School</u>	<u>Fair</u>	<u>Special Trans- portation</u>	<u>Alcohol Enforce- ment</u>	<u>Video Lottery Econ. Devel.</u>	<u>Victim/ Witness Assistance</u>	<u>Willow Creek Wind</u>	<u>CAMI Grant</u>
<b><u>REVENUES:</u></b>									
Taxes	\$ 160,516	\$ 15,673	\$ 72,276	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	6,709	655	53,667	125,025	-	78,610	78,618	-	23,469
Fees, fines, and charges for services	-	-	25,516	2,379	-	-	-	38,553	-
Interest	63	6	893	547	245	424	-	36	238
Miscellaneous	-	-	3,041	-	-	-	858	-	-
Total revenues	<u>167,288</u>	<u>16,334</u>	<u>155,393</u>	<u>127,951</u>	<u>245</u>	<u>79,034</u>	<u>79,476</u>	<u>38,589</u>	<u>23,707</u>
<b><u>EXPENDITURES:</u></b>									
General government	-	-	-	137,423	-	45,150	-	-	26,654
Public safety	-	-	-	-	-	-	83,744	-	-
Highways and streets	-	-	-	-	-	-	-	-	-
Culture and recreation	-	-	138,476	-	-	-	-	-	-
Education	167,123	16,318	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	23,000	-	-
Total expenditures	<u>167,123</u>	<u>16,318</u>	<u>138,476</u>	<u>137,423</u>	<u>-</u>	<u>45,150</u>	<u>106,744</u>	<u>-</u>	<u>26,654</u>
<b><u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u></b>	<u>165</u>	<u>16</u>	<u>16,917</u>	<u>(9,472)</u>	<u>245</u>	<u>33,884</u>	<u>(27,268)</u>	<u>38,589</u>	<u>(2,947)</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>									
Operating transfers in	-	-	5,000	-	-	-	48,000	-	-
Operating transfers out	-	-	(7,000)	(7,074)	(500)	(23,670)	-	(40,000)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(2,000)</u>	<u>(7,074)</u>	<u>(500)</u>	<u>(23,670)</u>	<u>48,000</u>	<u>(40,000)</u>	<u>-</u>
<b><u>NET CHANGE IN FUND BALANCES:</u></b>	<u>165</u>	<u>16</u>	<u>14,917</u>	<u>(16,546)</u>	<u>(255)</u>	<u>10,214</u>	<u>20,732</u>	<u>(1,411)</u>	<u>(2,947)</u>
<b><u>FUND BALANCE, BEGINNING OF YEAR</u></b>	<u>184</u>	<u>18</u>	<u>81,744</u>	<u>64,502</u>	<u>22,565</u>	<u>39,756</u>	<u>(1,359)</u>	<u>1,630</u>	<u>11,273</u>
<b><u>FUND BALANCE, END OF YEAR</u></b>	<u>\$ 349</u>	<u>\$ 34</u>	<u>\$ 96,661</u>	<u>\$ 47,956</u>	<u>\$ 22,310</u>	<u>\$ 49,970</u>	<u>\$ 19,373</u>	<u>\$ 219</u>	<u>\$ 8,326</u>

See accompanying independent auditor's report.

Continued on next page.



**MORROW COUNTY, OREGON**

**Nonmajor Special Revenue Funds**

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

Continued from previous page.

**Year Ended June 30, 2017**

	Safety Committee	Rodeo	Justice Court Bail and Fine	Clerks Records	DUII Impact	Building Permit Fees	Parks	Equity	Liquor Control
<b><u>REVENUES:</u></b>									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 153,871	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	181,672	-	-
Fees, fines, and charges for services	-	62,077	548,054	1,899	1,950	163,168	461,824	-	-
Interest	191	487	-	160	269	5,164	3,477	10,543	8
Miscellaneous	5,000	-	-	-	-	-	18,899	-	-
Total revenues	<u>5,191</u>	<u>62,564</u>	<u>548,054</u>	<u>2,059</u>	<u>2,219</u>	<u>168,332</u>	<u>819,743</u>	<u>10,543</u>	<u>8</u>
<b><u>EXPENDITURES:</u></b>									
General government	7,147	-	-	-	-	664	-	12,376	-
Public safety	-	-	549,370	-	654	-	-	-	-
Highways and streets	-	-	-	-	-	-	-	-	-
Culture and recreation	-	73,238	-	-	-	-	682,932	-	-
Education	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	14,175	57,669	-	-
Total expenditures	<u>7,147</u>	<u>73,238</u>	<u>549,370</u>	<u>-</u>	<u>654</u>	<u>14,839</u>	<u>740,601</u>	<u>12,376</u>	<u>-</u>
<b><u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u></b>	<u>(1,956)</u>	<u>(10,674)</u>	<u>(1,316)</u>	<u>2,059</u>	<u>1,565</u>	<u>153,493</u>	<u>79,142</u>	<u>(1,833)</u>	<u>8</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>									
Operating transfers in	-	7,670	-	-	-	-	-	-	-
Operating transfers out	-	-	-	-	-	(85,000)	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>7,670</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(85,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b><u>NET CHANGE IN FUND BALANCES:</u></b>	<u>(1,956)</u>	<u>(3,004)</u>	<u>(1,316)</u>	<u>2,059</u>	<u>1,565</u>	<u>68,493</u>	<u>79,142</u>	<u>(1,833)</u>	<u>8</u>
<b><u>FUND BALANCE, BEGINNING OF YEAR</u></b>	<u>17,090</u>	<u>47,711</u>	<u>17,763</u>	<u>13,675</u>	<u>24,530</u>	<u>450,684</u>	<u>272,281</u>	<u>603,821</u>	<u>805</u>
<b><u>FUND BALANCE, END OF YEAR</u></b>	<u>\$ 15,134</u>	<u>\$ 44,707</u>	<u>\$ 16,447</u>	<u>\$ 15,734</u>	<u>\$ 26,095</u>	<u>\$ 519,177</u>	<u>\$ 351,423</u>	<u>\$ 601,988</u>	<u>\$ 813</u>

See accompanying independent auditor's report.

**MORROW COUNTY, OREGON**

**Nonmajor Special Revenue Funds**

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

Continued from previous page.

**Year Ended June 30, 2017**

	<u>Water Planning</u>	<u>Forest Service</u>	<u>Court Security</u>	<u>Echo Wind Fees</u>	<u>Shepherds Flat Fees</u>	<u>STO Operating Grant</u>	<u>Comm. Corrections Fund</u>	<u>Totals</u>
<b><u>REVENUES:</u></b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 402,336
Intergovernmental	-	-	-	-	-	39,874	453,907	1,335,665
Fees, fines, and charges for services	-	-	12,903	36,990	1,379,922	-	37,439	4,510,994
Interest	-	602	1,502	475	4,569	49	2,804	43,888
Miscellaneous	-	-	-	-	-	54,168	-	82,453
Total revenues	<u>-</u>	<u>602</u>	<u>14,405</u>	<u>37,465</u>	<u>1,384,491</u>	<u>94,091</u>	<u>494,150</u>	<u>6,375,336</u>
<b><u>EXPENDITURES:</u></b>								
General government	-	-	-	28,539	21,500	11,685	-	355,927
Public safety	-	-	8,726	-	-	-	434,802	1,320,139
Highways and streets	-	-	-	-	-	-	-	1,310,000
Culture and recreation	5,000	-	-	-	-	-	-	902,132
Education	-	-	-	-	-	-	-	189,617
Capital outlay	-	-	-	-	-	56,236	-	160,261
Total expenditures	<u>5,000</u>	<u>-</u>	<u>8,726</u>	<u>28,539</u>	<u>21,500</u>	<u>67,921</u>	<u>434,802</u>	<u>4,238,076</u>
<b><u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u></b>	<u>(5,000)</u>	<u>602</u>	<u>5,679</u>	<u>8,926</u>	<u>1,362,991</u>	<u>26,170</u>	<u>59,348</u>	<u>2,137,260</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>								
Operating transfers in	-	-	-	22,981	-	7,074	-	90,725
Operating transfers out	-	-	-	(114,600)	(1,513,000)	-	-	(3,235,844)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(91,619)</u>	<u>(1,513,000)</u>	<u>7,074</u>	<u>-</u>	<u>(3,145,119)</u>
<b><u>NET CHANGE IN FUND BALANCES:</u></b>	<u>(5,000)</u>	<u>602</u>	<u>5,679</u>	<u>(82,693)</u>	<u>(150,009)</u>	<u>33,244</u>	<u>59,348</u>	<u>(1,007,859)</u>
<b><u>FUND BALANCE, BEGINNING OF YEAR</u></b>	<u>22,258</u>	<u>59,237</u>	<u>132,758</u>	<u>83,168</u>	<u>447,920</u>	<u>6,220</u>	<u>162,436</u>	<u>4,424,897</u>
<b><u>FUND BALANCE, END OF YEAR</u></b>	<u>\$ 17,258</u>	<u>\$ 59,839</u>	<u>\$ 138,437</u>	<u>\$ 475</u>	<u>\$ 297,911</u>	<u>\$ 39,464</u>	<u>\$ 221,784</u>	<u>\$ 3,417,038</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, 2017**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES:</u></b>				
Interest	<u>\$ 85</u>	<u>\$ 85</u>	<u>\$ 186</u>	<u>\$ 101</u>
Total revenues	<u>85</u>	<u>85</u>	<u>186</u>	<u>101</u>
<b><u>EXPENDITURES:</u></b>				
Materials and services	<u>17,485</u>	<u>17,485</u>	<u>216</u>	<u>17,269</u>
<b><u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u></b>	<u>(17,400)</u>	<u>(17,400)</u>	<u>(30)</u>	<u>17,370</u>
<b><u>FUND BALANCES, BEGINNING</u></b>	<u>17,400</u>	<u>17,400</u>	<u>17,217</u>	<u>(183)</u>
<b><u>FUND BALANCES, ENDING</u></b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,187</u>	<u>\$ 17,187</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, 2017**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES:</u></b>				
Landfill fees	\$ 275,000	\$ 275,000	\$ 308,768	\$ 33,768
Interest	5,000	5,000	3,453	(1,547)
Total revenues	<u>280,000</u>	<u>280,000</u>	<u>312,221</u>	<u>32,221</u>
<b><u>EXPENDITURES:</u></b>				
Contractual services	<u>1,330,000</u>	<u>1,330,000</u>	<u>1,310,000</u>	<u>20,000</u>
<b><u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u></b>				
	(1,050,000)	(1,050,000)	(997,779)	52,221
<b><u>OTHER FINANCING SOURCES (USES):</u></b>				
Transfers out	<u>(200,000)</u>	<u>(200,000)</u>	<u>(200,000)</u>	<u>-</u>
<b><u>NET CHANGE IN FUND BALANCES</u></b>				
	(1,250,000)	(1,250,000)	(1,197,779)	52,221
<b><u>FUND BALANCES, BEGINNING</u></b>				
	<u>1,250,000</u>	<u>1,250,000</u>	<u>1,276,278</u>	<u>26,278</u>
<b><u>FUND BALANCES, ENDING</u></b>				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 78,499</u>	<u>\$ 78,499</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, 2017**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES:</u></b>				
Interest	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
<b><u>EXPENDITURES:</u></b>	-	-	-	-
Total expenditures	-	-	-	-
<b><u>EXCESS OF REVENUES OVER EXPENDITURES</u></b>	-	-	-	-
<b><u>FUND BALANCES, BEGINNING</u></b>	-	-	-	-
<b><u>FUND BALANCES, ENDING</u></b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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, 2017**

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES:</u></b>				
Grants and other	\$ -	\$ -	\$ 3,301	\$ 3,301
Rental and leases	14,230	14,230	11,895	(2,335)
Charges for services	21,300	21,300	35,571	14,271
Interest	60	60	146	86
Miscellaneous revenue	-	-	487	487
Total revenues	<u>35,590</u>	<u>35,590</u>	<u>51,400</u>	<u>15,810</u>
<b><u>EXPENDITURES:</u></b>				
Materials and services	35,530	37,030	46,692	(9,662)
Contingency	1,560	60	-	60
Total expenditures	<u>37,090</u>	<u>37,090</u>	<u>46,692</u>	<u>(9,602)</u>
<b><u>NET CHANGE IN FUND BALANCES</u></b>	(1,500)	(1,500)	4,708	6,208
<b><u>FUND BALANCES, BEGINNING</u></b>	<u>1,500</u>	<u>1,500</u>	<u>(4,159)</u>	<u>(5,659)</u>
<b><u>FUND BALANCES, ENDING</u></b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 549</u>	<u>\$ 549</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, 2017**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES:</u></b>				
State court, clerk fees	\$ 5,000	\$ 5,000	\$ 6,085	\$ 1,085
Interest	130	130	382	252
Other	-	-	-	-
Total revenues	<u>5,130</u>	<u>5,130</u>	<u>6,467</u>	<u>1,337</u>
<b><u>EXPENDITURES:</u></b>				
Materials and services	<u>39,380</u>	<u>39,380</u>	<u>6,176</u>	<u>33,204</u>
<b><u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u></b>	(34,250)	(34,250)	291	34,541
<b><u>FUND BALANCES, BEGINNING</u></b>	<u>34,250</u>	<u>34,250</u>	<u>31,394</u>	<u>(2,856)</u>
<b><u>FUND BALANCES, ENDING</u></b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,685</u>	<u>\$ 31,685</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, 2017**

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES:</u></b>				
State 911 apportionment	\$ 262,300	\$ 262,300	\$ 290,158	\$ 27,858
Interest	700	700	562	(138)
Other	500	500	-	(500)
Total revenues	<u>263,500</u>	<u>263,500</u>	<u>290,720</u>	<u>27,220</u>
<b><u>EXPENDITURES:</u></b>				
Personnel services	232,931	232,931	204,244	28,687
Materials and services	65,727	65,727	33,600	32,127
Capital outlay	29,000	29,000	16,518	12,482
Total expenditures	<u>327,658</u>	<u>327,658</u>	<u>254,362</u>	<u>73,296</u>
<b><u>EXCESS (DEFICIENCY) OF REVENUES</u></b>				
<b><u>OVER (UNDER) EXPENDITURES</u></b>				
	(64,158)	(64,158)	36,358	100,516
<b><u>OTHER FINANCING SOURCES (USES):</u></b>				
Transfers out	<u>(12,000)</u>	<u>(12,000)</u>	<u>(12,000)</u>	<u>-</u>
<b><u>NET CHANGE IN FUND BALANCES</u></b>				
	(76,158)	(76,158)	24,358	100,516
<b><u>FUND BALANCES, BEGINNING</u></b>				
	<u>76,158</u>	<u>76,158</u>	<u>97,584</u>	<u>21,426</u>
<b><u>FUND BALANCES, ENDING</u></b>				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 121,942</u>	<u>\$ 121,942</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, 2017**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES:</u></b>				
Charges for services	\$ 12,500	\$ 12,500	\$ 14,944	\$ 2,444
Interest	950	950	2,263	1,313
Total revenues	<u>13,450</u>	<u>13,450</u>	<u>17,207</u>	<u>3,757</u>
<b><u>EXPENDITURES:</u></b>				
Materials and services	<u>218,450</u>	<u>218,450</u>	<u>2,270</u>	<u>216,180</u>
<b><u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u></b>	(205,000)	(205,000)	14,937	219,937
<b><u>FUND BALANCES, BEGINNING</u></b>	<u>205,000</u>	<u>205,000</u>	<u>201,783</u>	<u>(3,217)</u>
<b><u>FUND BALANCES, ENDING</u></b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 216,720</u>	<u>\$ 216,720</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, 2017**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES:</u></b>				
Landfill license fees	\$ 1,250,000	\$ 1,250,000	\$ 1,361,057	\$ 111,057
Interest	600	600	4,144	3,544
Total revenues	<u>1,250,600</u>	<u>1,250,600</u>	<u>1,365,201</u>	<u>114,601</u>
<b><u>EXPENDITURES:</u></b>				
Materials and services	<u>25,600</u>	<u>25,600</u>	<u>18,097</u>	<u>7,503</u>
<b><u>EXCESS OF REVENUES OVER EXPENDITURES</u></b>	<u>1,225,000</u>	<u>1,225,000</u>	<u>1,347,104</u>	<u>122,104</u>
<b><u>OTHER FINANCING SOURCES (USES):</u></b>				
Transfers out	<u>(1,275,000)</u>	<u>(1,275,000)</u>	<u>(1,233,000)</u>	<u>42,000</u>
<b><u>NET CHANGE IN FUND BALANCES</u></b>	<u>(50,000)</u>	<u>(50,000)</u>	<u>114,104</u>	<u>164,104</u>
<b><u>FUND BALANCES, BEGINNING</u></b>	<u>50,000</u>	<u>50,000</u>	<u>149,450</u>	<u>99,450</u>
<b><u>FUND BALANCES, ENDING</u></b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 263,554</u>	<u>\$ 263,554</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, 2017**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
<b><u>REVENUES:</u></b>				
Property taxes	\$ 25,013	\$ 25,013	\$ 26,578	\$ 1,565
Federal forest rentals (25%)	33,000	33,000	6,709	(26,291)
In lieu of taxes	113,510	113,510	133,938	20,428
Interest	40	40	63	23
Total revenues	<u>171,563</u>	<u>171,563</u>	<u>167,288</u>	<u>(4,275)</u>
<b><u>EXPENDITURES:</u></b>				
Tax turnovers	<u>171,813</u>	<u>171,813</u>	<u>167,123</u>	<u>4,690</u>
<b><u>EXCESS (DEFICIENCY) OF REVENUES</u></b>				
<b><u>OVER (UNDER) EXPENDITURES</u></b>	(250)	(250)	165	415
<b><u>FUND BALANCES, BEGINNING</u></b>	<u>250</u>	<u>250</u>	<u>184</u>	<u>(66)</u>
<b><u>FUND BALANCES, ENDING</u></b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 349</u>	<u>\$ 349</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, 2017**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES:</u></b>				
Property taxes	\$ 2,431	\$ 2,431	\$ 2,588	\$ 157
Federal forest rentals	500	500	655	155
In lieu of taxes	10,325	13,711	13,085	(626)
Interest	5	5	6	1
Total revenues	<u>13,261</u>	<u>16,647</u>	<u>16,334</u>	<u>(313)</u>
<b><u>EXPENDITURES:</u></b>				
Tax turnovers	<u>13,281</u>	<u>16,667</u>	<u>16,318</u>	<u>349</u>
<b><u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u></b>				
	(20)	(20)	16	36
<b><u>FUND BALANCES, BEGINNING</u></b>				
	<u>20</u>	<u>20</u>	<u>18</u>	<u>(2)</u>
<b><u>FUND BALANCES, ENDING</u></b>				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34</u>	<u>\$ 34</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, 2017**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES:</u></b>				
Gate admissions	\$ 5,000	\$ 5,000	\$ 6,063	\$ 1,063
Concessions	1,050	1,050	480	(570)
Rental of facilities	4,200	4,200	5,108	908
Donations	500	500	225	(275)
Sponsors and premium book advertising	16,000	16,000	13,640	(2,360)
Other	2,050	2,050	3,041	991
Intergovernmental (Oregon State)	52,000	52,000	53,667	1,667
Property taxes	67,853	67,853	72,276	4,423
Interest	160	160	893	733
Total revenues	<u>148,813</u>	<u>148,813</u>	<u>155,393</u>	<u>6,580</u>
<b><u>EXPENDITURES:</u></b>				
Administrative and non-departmental	57,560	57,560	47,938	9,622
Fair	89,707	89,707	78,430	11,277
Queen and court	5,650	5,650	-	5,650
Multipurpose buildings	4,050	4,050	3,029	1,021
St. Pats event	2,260	2,260	-	2,260
Capital outlay	11,255	11,255	9,532	1,723
Operating contingency	27,761	27,761	-	27,761
Total expenditures	<u>198,243</u>	<u>198,243</u>	<u>138,929</u>	<u>59,314</u>
<b><u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u></b>				
	<u>(49,430)</u>	<u>(49,430)</u>	<u>16,464</u>	<u>65,894</u>
<b><u>OTHER FINANCING SOURCES (USES):</u></b>				
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>
<b><u>NET CHANGE IN FUND BALANCES</u></b>				
	<u>(51,430)</u>	<u>(51,430)</u>	<u>14,464</u>	<u>65,894</u>
<b><u>FUND BALANCES, BEGINNING</u></b>				
	<u>66,430</u>	<u>66,430</u>	<u>79,579</u>	<u>13,149</u>
<b><u>FUND BALANCES, ENDING</u></b>				
	<u>\$ 15,000</u>	<u>\$ 15,000</u>	<u>\$ 94,043</u>	<u>\$ 79,043</u>

**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, 2017**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
<b><u>REVENUES:</u></b>				
Grants	\$ 180,000	\$ 180,000	\$ 80,000	\$ (100,000)
Bus receipts and other	2,500	2,500	2,379	(121)
Interest	300	300	547	247
Other	200	200	45,025	44,825
Total revenues	<u>183,000</u>	<u>183,000</u>	<u>127,951</u>	<u>(55,049)</u>
<b><u>EXPENDITURES:</u></b>				
Personal services	77,763	77,763	71,086	6,677
Materials and services	68,600	68,600	66,600	2,000
Contingency	11,813	11,813	-	11,813
Total expenditures	<u>158,176</u>	<u>158,176</u>	<u>137,686</u>	<u>20,490</u>
<b><u>EXCESS (DEFICIENCY) OF REVENUES</u></b>				
<b><u>OVER (UNDER) EXPENDITURES</u></b>				
	<u>24,824</u>	<u>24,824</u>	<u>(9,735)</u>	<u>(34,559)</u>
<b><u>OTHER FINANCING SOURCES (USES):</u></b>				
Transfers out	<u>(62,074)</u>	<u>(62,074)</u>	<u>(7,074)</u>	<u>55,000</u>
<b><u>NET CHANGE IN FUND BALANCES</u></b>				
	<u>(37,250)</u>	<u>(37,250)</u>	<u>(16,809)</u>	<u>20,441</u>
<b><u>FUND BALANCES, BEGINNING</u></b>				
	<u>37,250</u>	<u>37,250</u>	<u>56,316</u>	<u>19,066</u>
<b><u>FUND BALANCES, ENDING</u></b>				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 39,507</u>	<u>\$ 39,507</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, 2017**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES:</u></b>				
Fines and forfeits	\$ 2,000	\$ 2,000	\$ -	\$ (2,000)
Interest	100	100	245	145
Total revenues	<u>2,100</u>	<u>2,100</u>	<u>245</u>	<u>(1,855)</u>
<b><u>EXPENDITURES:</u></b>				
Materials and services	21,600	21,600	-	21,600
Capital outlay	3,000	3,000	-	3,000
Total expenditures	<u>24,600</u>	<u>24,600</u>	<u>-</u>	<u>24,600</u>
<b><u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u></b>				
	(22,500)	(22,500)	245	22,745
<b><u>OTHER FINANCING SOURCES (USES):</u></b>				
Transfers out	<u>(500)</u>	<u>(500)</u>	<u>(500)</u>	<u>-</u>
<b><u>NET CHANGE IN FUND BALANCES</u></b>				
	(23,000)	(23,000)	(255)	22,745
<b><u>FUND BALANCES, BEGINNING</u></b>				
	<u>23,000</u>	<u>23,000</u>	<u>22,565</u>	<u>(435)</u>
<b><u>FUND BALANCES, ENDING</u></b>				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,310</u>	<u>\$ 22,310</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, 2017**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES:</u></b>				
Video lottery	\$ 70,400	\$ 70,400	\$ 78,610	\$ 8,210
Interest	120	120	424	304
Total revenues	<u>70,520</u>	<u>70,520</u>	<u>79,034</u>	<u>8,514</u>
<b><u>EXPENDITURES:</u></b>				
Materials and services	<u>65,000</u>	<u>65,000</u>	<u>45,150</u>	<u>19,850</u>
<b><u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u></b>				
	5,520	5,520	33,884	28,364
<b><u>OTHER FINANCING SOURCES (USES):</u></b>				
Transfers out	<u>(23,670)</u>	<u>(23,670)</u>	<u>(23,670)</u>	<u>-</u>
<b><u>NET CHANGE IN FUND BALANCES</u></b>				
	(18,150)	(18,150)	10,214	28,364
<b><u>FUND BALANCES, BEGINNING</u></b>				
	<u>18,150</u>	<u>18,150</u>	<u>39,756</u>	<u>21,606</u>
<b><u>FUND BALANCES, ENDING</u></b>				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 49,970</u>	<u>\$ 49,970</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, 2017**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES:</u></b>				
State apportionment	\$ 62,920	\$ 67,920	\$ 78,618	\$ 10,698
Other	-	-	858	858
Total revenues	<u>62,920</u>	<u>67,920</u>	<u>79,476</u>	<u>11,556</u>
<b><u>EXPENDITURES:</u></b>				
Personal services	86,964	86,964	78,055	8,909
Materials and services	3,500	7,500	4,618	2,882
Capital outlay	22,206	23,206	23,000	206
Total expenditures	<u>112,670</u>	<u>117,670</u>	<u>105,673</u>	<u>11,997</u>
<b><u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u></b>				
	(49,750)	(49,750)	(26,197)	23,553
<b><u>OTHER FINANCING SOURCES:</u></b>				
Transfers in	<u>48,000</u>	<u>48,000</u>	<u>48,000</u>	<u>-</u>
<b><u>NET CHANGE IN FUND BALANCES</u></b>				
	(1,750)	(1,750)	21,803	23,553
<b><u>FUND BALANCES, BEGINNING</u></b>				
	<u>1,750</u>	<u>1,750</u>	<u>(7,485)</u>	<u>(9,235)</u>
<b><u>FUND BALANCES, ENDING</u></b>				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,318</u>	<u>\$ 14,318</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, 2017**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES:</u></b>				
Wind fees	\$ 46,000	\$ 46,000	\$ 38,553	\$ (7,447)
Interest	120	120	36	(84)
Total revenues	<u>46,120</u>	<u>46,120</u>	<u>38,589</u>	<u>(7,531)</u>
<b><u>EXPENDITURES:</u></b>				
Other requirements	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b><u>EXCESS OF REVENUES OVER EXPENDITURES</u></b>				
	46,120	46,120	38,589	(7,531)
<b><u>OTHER FINANCING SOURCES (USES):</u></b>				
Transfers out	<u>(49,170)</u>	<u>(49,170)</u>	<u>(40,000)</u>	<u>9,170</u>
<b><u>NET CHANGE IN FUND BALANCES</u></b>				
	(3,050)	(3,050)	(1,411)	1,639
<b><u>FUND BALANCES, BEGINNING</u></b>				
	<u>3,050</u>	<u>3,050</u>	<u>1,630</u>	<u>(1,420)</u>
<b><u>FUND BALANCES, ENDING</u></b>				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 219</u>	<u>\$ 219</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, 2017**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES:</u></b>				
Grants	\$ 22,000	\$ 22,000	\$ 23,469	\$ 1,469
Interest	75	75	238	163
Total revenues	<u>22,075</u>	<u>22,075</u>	<u>23,707</u>	<u>1,632</u>
<b><u>EXPENDITURES:</u></b>				
Materials and services	<u>27,875</u>	<u>27,875</u>	<u>26,654</u>	<u>1,221</u>
<b><u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u></b>				
	(5,800)	(5,800)	(2,947)	2,853
<b><u>FUND BALANCES, BEGINNING</u></b>				
	<u>5,800</u>	<u>5,800</u>	<u>11,273</u>	<u>5,473</u>
<b><u>FUND BALANCES, ENDING</u></b>				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,326</u>	<u>\$ 8,326</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, 2017**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES:</u></b>				
SAIF dividend	\$ 5,000	\$ 5,000	\$ 5,000	\$ -
Interest	60	60	191	131
Total revenues	<u>5,060</u>	<u>5,060</u>	<u>5,191</u>	<u>131</u>
<b><u>EXPENDITURES:</u></b>				
Materials and services	<u>26,360</u>	<u>26,360</u>	<u>7,147</u>	<u>19,213</u>
<b><u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u></b>	(21,300)	(21,300)	(1,956)	19,344
<b><u>FUND BALANCES, BEGINNING</u></b>	<u>21,300</u>	<u>21,300</u>	<u>17,090</u>	<u>(4,210)</u>
<b><u>FUND BALANCES, ENDING</u></b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,134</u>	<u>\$ 15,134</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, 2017**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES:</u></b>				
Gate admissions	\$ 14,350	\$ 14,350	\$ 12,931	\$ (1,419)
Concessions	13,400	13,400	11,636	(1,764)
Rodeo entry fees and others	6,000	6,000	5,412	(588)
Rodeo sponsor fees	7,250	7,250	5,925	(1,325)
Donations	20,990	20,990	23,325	2,335
Other	2,000	2,000	2,848	848
Interest	150	150	487	337
Total revenues	<u>64,140</u>	<u>64,140</u>	<u>62,564</u>	<u>(1,576)</u>
<b><u>EXPENDITURES:</u></b>				
Materials and services	87,875	87,875	71,460	16,415
Capital outlay	15,500	15,500	1,778	13,722
Contingency	18,235	18,235	-	18,235
Total expenditures	<u>121,610</u>	<u>121,610</u>	<u>73,238</u>	<u>48,372</u>
<b><u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u></b>				
	<u>(57,470)</u>	<u>(57,470)</u>	<u>(10,674)</u>	<u>46,796</u>
<b><u>OTHER FINANCING SOURCES:</u></b>				
Transfers in	<u>7,670</u>	<u>7,670</u>	<u>7,670</u>	<u>-</u>
<b><u>NET CHANGE IN FUND BALANCES</u></b>				
	<u>(49,800)</u>	<u>(49,800)</u>	<u>(3,004)</u>	<u>46,796</u>
<b><u>FUND BALANCES, BEGINNING</u></b>				
	<u>49,800</u>	<u>49,800</u>	<u>47,711</u>	<u>(2,089)</u>
<b><u>FUND BALANCES, ENDING</u></b>				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 44,707</u>	<u>\$ 44,707</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, 2017**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES:</u></b>				
Fines	\$ 322,000	\$ 529,000	\$ 548,054	\$ 19,054
<b><u>EXPENDITURES:</u></b>				
Fine turnover	<u>343,000</u>	<u>550,000</u>	<u>549,370</u>	<u>630</u>
<b><u>EXCESS OF REVENUES OVER EXPENDITURES</u></b>	(21,000)	(21,000)	(1,316)	19,684
<b><u>FUND BALANCES, BEGINNING</u></b>	<u>21,000</u>	<u>21,000</u>	<u>17,763</u>	<u>(3,237)</u>
<b><u>FUND BALANCES, ENDING</u></b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,447</u>	<u>\$ 16,447</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, 2017**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES:</u></b>				
Records fees	\$ 1,700	\$ 1,700	\$ 1,899	\$ 199
Interest	60	60	160	100
Total revenues	<u>1,760</u>	<u>1,760</u>	<u>2,059</u>	<u>299</u>
<b><u>EXPENDITURES:</u></b>				
Materials and services	<u>14,760</u>	<u>14,760</u>	<u>-</u>	<u>14,760</u>
Total expenditures	<u>14,760</u>	<u>14,760</u>	<u>-</u>	<u>14,760</u>
<b><u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u></b>	(13,000)	(13,000)	2,059	15,059
<b><u>FUND BALANCES, BEGINNING</u></b>	<u>13,000</u>	<u>13,000</u>	<u>13,675</u>	<u>675</u>
<b><u>FUND BALANCES, ENDING</u></b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,734</u>	<u>\$ 15,734</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, 2017**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES:</u></b>				
Court ordered fees	\$ 1,000	\$ 1,000	\$ 1,950	\$ 950
Interest	100	100	269	169
Total revenues	<u>1,100</u>	<u>1,100</u>	<u>2,219</u>	<u>1,119</u>
<b><u>EXPENDITURES:</u></b>				
Materials and services	<u>25,625</u>	<u>25,625</u>	<u>654</u>	<u>24,971</u>
<b><u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u></b>				
	(24,525)	(24,525)	1,565	26,090
<b><u>FUND BALANCES, BEGINNING</u></b>				
	<u>24,525</u>	<u>24,525</u>	<u>24,530</u>	<u>5</u>
<b><u>FUND BALANCES, ENDING</u></b>				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,095</u>	<u>\$ 26,095</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, 2017**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES:</u></b>				
Building permit fees	\$ 90,000	\$ 90,000	\$ 163,168	\$ 73,168
Interest	1,250	1,250	5,164	3,914
Total revenues	<u>91,250</u>	<u>91,250</u>	<u>168,332</u>	<u>77,082</u>
<b><u>EXPENDITURES:</u></b>				
Capital outlay	<u>15,000</u>	<u>15,000</u>	<u>14,839</u>	<u>161</u>
<b><u>EXCESS OF REVENUES OVER EXPENDITURES</u></b>				
	76,250	76,250	153,493	77,243
<b><u>OTHER FINANCING SOURCES (USES):</u></b>				
Transfers out	<u>(85,000)</u>	<u>(85,000)</u>	<u>(85,000)</u>	<u>-</u>
<b><u>NET CHANGE IN FUND BALANCES</u></b>				
	(8,750)	(8,750)	68,493	77,243
<b><u>FUND BALANCES, BEGINNING</u></b>				
	<u>390,000</u>	<u>390,000</u>	<u>450,684</u>	<u>60,684</u>
<b><u>FUND BALANCES, ENDING</u></b>				
	<u>\$ 381,250</u>	<u>\$ 381,250</u>	<u>\$ 519,177</u>	<u>\$ 137,927</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, 2017**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES:</u></b>				
Grants	\$ 685,020	\$ 723,020	\$ 461,824	\$ (261,196)
Camping fees and other charges for services	157,957	161,031	181,672	20,641
State apportionment	100,000	100,000	153,871	53,871
Interest	800	800	3,477	2,677
Other	3,050	3,050	18,899	15,849
Total revenues	<u>946,827</u>	<u>987,901</u>	<u>819,743</u>	<u>(168,158)</u>
<b><u>EXPENDITURES:</u></b>				
Cutsforth park	486,771	486,771	254,853	231,918
Anson Wright park	43,136	46,210	47,235	(1,025)
OHV park	546,920	584,920	438,261	146,659
Contingency	25,000	25,000	-	25,000
Total expenditures	<u>1,101,827</u>	<u>1,142,901</u>	<u>740,349</u>	<u>402,552</u>
<b><u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u></b>				
	(155,000)	(155,000)	79,394	234,394
<b><u>FUND BALANCES, BEGINNING</u></b>				
	<u>155,000</u>	<u>155,000</u>	<u>267,209</u>	<u>112,209</u>
<b><u>FUND BALANCES, ENDING</u></b>				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 346,603</u>	<u>\$ 346,603</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, 2017**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES:</u></b>				
Interest-Loans	\$ 6,500	\$ 56,500	\$ 8,987	\$ (47,513)
Interest	1,050	1,050	1,556	506
Total revenues	<u>7,550</u>	<u>57,550</u>	<u>10,543</u>	<u>(47,007)</u>
<b><u>EXPENDITURES:</u></b>				
Materials and services	<u>17,550</u>	<u>67,550</u>	<u>12,376</u>	<u>55,174</u>
<b><u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u></b>				
	(10,000)	(10,000)	(1,833)	8,167
<b><u>FUND BALANCES, BEGINNING</u></b>				
	<u>10,000</u>	<u>10,000</u>	<u>603,821</u>	<u>593,821</u>
<b><u>FUND BALANCES, ENDING</u></b>				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 601,988</u>	<u>\$ 601,988</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, 2017**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES:</u></b>				
Interest	\$ 5	\$ 5	\$ 8	\$ 3
Total Revenues	<u>5</u>	<u>5</u>	<u>8</u>	<u>3</u>
<b><u>EXPENDITURES:</u></b>				
Materials and services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b><u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u></b>	5	5	8	3
<b><u>FUND BALANCES, BEGINNING</u></b>	<u>805</u>	<u>805</u>	<u>805</u>	<u>-</u>
<b><u>FUND BALANCES, ENDING</u></b>	<u>\$ 810</u>	<u>\$ 810</u>	<u>\$ 813</u>	<u>\$ 3</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, 2017**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES:</u></b>				
Grant revenue	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b><u>EXPENDITURES:</u></b>				
Materials and services	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>
<b><u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u></b>	<u>(5,000)</u>	<u>(5,000)</u>	<u>(5,000)</u>	<u>-</u>
<b><u>FUND BALANCES, BEGINNING</u></b>	<u>-</u>	<u>-</u>	<u>22,258</u>	<u>22,258</u>
<b><u>FUND BALANCES, ENDING</u></b>	<u>\$ (5,000)</u>	<u>\$ (5,000)</u>	<u>\$ 17,258</u>	<u>\$ 22,258</u>

See accompanying independent auditor's report.

**MORROW COUNTY, OREGON**

**Forest Service Fund**

**Schedule of Revenues, Expenditures, and Changes in Fund Balances**

**Budget (Non-GAAP Budgetary Basis) to Actual**

**Year Ended June 30, 2017**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES:</u></b>				
State apportionment	\$ 5,000	\$ 5,000	\$ -	\$ (5,000)
Interest	250	250	602	352
Total revenues	<u>5,250</u>	<u>5,250</u>	<u>602</u>	<u>(4,648)</u>
<b><u>EXPENDITURES:</u></b>				
Materials and services	<u>64,500</u>	<u>64,500</u>	<u>-</u>	<u>64,500</u>
<b><u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u></b>				
	<u>(59,250)</u>	<u>(59,250)</u>	<u>602</u>	<u>59,852</u>
<b><u>FUND BALANCES, BEGINNING</u></b>				
	<u>59,250</u>	<u>59,250</u>	<u>59,237</u>	<u>(13)</u>
<b><u>FUND BALANCES, ENDING</u></b>				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 59,839</u>	<u>\$ 59,839</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, 2017**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES:</u></b>				
Court security	\$ 10,000	\$ 10,000	\$ 12,903	\$ 2,903
Interest	625	625	1,502	877
Total revenues	<u>10,625</u>	<u>10,625</u>	<u>14,405</u>	<u>3,780</u>
<b><u>EXPENDITURES:</u></b>				
Materials and services	113,625	113,625	8,726	104,899
Capital outlay	10,000	10,000	-	10,000
Total expenditures	<u>123,625</u>	<u>123,625</u>	<u>8,726</u>	<u>114,899</u>
<b><u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u></b>				
	(113,000)	(113,000)	5,679	118,679
<b><u>FUND BALANCES, BEGINNING</u></b>				
	<u>133,000</u>	<u>133,000</u>	<u>132,758</u>	<u>(242)</u>
<b><u>FUND BALANCES, ENDING</u></b>				
	<u>\$ 20,000</u>	<u>\$ 20,000</u>	<u>\$ 138,437</u>	<u>\$ 118,437</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, 2017**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES:</u></b>				
Wind fees	\$ 60,000	\$ 60,000	\$ 36,990	\$ (23,010)
Interest	100	100	475	375
Total revenues	<u>60,100</u>	<u>60,100</u>	<u>37,465</u>	<u>(22,635)</u>
<b><u>EXPENDITURES:</u></b>				
Other requirements	<u>22,981</u>	<u>22,981</u>	<u>28,539</u>	<u>(5,558)</u>
<b><u>EXCESS OF REVENUES OVER EXPENDITURES</u></b>				
	37,119	37,119	8,926	(28,193)
<b><u>OTHER FINANCING SOURCES (USES):</u></b>				
Transfers in	22,981	22,981	22,981	-
Transfers out	<u>(114,600)</u>	<u>(114,600)</u>	<u>(114,600)</u>	<u>-</u>
Total other financing sources (uses)	<u>(91,619)</u>	<u>(91,619)</u>	<u>(91,619)</u>	<u>-</u>
<b><u>NET CHANGE IN FUND BALANCES</u></b>				
	(54,500)	(54,500)	(82,693)	(28,193)
<b><u>FUND BALANCES, BEGINNING</u></b>				
	<u>54,500</u>	<u>54,500</u>	<u>83,168</u>	<u>28,668</u>
<b><u>FUND BALANCES, ENDING</u></b>				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 475</u>	<u>\$ 475</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, 2017**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES:</u></b>				
Wind fees	\$ 1,307,000	\$ 1,307,000	\$ 1,379,922	\$ 72,922
Interest	1,800	1,800	4,569	2,769
Total revenues	<u>1,308,800</u>	<u>1,308,800</u>	<u>1,384,491</u>	<u>75,691</u>
<b><u>EXPENDITURES:</u></b>				
Materials and services	219,300	219,300	-	219,300
Capital outlay	21,500	21,500	21,500	-
Total expenditures	<u>240,800</u>	<u>240,800</u>	<u>21,500</u>	<u>219,300</u>
<b><u>EXCESS OF REVENUES OVER EXPENDITURES</u></b>				
	1,068,000	1,068,000	1,362,991	294,991
<b><u>OTHER FINANCING SOURCES (USES):</u></b>				
Transfers out	<u>(1,513,000)</u>	<u>(1,513,000)</u>	<u>(1,513,000)</u>	<u>-</u>
<b><u>NET CHANGE IN FUND BALANCES</u></b>				
	(445,000)	(445,000)	(150,009)	294,991
<b><u>FUND BALANCES, BEGINNING</u></b>				
	<u>445,000</u>	<u>445,000</u>	<u>447,920</u>	<u>2,920</u>
<b><u>FUND BALANCES, ENDING</u></b>				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 297,911</u>	<u>\$ 297,911</u>

See accompanying independent auditor's report.

**MORROW COUNTY, OREGON**

**STO Operating Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget (Non-GAAP Budgetary Basis) to Actual**  
**Year Ended June 30, 2017**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES:</u></b>				
STO operating grant	\$ 89,876	\$ 89,876	\$ 39,874	\$ (50,002)
Interest	20	20	49	29
Other	-	-	54,168	54,168
Total revenues	<u>89,896</u>	<u>89,896</u>	<u>94,091</u>	<u>4,195</u>
<b><u>EXPENDITURES:</u></b>				
Materials and services	55,303	55,303	35,486	19,817
Capital outlay	47,147	47,147	32,435	14,712
Total expenditures	<u>102,450</u>	<u>102,450</u>	<u>67,921</u>	<u>34,529</u>
<b><u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u></b>	(12,554)	(12,554)	26,170	38,724
<b><u>OTHER FINANCING SOURCES:</u></b>				
Transfers in	7,074	7,074	7,074	-
<b><u>NET CHANGE IN FUND BALANCES</u></b>	(5,480)	(5,480)	33,244	38,724
<b><u>FUND BALANCES, BEGINNING</u></b>	5,480	5,480	6,220	740
<b><u>FUND BALANCES, ENDING</u></b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 39,464</u>	<u>\$ 39,464</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, 2017**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES:</u></b>				
State P&P revenue	\$ 382,883	\$ 382,883	\$ 453,907	\$ 71,024
Charges for services and other	30,500	30,500	37,439	6,939
Interest	600	600	2,804	2,204
Other	500	500	-	(500)
Total revenues	<u>414,483</u>	<u>414,483</u>	<u>494,150</u>	<u>79,667</u>
<b><u>EXPENDITURES:</u></b>				
Personal services	382,915	382,915	367,163	15,752
Materials and services	96,477	96,477	66,888	29,589
Capital outlay	1,500	1,500	685	815
Contingency	31,016	31,016	-	31,016
Total expenditures	<u>511,908</u>	<u>511,908</u>	<u>434,736</u>	<u>77,172</u>
<b><u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u></b>				
	(97,425)	(97,425)	59,414	156,839
<b><u>FUND BALANCES, BEGINNING</u></b>				
	97,425	97,425	153,691	56,266
<b><u>FUND BALANCES, ENDING</u></b>				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 213,105</u>	<u>\$ 213,105</u>

See accompanying independent auditor's report.

**MORROW COUNTY, OREGON**

**Non-Major Capital Projects Funds**

**June 30, 2017**

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, 2017**

	<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>
<b><u>ASSETS:</u></b>											
Cash	\$ 465,353	\$ 53,113	\$ 53,868	\$ 5,025	\$ 136,448	\$ 17,505	\$ 41,231	\$ 25,945	\$ 5,533	\$ 201,637	\$1,005,658
Total assets	<u>\$ 465,353</u>	<u>\$ 53,113</u>	<u>\$ 53,868</u>	<u>\$ 5,025</u>	<u>\$ 136,448</u>	<u>\$ 17,505</u>	<u>\$ 41,231</u>	<u>\$ 25,945</u>	<u>\$ 5,533</u>	<u>\$ 201,637</u>	<u>\$1,005,658</u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>											
<b><u>LIABILITIES:</u></b>											
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 41,375	\$ -	\$ -	\$ -	\$ -	\$ 6,700	\$ 48,075
<b><u>FUND BALANCES:</u></b>											
Committed	465,353	53,113	53,868	5,025	95,073	17,505	41,231	25,945	5,533	194,937	957,583
Total liabilities and fund balances	<u>\$ 465,353</u>	<u>\$ 53,113</u>	<u>\$ 53,868</u>	<u>\$ 5,025</u>	<u>\$ 136,448</u>	<u>\$ 17,505</u>	<u>\$ 41,231</u>	<u>\$ 25,945</u>	<u>\$ 5,533</u>	<u>\$ 201,637</u>	<u>\$1,005,658</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, 2017**

	<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>
<b><u>REVENUES:</u></b>											
Miscellaneous	\$ -	\$ -	\$ -	\$ -	\$ 25,043	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,043
Interest	4,539	494	454	25	1,380	168	941	298	7	1,938	10,244
Total revenues	<u>4,539</u>	<u>494</u>	<u>454</u>	<u>25</u>	<u>26,423</u>	<u>168</u>	<u>941</u>	<u>298</u>	<u>7</u>	<u>1,938</u>	<u>35,287</u>
<b><u>EXPENDITURES</u></b>											
General government	-	-	-	-	23,801	-	46,989	-	-	9,508	80,298
Highways and streets	16,700	-	-	-	-	-	-	-	-	-	16,700
Cultural and recreation	-	-	-	-	-	-	-	14,539	-	-	14,539
Capital outlay	35,330	-	-	-	41,375	-	-	-	-	-	76,705
Debt service	-	-	-	-	-	-	379,895	-	-	-	379,895
Total expenditures	<u>52,030</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>65,176</u>	<u>-</u>	<u>426,884</u>	<u>14,539</u>	<u>-</u>	<u>9,508</u>	<u>568,137</u>
<b><u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u></b>											
	<u>(47,491)</u>	<u>494</u>	<u>454</u>	<u>25</u>	<u>(38,753)</u>	<u>168</u>	<u>(425,943)</u>	<u>(14,241)</u>	<u>7</u>	<u>(7,570)</u>	<u>(532,850)</u>
<b><u>OTHER FINANCING SOURCES:</u></b>											
Transfers in	175,000	15,000	15,000	5,000	-	2,000	441,000	-	5,000	50,000	708,000
Total other financing sources	<u>175,000</u>	<u>15,000</u>	<u>15,000</u>	<u>5,000</u>	<u>-</u>	<u>2,000</u>	<u>441,000</u>	<u>-</u>	<u>5,000</u>	<u>50,000</u>	<u>708,000</u>
<b><u>NET CHANGE IN FUND BALANCES</u></b>											
	<u>127,509</u>	<u>15,494</u>	<u>15,454</u>	<u>5,025</u>	<u>(38,753)</u>	<u>2,168</u>	<u>15,057</u>	<u>(14,241)</u>	<u>5,007</u>	<u>42,430</u>	<u>175,150</u>
<b><u>FUND BALANCES, BEGIN.</u></b>	<u>337,844</u>	<u>37,619</u>	<u>38,414</u>	<u>-</u>	<u>133,826</u>	<u>15,337</u>	<u>26,174</u>	<u>40,186</u>	<u>526</u>	<u>152,507</u>	<u>782,433</u>
<b><u>FUND BALANCES, ENDING</u></b>	<u>\$ 465,353</u>	<u>\$ 53,113</u>	<u>\$ 53,868</u>	<u>\$ 5,025</u>	<u>\$ 95,073</u>	<u>\$ 17,505</u>	<u>\$ 41,231</u>	<u>\$ 25,945</u>	<u>\$ 5,533</u>	<u>\$ 194,937</u>	<u>\$ 957,583</u>

See accompanying independent auditor's report.

**MORROW COUNTY, OREGON**

**Road Equipment Reserve Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget (Non-GAAP Budgetary Basis) to Actual**  
**Year Ended June 30, 2017**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES:</u></b>				
Interest	\$ 650	\$ 650	\$ 4,539	3,889
Total revenues	650	650	4,539	3,889
<b><u>EXPENDITURES:</u></b>				
Capital outlay	512,900	512,900	52,030	460,870
<b><u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u></b>				
	(512,250)	(512,250)	(47,491)	464,759
<b><u>OTHER FINANCING SOURCES:</u></b>				
Transfers in	175,000	175,000	175,000	-
<b><u>NET CHANGE IN FUND BALANCES</u></b>				
	(337,250)	(337,250)	127,509	464,759
<b><u>FUND BALANCES, BEGINNING</u></b>				
	337,250	337,250	337,844	594
<b><u>FUND BALANCES, ENDING</u></b>				
	\$ -	\$ -	\$ 465,353	\$ 465,353

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, 2017**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES:</u></b>				
Interest	<u>\$ 150</u>	<u>\$ 150</u>	<u>\$ 494</u>	<u>\$ 344</u>
<b><u>EXPENDITURES:</u></b>				
Capital outlay	<u>52,700</u>	<u>52,700</u>	<u>-</u>	<u>52,700</u>
<b><u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u></b>	<u>(52,550)</u>	<u>(52,550)</u>	<u>494</u>	<u>53,044</u>
<b><u>OTHER FINANCING SOURCES:</u></b>				
Transfers in	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>	<u>-</u>
<b><u>NET CHANGE IN FUND BALANCES</u></b>	<u>(37,550)</u>	<u>(37,550)</u>	<u>15,494</u>	<u>53,044</u>
<b><u>FUND BALANCES, BEGINNING</u></b>	<u>37,550</u>	<u>37,550</u>	<u>37,619</u>	<u>69</u>
<b><u>FUND BALANCES, ENDING</u></b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 53,113</u>	<u>\$ 53,113</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, 2017**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES:</u></b>				
Interest	<u>\$ 100</u>	<u>\$ 100</u>	<u>\$ 454</u>	<u>\$ 354</u>
<b><u>EXPENDITURES:</u></b>				
Capital outlay	<u>53,500</u>	<u>53,500</u>	<u>-</u>	<u>53,500</u>
<b><u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u></b>	<u>(53,400)</u>	<u>(53,400)</u>	<u>454</u>	<u>53,854</u>
<b><u>OTHER FINANCING SOURCES:</u></b>				
Transfers in	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>	<u>-</u>
<b><u>NET CHANGE IN FUND BALANCES</u></b>	<u>(38,400)</u>	<u>(38,400)</u>	<u>15,454</u>	<u>53,854</u>
<b><u>FUND BALANCES, BEGINNING</u></b>	<u>38,400</u>	<u>38,400</u>	<u>38,414</u>	<u>14</u>
<b><u>FUND BALANCES, ENDING</u></b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 53,868</u>	<u>\$ 53,868</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, 2017**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES:</u></b>				
Interest	<u>\$ 150</u>	<u>\$ 150</u>	<u>\$ 25</u>	<u>\$ (125)</u>
<b><u>EXPENDITURES:</u></b>				
Capital outlay	<u>36,094</u>	<u>36,094</u>	<u>-</u>	<u>36,094</u>
<b><u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u></b>	<u>(35,944)</u>	<u>(35,944)</u>	<u>25</u>	<u>35,969</u>
<b><u>OTHER FINANCING SOURCES:</u></b>				
Transfers in	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>
<b><u>NET CHANGE IN FUND BALANCES</u></b>	<u>(30,944)</u>	<u>(30,944)</u>	<u>5,025</u>	<u>35,969</u>
<b><u>FUND BALANCES, BEGINNING</u></b>	<u>30,944</u>	<u>30,944</u>	<u>-</u>	<u>(30,944)</u>
<b><u>FUND BALANCES, ENDING</u></b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,025</u>	<u>\$ 5,025</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, 2017**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
<b><u>REVENUES:</u></b>				
Sale of equipment	\$ -	\$ -	\$ 25,043	\$ 25,043
Interest	525	525	1,380	855
Total revenues	525	525	26,423	25,898
<b><u>EXPENDITURES:</u></b>				
Capital outlay	185,525	185,525	65,176	120,349
<b><u>EXCESS (DEFICIENCY) OF REVENUES</u></b>				
<b><u>OVER (UNDER) EXPENDITURES</u></b>	(185,000)	(185,000)	(38,753)	146,247
<b><u>OTHER FINANCING SOURCES:</u></b>				
Transfers in	55,000	55,000	-	(55,000)
<b><u>NET CHANGE IN FUND BALANCES</u></b>	(130,000)	(130,000)	(38,753)	91,247
<b><u>FUND BALANCES, BEGINNING</u></b>	130,000	130,000	133,826	3,826
<b><u>FUND BALANCES, ENDING</u></b>	\$ -	\$ -	\$ 95,073	\$ 95,073

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, 2017**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES:</u></b>				
Interest	<u>\$ 65</u>	<u>\$ 65</u>	<u>\$ 168</u>	<u>\$ 103</u>
<b><u>EXPENDITURES:</u></b>				
Capital outlay	<u>17,565</u>	<u>17,565</u>	<u>-</u>	<u>17,565</u>
<b><u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u></b>	<u>(17,500)</u>	<u>(17,500)</u>	<u>168</u>	<u>17,668</u>
<b><u>OTHER FINANCING SOURCES:</u></b>				
Transfers in	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>	<u>-</u>
<b><u>NET CHANGE IN FUND BALANCES</u></b>	<u>(15,500)</u>	<u>(15,500)</u>	<u>2,168</u>	<u>17,668</u>
<b><u>FUND BALANCES, BEGINNING</u></b>	<u>15,500</u>	<u>15,500</u>	<u>15,337</u>	<u>(163)</u>
<b><u>FUND BALANCES, ENDING</u></b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,505</u>	<u>\$ 17,505</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, 2017

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES:</u></b>				
Interest	\$ -	\$ -	\$ 941	\$ 941
Total revenues	-	-	941	941
<b><u>EXPENDITURES:</u></b>				
Materials and services	394,000	391,000	379,896	11,104
Capital outlay	-	50,000	46,988	3,012
Total expenditures	394,000	441,000	426,884	14,116
<b><u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u></b>				
	(394,000)	(441,000)	(425,943)	15,057
<b><u>OTHER FINANCING SOURCES:</u></b>				
Transfers in	394,000	441,000	441,000	-
Total other financing sources	394,000	441,000	441,000	-
<b><u>NET CHANGE IN FUND BALANCES</u></b>				
	-	-	15,057	15,057
<b><u>FUND BALANCES, BEGINNING</u></b>				
	-	-	26,174	26,174
<b><u>FUND BALANCES, ENDING</u></b>				
	\$ -	\$ -	\$ 41,231	\$ 41,231

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, 2017**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES:</u></b>				
Interest	<u>\$ 200</u>	<u>\$ 200</u>	<u>\$ 298</u>	<u>\$ 98</u>
<b><u>EXPENDITURES:</u></b>				
Capital outlay	<u>40,350</u>	<u>40,350</u>	<u>14,539</u>	<u>25,811</u>
<b><u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u></b>	<u>(40,150)</u>	<u>(40,150)</u>	<u>(14,241)</u>	<u>25,909</u>
<b><u>FUND BALANCES, BEGINNING</u></b>	<u>40,150</u>	<u>40,150</u>	<u>40,186</u>	<u>36</u>
<b><u>FUND BALANCES, ENDING</u></b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,945</u>	<u>\$ 25,945</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, 2017**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES:</u></b>				
Interest	<u>\$ 10</u>	<u>\$ 10</u>	<u>\$ 7</u>	<u>\$ (3)</u>
<b><u>EXPENDITURES:</u></b>				
Capital outlay	<u>5,535</u>	<u>5,535</u>	<u>-</u>	<u>5,535</u>
<b><u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u></b>	<u>(5,525)</u>	<u>(5,525)</u>	<u>7</u>	<u>5,532</u>
<b><u>OTHER FINANCING SOURCES:</u></b>				
Transfers in	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>
<b><u>NET CHANGE IN FUND BALANCES</u></b>	<u>(525)</u>	<u>(525)</u>	<u>5,007</u>	<u>5,532</u>
<b><u>FUND BALANCES, BEGINNING</u></b>	<u>525</u>	<u>525</u>	<u>526</u>	<u>1</u>
<b><u>FUND BALANCES, ENDING</u></b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,533</u>	<u>\$ 5,533</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, 2017**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES:</u></b>				
Interest	<u>\$ 600</u>	<u>\$ 600</u>	<u>\$ 1,938</u>	<u>\$ 1,338</u>
<b><u>EXPENDITURES</u></b>				
Capital outlay	<u>206,100</u>	<u>206,100</u>	<u>9,508</u>	<u>196,592</u>
<b><u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u></b>	<u>(205,500)</u>	<u>(205,500)</u>	<u>(7,570)</u>	<u>197,930</u>
<b><u>OTHER FINANCING SOURCES:</u></b>				
Transfers in	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>
<b><u>NET CHANGE IN FUND BALANCES</u></b>	<u>(155,500)</u>	<u>(155,500)</u>	<u>42,430</u>	<u>197,930</u>
<b><u>FUND BALANCES, BEGINNING</u></b>	<u>155,500</u>	<u>155,500</u>	<u>152,507</u>	<u>(2,993)</u>
<b><u>FUND BALANCES, ENDING</u></b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 194,937</u>	<u>\$ 194,937</u>

See accompanying independent auditor's report.



**MORROW COUNTY, OREGON**

**Other Schedules**

**June 30, 2017**

**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, 2017**

	ASSETS			LIABILITIES AND FUND EQUITY		
	Cash and Investments	Taxes Receivable	Total	Payable to Other Agencies	Fund Balance	Total
<b><u>AGENCY FUNDS:</u></b>						
Property taxes	\$ -	\$ 760,362	\$ 760,362	\$ 760,362	\$ -	\$ 760,362
Assessments and taxation	16,141	-	16,141	16,141	-	16,141
Treasurer's account	1,081	-	1,081	1,081	-	1,081
Morrow Co. medical fund	4,662	-	4,662	4,662	-	4,662
Other districts, general	6,371	-	6,371	6,371	-	6,371
Other districts, debt service	6,388	-	6,388	6,388	-	6,388
Fire districts, general	609,857	-	609,857	609,857	-	609,857
Cemetery districts	101,130	-	101,130	101,130	-	101,130
Park districts	2,215	-	2,215	2,215	-	2,215
Water control districts	20	-	20	20	-	20
School districts, general	27,872	-	27,872	27,872	-	27,872
School districts, debt service	252,687	-	252,687	252,687	-	252,687
Morrow County Unified Recreation	309,951	-	309,951	309,951	-	309,951
North Morrow vector control	1,110	-	1,110	1,110	-	1,110
Ione-Lex Perpetual	25,657	-	25,657	25,657	-	25,657
Finley buttes landfill	1,183,030	-	1,183,030	1,183,030	-	1,183,030
Library district	36,740	-	36,740	36,740	-	36,740
Other	38,609	-	38,609	38,609	-	38,609
Mobile home ombudsman	13	-	13	13	-	13
<b>Total</b>	<b>\$ 2,623,534</b>	<b>\$ 760,362</b>	<b>\$ 3,383,896</b>	<b>\$ 3,383,896</b>	<b>\$ -</b>	<b>\$ 3,383,896</b>

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, 2017**

	Cash and Investments June 30, 2016	Additions	Deductions	Cash and Investments June 30, 2017
<b><u>AGENCY FUNDS:</u></b>				
Property taxes	\$ -	\$31,781,755	\$31,781,755	\$ -
Assessments and taxation	17,195	68,921	69,975	16,141
Treasurer's account	1,060	41,968	41,947	1,081
Morrow Co. Health District	6,216	1,998,884	2,000,438	4,662
Other districts, general	8,863	2,511,893	2,514,385	6,371
Other districts, debt service	5,650	679,276	678,538	6,388
Fire districts, general	493,256	1,660,805	1,544,204	609,857
Cemetery districts	104,447	162,815	166,132	101,130
Library districts	36,681	518,554	518,495	36,740
Park districts	3,153	987,706	988,644	2,215
Water control districts	29	8,831	8,840	20
School districts, general	37,475	11,502,543	11,512,146	27,872
School districts, debt service	1,804,734	1,122,389	2,674,436	252,687
Morrow County Unified Recreation	213,172	996,779	900,000	309,951
North Morrow vector control	1,363	462,201	462,454	1,110
Ione-Lex Perpetual	24,857	800	-	25,657
Finley buttes landfill	1,170,333	12,697	-	1,183,030
Morrow County Enterprise Zone	-	406,736	406,736	-
Other	22,917	945,638	929,946	38,609
Mobile home ombudsman	14	5,570	5,571	13
Total	<u>\$ 3,951,415</u>	<u>\$55,876,761</u>	<u>\$57,204,642</u>	<u>\$ 2,623,534</u>

See accompanying independent auditor's report.

**MORROW COUNTY, OREGON**

**Schedule of Accountability -- County Treasurer**

**Cash Transactions**

**Year Ended June 30, 2017**

<b><u>COUNTY FUNDS:</u></b>	Cash Balance <u>June 30, 2016</u>	Receipts	Disbursements	Cash Balance <u>June 30, 2017</u>
General	5,867,948	14,810,757	13,543,141	\$ 7,135,564
Heritage	17,433	187	217	17,403
Road Fund Equipment	337,844	179,539	52,030	465,353
General Road	992,124	6,025,352	5,745,193	1,272,283
Finley Buttes Road	1,246,570	335,259	1,570,000	11,829
Juvenile Services Commission	66,158	-	-	66,158
Airport	9,061	48,385	37,589	19,857
Law Library	32,742	6,468	7,129	32,081
911 Emergency Telephone	42,441	324,824	305,293	61,972
Surveyor Preservation	201,545	18,309	3,219	216,635
Finley Buttes license fee	34,296	1,258,897	1,292,530	663
County School	81	167,106	167,123	64
Ione School	8	16,317	16,319	6
Fair	84,168	161,973	143,853	102,288
Computer Equipment Reserve	37,619	15,494	-	53,113
Special Transportation	59,440	239,915	255,435	43,920
Programming Reserve	38,414	15,454	-	53,868
Alcohol Enforcement	22,565	467	722	22,310
Video Lottery	39,756	79,034	68,820	49,970
Victim/Witness Assistance	(9,940)	135,402	107,021	18,441
Willow Creek Wind	1,630	139,839	141,250	219
CAMI Grant	15,975	31,530	22,982	24,523
Weed Equipment Reserve	-	5,025	-	5,025
STF Vehicle Reserve	133,826	136,423	133,801	136,448
Roof Reserve	15,337	2,168	-	17,505
Heppner Admin Building	33,068	442,041	433,878	41,231
Safety committee	17,882	5,192	6,965	16,109
Bleacher Reserve	40,186	298	14,539	25,945
Rodeo	48,576	70,581	73,210	45,947
Justice Court	55,836	570,586	561,193	65,229
Clerks Records	13,666	2,040	50	15,656
DUII Impact	24,530	2,270	692	26,108
Fair Improvement Reserve	526	5,007	-	5,533
Building Permit Fees	440,897	147,036	99,839	488,094
Park	256,255	692,641	721,630	227,266
Equity	95,134	68,170	67,509	95,795
Building Reserve	152,507	51,939	2,809	201,637
Liquor Control	805	8	-	813
Water Planning	22,258	-	5,000	17,258
Forest Service	59,237	602	-	59,839
Court Security	131,882	15,149	2,570	144,461
Echo Wind Fees	54,629	166,489	220,643	475
Shepherds Flat Fees	448,120	1,769,275	1,919,484	297,911
STO Operating Grant	2,898	91,588	63,688	30,798
Community Corrections	182,958	503,145	438,209	247,894
Total County Funds	<u>11,368,891</u>	<u>28,758,181</u>	<u>28,245,575</u>	<u>11,881,497</u>
<b><u>AGENCY FUNDS</u></b>	<u>3,951,415</u>	<u>55,876,761</u>	<u>57,204,642</u>	<u>2,623,534</u>
County Treasurer Totals	<u>\$ 15,320,306</u>	<u>\$ 84,634,942</u>	<u>\$ 85,450,217</u>	<u>\$ 14,505,031</u>

See accompanying independent auditor's report.

**MORROW COUNTY, OREGON**

**Schedule of Accountability -- Other Elected Officials**

**Cash Transactions**

**Year Ended June 30, 2017**

	<u>Sheriff</u>
<b><u>CASH BALANCE, JUNE 30, 2016</u></b>	<u>\$ 1,637</u>
<b><u>CASH RECEIPTS</u></b>	<u>58,649</u>
<b><u>CASH DISBURSEMENTS:</u></b>	
Turnover to County Treasurer	<u>58,461</u>
<b><u>CASH BALANCE, JUNE 30, 2017</u></b>	<u><u>\$ 1,825</u></u>

See accompanying independent auditor's report.

**MORROW COUNTY, OREGON**

**Schedule of Cash and Investments**

**June 30, 2017**

County Treasurer	\$ 14,505,031
Other elected officials	1,825
Cash on hand, various funds	<u>1,789</u>
Total cash and investments	<u><u>\$ 14,508,645</u></u>

See accompanying independent auditor's report.

**MORROW COUNTY, OREGON**

**Schedule of Property Tax Transactions and Outstanding Balances**  
**Year Ended June 30, 2017**

<u>Fiscal Year</u>	<u>Property Taxes Receivable July 1, 2016</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, 2017</u>
2016-17	\$ -	\$ 32,931,023	\$ (828,932)	\$ (425,301)	\$ (31,107,840)	\$ 568,950
2015-16	423,668	-	-	(18,680)	(162,130)	242,858
2014-15	184,284	-	-	(1)	(51,834)	132,449
2013-14	126,428	-	-	(1)	(58,118)	68,309
2012-13	53,564	-	-	(634)	(50,187)	2,743
2011-12	4,871	-	-	(733)	(2,044)	2,094
2010-11	2,660	-	-	(623)	(1,243)	794
Prior years	4,061	-	-	(589)	(248)	3,224
	<u>\$ 799,536</u>	<u>\$ 32,931,023</u>	<u>\$ (828,932)</u>	<u>\$ (446,562)</u>	<u>\$ (31,433,644)</u>	<u>\$ 1,021,421</u>
<u>County Summary:</u>						
County Operations	\$ 203,478	\$ 9,125,933	\$ (229,716)	\$ (135,261)	\$ (8,703,375)	\$ 261,059
Agency Funds	596,058	23,805,090	(599,216)	(311,301)	(22,730,269)	760,362
	<u>\$ 799,536</u>	<u>\$ 32,931,023</u>	<u>\$ (828,932)</u>	<u>\$ (446,562)</u>	<u>\$ (31,433,644)</u>	<u>\$ 1,021,421</u>

See accompanying independent auditor's report.

MORROW COUNTY, OREGON

Schedule of Property Taxes Receivable -- By Fund  
June 30, 2017

General fund	\$ 258,044
County school fund	790
Ione school fund	77
Fair fund	<u>2,148</u>
Sub-total	261,059
Agency funds	<u>760,362</u>
Total	<u><u>\$ 1,021,421</u></u>

See accompanying independent auditor's report.



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

**BARNETT & MORO, P.C.**  
CERTIFIED PUBLIC ACCOUNTANTS

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MITCHELL L. BOYLAN, C.P.A.  
.....  
GERALD J. MORO, C.P.A. EMERITUS

**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  
Heppner, 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, 2017, and the related notes to the financial statements, which collectively comprise Morrow County, Oregon's basic financial statements and have issued our report thereon dated December 29, 2017.

**Internal Control Over Financial Reporting**

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

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

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

County Commissioners  
Morrow County  
Page two


### **Compliance and Other Matters**

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

### **Purpose of this Report**

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

Barnett & Moro, P.C.

By   
\_\_\_\_\_  
Cameron W. Anderson, Shareholder  
Hermiston, Oregon  
December 29, 2017

**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.

**BARNETT & MORO, P.C.**  
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-----  
GERALD J. MORO, C.P.A. EMERITUS

**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, 2017, and have issued our report thereon dated December 29, 2017. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

**Compliance**

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

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

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

County Commissioners  
Morrow County  
Page two

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

**OAR 162-10-0230 Internal Control**


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

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

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

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

Barnett & Moro, P.C.

By:   
Cameron W. Anderson, Shareholder  
Hermiston, Oregon  
December 29, 2017

**SINGLE AUDIT SECTION**

**MORROW COUNTY, OREGON**

**Schedule of Expenditures of Federal Awards**  
**Year Ended June 30, 2017**

<b><u>Federal Grantor/Program Name:</u></b>	<b><u>Federal</u></b>	<b><u>Major</u></b>	<b><u>Amount</u></b>
	<b><u>CFDA Number</u></b>	<b><u>Programs (X)</u></b>	
<b><u>U.S. DEPARTMENT OF AGRICULTURE:</u></b>			
Forest fees, roads and schools	10.665		\$ 29,457
<b><u>U.S. DEPARTMENT OF JUSTICE:</u></b>			
Crime victim assistance	16.575		\$ 74,550
<b><u>U.S. DEPARTMENT OF ENERGY:</u></b>			
Office of environmental waste processing	81.104		\$ 5,600
<b><u>U.S. DEPARTMENT OF VETERAN AFFAIRS</u></b>			
Grants for Transportation in Highly Rural Areas	64.035		\$ 45,000
<b><u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:</u></b>			
Oregon Health Authority:			
Public health emergency preparedness	93.069		\$ 66,014
Emergency preparedness aligned cooperative agreements	93.074		593
Family planning services	93.217		24,539
MCH block grant	93.994		23,229
MIECHV	93.505		15,428
National bioterrorism hospital preparedness program	93.889		34,117
SAPT Block Grant	93.959		79,327
			<u>243,247</u>
Oregon Department of Justice:			
Child support enforcement	93.563		73,926
			<u>\$ 317,173</u>
<b><u>U.S. DEPARTMENT OF TRANSPORTATION:</u></b>			
Recreation trails program	20.219		\$ 30,403
<b><u>U.S. DEPARTMENT OF THE INTERIOR:</u></b>			
Payment in Lieu of Taxes	15.226	X	\$ 285,419
Total expenditures of federal awards			<u>\$ 787,602</u>

See notes to schedule of  
expenditures of federal awards.



**MORROW COUNTY, OREGON**

**Notes to Schedule of Expenditures of Federal Awards**  
**Year Ended June 30, 2017**

**NOTE A - BASIS OF PRESENTATION:**

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

**NOTE B -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

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

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

**BARNETT & MORO, P.C.**  
CERTIFIED PUBLIC ACCOUNTANTS

495 E. Main  
Hermiston, OR 97838  
(541) 567-5215  
(541) 567-0497 Fax

DENNIS L. BARNETT, C.P.A.  
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BETSY J. BENNETT, C.P.A.  
PAUL A. BARNETT, C.P.A.  
REBECCA K. RAMOS BAUTISTA, C.P.A.  
MITCHELL L. BOYLAN, C.P.A.

-----  
GERALD J. MORO, C.P.A. EMERITUS

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

County Commissioners  
Morrow County  
Heppner, Oregon

**Report on Compliance for Each Major Federal Program**

We have audited Morrow County, Oregon's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Morrow County, Oregon's major federal programs for the year ended June 30, 2017. 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, 2017.

### **Report on Internal Control Over Compliance**

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


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

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

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

Barnett & Moro, P.C.

By: \_\_\_\_\_

  
Cameron W. Anderson, Shareholder  
Hermiston, Oregon  
December 29, 2017

**MORROW COUNTY, OREGON**

**Schedule of Findings and Questioned Costs**

**Year Ended June 30, 2017**

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**Section I-Summary of Auditor's Results**

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Financial Statements

Type of auditor's report issued: unmodified opinion

Internal control over financial reporting:

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

Noncompliance material to financial statements noted?  yes  no

Federal Awards

Internal control over major programs:

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

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

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

Identification of major programs:

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

---

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

Auditee qualified as low-risk auditee?  yes  no

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**Section II-Financial Statement Findings**

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There are no financial statement findings for the year ended June 30, 2017.

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**Section III-Federal Award Findings and Questioned Costs**

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There are no federal award findings or questioned costs for the year ended June 30, 2017.

**MORROW COUNTY, OREGON**

**SUMMARY SCHEDULE OF PRIOR YEAR'S AUDIT FINDINGS**

**Year Ended June 30, 2017**

**QUESTIONED COSTS:**

There were no questioned costs for the year ended June 30, 2016.

**FINDINGS:**

There were no findings for the year ended June 30, 2016.

January 17, 2018

Senator Ron Wyden  
Senator Jeff Merkley  
Congressman Greg Walden

Re: Request for Expedient Decision on Easement Application  
Boardman to Hemingway Transmission Line Project  
Coordination of Easement between Bonneville Power Administration and Navy

Senators Wyden and Merkley and Congressman Walden:

Morrow County has been an active participant in the permitting process for the Boardman to Hemingway (B2H) transmission line for nearly a decade. During that time Planning staff and others have worked with Idaho Power Company, the Bureau of Land Management (BLM), the Oregon Department of Energy and more recently the Navy to assure that the project complies with local requirements related to land use and other adopted regulations. Previous County Courts and this current Board of Commissioners are also concerned with how this project will impact private landowners, with specific concern related to project impacts to highly productive agricultural land here in Morrow County. Through the current life of this process the County has identified that our priorities are to avoid agricultural land to the highest extent possible, minimize impacts to other agricultural land, and avoid impacts to homes. These priorities culminated in the West of Bombing Range Road (WoBRR) alternative several years ago during the BLM draft Environmental Impact Statement (EIS) review process. A working group of local stakeholders have invested heavily in the WoBRR alternative and would like to see not just the current seven miles of the B2H transmission line, but would prefer all 12 miles to be placed on federal land. Impacted local landowners and the stakeholders have agreed to the current Idaho Power Company request that has only seven miles of the proposed B2H project on federal land, operated by the Navy, to expedite the necessary permit and easement process.

The stakeholder group includes, among others, local landowners and irrigators, local renewable energy developers, local electric cooperatives, Port of Morrow, Morrow County, City of Boardman, and the Oregon Governor's Office. Work and correspondence has also included the Idaho Governor's Office of Energy Resources, Oregon U.S. Senators Wyden and Merkley, Idaho U.S. Senators Crapo and Risch, along with Idaho Power Company, PacifiCorp and the Bonneville Power Administration. This resulted in a collaboratively developed routing solution that minimizes impacts and maximizes benefits to the local area, including local renewable energy development, in and around the Naval Weapons Systems Training Facility ("NWSTF") Boardman.

The purpose of this letter is to ask for your assistance in obtaining an expeditious easement process for the B2H Project for the WoBRR alternative, otherwise described as being along the boundary of the NWSTF Boardman. The B2H Project is a nationally-important transmission line project that will support electrical grid resilience, renewable energy development, local and regional economic development, and help consumers save money on energy costs. We recognize that Idaho Power has made substantial refinements to the B2H Project to meet the Navy's requirements. For example, tower heights were lowered to avoid interfering with the Navy's aerial training exercises. Idaho Power agreed to keep B2H within an existing transmission line right-of-way on the NWSTF Boardman property and re-route the existing transmission line off of the Navy property. Finally, B2H was routed off of a portion of the Navy property to avoid Washington ground squirrel management area, a certain research natural area, and certain traditional cultural properties. Idaho Power has been working with the Navy to address these and other issues for at least four years.

On July 26, 2016, Navy met with the stakeholders identified above in Boardman, Oregon for an informational tour. At the meeting, Navy indicated a Record of Decision ("ROD") for the B2H Project could be issued within four months of a ROD by the Bureau of Land Management ("BLM"). Navy indicated during that meeting that the four month ROD schedule could be achieved if the project avoided the Washington ground squirrel management area and traditional cultural properties mentioned above. As a result of the meeting, Idaho Power refined the route to avoid those areas so that the Navy could meet its four month deadline.

Despite the fact that Idaho Power re-routed the Project in order to comply with the conditions of Navy's four month timeline, Navy is now proposing a timeline of at least nine months, and up to as many as 18 months to issue their ROD. While we appreciate that Navy has a myriad of land use projects to address, Navy's new timeline is inconsistent with prior commitments to the local stakeholder group and inadequate for a project of this significance given the amount of time the Navy has had the easement application in their possession. Instead, we strongly recommend Navy issue its Record of Decision expeditiously. With Captain Moore's departure from his command over the NWSTF Boardman this winter it is important that Navy meet its commitments to the local community without further delay that could come with a change in command.

Morrow County is also concerned that Navy is pressuring the Bonneville Power Administration (BPA) to relinquish the balance of the current easement that is used to deliver power to the Columbia Basin Electric Cooperative (CBEC) that serves south Morrow County and beyond. The Navy has held meetings with the BPA concerning that easement without clearly communicating the intent and outcome, and has refused requests for Morrow County representatives to attend. Our concern is that the current easement, if removed, would negatively impact CBEC and eliminate one of only two transmission routes currently providing electricity. The local stakeholders have worked tirelessly to assure that impacts to agricultural lands are avoided or mitigated, and to assure that other local infrastructure is held harmless. The conversation between Navy and BPA is concerning and could result in harm to the residents of south Morrow County.

Your personal engagement on, and support for, the expeditious processing of the B2H Project easement by the Navy would be much appreciated. Your previous commitment to working with

the local community and supporting critical infrastructure projects to improve our energy independence and resiliency is appreciated. Our request would be that Navy affirm its prior commitment to issue a Record of Decision within the previously indicated four month timeframe and without delay, even with a change in command. Given that the BLM ROD was issued in November 2017, there should be no reason why the Navy ROD cannot be issued by February 28, 2018.

Should any follow up or questions arise concerning this letter they can be addressed to Darrell Green, County Administrator, at 541-676-2529 or [dgreen@co.morrow.or.us](mailto:dgreen@co.morrow.or.us), or to Carla McLane, Planning Director, at 541-922-4624 or [cmclane@co.morrow.or.us](mailto:cmclane@co.morrow.or.us).

Cordially,

Don Russell  
Chair

Jim Doherty  
Commissioner

Melissa Lindsay  
Commissioner

CC: Captain Moore, U.S. Navy  
Crystal Ball, BPA  
Mitch Colburn, Idaho Power Company  
J. R. Cook, NOWA



January 17, 2018

Sheree Smith, Director  
Morrow County Public Health  
P.O. Box 799  
Heppner, OR 97836

Dear Chairperson Smith,

The Morrow County Board of Commissioners fully support continuation of the successful CARE Program in our communities and preservation of employment for the Nurse CARE Manager through funding from the Eastern Oregon Coordinated Care Organization Transformation Community Benefit Initiative Reinvestment Continuation Grant beginning March 15, 2018 and ending January 31, 2019.

The need for care coordination and the cooperative development of the CARE Program was identified through a process of community-based assessment. As the chief governing and policy-making body of the County tasked with administrative function, the Commissioners endorse the development and implementation of strategies to improve the local health care system and status of area residents. We are committed to securing a strong workforce and understand the impact our local health care services have on economic development, as well as improving community livability. We recognize the value of the program and are committed to actively participating with the Community Advisory Council (CAC), as we have since 2013, to maintain effective communication and assist in achieving the goals stated in the Morrow County Health Improvement Plan.

We would like you to know that the CARE Program provides monthly updates to the CAC to help members maintain familiarity with program progress and resource needs, which strengthens the relationships between partners and allows Morrow County the advantage of collaborative community health care planning. Thank you for considering the Morrow County request for funding.

Sincerely,

Don Russell  
Chair

Jim Doherty  
Commissioner

Melissa Lindsay  
Commissioner



# AGENDA ITEM COVER SHEET

Morrow County Board of Commissioners

(Page 2 of 2)

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## **1. ISSUES, BACKGROUND, DISCUSSION AND OPTIONS (IF ANY):**

David Rabiner came to Morrow County on November 27th to conduct a team building and leadership training. Since then, I have tried to use this platform to continue the discussion about leadership and team building. I believe that this process is and will continue to bring us together as a County as we focus on our core Leadership principles and values.

I would like to bring David Rabiner back to Morrow County on May 8th for his expertise to continue this process.

David can do a half day if we would like to focus on translating values to behaviors or he can do a full day if we would like to a more comprehensive direction around aligning our goals, strategies and values.

I would like to recommend a full day (9am to 4pm), as I believe this will lead us to where we should go for the next 9-12 months.

A half day would cost \$3500. A full day would cost \$5500. These are his local Portland rates.

## **2. FISCAL IMPACT:**

Court Awards and Discretionary account, 101-101-5-20-3720 has a balance of \$10,498.

## **3. SUGGESTED ACTION(S)/MOTION(S):**

based on the outcome of our discussion;

- 1) Motion to schedule David Rabiner for a full day Leadership training on May 8th.
- 2) Motion to schedule David Rabiner for a half day Leadership training on May 8th.

Attach additional background documentation as needed.

**APPLICATION FOR REFUND  
MORROW COUNTY, OREGON**

**No. 18-3  
Tax Year 2017-18  
Acct. # 2001**

*Property Owner & Refund to :*

Sage Hollow Ranch, LLC  
3620 Independence Rd  
Sunnyside, WA 98944

*Tax Payer:*

Sage Hollow Ranch, LLC  
3620 Independence Rd  
Sunnyside, WA 98944

Receipt # 250915

Date paid 11/14/2017

Int. date 2/15/2018

Original Tax	Tax Credit	Disc/Int. Pd	Actual Paid	Revised Tax	Rev Dis/Int	Net Revised	Tax Diff.	Int/Dis Diff	Tax Refund	Ref. Int.	Total Refund
178,106.30	178,106.30	-5,343.19	172,763.11	137,621.12	-4,128.63	133,492.49	40,485.18	-1,214.56	39,270.62	1,178.12	40,448.74

Reason: Value Correction - ORS 308.242(2) Depreciation was added to the account

Approved: \_\_\_\_\_ 2018

\_\_\_\_\_  
Commissioner

699-699-5-70-7075

\_\_\_\_\_  
Michael Gorman, Tax Collector

\_\_\_\_\_  
Commissioner

Date \_\_\_\_\_

\_\_\_\_\_  
Commissioner



# AGENDA ITEM COVER SHEET

Morrow County Board of Commissioners

(Page 2 of 2)

---

## **1. ISSUES, BACKGROUND, DISCUSSION AND OPTIONS (IF ANY):**

LC 80- Legislative concept which is a copy of a proposed bill last year that the Assessor's Association strongly opposed. It creates a different personal property rented equipment tax structure that would negatively affect Morrow County.

LC 226- Amends ORS 307.175 dealing with solar farms and does a couple of things. First it makes the approval of the \$7,000 per megawatt fee in lieu of property tax mandatory, if the solar farm petitions the county, for any county with less than 775,000 population. It also includes the land in the description of the solar farm project.

## **2. FISCAL IMPACT:**

## **3. SUGGESTED ACTION(S)/MOTION(S):**

Attach additional background documentation as needed.

# DRAFT

## SUMMARY

Imposes tax on rental price of construction, mining, earthmoving or industrial equipment, together with attachments and other equipment and tools, that is mobile and held primarily for rental. Directs Department of Revenue to administer heavy equipment rental tax program. Provides for distribution to counties of tax revenues attributable to rentals made from locations in county. Directs county treasurer to distribute tax moneys to local taxing districts in accordance with property tax and interest distribution percentage schedule. Provides for temporary annual payments by or to equipment owner of any difference between heavy equipment rental tax and ad valorem property tax that would be assessed on such equipment if such equipment were subject to ad valorem property tax. Requires department to submit report regarding heavy equipment rental tax experience, including proposed tax rate to maintain revenue neutrality with respect to replacement of ad valorem property tax by heavy equipment rental tax, to interim committees related to revenue no later than July 1, 2022.

Takes effect on 91st day following adjournment sine die.

## A BILL FOR AN ACT

1

2 Relating to the taxation of certain heavy equipment; and prescribing an ef-  
3 fective date.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1. As used in sections 1 to 10 of this 2018 Act:**

6 **(1) "Affiliate" means a person that directly or indirectly owns or**  
7 **controls, is owned or controlled by, or is under common ownership or**  
8 **control with, another person.**

9 **(2) "Control," for purposes of the definition of "affiliate" under this**  
10 **section, means direct or indirect possession of the power to direct or**  
11 **cause the direction of the management and policies of a person,**

NOTE: Matter in boldfaced type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted.  
New sections are in boldfaced type.

1 whether through the ownership of voting securities, by contract or  
2 otherwise.

3 (3) "Heavy equipment rental tax" means the tax imposed under  
4 section 2 of this 2018 Act.

5 (4) "Mobile" means that qualified heavy equipment:

6 (a) Is intended to be moved among worksites as needed; and

7 (b) Is not intended to be permanently affixed to real property when  
8 put to its intended use.

9 (5) "Own," for purposes of the definition of "affiliate" under this  
10 section, means to have ownership of an equity interest, or the equiv-  
11 alent, of 10 percent or more in a person.

12 (6) "Qualified heavy equipment" means any construction, mining,  
13 earthmoving or industrial equipment, together with attachments and  
14 other equipment and tools, including, but not limited to, towable  
15 trailers and fixed load vehicles, that is:

16 (a) Mobile;

17 (b) Owned by a qualified heavy equipment provider; and

18 (c) Held primarily for rental.

19 (7)(a) "Qualified heavy equipment provider" means a person that is  
20 primarily engaged in the business of renting qualified heavy equipment  
21 without an operator.

22 (b) "Qualified heavy equipment provider" does not mean a person  
23 primarily engaged in the business of renting qualified heavy equipment  
24 to one or more of the person's affiliates.

25 (8) "Rent," "rental" and "renting" mean entering into an agreement  
26 for the use of property in exchange for consideration for a term of less  
27 than 365 consecutive days, an open-ended term or an undefined term.

28 (9) "Rental location" means a qualified heavy equipment provider's  
29 store or other business location in this state from which qualified  
30 heavy equipment is rented.

31 (10) "Rental price" means the rental charge for qualified heavy



1 equipment, net of any invoice credits provided to the renter. "Rental  
2 price" does not include delivery and pickup fees, damage waivers or  
3 environmental mitigation fees.

4 **SECTION 2.** (1) A tax of two percent is imposed on the rental price  
5 received for any qualified heavy equipment.

6 (2) The tax imposed under this section shall be collected by the  
7 qualified heavy equipment provider from the renter at the time that  
8 the rental of the qualified heavy equipment is made.

9 (3) Qualified heavy equipment is exempt from any and all ad  
10 valorem property taxes if rental of the qualified heavy equipment is  
11 subject to taxation under this section.

12 (4) Notwithstanding ORS 315.037, the exemption granted under sub-  
13 section (3) of this section does not have a maximum term.

14 **SECTION 3.** (1) Every qualified heavy equipment provider shall  
15 register with the Department of Revenue in the form and manner  
16 prescribed by the department no later than December 15 immediately  
17 preceding the beginning of the next property tax year by certifying  
18 that the provider is engaged in the line of business described in section  
19 1 (7) of this 2018 Act.

20 (2) Every qualified heavy equipment provider shall keep records,  
21 render statements and comply with rules adopted by the department  
22 with respect to the heavy equipment rental tax. The records and  
23 statements required by this section must be sufficient to show whether  
24 there is a tax liability under section 2 of this 2018 Act.

25 **SECTION 4.** (1) Every qualified heavy equipment provider that rents  
26 out qualified heavy equipment is responsible for collecting the heavy  
27 equipment rental tax and shall file a return with the Department of  
28 Revenue, on or before the last day of the month following the end of  
29 each calendar quarter, reporting the amount of tax due during the  
30 quarter. The department shall prescribe the form and manner of the  
31 return required by this section, provided that the form shall require

1 the qualified heavy equipment provider to report, for each county in  
2 the state, the aggregate rental prices and taxes collected for qualified  
3 heavy equipment rented out from each of its rental locations in the  
4 county during the applicable calendar quarter. The rules of the de-  
5 partment shall require that returns be made under penalties for false  
6 swearing.

7 (2) When a return is required under subsection (1) of this section,  
8 the qualified heavy equipment provider required to make the return  
9 shall remit the tax due to the department at the time fixed for filing  
10 the return.

11 SECTION 5. If the amount paid by a qualified heavy equipment  
12 provider to the Department of Revenue under section 4 of this 2018  
13 Act exceeds the amount of tax payable, the department shall refund  
14 the amount of the excess. A refund may not be made to a qualified  
15 heavy equipment provider that fails to claim the refund within two  
16 years after the due date for filing the return to which the claim for  
17 refund relates.

18 SECTION 6. (1) Every qualified heavy equipment provider is deemed  
19 to hold the amount of heavy equipment rental taxes collected in trust  
20 for the State of Oregon and for payment to the Department of Revenue  
21 in the manner and at the time provided under section 4 of this 2018  
22 Act.

23 (2) At any time the qualified heavy equipment provider fails to re-  
24 mit any amount of heavy equipment rental taxes deemed to be held  
25 in trust for the State of Oregon, the department may enforce col-  
26 lection by the issuance of a distraint warrant for the collection of the  
27 delinquent amount and all penalties, interest and collection charges  
28 accrued on the delinquent amount. The warrant shall be issued,  
29 docketed and proceeded upon in the same manner and shall have the  
30 same force and effect as warrants for the collection of delinquent in-  
31 come taxes.

1     **SECTION 7.** (1) Unless the context requires otherwise, the pro-  
2     visions of ORS chapters 305, 314 and 316 governing the audit and ex-  
3     amination of reports and returns, confidentiality of reports and  
4     returns, determination of deficiencies, assessments, claims for re-  
5     funds, penalties, interest, jeopardy assessments, warrants, conferences  
6     and appeals to the Oregon Tax Court, and related procedures, apply  
7     to sections 1 to 10 of this 2018 Act as if the heavy equipment rental tax  
8     were a tax imposed upon or measured by net income. The provisions  
9     apply to the taxpayer liable for the tax and to any qualified heavy  
10    equipment provider required to collect the tax.

11    (2) Any amount collected and required to be remitted to the De-  
12    partment of Revenue is considered a tax upon the qualified heavy  
13    equipment provider required to collect the tax and the qualified heavy  
14    equipment provider is considered a taxpayer.

15    **SECTION 8.** (1) All moneys received by the Department of Revenue  
16    pursuant to sections 1 to 10 of this 2018 Act, and any interest on the  
17    moneys, shall be paid to the State Treasurer to be held in a suspense  
18    account established under ORS 293.445.

19    (2) After the payment of refunds:

20    (a) Moneys necessary to reimburse the department for the actual  
21    costs incurred by the department in administering the heavy equip-  
22    ment rental tax, not to exceed five percent of heavy equipment rental  
23    tax collections, are continuously appropriated to the department; and

24    (b) The balance of the moneys received shall be transferred to the  
25    treasurer of each county according to the share of the moneys that  
26    are attributable to qualified heavy equipment rented out from rental  
27    locations in the county.

28    (3) Each county treasurer shall:

29    (a) Deposit the moneys received from the department under sub-  
30    section (2) of this section in the unsegregated tax collections account  
31    described in ORS 311.385; and

1       **(b) Distribute the moneys in accordance with ORS 311.390.**

2       **(4) Provisions of law relating to the confidentiality of public records**  
3 **do not apply to the extent that remittances made by the department**  
4 **pursuant to this section disclose information derived from heavy**  
5 **equipment rental tax returns.**

6       **SECTION 9.** **(1) Public records of heavy equipment rental tax mon-**  
7 **eys collected by the Department of Revenue pursuant to sections 1 to**  
8 **10 of this 2018 Act are exempt from disclosure under ORS 192.311 to**  
9 **192.478. Nothing in this section shall limit the use that can be made**  
10 **of such information for regulatory purposes or its use and**  
11 **admissibility in any enforcement proceedings.**

12       **(2) If a conflict is found to exist between subsection (1) of this sec-**  
13 **tion and ORS 314.835, ORS 314.835 controls.**

14       **SECTION 10.** **The Department of Revenue may adopt rules neces-**  
15 **sary for the administration and enforcement of the heavy equipment**  
16 **rental tax under sections 1 to 10 of this 2018 Act.**

17       **SECTION 11.** **(1) Sections 1 to 10 of this 2018 Act apply to rentals**  
18 **of qualified heavy equipment occurring on or after January 1, 2019.**

19       **(2) For purposes of complying with section 3 (1) of this 2018 Act for**  
20 **the property tax year beginning on July 1, 2018, a qualified heavy**  
21 **equipment provider shall register with the Department of Revenue no**  
22 **later than December 31, 2018.**

23       **SECTION 12.** **(1)(a) On or before March 31, 2019, each qualified**  
24 **heavy equipment provider shall file with the Department of Revenue**  
25 **a complete report on forms provided by the department, made under**  
26 **penalties for false swearing, that lists the qualified heavy equipment**  
27 **that is assigned to each rental location and that is:**

28       **(A) In this state on January 1, 2019, at 1:00 a.m.; and**

29       **(B) Subject to the heavy equipment rental tax imposed under sec-**  
30 **tion 2 of this 2018 Act.**

31       **(b) The report required under this subsection shall provide the cost,**

1 acquisition date, description and rental location of each piece of qual-  
2 ified heavy equipment.

3 (c) The department shall use the report required under this sub-  
4 section and the 14 years personal property valuation factors found in  
5 Table 2 of the department's Personal Property Valuation Guidelines  
6 2017, as revised effective December 2016, to determine a real market  
7 value for the qualified heavy equipment for purposes of this section.

8 (d) For purposes of this section, the department shall determine the  
9 maximum assessed value and assessed value for the qualified heavy  
10 equipment under ORS 308.153, treating the qualified heavy equipment  
11 as new property within the meaning of ORS 308.149 (6)(a)(C).

12 (e) The department shall use the values determined under this sec-  
13 tion to estimate the amount of ad valorem property taxes that would  
14 be due for the property tax year beginning on July 1, 2019, if the  
15 qualified heavy equipment were subject to ad valorem property taxa-  
16 tion.

17 (2) On or before March 31, 2020, for each rental location, the de-  
18 partment shall compare:

19 (a) The total amount of tax reported under section 4 of this 2018  
20 Act, after any adjustment or amended returns, that is attributable to  
21 qualified heavy equipment rented out from the rental location during  
22 the 2019 calendar year; and

23 (b) The total estimated ad valorem property tax amount determined  
24 under subsection (1) of this section.

25 (3)(a) If the total amount determined under subsection (2)(a) of this  
26 section is less than the total amount determined under subsection  
27 (2)(b) of this section, the department shall collect the amount of the  
28 difference from the applicable qualified heavy equipment provider as  
29 a supplemental amount of the heavy equipment rental tax imposed  
30 under section 2 of this 2018 Act.

31 (b) The supplemental tax amount shall be payable on or before the

1 later of June 30, 2020, or within 60 days after the date of the notice  
2 from the department.

3 (c) After retaining moneys necessary to reimburse the department  
4 for the actual costs incurred by the department in administering this  
5 section, not to exceed five percent of the supplemental tax amount,  
6 the department shall remit each net supplemental tax amount col-  
7 lected under this subsection to the treasurer of the county in which  
8 the applicable rental location is located and the county treasurer shall  
9 deposit all such amounts in the county's unsegregated tax collections  
10 account.

11 (4) If the amount determined under subsection (2)(a) of this section  
12 is greater than the amount determined under subsection (2)(b) of this  
13 section, the department shall, in the department's sole discretion, re-  
14 fund the amount of the difference to the qualified heavy equipment  
15 provider without interest or issue the amount of the difference with-  
16 out interest as a credit against future heavy equipment rental tax li-  
17 abilities of the qualified heavy equipment provider.

18 (5) Provisions of law relating to the confidentiality of public records  
19 do not apply to the extent that remittances and refunds made by the  
20 department pursuant to this section disclose information derived from  
21 heavy equipment rental tax returns.

22 SECTION 13. (1)(a) On or before March 31, 2020, each qualified  
23 heavy equipment provider shall file with the Department of Revenue  
24 a complete report on forms provided by the department, made under  
25 penalties for false swearing, that lists the qualified heavy equipment  
26 that is assigned to each rental location and that is:

27 (A) In this state on January 1, 2020, at 1:00 a.m.; and

28 (B) Subject to the heavy equipment rental tax imposed under sec-  
29 tion 2 of this 2018 Act.

30 (b) The report required under this subsection shall provide the cost,  
31 acquisition date, description and rental location of each piece of qual-

1 **ified heavy equipment.**

2 **(c) The department shall use the report required under this sub-**  
3 **section and the 14 years personal property valuation factors found in**  
4 **Table 2 of the department's Personal Property Valuation Guidelines**  
5 **2017, as revised effective December 2016, to determine a real market**  
6 **value for the qualified heavy equipment for purposes of this section.**

7 **(d) For purposes of this section, the department shall determine the**  
8 **maximum assessed value and assessed value for the qualified heavy**  
9 **equipment under ORS 308.153, treating the qualified heavy equipment**  
10 **as new property within the meaning of ORS 308.149 (6)(a)(C).**

11 **(e) The department shall use the values determined under this sec-**  
12 **tion to estimate the amount of ad valorem property taxes that would**  
13 **be due for the property tax year beginning on July 1, 2020, if the**  
14 **qualified heavy equipment were subject to ad valorem property taxa-**  
15 **tion.**

16 **(2) On or before March 31, 2021, for each rental location, the de-**  
17 **partment shall compare:**

18 **(a) The total amount of tax reported under section 4 of this 2018**  
19 **Act, after any adjustment or amended returns, that is attributable to**  
20 **qualified heavy equipment rented out from the rental location during**  
21 **the 2020 calendar year; and**

22 **(b) The total estimated ad valorem property tax amount determined**  
23 **under subsection (1) of this section.**

24 **(3)(a) If the total amount determined under subsection (2)(a) of this**  
25 **section is less than the total amount determined under subsection**  
26 **(2)(b) of this section, the department shall collect the amount of the**  
27 **difference from the applicable qualified heavy equipment provider as**  
28 **a supplemental amount of the heavy equipment rental tax imposed**  
29 **under section 2 of this 2018 Act.**

30 **(b) The supplemental tax amount shall be payable on or before the**  
31 **later of June 30, 2021, or within 60 days after the date of the notice**

1 from the department.

2 (c) After retaining moneys necessary to reimburse the department  
3 for the actual costs incurred by the department in administering this  
4 section, not to exceed five percent of the supplemental tax amount,  
5 the department shall remit each net supplemental tax amount col-  
6 lected under this subsection to the treasurer of the county in which  
7 the applicable rental location is located and the county treasurer shall  
8 deposit all such amounts in the county's unsegregated tax collections  
9 account.

10 (4) If the amount determined under subsection (2)(a) of this section  
11 is greater than the amount determined under subsection (2)(b) of this  
12 section, the department shall, in the department's sole discretion, re-  
13 fund the amount of the difference to the qualified heavy equipment  
14 provider without interest or issue the amount of the difference with-  
15 out interest as a credit against future heavy equipment rental tax li-  
16 abilities of the qualified heavy equipment provider.

17 (5) Provisions of law relating to the confidentiality of public records  
18 do not apply to the extent that remittances and refunds made by the  
19 department pursuant to this section disclose information derived from  
20 heavy equipment rental tax returns.

21 SECTION 14. Sections 7, 9 and 10 of this 2018 Act and the definitions  
22 provided by section 1 of this 2018 Act apply to sections 12 and 13 of this  
23 2018 Act.

24 SECTION 15. Sections 12 and 13 of this 2018 Act are repealed on  
25 January 2, 2022.

26 SECTION 16. (1) Not later than July 1, 2022, the Department of  
27 Revenue, after consulting with the Legislative Revenue Officer as  
28 necessary, shall submit a report in the manner provided in ORS 192.245  
29 to the interim committees of the Legislative Assembly related to rev-  
30 enue regarding the heavy equipment rental tax imposed under section  
31 2 of this 2018 Act.



1       **(2) For tax years with valuation dates of January 1, 2019, and Jan-**  
2 **uary 1, 2020, the report shall set forth:**

3       **(a) The revenue collected under sections 12 (3)(a) and 13 (3)(a) of**  
4 **this 2018 Act, after payment of refunds, for all taxpayers registered as**  
5 **qualified heavy equipment providers; and**

6       **(b) The amount of ad valorem property taxes that would have been**  
7 **due for the property tax years beginning on July 1, 2019, and July 1,**  
8 **2020, respectively, if the qualified heavy equipment had been subject**  
9 **to ad valorem property taxation.**

10       **(3) In the report the Legislative Revenue Officer shall propose a tax**  
11 **rate for section 2 of this 2018 Act that, based on the experience of the**  
12 **heavy equipment rental tax to date, will maintain revenue neutrality**  
13 **with respect to the replacement of the ad valorem property tax by the**  
14 **heavy equipment rental tax.**

15       **SECTION 17.** **Section 16 of this 2018 Act is repealed on January 2,**  
16 **2023.**

17       **SECTION 18.** **This 2018 Act takes effect on the 91st day after the**  
18 **date on which the 2018 regular session of the Seventy-ninth Legislative**  
19 **Assembly adjourns sine die.**

20

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**United Rentals Total Value: \$2,170,980 Total Tax: \$29,377.58**

Acct	Code Area	2016 Assessed Value	2016 Tax
10894	25-04	\$520,310	\$7,013.16

District Name	Tax
Morrow Co.	\$2,151.33
Um-Mor Radio Dist.	\$88.45
Mo. Co. Health Dist.	\$517.71
Boardman Park Dist.	\$492.11
Port of Morrow	\$43.76
Boardman RFD	\$388.36
Boardman Cemetery	\$14.78
Unified Rec. Dist.	\$237.26
Morrow School Dist.	\$2,062.32
IntMtn ESD	\$301.55
Blue Mtn. Comm. Col.	\$432.74
Vector Control	\$150.84
Oregon Trail Libr. Dist.	\$131.95

Acct	Code Area	2016 Assessed Value	2016 Tax
12025	10-04	\$66,080	\$859.89

District Name	Tax
Morrow Co.	\$273.22
Um-Mor Radio Dist.	\$11.23
Mo. Co. Health Dist.	\$65.75
Port of Morrow	\$5.56
Boardman RFD	\$49.32
Irrigon Cemetery	\$6.75
Irrigon Park Dist.	\$26.84
Unified Rec. Dist.	\$30.13
Morrow School Dist.	\$261.91
IntMtn ESD	\$38.30
Blue Mtn. Comm. Col.	\$54.96
Vector Control	\$19.16
Oregon Trail Libr. Dist.	\$16.76

Acct	Code Area	2016 Assessed Value	2016 Tax
12026	25-08	\$319,050	\$5,418.68

District Name	Tax
Morrow Co.	\$1,158.14
Boardman UR	\$59.14
Um-Mor Radio Dist.	\$47.65
Mo. Co. Health Dist.	\$169.49
Boardman City	\$1,487.15
Boardman Park Dist.	\$290.16
Port of Morrow	\$23.58
Boardman RFD	\$209.06
Boardman Cemetery	\$8.00
Unified Rec. Dist.	\$127.77
Morrow School Dist.	\$1,263.95
IntMtn ESD	\$184.94
Blue Mtn. Comm. Col.	\$265.37
Vector Control	\$53.21
Oregon Trail Libr. Dist.	\$71.07

Acct	Code Area	2016 Assessed Value	2016 Tax
12027	25-11	\$1,207,320	\$15,097.05

District Name	Tax
Morrow Co.	\$4,991.91
Um-Mor Radio Dist.	\$205.24
Mo. Co. Health Dist.	\$1,201.28
Port of Morrow	\$101.54
Boardman RFD	\$901.14
Unified Rec. Dist.	\$550.54
Morrow School Dist.	\$4,785.37
IntMtn ESD	\$699.72
Blue Mtn. Comm. Col.	\$1,004.13
Vector Control	\$350.00
Oregon Trail Libr. Dist.	\$306.18

Acct	Code Area	2016 Assessed Value	2016 Tax
12143	25-01	\$58,220	\$988.80

District Name	Tax
Morrow Co.	\$211.34
Boardman UR	\$10.80
Um-Mor Radio Dist.	\$8.70
Mo. Co. Health Dist.	\$30.93
Boardman City	\$271.37
Boardman Park Dist.	\$52.94
Port of Morrow	\$4.30
Boardman RFD	\$38.15
Boardman Cemetery	\$1.46
Unified Rec. Dist.	\$23.31
Morrow School Dist.	\$230.64
IntMtn ESD	\$33.75
Blue Mtn. Comm. Col.	\$48.43
Vector Control	\$9.71
Oregon Trail Libr. Dist.	\$12.97

# D R A F T

## SUMMARY

Defines “solar project” to mean photovoltaic solar power generation facility and land on which facility is located. Requires county with population of less than 775,000, upon request of owner or person in possession or control of solar project, to enter into agreement pursuant to which property constituting solar project is exempt from property taxation and becomes subject to fee in lieu of taxes. If solar project is located within incorporated city, requires city and county to enter into agreement.

Repeals exemption for property of company constituting certain communication services infrastructure. Allows property tax credit to company in amount invested in property capable of being used solely to provide certain communication services and that would not have been invested but for availability of repealed exemption.

Takes effect on 91st day following adjournment sine die.

## A BILL FOR AN ACT

Relating to property taxation; creating new provisions; amending ORS 308.519 and 308.674 and section 11, chapter 23, Oregon Laws 2015, and section 1, chapter 571, Oregon Laws 2015; repealing ORS 308.673, 308.677 and 308.681; and prescribing an effective date.

### **Be It Enacted by the People of the State of Oregon:**

**SECTION 1.** Section 1, chapter 571, Oregon Laws 2015, is amended to read:

**Sec. 1. (1) As used in this section, “solar project” means a photovoltaic solar power generation facility and the land on which the facility is located.**

*[(1)(a) The governing body of a county and the owner or person in possession or control of a solar project located within the county and outside the*

1 *boundaries of any incorporated city may enter into an agreement that exempts*  
2 *from property taxes the property constituting the solar project and allows the*  
3 *payment of a fee in lieu of property taxes imposed on the property. An agree-*  
4 *ment may not be entered into for a term longer than 20 consecutive years.]*

5 *[(b) If any portion of a solar project is located within the boundaries of an*  
6 *incorporated city, the governing body of the county shall consult with the*  
7 *governing body of the city before entering into an agreement under paragraph*  
8 *(a) of this subsection. An agreement entered into under paragraph (a) of this*  
9 *subsection with respect to a solar project located within the boundaries of the*  
10 *incorporated city is not effective unless the governing body of the city is a party*  
11 *to the agreement.]*

12 **(2)(a) Upon request of the owner or person in possession or control**  
13 **of a solar project located in a county with a population of less than**  
14 **775,000, the governing body of the county shall enter into an agree-**  
15 **ment with the owner or person in possession or control that exempts**  
16 **from property taxes the property constituting the solar project and**  
17 **allows the payment of a fee in lieu of property taxes imposed on the**  
18 **property. An agreement may not be entered into for a term longer**  
19 **than 20 consecutive years.**

20 **(b) If the solar project is located within the boundaries of an in-**  
21 **corporated city, the city and the county shall enter into the agreement**  
22 **under this section.**

23 *[(2)] (3) The fee in lieu of property taxes shall be computed at the rate*  
24 *of \$7,000 per megawatt of nameplate capacity of the solar project for each*  
25 *property tax year. Megawatt of nameplate capacity shall be carried to the*  
26 *third decimal place.*

27 *[(3)(a)] (4)(a) On or before December 31 preceding the first property tax*  
28 *year to which an agreement entered into under this section relates, the*  
29 *owner or person in possession or control of the solar project shall file with*  
30 *the county assessor a copy of the agreement and a request for computation*  
31 *of the fee in lieu of property taxes for the property constituting the solar*

1 project. The request must include any information required by the assessor  
2 to compute the fee.

3 (b) On or before December 31 preceding each subsequent property tax year  
4 to which an agreement entered into under this section relates, the owner or  
5 person in possession or control of the solar project shall file with the county  
6 assessor a request for computation of the fee in lieu of property taxes for the  
7 property constituting the solar project. If the identity of the owner or person  
8 in possession or control, or the nameplate capacity, of the solar project has  
9 changed, the request for computation of the fee must include the new infor-  
10 mation.

11 (c) A request for computation that is not filed on or before December 31  
12 must be accompanied by a late fee of \$200.

13 [(4)(a)] (5)(a) On or before February 1 of each year to which the agree-  
14 ment relates, the county assessor shall compute the fee in lieu of property  
15 taxes for the property constituting the solar project and shall notify the  
16 owner or person in possession or control:

17 (A) That the fee in lieu of property taxes must be paid to the county  
18 treasurer on or before March 1; and

19 (B) Of the amount due and of the consequences of late payment or non-  
20 payment.

21 (b) Notwithstanding paragraph (a) of this subsection, payment of the fee  
22 in lieu of property taxes is not due until after the notice required under  
23 paragraph (a) of this subsection has been sent.

24 (c) On or before July 15 of each year, the county treasurer shall distribute  
25 fee revenue collected under this section to each taxing district in which a  
26 solar project is located on the basis of the ratio that the taxing district's  
27 total rate of ad valorem property taxes, excluding the rates of taxes imposed  
28 to repay bonded indebtedness, bears to the total rate of ad valorem property  
29 taxes, excluding the rates of taxes imposed to repay bonded indebtedness,  
30 imposed by all taxing districts in which the solar project is located.

31 [(5)(a)] (6)(a) If the owner or person in possession or control of a solar

1 project that has entered into an agreement under this section fails to pay the  
2 fee as required under this section, the property constituting the solar project  
3 is not exempt for the following property tax year and shall be assessed and  
4 taxed as other similar property is assessed and taxed.

5 (b) Notwithstanding paragraph (a) of this subsection, the property shall  
6 be exempt for the following property tax year upon payment, within one year  
7 after the date of delinquency, of the delinquent fee plus interest at the rate  
8 prescribed in ORS 311.505 (2). Delinquent fees and interest shall be collected  
9 in the manner provided for collection of delinquent property taxes on per-  
10 sonal property.

11 ~~[(6)(a)]~~ (7)(a) If the owner or person in possession or control of the solar  
12 project fails to pay the fee in lieu of property taxes for more than one year  
13 during the term of an agreement entered into under this section, notwith-  
14 standing the agreement, the property constituting the solar project shall be  
15 disqualified for the exemption and payment of the fee in lieu of property  
16 taxes.

17 (b) Property that is disqualified under this subsection shall:

18 (A) Be assessed and taxed as other similar property is assessed and taxed.

19 (B) In addition, be assessed a penalty in an amount equal to one year of  
20 the fee in lieu of property taxes for the property. The penalty assessed under  
21 this subparagraph shall be *[distributed in the manner described in subsection*  
22 *(4)(c) of this section]* **credited to the general fund of the county in which**  
23 **the property is located.**

24 ~~[(7)(a)]~~ (8)(a) Property constituting a solar project that has received an  
25 exemption under ORS 285C.350 to 285C.370 or 307.123 for any property tax  
26 year is not eligible to pay a fee in lieu of property taxes under this section.

27 (b) Paragraph (a) of this subsection does not apply to property constitut-  
28 ing a solar project that was the subject of an application filed pursuant to  
29 ORS 285C.350 to 285C.370 if the property did not receive the exemption for  
30 any property tax year. The election to pay the fee in lieu of property taxes  
31 for property described in this paragraph is not a disqualifying event.

1       **SECTION 2.** (1) The amendments to section 1, chapter 571, Oregon  
2 Laws 2015, by section 1 of this 2018 Act apply to requests made under  
3 section 1, chapter 571, Oregon Laws 2015, by owners or persons in  
4 possession or control of solar projects on or after the effective date  
5 of this 2018 Act.

6       (2) Notwithstanding subsection (1) of this section, property consti-  
7 tuting a solar project that is exempt from property taxes under section  
8 1, chapter 571, Oregon Laws 2015, as in effect immediately preceding  
9 the effective date of this 2018 Act shall continue to be exempt and to  
10 pay the fee in lieu of property taxes for the term specified in the  
11 agreement entered into under section 1, chapter 571, Oregon Laws 2015,  
12 as in effect immediately preceding the effective date of this 2018 Act.

13       **SECTION 3.** ORS 308.673, 308.677 and 308.681 are repealed.

14       **SECTION 4.** ORS 308.519 is amended to read:

15       308.519. (1) The following real and tangible personal property used or held  
16 for future use by a company described in subsection (2) of this section shall  
17 be locally assessed:

18       (a) Property constituting a data center or used in connection with the  
19 operation of data center property;

20       (b) Property used on the data center property to generate electricity; and

21       (c) Electricity generated by property described in paragraph (b) of this  
22 subsection.

23       (2) Subsection (1) of this section applies to a company that is:

24       (a) Not a company described in ORS 308.515 (1); or

25       (b) A company described in ORS 308.515 (1) [*and*] if the historical or ori-  
26 ginal cost of the real and tangible personal property of all data centers  
27 owned, leased or used by the company in Oregon and all additions to the  
28 data center property, excluding property described in subsection (1)(b) and  
29 (c) of this section, is equal to or greater than \$200 million.

30       (3)[(a)] For purposes of ORS 308.505 to 308.681, property described in  
31 subsection (1) of this section, and intangible personal property that is related

1 to the property, may not be included in any unit subject to central assess-  
2 ment.

3 *[(b) Notwithstanding paragraph (a) of this subsection, property that is used*  
4 *or held for future use by a company whose property is granted an exemption*  
5 *under ORS 308.677 and that would otherwise be assessed under this section*  
6 *shall be assessed under ORS 308.677.]*

7 **SECTION 5.** ORS 308.674 is amended to read:

8 308.674. (1) *[Subject to ORS 308.673,]* The property of a company described  
9 in ORS 308.515 (1) shall be granted an exemption in the amount of the posi-  
10 tive value, if any, obtained by subtracting from the real market value of the  
11 company's real property and tangible and intangible personal property in-  
12 cluded in the unit subject to central assessment, reduced by the amount of  
13 any exemption elected under ORS 308.671, an amount equal to the historical  
14 or original cost of the company's real property and tangible personal prop-  
15 erty included in the unit subject to central assessment, without reduction for  
16 any exemption elected under ORS 308.671, multiplied by 130 percent.

17 (2) If the amount determined under subsection (1) of this section is not  
18 positive, *[subject to ORS 308.673,]* the real market value of the company's  
19 real property and tangible and intangible personal property included in the  
20 unit subject to central assessment, reduced by the amount of any exemption  
21 elected under ORS 308.671, shall be the real market value of the company's  
22 property for the property tax year.

23 (3) Notwithstanding subsection (1) of this section, an exemption granted  
24 under this section may not exceed an amount equal to 95 percent of the real  
25 market value of the company's real property and tangible and intangible  
26 personal property included in the unit subject to central assessment.

27 (4)(a) If the property of a company is granted an exemption under this  
28 section for a property tax year, the property is not eligible for any other  
29 exemption from ad valorem property taxation for the property tax year.

30 (b) Notwithstanding paragraph (a) of this subsection:

31 (A) An exemption granted under ORS 308.671 to property that is granted



1 an exemption under this section shall be allowed in the manner provided  
2 under this section and ORS 308.671.

3 (B) An exemption granted under this section for a property tax year has  
4 no effect on the benefits that the property of the company or the company  
5 may be granted under ORS chapter 285C or ORS 307.123 for the property tax  
6 year.

7 **SECTION 6.** Section 11, chapter 23, Oregon Laws 2015, is amended to  
8 read:

9 **Sec. 11.** (1) [*Sections 8 and 10 of this 2015 Act*] **ORS 308.518 and 308.519**  
10 and the amendments to ORS 308.505 and 308.516 by sections 7 and 9, **chapter**  
11 **23, Oregon Laws 2015,** [*of this 2015 Act*] apply to property tax years begin-  
12 ning on or after July 1, 2015.

13 (2) [*Sections 2, 3, 5 and 6 of this 2015 Act*] **ORS 308.674** and the amend-  
14 ments to [*ORS 307.126 by section 4 of this 2015 Act*] **ORS 308.671 by section**  
15 **4, chapter 23, Oregon Laws 2015,** apply to property tax years beginning on  
16 or after July 1, 2016.

17 **SECTION 7.** The amendments to **ORS 308.519 and 308.674 and section**  
18 **11, chapter 23, Oregon Laws 2015,** by sections 4 to 6 of this 2018 Act and  
19 **the repeal of ORS 308.673, 308.677 and 308.681 by section 3 of this 2018**  
20 **Act apply to property tax years beginning on or after July 1, 2015.**

21 **SECTION 8.** (1) A company described in **ORS 308.515 (1)** whose ap-  
22 plication was approved by the Public Utility Commission pursuant to  
23 **ORS 308.677 (4) (2015 Edition)** on or before March 1, 2016, may submit  
24 a claim for a credit under this section against the property taxes due  
25 on the property of the company that is subject to assessment under  
26 **ORS 308.505 to 308.681.**

27 (2)(a) A credit shall be allowed to a company described in subsection  
28 (1) of this section for amounts invested by the company:

29 (A) In property described in **ORS 308.677 (2)(a) (2015 Edition)** that is  
30 capable of being used solely to provide symmetrical service described  
31 in **ORS 308.677 (2)(a) (2015 Edition);** and

1 (B) That would not have been invested in the property but for the  
2 availability of the exemption under ORS 308.677 (2015 Edition).

3 (b) No credit may be allowed for amounts invested in property that  
4 works in conjunction with symmetrical service described in ORS  
5 308.677 (2)(a) (2015 Edition) but has other uses or applications in addi-  
6 tion.

7 (3)(a) In order to receive a credit under this section, a company  
8 must submit to the Department of Revenue a claim that:

9 (A) Provides clear and convincing evidence, as determined by the  
10 department, that the company:

11 (i) Is a company described in subsection (1) of this section; and

12 (ii) Made investments described in subsection (2)(a) of this section  
13 in the amount claimed by the company; and

14 (B) Includes a statement, attested to by the president or other  
15 proper officer of the company, under penalties for false swearing, that  
16 all information contained in the claim is correct to the best of the  
17 officer's knowledge.

18 (b) Claims received by the department after June 30, 2019, may not  
19 be considered by the department.

20 (4)(a) The department shall respond to the company within 90 days  
21 after receiving a claim under subsection (3) of this section.

22 (b) In the response, the department shall:

23 (A) Notify the company that the claim is approved and state the  
24 amount of the credit allowed;

25 (B) Request more information, clarification or any other material,  
26 including documents, from the company that the department consid-  
27 ers necessary to determine the company's eligibility for the credit or  
28 the amount of the credit; or

29 (C) Issue a notice of denial to the company.

30 (c)(A) If the department is unable, for any reason not attributable  
31 to the department, to determine whether the company is entitled to

1 claim the credit, or the amount of the credit, the department shall  
2 issue a notice of denial to the company.

3 (B) The department shall issue the notice of denial only if the de-  
4 partment has first made a request under paragraph (b)(B) of this  
5 subsection and:

6 (i) The company does not reply within 30 days after the request is  
7 made; or

8 (ii) The company's reply does not enable the department to make  
9 a determination under this paragraph.

10 (d) The department may change the amount of the credit claimed  
11 by the company without denying the claim in its entirety.

12 (e) Upon request of the department, the Public Utility Commission  
13 shall assist the department in responding to a claim under this sub-  
14 section in any manner the department requests.

15 (5) If the department approves a claim under subsection (4) of this  
16 section, the department shall include a written notice with the certi-  
17 fication of the roll under ORS 308.621 to the assessor of any county in  
18 which any portion of the property of the company is located stating  
19 the portion of the credit attributable to property of the company that  
20 is taxable in the county.

21 (6) A county assessor who receives written notice under subsection  
22 (5) of this section shall, after any discount allowed under ORS 311.505,  
23 allow a credit against the property taxes otherwise due on the property  
24 of the company for the next occurring property tax year in an amount  
25 equal to the lesser of:

26 (a) The total amount of investments described in subsection (2)(a)  
27 of this section made by the company, as approved by the department;  
28 or

29 (b) The amount of property taxes due on the company's property  
30 that is subject to assessment under ORS 308.505 to 308.681 for the  
31 property tax year in which the credit is claimed.

1       **(7) Any credit otherwise allowable under this section that is not**  
2 **used by the company in the first property tax year for which it is al-**  
3 **lowed may be carried forward and offset against the amount of prop-**  
4 **erty taxes described in subsection (6)(b) of this section for the next**  
5 **succeeding property tax year. Any credit remaining unused in the next**  
6 **succeeding property tax year may be carried forward and used in the**  
7 **third succeeding property tax year, and any credit not used in the**  
8 **third succeeding property tax year may be carried forward and used**  
9 **in the fourth succeeding property tax year, and any credit not used in**  
10 **the fourth succeeding property tax year may be carried forward and**  
11 **used in the fifth succeeding property tax year, and any credit not used**  
12 **in the fifth succeeding property tax year may be carried forward and**  
13 **used in the sixth succeeding property tax year, but may not be carried**  
14 **forward for any succeeding property tax year.**

15       **SECTION 9.** **Section 8 of this 2018 Act is repealed on January 2, 2026.**

16       **SECTION 10.** **This 2018 Act takes effect on the 91st day after the**  
17 **date on which the 2018 regular session of the Seventy-ninth Legislative**  
18 **Assembly adjourns sine die.**

19

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**307.175 Alternative energy systems.** (1) As used in this section, “alternative energy system” means property consisting of solar, geothermal, wind, water, fuel cell or methane gas energy systems for the purpose of heating, cooling or generating electricity.

(2) An alternative energy system is exempt from ad valorem property taxation if the system is:

- (a) A net metering facility, as defined in ORS 757.300; or
- (b) Primarily designed to offset onsite electricity use.

(3) Notwithstanding ORS 307.110 and 308.505 to 308.681, any portion of the real property to which an alternative energy system is affixed is exempt under this section if:

- (a) The real property is otherwise exempt from ad valorem property taxation; and
- (b) The alternative energy system is exempt under this section.

(4) Property equipped with an alternative energy system is exempt from ad valorem property taxation in an amount that equals any positive amount obtained by subtracting the real market value of the property as if it were not equipped with an alternative energy system from the real market value of the property as equipped with the alternative energy system. [1975 c.460 §§1,2; 1977 c.196 §§9,10; 1979 c.670 §1; 1991 c.459 §47; 1997 c.534 §1; 2001 c.584 §1; 2007 c.885 §1; 2011 c.656 §3]

**Note:** Section 4, chapter 656, Oregon Laws 2011, provides:

**Sec. 4.** (1) The amendments to ORS 307.175 by section 3, chapter 656, Oregon Laws 2011, apply to tax years beginning on or after July 1, 2011.

(2) An exemption under ORS 307.175 may not be allowed for tax years beginning after July 1, 2017. [2011 c.656 §4; 2013 c.193 §28]

**Note:** 307.175 was enacted into law by the Legislative Assembly but was not added to or made a part of ORS chapter 307 or any series therein by legislative action. See Preface to Oregon Revised Statutes for further explanation.

(Temporary provisions relating to the exemption of solar project property and the payment of a fee in lieu of property taxes)

**Note:** Sections 1, 2 and 3, chapter 571, Oregon Laws 2015, provide:

**Sec. 1.** (1)(a) The governing body of a county and the owner or person in possession or control of a solar project located within the county and outside the boundaries of any incorporated city may enter into an agreement that exempts from property taxes the property constituting the solar project and allows the payment of a fee in lieu of property taxes imposed on the property. An agreement may not be entered into for a term longer than 20 consecutive years.

(b) If any portion of a solar project is located within the boundaries of an incorporated city, the governing body of the county shall consult with the governing body of the city before entering into an agreement under paragraph (a) of this subsection. An agreement entered into under paragraph (a) of this subsection with respect to a solar project located within the boundaries of the incorporated city is not effective unless the governing body of the city is a party to the agreement.

(2) The fee in lieu of property taxes shall be computed at the rate of \$7,000 per megawatt of nameplate capacity of the solar project for each property tax year. Megawatt of nameplate capacity shall be carried to the third decimal place.

(3)(a) On or before December 31 preceding the first property tax year to which an agreement entered into under this section relates, the owner or person in possession or control of the solar project shall file with the county assessor a copy of the agreement and a request for computation of the fee in lieu of property taxes for the property constituting the solar project. The request must include any information required by the assessor to compute the fee.

(b) On or before December 31 preceding each subsequent property tax year to which an agreement entered into under this section relates, the owner or person in possession or control of the solar project shall file with the county assessor a request for computation of the fee in lieu of property taxes for the property constituting the solar project. If the identity of the owner or person in possession or control, or the nameplate capacity, of the solar project has changed, the request for computation of the fee must include the new information.

(c) A request for computation that is not filed on or before December 31 must be accompanied by a late fee of \$200.

(4)(a) On or before February 1 of each year to which the agreement relates, the county assessor shall compute the fee in lieu of property taxes for the property constituting the solar project and shall notify the owner or person in possession or control:

(A) That the fee in lieu of property taxes must be paid to the county treasurer on or before March 1; and

(B) Of the amount due and of the consequences of late payment or nonpayment.

(b) Notwithstanding paragraph (a) of this subsection, payment of the fee in lieu of property taxes is not due until after the notice required under paragraph (a) of this subsection has been sent.

(c) On or before July 15 of each year, the county treasurer shall distribute fee revenue collected under this section to each taxing district in which a solar project is located on the basis of the ratio that the taxing district's total rate of ad valorem property taxes, excluding the rates of taxes imposed to repay bonded indebtedness, bears to the total rate of ad valorem property taxes, excluding the rates of taxes imposed to repay bonded indebtedness, imposed by all taxing districts in which the solar project is located.

(5)(a) If the owner or person in possession or control of a solar project that has entered into an agreement under this section fails to pay the fee as required under this section, the property constituting the solar project is not exempt for the following property tax year and shall be assessed and taxed as other similar property is assessed and taxed.

(b) Notwithstanding paragraph (a) of this subsection, the property shall be exempt for the following property tax year upon payment, within one year after the date of delinquency, of the delinquent fee plus interest at the rate prescribed in ORS 311.505 (2). Delinquent fees and interest shall be collected in the manner provided for collection of delinquent property taxes on personal property.

(6)(a) If the owner or person in possession or control of the solar project fails to pay the fee in lieu of property taxes for more than one year during the term of an agreement entered into under this section, notwithstanding the agreement, the property constituting the solar project shall be disqualified for the exemption and payment of the fee in lieu of property taxes.

(b) Property that is disqualified under this subsection shall:

(A) Be assessed and taxed as other similar property is assessed and taxed.

(B) In addition, be assessed a penalty in an amount equal to one year of the fee in lieu of property taxes for the property. The penalty assessed under this subparagraph shall be distributed in the manner described in subsection (4)(c) of this section.

(7)(a) Property constituting a solar project that has received an exemption under ORS 285C.350 to 285C.370 or 307.123 for any property tax year is not eligible to pay a fee in lieu of property taxes under this section.

(b) Paragraph (a) of this subsection does not apply to property constituting a solar project that was the subject of an application filed pursuant to ORS 285C.350 to 285C.370 if the property did not receive the exemption for any property tax year. The election to pay the fee in lieu of property taxes for property described in this paragraph is not a disqualifying event. [2015 c.571 §1]

**Sec. 2.** Section 1 of this 2015 Act applies to property tax years beginning on or after July 1, 2016. [2015 c.571 §2]

**Sec. 3.** (1) Section 1 of this 2015 Act is repealed on January 2, 2022.

(2) Notwithstanding subsection (1) of this section, property constituting a solar project that is exempt from property taxes under section 1 of this 2015 Act on the date specified in subsection (1) of this section shall continue to be exempt and to pay the fee in lieu of property taxes for the term specified in the agreement entered into under section 1 of this 2015 Act. [2015 c.571 §3]



AGENDA ITEM COVER SHEET
Morrow County Board of Commissioners
(Page 1 of 2)

(For BOC Use)
Item #
5b

Please complete for each agenda item submitted for consideration by the Board of Commissioners
(See notations at bottom of form)

Staff Contact: Kate Knop & Rex Baker
Department: Finance
Short Title of Agenda Item:

Phone Number (Ext): 5302
Requested Agenda Date: 1/17/2018

Equity Fund Loan Request from Morrow County Health District (MCHD)

This Item Involves: (Check all that apply for this meeting.)

- Order or Resolution
Ordinance/Public Hearing:
1st Reading 2nd Reading
Public Comment Anticipated:
Estimated Time:
Document Recording Required
Contract/Agreement
Appointments
Update on Project/Committee
Consent Agenda Eligible
Discussion & Action
Estimated Time: 20 minutes
Purchase Pre-Authorization
Other

N/A

Purchase Pre-Authorizations, Contracts & Agreements

Contractor/Entity:

Contractor/Entity Address:

Effective Dates - From:

Through:

Total Contract Amount: \$100,000

Budget Line: 240-100-1-70-7500

Does the contract amount exceed \$5,000? Yes No

Reviewed By:

Department Head Required for all BOC meetings

Admin. Officer/BOC Office Required for all BOC meetings

County Counsel \*Required for all legal documents

Finance Office \*Required for all contracts; other items as appropriate.

Human Resources \*If appropriate

\*Allow 1 week for review (submit to all simultaneously). When each office has notified the submitting department of approval, then submit the request to the BOC for placement on the agenda.

Note: All other entities must sign contracts/agreements before they are presented to the Board of Commissioners (originals preferred). Agendas are published each Friday afternoon, so requests must be received in the BOC Office by 1:00 p.m. on the Friday prior to the Board's Wednesday meeting. Once this form is completed, including County Counsel, Finance and HR review/sign-off (if appropriate), then submit it to the Board of Commissioners Office.

# AGENDA ITEM COVER SHEET

Morrow County Board of Commissioners

(Page 2 of 2)

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## 1. ISSUES, BACKGROUND, DISCUSSION AND OPTIONS (IF ANY):

The Equity Fund Committee met in Executive Session on January 4, 2018 to review a ten year loan application, in the amount of \$100,000, from the Morrow County Health District (d/b/a Pioneer Memorial Hospital). The loan would be used, in conjunction with two other funding sources, to purchase a building located at 101 SW Kinkade Road in Boardman, Oregon. The sale price is \$375,000 and would be used for a Home Health Care and Hospice location that will house an RN and an Aid. In addition, there will be a tenant in this building.

Currently, the MCHD has three outstanding Equity Fund loans with balances and interest rates that are:

	Rate	Balance
Loan #0232	1.0%	\$34,851
Loan #0307	2.0%	\$54,564
Loan #0335	1.5%	\$51,324
Total Outstanding		\$140,739

All three loans are in good standing.

Finally, the new loan request meets the financing policies guided by the Equity Fund polices and procedures and the Committee voted unanimously to recommend the loan to the Morrow County Board of Commissioners.

## 2. FISCAL IMPACT:

The Equity Fund would use \$100,000, of the \$184,201.83 cash available, towards the MCHD loan and receive principle and interest payments. The interest would be determined by the Board of Commissioners.

## 3. SUGGESTED ACTION(S)/MOTION(S):

The Equity Fund Committee recommends the Board of Commissioners approve the ten year loan request from Morrow County Health District in the amount of \$100,000. The interest rate would be determined by the Board.

Attach additional background documentation as needed.





## Finance Department

P.O. Box 867 • Heppner OR 97836  
(541) 676-5615

Kate Knop  
Finance Director  
kknop@co.morrow.or.us

TO: Equity Fund Committee Members

FROM: Kate Knop, Finance Director *W*

DATE: January 4, 2018

RE: Equity Fund Loan Application

The Greater Eastern Oregon Development Corporation (GEODC) received a loan application from the Morrow County Health District (MCHD) d/h/a Pioneer Memorial Hospital on November 20, 2017. The loan request is for \$100,000, for ten years, to be used towards the purchase of the building located at 101 SW Kinkade Road in Boardman, Oregon.

The loan request meets the following financing policies guided by the Equity Fund policies and procedures.

- The primary financing is from a traditional financial institution.
  - GEODC
- Working capital loans will not exceed 50% of total loan portfolio
  - The loan is \$100,000 of total assets \$612,364 (audited financial statements June 30, 2017)
- MCHD is funding \$100,000 of the \$375,000 loan. A loan from Bank of Eastern Oregon is also approved in the amount of \$175,000.
- Second lien position on purchased property, junior only to Bank of Eastern Oregon's 1<sup>st</sup> lien, not to exceed \$175,000.
- A loan application fee of 1%, not to exceed \$500
  - GEODC will receive \$500
- The MCHD meets the standards and targets defined in the policies and procedures.
  - Retain and/or create employment
  - Existing business that is expanding that show clear need for gap financing.
  - Loan will provide financing that is otherwise not available.
  - Loan is to purchase property which meet eligible use.
- The MCHD met the following application procedures.
  - Financial Statement provided
  - Historical financial information for last three years
  - Key personnel and Board identified
  - Bank email indicating loan terms and approval of loan

## Committee's Duties

- Review complete loan applications and establish if loan request has sufficient collateral, financial feasibility, and sound management.
- Evaluate project for economic impact.
- Recommendation
  - Approval with recommendation
  - Approval with recommendation and special conditions
  - Table for additional information
  - Recommend denial

BEFORE THE BOARD OF COMMISSIONERS  
FOR MORROW COUNTY, OREGON

A Resolution Authorizing the Morrow County )  
Equity Fund Policies and Procedures )

RESOLUTION NO. R-5-2008

WHEREAS, the Equity Fund Policies and Procedures is a guideline used by Morrow County to follow when reviewing loan applications and determining eligibility; and

WHEREAS, Morrow County recognizes that circumstances may arise where the procedures set forth in the Policies and Procedures would be a detriment to a prospective applicant; and

WHEREAS, Morrow County further recognizes that the decision to deviate from the Policies and Procedures shall only occur in rare circumstances and with the unanimous consent of all County Commissioners rendering a decision; and

WHEREAS, it is Morrow County's best interest to have the ability to deviate from the Policies and Procedures in those rare circumstances upon a showing from the prospective applicant that the Procedures would be to their detriment; and

NOW, THEREFORE, be it resolved as follows:

The Morrow County Equity Fund shall be amended to include Paragraph 13 which gives the County Court the power to deviate, upon unanimous consent, from the Policies and Procedures based on a showing by the prospective applicant that the Policies and Procedures would serve as an undue hardship, and the reasoning of the County Court shall be placed into writing.

ADOPTED this 11<sup>TH</sup> day of JUNE, 2008.

MORROW COUNTY COURT

ATTEST:

Bobbi A Childers  
Bobbi Childers  
County Clerk



Serry K. Tallman  
Serry K. Tallman, County Judge

APPROVED AS TO FORM:

ABSENT  
John E. Wenholtz, Commissioner

[Signature]  
County Counsel

Ken A. Grieb  
Ken Grieb, Commissioner

LOAN SERVICING AGREEMENT  
AMENDMENT #1

WHEREAS Morrow County (County) and Greater Eastern Oregon Development Corporation (GEODC) entered into agreement on May 13, 2003.

WHEREAS GEODC is administering loans generated from the Morrow County Equity Fund on behalf of the County.

WHEREAS both parties agree that updates and changes to the agreement are necessary to better serve the County, GEODC and the Morrow County Equity Fund.

THEREFORE The following updates and changes are made under the sections referenced. All other sections and paragraphs of the agreement shall remain in effect as in the original agreement.

3. OBLIGATIONS OF COUNTY:

County shall appoint members to a loan review committee who is authorized to review and recommend loans to the County Court for approval. County shall, in its sole discretion, have the ultimate authority to approve or disapprove loan projects in Morrow County, Oregon.

4. OBLIGATIONS OF GEODC:

- (h) GEODC will receive applications, prepare loan summaries and present the applications to the loan review committee.
- (i) GEODC will coordinate meeting dates with loan review committee members and present the recommendation of the loan review committee to the County Court.

6. COMPENSATION OF GEODC:

- (a) County shall pay to GEODC \$2,000 annually beginning July 1, 2008 to cover the expenses related to processing applications, preparing loan summaries, conducting loan review committee meetings and presenting to the County Court. GEODC will be responsible for invoicing Morrow County annually for such compensation.

Dated: September 17, 2008 MORROW COUNTY

By: Jerry K. Sallman

Dated: September 17, 2008 GREATER EASTERN OREGON  
DEVELOPMENT CORPORATION

By: Melinda Ange

Attest:  
Bobbie Childers  
Jeanne Crawford  
Morrow County Clerk



Approved as to form:  
Ryan Swinburnson  
County Counsel

Morrow County

Equity Fund

***POLICIES AND PROCEDURES***

The following policies and procedures are used as a guideline when reviewing loan applications. It will be the duty of the Loan Review Committee (Committee) to determine eligibility and propose a loan to the Morrow County Court (Court) for final approval that is within the fund guidelines.

**A. FINANCING POLICIES**

The Equity Fund will be guided by the following financing policies:

1. All loans will fall within the parameters of the "Morrow County Equity Fund" document that was provided to the Oregon Legislature for the purpose of securing the \$500,000 to fund this program and which is attached to these Policies and Procedures and by this reference incorporated herein.
2. All loans will be made in conjunction with primary financing from a traditional financial institution. In addition to the Morrow County loan application the participating financial institution and borrower will provide copies of their loan analysis, including pro-forma financial data, credit reports and any other relevant information, to the Loan Review Committee for their consideration and review.
3. Working capital loans will not exceed 50% of the total loan portfolio.
4. Interest rates will be determined by the Court.
5. Loan terms for each project will be recommended by the loan review committee. However, no loan shall exceed 10 years.
6. The Court will have the authority to approve special financing, such as deferrals of principal or interest payments or both, to meet a borrower's need for high-risk financing and to leverage financing from conventional borrowers. The Court may also forgive or postpone loan payments due to special circumstances or unanticipated difficulties. When considering requests for postponement of payment obligations, the Court will consider the request on its merits alone and will base its decision on a thorough analysis of the business's financial statements, especially historical and projected cash flows. Deferrals on principal payments will be granted for businesses that can evidence the ability to achieve a positive cash flow within a specified time.

7. With regard to collateral, the Court will consider the merits and potential economic benefits of each request. When appropriate, liens, assignments, and guarantees will be secured in accordance with the following principles:
  - a. To encourage the participation of other lenders and investors, Morrow County's lien position may be subordinated and made inferior to liens securing other loans made in connection with the project.
  - b. Collateral for working capital loans will normally be liens on inventories, receivables, fixed assets or other available assets of the borrower. Such liens will be subordinated only to existing liens of record.
  - c. The Court may also require security in the form of assignment of patents, licenses, and other assets with a realizable value.
  - d. Life and/or disability insurance may be required on each owner or key person(s) of the business or corporation with 20% or more ownership. Such policies will be assigned to Morrow County in the amount of the original loan.
  - e. Hazard or liability insurance will be required on all businesses and policies will have Morrow County listed as loss payee.
  - f. Flood insurance will be required on properties located in the flood plain.
  - g. Personal guarantees will be required from principal owners when the Court determines that sufficient collateral is not available for the loan. Personal guarantees will be required for any person owning twenty percent or more of a corporation that will borrow from the fund.
  - h. A minimum of 1:1 collateral coverage is required. The discounted value of the collateral will be determined by the Court. The following loan to value guidelines are used: real estate – 90%, new equipment, furniture and fixtures – 80%, used equipment, furniture and fixtures – 50%.
8. A loan application fee of 1% of the loan amount will be charged for all loans, up to a maximum of \$500. This fee shall be non-refundable.
9. A Loan Review Committee will be appointed by the Court to provide an initial review and recommendation of all loan requests to the Court. The Committee will be comprised of a representative of each of the two financial organizations in the county, those being Bank of Eastern Oregon and Banner Bank, a member of the Willow Creek Valley Economic Development Group, an at large member representing the interests of the cities of Boardman and Irrigon and the Morrow County Finance Director.
10. The Greater Eastern Oregon Development Corporation (GEODC) shall act as the loan administrator for the Fund on behalf of the County and, under the terms of that agreement, shall service the loans made by the Fund. Under said agreement GEODC shall collect all costs associated with loan closings from the borrower(s).
11. There will be no construction phase financing.

12. In very rare circumstances, the Morrow County Court may agree to forego the procedures set forth in this policy and procedures when the Court makes a finding that the applicant's requested loan reasonably requires an expedited process based on the facts and circumstances surrounding the need of the loan. A determination to forego the procedures set forth in this document shall only be made upon the unanimous affirmative vote of the County Court Commissioners present at the meeting in which the decision is made. Additionally, the County Court Commissioners shall record the basis for their decision in writing. A loan granted under this subsection shall not exceed \$100,000.

## B. PORTFOLIO STANDARDS AND TARGETS

### 1. Type of Businesses/Activities Assisted

Priority for loan assistance will be given to projects that retain and/or create employment, existing businesses that are expanding, and businesses that show a clear need for gap financing. Businesses that receive more than 50 percent of their gross sales from gaming, or that use multi-level marketing strategies are not eligible for assistance. All loans will provide financing that is otherwise not available. All loans will meet the targets identified in the Morrow County Equity Fund document.

### 2. Use of Funds

Eligible uses include the purchase of fixed assets, working capital, or debt restructure. No more than 50% of the total loan portfolio will be allocated to working capital. All loans shall meet the Investment Criteria as outlined in the Morrow County Equity Fund document. Specifically, loan funds capital may not be used to:

- a. acquire an equity position in an existing private business;
- b. subsidize interest payments on an existing loan;
- c. enable an Fund borrower to acquire an interest in a business, either through the purchase of stock or through the acquisition of assets, unless the need for Fund financing is sufficiently justified, and documented in the loan write-up. Acceptable justification could include acquiring a business to substantially save it from imminent foreclosure or acquiring it to expand it with increased investment. In any case, the resulting economic benefits should be consistent with the strategic objectives of the Fund;
- d. refinance existing debt *unless*:
  - (1) there is sound economic justification and the loan write-up states that the Fund is not replacing private capital solely for the purpose of reducing the risk of loss to an existing lender(s).
  - (2) a Fund uses Fund income sources and/or recycled Fund funds to purchase the rights of a prior lienholder during an in-process foreclosure action in order to preclude a significant loss on an Fund loan. This action may be undertaken only if there is a high probability

of receiving compensation within a reasonable time period (18 months) from the sale of assets sufficient to cover the Fund's expenses plus a reasonable portion of the outstanding loan obligation.

Ineligible loan purposes include the following:

- a. Assistance in excess of what is needed to accomplish the purpose of the third party recipient's project
- b. Distribution or payment to owners, partners, shareholders or beneficiaries of the third party recipient or members of their families when such persons will retain any portion of their equity in the third party recipient
- c. Charitable institutions that would not have revenue from sales or fees to support the operation and repay the loan such as churches, organizations affiliated with or sponsored by churches and fraternal organizations
- d. Assistance to government employees, military personnel or principals or employees of Morrow County or organizations for which such persons are directors or officers or in which they have ownership interest of 20% or more
- e. Agricultural production
- f. The transfer of ownership unless the loan will keep the business from closing or prevent the loss of employment opportunities in the area or provide expanded job opportunities
- g. Any illegal activity
- h. Any project that is in violation of either a Federal, State or local environmental protection law or regulation or an enforceable land use restriction unless the assistance given will result in curing or removing a violation
- i. Lending and investment institutions and insurance companies
- j. Race tracks or gambling facilities

## **PART TWO: EQUITY FUND OPERATIONAL PROCEDURES**

### **A. LOAN APPLICATION REQUIREMENTS**

#### **1. Standard Loan Application Requirements**

All loan applicants must complete GEODC's application form. Additional information required to complete the application process includes the following:

- a. Personal financial statement
- b. Information release form
- c. Business plan
- d. Historical financial information for last three years
- e. Personal and business tax returns for three years
- f. Twelve month cash flow projection



- g. Current and proforma balance sheet
- h. Resumes of key personnel

## 2. Additional loan application requirements (if applicable to the project)

- a. Appraisals - will be required for land and building offered as collateral and they must be less than six months old. This requirement may be waived if the applicant can verify the value of the land and building in some other form (an alternative may be a real estate valuation, prepared by a qualified person or tax assessed value).
- b. Lease agreements - will be required for projects leasing property for the business. In addition, copies of lease agreements are necessary if the applicant is or will be receiving lease income on property involved in the project.
- c. Buy/sell agreements - will be required if the project includes the purchase of property, an existing business, or any other fixed asset that may be used as collateral.
- d. Construction estimates - will be required if the project includes construction.
- e. Bank commitment letter - will be required for projects with bank financing.
- f. Corporation papers - including articles of incorporation, by-laws, and certificate of good standing from the Secretary of States office will be required.
- g. Personal financial statements will be required for personal guarantee(s).
- h. Corporate resolution - authorizing the corporation to borrow the loan funds and designating specific officers as signatories.
- i. Business licenses
- j. Bonding

## B. LOAN REVIEW COMMITTEE

### 1. Organizational Structure

The Loan Review Committee will be appointed by the Court to provide an initial review and recommendation of all loan requests to the Court. The Committee will be comprised of a representative of each of the two financial organizations in the county, those being Bank of Eastern Oregon and Banner Bank, a member of the Willow Creek Valley Economic Development Group, an at large member representing the interests of the cities of Boardman and Irrigon and the Morrow County Finance Director.

### 2. Duties

The duties of the Finance Committee will be as follows:

- a. Review complete loan applications and establish if each loan request has sufficient collateral, financial feasibility, and sound management.

b. Evaluate projects for economic impact. The following criteria will be used to determine if the project will have a positive impact on the economy:

1. Provide value-added processing of local resource based commodities.
2. Provide for a diversification of the local economy in a sector not currently present or by providing goods or services not locally available.
3. Provide employment opportunities to the local workforce and/or attract new employees to the county.
4. Provide wages that are industry competitive in the regional market.
5. Provide the opportunity to export goods or services outside of Morrow County.
6. Provide for economic or community development consistent with local objectives.

c. Attend the Committee meeting and make a loan recommendation based on the committee's findings. The committee can make the following decisions:

- Recommend approval with recommendation
- Recommend approval with recommendation and special conditions
- table for additional information
- Recommend denial

d. Review loans with a default status and determine if foreclosure proceedings should begin.

### 3. Committee Meetings

Committee meetings will be scheduled and held on a demand basis. Meeting dates will be established by the committee, depending on the schedules of each member.

## C. LOAN CLOSING AND DISBURSEMENT PROCEDURES

### 1. Preparation of Loan Agreement and Verification of Contingency Items

Upon approval of the loan by the Court, GEODC will prepare the loan agreement. The loan agreement will describe the terms of the loan, collateral for the loan, events of default, and other requirements directly related to the project and the committee's approval. If the borrower is married, the loan agreement and other loan closing documents will be executed by both the borrower and spouse. During the time it takes GEODC staff to prepare the loan agreement, the Borrower will be asked to provide information and documentation for any contingencies included in the committee's approval that are not included. Contingencies may include life insurance, hazard/liability insurance, flood insurance, workman's compensation insurance, vehicle titles, bank approval letters, other financing approval letters, signed buy/sell agreements, corporate

resolutions authorizing the borrowing of funds and owner's signature(s). Other items may be requested and not included in the above listed items.

## 2. Loan Closing Documents and Procedure

Once the loan agreement has been prepared and contingency items have been verified or provided, a loan closing date will be scheduled. Loan closings will ordinarily take place at GEODC, unless otherwise setup by GEODC staff. The following standard documents will be required:

	Type of Loan		
	Real Estate	Machinery, FF&E	Working Capital
Promissory Note	X	X	X
Deed of Trust/Mortgage	X		
Security Agreement		X	X
UCC Financing Statement		X	X
Loan Agreement	X	X	X

Other loan documents may be required, but will be directly related to the loan and the committee's contingencies for approval. Other items include the following:

- a. Personal Guarantee(s)
- b. Corporate Guarantee
- c. Lease Assignments
- d. Vehicle Liens
- e. Contract Assignments

## 3. Loan Fund Disbursement

Borrowers must submit a letter of request for loan funds. The letter should describe the exact use of the funds. Copies of invoices, receipts, or a list describing the use of working capital and the period of time in which the funds will be spent, may be attached to the request letter. Loan funds will be disbursed directly to vendors for direct purchases. Loan funds used for working capital will be disbursed as the borrower submits receipts. The first working capital disbursement can be made without receipts, but the amount will not exceed 20% of the total working capital amount. Subsequent working capital disbursements will not be approved until receipts have been presented to and approved by staff for the first disbursement.

## E. LOAN SERVICING PROCEDURES

### 1. Loan Payments

Borrowers will make payments to GEODC in accordance with the loan agreement and promissory note, executed at loan closing. All loan payments will be remitted to Morrow County. Late payments will be handled in the following manner:

- a. Late fees in the amount of 5% of the payment amount, up to \$100.00 will be assessed on payments received on or after the 15<sup>th</sup> day past the scheduled payment date.
- b. A telephone call will be made and a letter will be sent to Borrowers who have not made their payment on or after the 15<sup>th</sup> day past the scheduled date.
- c. If payment is not received within 30 days from its scheduled due date, GEODC staff will schedule an appointment to meet with the Borrower to assess the situation.
- d. If payment is not received after 60 days from its scheduled due date and the Borrower has failed to communicate with GEODC staff, a letter of default is issued to the Borrower.
- e. If payment is not received after 90 days from its scheduled due date and the Borrower has failed to communicate with GEODC staff, a recommendation for foreclosure procedure will be made to the Court.

### 2. Loan File Monitoring

GEODC staff will maintain commercial loan software and a database tickler system in order to track the performance of each loan. The following items will be specifically monitored by staff:

- a. Financial Statements and Tax Returns - Financial statements will be collected in accordance to the loan agreement and tax returns will be requested annually.
- b. Life Insurance Verification - Life Insurance will be required and verification that the policy is assigned to GEODC will be checked annually.
- c. Hazard/Liability Insurance Verification - One of these types of insurance will be required and verification that the policy has GEODC listed as loss payee will be checked annually.
- d. UCC filings - UCC filings must be filed with the Secretary of State's office and a continuation statement filed prior to the fifth year anniversary of the initial filing.
- e. Property taxes – are to be paid current and GEODC will verify with the county tax collectors annually.
- f. Other renewal items - Some loans will have other renewal items, such as liens on livestock brands, flood insurance and workman's compensation

insurance. These items will be monitored as well and continuations filed when applicable.

### 3. Borrower Site Visits

The staff will conduct annual reviews at the Borrower's place of business. During the site visit, staff will verify employment numbers, inspect collateral, and answer questions the Borrower may have concerning their loan with Morrow County.

### 4. Loan Restructuring

GEODC staff will review the payment status of loans, monthly. Borrowers with past due, delinquent or defaulted loans will be considered for restructure if the Borrower is in contact with staff and a benefit to the business can be made by restructuring.

GEODC staff will evaluate the following to determine the restructuring benefit to the business:

- a. cash flow available for debt service
- b. aging of accounts payable
- c. aging of accounts receivable
- d. existing debt service
- e. historical and current trend of sales and expenses

All restructures will be submitted to the funding agency for final approval.

## ***PART THREE: ADMINISTRATION***

### A. LOAN WRITE-OFFS

Loan write-offs will be recommended by GEODC staff to the Court. Write-off recommendations will be made when all reasonable workout possibilities have been attempted and have failed. Final loan write-off decisions will be made by the Court.

### B. LOAN RECOVERY

Payments received from written-off loans will be returned to Morrow County for re-lending.

### C. ADMINISTRATIVE COSTS

The administrative cost of the Fund program will be paid as outlined in the Loan Servicing Agreement with GEODC. Any costs incurred by the County maybe paid from the application fee or interest earned.

#### D. RECAPITALIZATION STRATEGY

The Court has adopted a policy requiring all principal payments received from the loan fund be re-lent.



AGENDA ITEM COVER SHEET
Morrow County Board of Commissioners
(Page 1 of 2)

(For BOC Use)
Item #
5d

Please complete for each agenda item submitted for consideration by the Board of Commissioners
(See notations at bottom of form)

Staff Contact: Karen Wolff
Department: Human Resources
Short Title of Agenda Item:

Phone Number (Ext): X5620
Requested Agenda Date: 1/17/2018

Compensation Board Process Review

This Item Involves: (Check all that apply for this meeting.)
Order or Resolution
Ordinance/Public Hearing:
1st Reading 2nd Reading
Public Comment Anticipated:
Estimated Time:
Document Recording Required
Contract/Agreement
Appointments
Update on Project/Committee
Consent Agenda Eligible
Discussion & Action
Estimated Time:
Purchase Pre-Authorization
Other Discussion

N/A
Purchase Pre-Authorizations, Contracts & Agreements
Contractor/Entity:
Contractor/Entity Address:
Effective Dates - From: Through:
Total Contract Amount: Budget Line:
Does the contract amount exceed \$5,000? Yes No

Reviewed By:

Department Head Required for all BOC meetings
Admin. Officer/BOC Office Required for all BOC meetings
County Counsel \*Required for all legal documents
Finance Office \*Required for all contracts; other items as appropriate.
Human Resources \*If appropriate

\*Allow 1 week for review (submit to all simultaneously). When each office has notified the submitting department of approval, then submit the request to the BOC for placement on the agenda.

Note: All other entities must sign contracts/agreements before they are presented to the Board of Commissioners (originals preferred). Agendas are published each Friday afternoon, so requests must be received in the BOC Office by 1:00 p.m. on the Friday prior to the Board's Wednesday meeting. Once this form is completed, including County Counsel, Finance and HR review/sign-off (if appropriate), then submit it to the Board of Commissioners Office.

# AGENDA ITEM COVER SHEET

Morrow County Board of Commissioners

(Page 2 of 2)

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## 1. ISSUES, BACKGROUND, DISCUSSION AND OPTIONS (IF ANY):

The Compensation Board meeting is scheduled for 2/13/2018 at 1:00 pm in the Bartholomew Building Upper Conference Room. This is a Public Meeting. Attached is a draft timeline for this process.

## 2. FISCAL IMPACT:

Unknown.

## 3. SUGGESTED ACTION(S)/MOTION(S):

A. Make amendments to the timeline, if needed.

B. Request any data, documents, etc. that the Commissioners would like to have included in the Compensation Board notebooks. I will have one of the 2017 notebooks available for review. The scanned version is available on the S Drive/Shared Documents/Human Resources Information. Look for "2017 Compensation Board Book".

C. Request any data, documents, etc. that the Commissioners would like to have available for the discussion on 1/24/18.

Attach additional background documentation as needed.



## **2018 Compensation Board Timeline**

1/12/18 - Elected Officials receive email advising them of the date and time of the Compensation Board meeting and requesting any comments they would like to provide.

1/17/18 – Review Compensation Board Timeline with Board of Commissioners.

1/24/2018 – Compensation discussion at BOC meeting. Commissioners provide direction to the Compensation Board regarding their vision for the next Fiscal Year.

2/1/2018 - Comments from Elected Officials are due back to HR.

2/2/18 – Publish Agenda for Compensation Board meeting.

2/5/18 ± - Notebooks with data and memos are delivered to Compensation Board members.

2/5/18 ± - Scan of notebook is posted to S Drive in Shared Documents.

2/13/18 – 1:00 p.m. Compensation Board meeting.

2/21/18 – Present Compensation Board recommendation to Board of Commissioners.



**AGENDA ITEM COVER SHEET**  
**Morrow County Board of Commissioners**  
**(Page 2 of 2)**

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**1. ISSUES, BACKGROUND, DISCUSSION AND OPTIONS (IF ANY):**

The Compensation Board has a vacancy and I would like to recommend Kevin Ince to serve on this Board. Kevin is the Finance Director of Lamb Weston in Boardman. I have know Kevin for several years and consider him to be equitable, astute and ethical in his decisions. After explaining what his responsibilities would be as a member of the Board, such as the time commitments, due diligence of the information, and a 3 year term, Kevin would like to serve on the Compensation Board.

**2. FISCAL IMPACT:**

None

**3. SUGGESTED ACTION(S)/MOTION(S):**

Motion to appoint Kevin Ince to the Compensation Board for a 3 year term.

Attach additional background documentation as needed.



**AGENDA ITEM COVER SHEET**  
**Morrow County Board of Commissioners**  
**(Page 2 of 2)**

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**1. ISSUES, BACKGROUND, DISCUSSION AND OPTIONS (IF ANY):**

Morrow County's Seal should be updated to reflect the change in our structure, from County Court to Board of Commissioners.

**2. FISCAL IMPACT:**

Under \$200.00

**3. SUGGESTED ACTION(S)/MOTION(S):**

Motion to update Morrow County's seal by removing County Court and adding BOC or Board of Commissioners to the seal.

Attach additional background documentation as needed.

CERTIFIED TO BE A TRUE AND  
CORRECT COPY OF THE ORIGINAL  
MORROW COUNTY, OREGON RECORD  
Dated \_\_\_\_\_, 20\_\_\_\_  
Bobbi A. Childers, County Clerk  
By \_\_\_\_\_



# Juvenile Department Quarterly Report to the Board of County Commissioners (Quarter 2, 2017-2018)

Year: 2017-18      Last Quarter: 1st (October 1-December 31, 2017)  
 Director: Tom Meier      Report Date: January 17, 2018

**Referral Stats:**      (Youth/Referrals)

Quarter: #1	Kids	14	Referrals	16	10 refs, 8 youth SRO
Quarter: #2	Kids	16	Referrals	16	5 SRO referred
<b>Year (7/1/17-6/30/18)</b>	<b>Kids</b>	<b>30</b>	<b>Referrals</b>	<b>32</b>	
Year (7/1/16-6/30/17)	Kids	54	Referrals	61	<u>Record low</u>
Year (7/1/15-6/30/16)	Kids	86	Referrals	96	
Year (7/1/14-6/30/15)	Kids	62	Referrals	78	
Year (7/1/13-6/30/14)	Kids	68	Referrals	85	
Year (7/1/12-6/30/13)	Kids	71	Referrals	79	
Year (7/1/11-6/30/12)	Kids	91	Referrals	116	
Year (7/1/10-6/30/11)	Kids	96	Referrals	123	

**Detention Stats:**

@ 180.00 per day.

Quarter #1	2 (plus 1 CSC)	New Admits	3	New Law	2	PV/CR	1
Quarter #2	2 (plus 1 CSC)	New Admits	3 (one kid 2x)	New Law	2	PV/CR	1

**Total Detention Admissions (All Reasons)**

<b>2017-2018</b>	<b>6</b>	
2016-2017	10	<u>Record low</u>
2015-2016	13	
2014-2015	15	
2013-2014	16	
2012-2013	15	
2011-2012	14	
2010-2011	30	
2009-2010	16	
2008-2009	19	
2007-2008	24	

Quarter 1	18 regular detention days plus 30 CSC for a total of 48 days	
<b>Quarter 2</b>	<b>44 regular detention days plus 30 CSC for a total of 74 days</b>	
Length of Stay 2014-15	159 days total detention served	
Length of Stay 2015-16	189 days served	
Length of Stay 2016-17	265 days served	<u>Record High</u>
<b>Length of Stay 2017-18</b>	<b>122 days served</b>	

## 00058a - Referral Report by Referral Received Date

Original Referral County: **Morrow**  
 Start Date: **10/01/2017**  
 End Date: **12/31/2017**

Crime Group	Total	% of Grand Total	Gender			Age @ Referral			Race/Ethnicity					
			Females	Males	Unknown	12 and Younger	13 - 15	16 and Older	African American	Asian	Hispanic	Native American	Other/Unknown	White
<b><u>Criminal</u></b>														
<b>Person</b>														
Assault	1		0	1	0	0	0	1	0	0	0	0	0	1
Sex Offense	2		1	1	0	0	1	1	0	0	0	0	1	1
<b>Total</b>	<b>3</b>		<b>1</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>2</b>
<b>Property</b>														
Burglary	1		0	1	0	0	0	1	0	0	0	0	0	1
Theft	3		0	3	0	1	1	1	0	0	1	0	0	2
<b>Total</b>	<b>4</b>		<b>0</b>	<b>4</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>3</b>
<b>Public Order/Firearm/Weapons/Racketeering</b>														
Disorderly Conduct	1		0	1	0	0	1	0	0	0	1	0	0	0
Harassment	2		0	2	0	0	2	0	0	0	0	0	0	2
<b>Total</b>	<b>3</b>		<b>0</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>
<b>Total Criminal</b>	<b>10</b>		<b>1</b>	<b>9</b>	<b>0</b>	<b>1</b>	<b>5</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>1</b>	<b>7</b>
<b>%</b>		<b>62.5%</b>	<b>10.0%</b>	<b>90.0%</b>	<b>0.0%</b>	<b>10.0%</b>	<b>50.0%</b>	<b>40.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>20.0%</b>	<b>0.0%</b>	<b>10.0%</b>	<b>70.0%</b>
<b><u>Non-Criminal</u></b>														
<b>Contr Substance; Drugs</b>														
Penalties	3		0	3	0	0	1	2	0	0	2	0	1	0
<b>Total</b>	<b>3</b>		<b>0</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>1</b>	<b>0</b>
<b>Juvenile Code: Delinquency</b>														
Curfew	1		1	0	0	0	0	1	0	0	0	0	0	1
<b>Total</b>	<b>1</b>		<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>
<b>Public Health/Decency/Animals</b>														
Tobacco	1		0	1	0	0	1	0	0	0	0	0	0	1
<b>Total</b>	<b>1</b>		<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>
<b>Rules of the Road for Drivers</b>														
Careless and Reckless Driving	1		1	0	0	0	1	0	0	0	0	0	0	1
<b>Total</b>	<b>1</b>		<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>
<b>Total Non-Criminal</b>	<b>6</b>		<b>2</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>1</b>	<b>3</b>
<b>%</b>		<b>37.5%</b>	<b>33.3%</b>	<b>66.7%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>50.0%</b>	<b>50.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>33.3%</b>	<b>0.0%</b>	<b>16.7%</b>	<b>50.0%</b>
<b>Totals Referrals</b>	<b>16</b>		<b>3</b>	<b>13</b>	<b>0</b>	<b>1</b>	<b>8</b>	<b>7</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>0</b>	<b>2</b>	<b>10</b>
<b>%</b>			<b>18.8%</b>	<b>81.3%</b>	<b>0.0%</b>	<b>6.3%</b>	<b>50.0%</b>	<b>43.8%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>25.0%</b>	<b>0.0%</b>	<b>12.5%</b>	<b>62.5%</b>



Crime Group	Total	Gender			Age @ Referral			Race/Ethnicity				
		% of Grand Total	Females	Males	Unknown	12 and Younger	13 - 15	16 and Older	African American	Asian	Hispanic	Native American

**Unduplicated Count of Youth**                      **16**

Crime Group	Total	% of Grand Total	Gender			Age @ Referral			Race/Ethnicity				
			Females	Males	Unknown	12 and Younger	13 - 15	16 and Older	African American	Asian	Hispanic	Native American	Other/Unknown

**ORS Type Code by ORS Class Code**

	A	B	C	U	Total Referrals
<b>Felony</b>	0	0	2	0	<b>2</b>
<b>Misdemeanor</b>	2	3	3	0	<b>8</b>
<b>Violation</b>	0	4	0	2	<b>6</b>
<b>Total Referrals</b>	<b>2</b>	<b>7</b>	<b>5</b>	<b>2</b>	<b>16</b>

Crime Group	Total		Gender			Age @ Referral			Race/Ethnicity				
		% of Grand Total	Females	Males	Unknown	12 and Younger	13 - 15	16 and Older	African American	Asian	Hispanic	Native American	Other/Unknown

**ORS Chapter by ORS Type Code**

	Felony	Misdemeanor	Violation	Total Referrals
<b>Contr Substance; Drugs</b>	0	0	3	3
<b>Juvenile Code: Delinquency</b>	0	0	1	1
<b>Person</b>	0	3	0	3
<b>Property</b>	2	2	0	4
<b>Public Health/Decency/Animals</b>	0	0	1	1
<b>Public Order/Firearm/Weapons/Racketeering</b>	0	3	0	3
<b>Rules of the Road for Drivers</b>	0	0	1	1
<b>Total Referrals</b>	2	8	6	16

**Dependency Status Offenses:** Not all counties enter dependency status referrals.

### News/Notes

1. 1 male lodged in the Cognitive Self Change 30 day NORCOR program paid for by CEOJJC, which is now suspended but may resume in February. Suspended because of overspending having nothing to do with the NORCOR issue in the press.
2. Four (4) Morrow County youth remain in OYA custody. 2 in residential, 1 in foster care (college), 1 in Closed Custody (MacLaren Youth Correctional Facility). This does not count the M-11 youth serving sentence at MYCF.
3. Interviews for the newly approved Juvenile Probation Counselor occurring this month. A very qualified, deep candidate pool. We wish John McCabe all the best in his retirement years and congratulate him on his service!!
4. NORCOR Press issue is being addressed by the facility and Counties running it. Some changes occurring already (clocks, isolation procedures, archaic rules) Morrow County did not suspend use and we continue to use the facility without concern though we were directed to look into Walla Walla again and were advised our old contract was still in effect and we were free to use them as needed.
5. CEOJJC consultant Jeff Milligan has asked me to participate with OYA, DHS/Child Welfare in looking at the DHS crossover issue I raised with the Director of DHS/Child Welfare after another out of County Foster youth was placed in Morrow County and I was contacted by law enforcement on a new referral.

Respectfully Submitted by:



Tom Meier - Juvenile Department Director



**AGENDA ITEM COVER SHEET**  
**Morrow County Board of Commissioners**  
**(Page 2 of 2)**

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**1. ISSUES, BACKGROUND, DISCUSSION AND OPTIONS (IF ANY):**

There was an increase in rides from 2016 to 2017 by 684.

Applying for a grant to have Nichole work 19 hours per week starting July 1, 2018.

Toll Free phone number has been down for 4 weeks because bill was going to wrong address and was not getting paid. Cindy at IMESD is working on this along with Roberta. Hoping to get bill in the mail this week so it can be paid and number reactivated.

**2. FISCAL IMPACT:**

**3. SUGGESTED ACTION(S)/MOTION(S):**

Attach additional background documentation as needed.



## MORROW COUNTY SHERIFF

325 Willow View Drive -- P.O. Box 159  
Heppner, OR 97836  
Phone: (541)676-5317  
Fax: (541)676-5577

Kenneth W. Matlack, Sheriff  
John A. Bowles, Undersheriff

### MEMORANDUM Morrow County Sheriff's Office

**To: Morrow County Court** **Date: 01-18-2018**  
**From: John A. Bowles, Undersheriff**  
**Re: Emergency Management Report**

#### Recent activities regarding Morrow County Emergency Management.

1. I have been sending out Emergency Management Notifications to all County Staff and posting to Facebook (weather, accidents, alerts, warnings, traffic, and preparedness).
2. **Oct 18/ 2017**, Meeting with Pat Hart to go over the Emergency Response Rail Plan.
3. **Oct 24/ 2017**, Natural Hazards Mitigation Plan Steering Committee Meeting.
4. **Oct 31/ 2017**, CGS Quarterly Drill (Hanford) ODOE.
5. **Nov 01/ 2017**, ICS 402 Hazmat Awareness for Executives and Senior Officials at DPSST.
6. **Nov 02/ 2017**, Riverside High School Active Shooter Tabletop.
7. **Nov 02/ 2017**, Morrow County School District Mock DUII/ Distracted Driving Accident exercise.
8. **Nov 03/ 2017**, SAR recovery of Michael Ryan Grimaldi (Hillsboro Firefighter).
9. **Nov 08/ 2017**, EMPG billing for October 2017, **\$1,230.31**
10. **Nov 11/ 2017**, Multiple vehicle accident on I-84 MP 157.
11. **Nov 12/ 2017**, SAR female lost, last know location outside of Lexington. Female located and transported to PMH, CCS contacted.
12. **Nov 21/ 2017**, LEPC (Local Emergency Planning Committee) meeting at the Port of Morrow.
13. **Nov 29/ 2017**, Natural Hazards Mitigation Plan Wildfire Exercise planning meeting.
14. **Nov 30/2017**, Morrow County Health District Active Shooter Table Top exercise in Irrigon.

15. **Dec 04/ 2017**, EMPG billing for November **\$1,078.24**
16. **Dec 14/ 2017**, Natural Hazards Mitigation Plan Wildfire Exercise planning meeting.
17. **Dec 17/ 2017**, Completed IS-907 Active Shooter: What You Can Do (1hr).
18. Directed all MCSO staff to complete the IS-907 training.
19. **Dec 21/ 2017**, Meeting with Kyle Christensen with AlertSense.
20. **Dec 26/ 2017**, Completed IS-120 An Introduction to Exercises (5hrs).
21. **Jan 09/ 2018**, Natural Hazards Mitigation Plan Wildfire Exercise planning meeting.
22. **Jan 12/ 2018**, EMPG billing for December **\$1,078.24**
23. **Jan 16/ 2018**, LEPC (Local Emergency Planning Committee) meeting at the Port of Morrow.

I have been working with Kyle Christensen with AlertSense.  
Spent a lot of time on the EMPG Contract.





United States Department of the Interior  
BUREAU OF LAND MANAGEMENT

Idaho State Office  
1387 South Vinnell Way  
Boise, Idaho 83709-1657



DEC 21 2017

In Reply Refer To:  
1610 (931)

Dear Agency,

In accordance with the National Environmental Policy Act (NEPA), the Bureau of Land Management (BLM) Idaho, Nevada, Utah, Oregon/Washington, and California State Offices are planning to prepare two Programmatic Environmental Impact Statements (PEISs), one for Fuel Breaks across the Great Basin Region and eastern Washington and the other for Fuels Treatments and Habitat Restoration. The PEISs are being prepared in response to the recent Great Basin BLM-approved Resource Management Plan Amendments, the Fire and Invasives Assessment Tools, and Secretarial Order 3336 (Rangeland Fire Prevention, Management and Restoration).

This effort is part of the BLM's commitment to address fire and noxious/invasive weed infestations on public lands that are reducing the productivity of these iconic western landscapes. This process is not tied to the land use planning effort that BLM Idaho is starting in response to Secretarial Order 3353.

In the spirit of cooperative consultation and collaborative public involvement, the Idaho, Nevada, Utah, Oregon/Washington, and California BLM State Offices hereby invite your agency to become a Cooperating Agency for these NEPA processes. The Council on Environmental Quality's regulations (40 CFR 1501.6 and 1508.5) implementing NEPA allow Federal agencies (as lead agencies) to invite Tribal, state, and local governments, as well as other Federal agencies, to serve as Cooperating Agencies in the preparation of EISs. Cooperating Agency status provides the opportunity for us to work collaboratively to enhance the BLM's planning efforts. As an agency potentially affected by the proposed activities, this letter invites you to participate in the PEIS processes as a Cooperating Agency. Specific, on-the-ground knowledge of sagebrush habitat and obligate species, wildland fire and fire behavior; invasive and noxious weed species; transportation routes; and land restoration practices, qualifies you as having special expertise and therefore a candidate as a Cooperating Agency.

At a minimum, agencies, governments and the public have participation opportunities, such as attending public meetings, and reviewing and commenting on the draft and final PEIS. Being a Cooperating Agency affords you the opportunity to take on additional roles and responsibilities beyond these basic participation opportunities. As a Cooperating Agency you may agree to contribute staff to review the PEIS analysis of a discipline for which you have special expertise

or jurisdiction by law, potentially host public meetings, participate in any needed meetings or conference calls, and fund your own participation.

If you elect to become a Cooperating Agency for either one or both of the PEISs, the BLM will provide a Memorandum of Understanding (MOU) for your review and approval. The MOU defines and explains expectations and time commitments, such as providing an agency representative to attend meetings to accomplish tasks specified in the MOU. The BLM anticipates several meetings or conference calls over the next 12 months to complete the NEPA process. Specific timelines and deadlines to review and provide comments on any documents will assist us in moving the process forward.

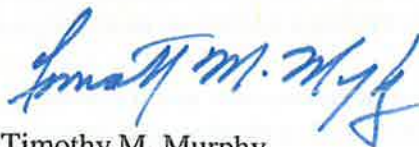
To assist in your decision regarding this invitation, specific information concerning Cooperating Agency relationships is available at <https://www.blm.gov/programs/planning-and-nepa>. Whether you elect to become a Cooperating Agency or not, we will afford your agency ample opportunities to participate in the NEPA process.

We would be happy to discuss and provide an overview of materials to date for you and/or your staff members. Should you elect to become a Cooperating Agency, you will work closely with the BLM throughout the PEIS processes. With Cooperating Agency status, you do not waive your rights to protest or appeal the PEIS Records of Decision.

We cordially request a response, either verbally or in writing, regarding your interest in Cooperating Agency status to the contact provided below, as soon as practicable. Establishing Cooperating Agency status via a MOU is most beneficial if done early in the planning process. Upon confirmation, the BLM will provide you with an MOU for review that describes the respective roles, responsibilities, and timelines. We also need a point of contact to finalize the MOU, as well as the name of the agency representative for the planning process. The BLM will also schedule an informational cooperators' call, date to be determined, to introduce our partners to the proposals.

If you have any questions regarding Cooperating Agency status, would like to schedule a project overview, or require any additional information concerning opportunities available for your agency to participate in the PEIS processes, please contact Sheila D. Lehman, Idaho Regional Support Team Planning and Environmental Coordinator, at (208) 373-3837 or via email at [sdlehman@blm.gov](mailto:sdlehman@blm.gov). Thank you for your interest in the NEPA process and management of your public lands. We look forward to working with you as we proceed through the NEPA process.

Sincerely,



Timothy M. Murphy  
BLM Idaho State Director