

WASCO COUNTY , OREGON

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2018



**12700 SW 72nd Ave.
Tigard, OR 97223**

Wasco County, Oregon
Table of Contents
For the Year Ended June 30, 2018

| Section | Page |
|----------------------------------------------------------------------------------------------------------------------------|------|
| INTRODUCTORY SECTION | |
| Table of Contents | i |
| Elected Officials and Agent of Record | iii |
| FINACIAL SECTION | |
| Independent Auditor’s Report | A-1 |
| Management’s Discussion and Analysis | B-1 |
| Basic Financial Statements | |
| Government-wide Statements | |
| Statement of Net Position | C-1 |
| Statement of Activities | C-2 |
| Fund Financial Statements | |
| Balance Sheet – Governmental Funds | C-3 |
| Reconciliation of Balance Sheet to Statement of Net Position | C-4 |
| Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds | C-5 |
| Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds | C-6 |
| Fiduciary Funds | |
| Statement of Fiduciary Net Position | C-7 |
| Statement of Changes in Fiduciary Net Position – Trust Only | C-8 |
| Notes to Basic Financial Statements | D-1 |
| Required Supplementary Information | |
| Schedule of Changes in Other Post-Employment Benefits and Related Ratios | E-1 |
| Schedule of Proportionate Share of Net Pension Liability | E-2 |
| Schedule of Contributions | E-3 |
| Major Funds: | |
| Statement of Revenues, Expenditures and Changes in Fund Balances Budget to Actual – Budgetary Basis – General Fund | E-4 |
| Statement of Revenues, Expenditures and Changes in Fund Balances Budget to Actual – Budgetary Basis – Public Works Fund | E-5 |

| | |
|---------------------------------------------------------------------------|------|
| Supplementary Information | |
| Combining Balance Sheet – Non-Major Governmental Funds | F-1 |
| Combining Schedule of Revenues, Expenditures and Changes in Fund Balances | |
| - Non-Major Governmental Funds | F-2 |
| Special Revenue Fund List | F-3 |
| Combining Balance Sheet – Special Revenue Funds | F-5 |
| Combining Schedule of Revenues, Expenditures and Changes in Fund Balances | |
| - Special Revenue Funds | F-7 |
| Schedules of Revenues, Expenditures and Changes in Fund Balances | |
| - Budget and Actual – Budgetary Basis for Special Revenue Funds | F-10 |
| | |
| Non-Major Capital Project Funds | F-32 |
| Combining Balance Sheet – Non-Major Capital Project Funds | F-33 |
| Combining Schedule of Revenues, Expenditures and Changes in Fund Balances | |
| - Non-Major Capital Project Funds | F-34 |
| Schedules of Revenues, Expenditures and Changes in Fund Balances | |
| - Budget and Actual – Budgetary Basis for Non-Major Capital Project Funds | F-35 |
| | |
| Schedule of Changes in Assets and Liabilities – Agency Funds | G-1 |
| Schedule of Accountability of Elected Officials | G-2 |
| Schedule of Expenditures of Federal Awards | G-3 |
| Notes to Schedule of Expenditures of Federal Awards | G-4 |
| Independent Auditor’s Report on Internal Control | H-1 |
| Independent Auditor’s Report on Compliance | I-1 |
| Independent Auditor’s Report Required by Oregon State Regulations | J-1 |

Wasco County, Oregon
Elected Officials and Agent of Record
For the year ended June 30, 2018

WASCO COUNTY BOARD OF COMMISSIONERS

| | |
|--------------|----------------------------------------|
| Commissioner | Scott Hege The Dalles, Oregon 97058 |
|--------------|----------------------------------------|

| | |
|--------------|----------------------------------------|
| Commissioner | Rod Runyon The Dalles, Oregon 97058 |
|--------------|----------------------------------------|

| | |
|--------------|-------------------------------------|
| Commissioner | Steve Kramer Dufur, Oregon 97058 |
|--------------|-------------------------------------|

OTHER ELECTED OFFICIALS:

| | |
|-----------|--------------------------------------------|
| Treasurer | Elijah Preston The Dalles, Oregon 97058 |
|-----------|--------------------------------------------|

| | |
|-------|-----------------------------------------|
| Clerk | Lisa Gambie The Dalles, Oregon 97058 |
|-------|-----------------------------------------|

| | |
|---------|-----------------------------------------|
| Sheriff | Lane Magill The Dalles, Oregon 97058 |
|---------|-----------------------------------------|

| | |
|-------------------|-----------------------------------------|
| District Attorney | Eric Nisley The Dalles, Oregon 97058 |
|-------------------|-----------------------------------------|

OTHER:

| | |
|---------------------------|----------------------------------------------------------------------------------------------|
| Insurance Agent of Record | Mike Courtney The Stratton Agency 318 W 2 nd St The Dalles, Oregon 97058 |
|---------------------------|----------------------------------------------------------------------------------------------|



PAULY, ROGERS AND CO., P.C.
12700 SW 72nd Ave. ♦ Tigard, OR 97223
(503) 620-2632 ♦ (503) 684-7523 FAX
www.paulyrogersandcocpas.com

January 7, 2019

To the Board of Commissioners
Wasco County

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Wasco County as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Qualitylife Intergovernmental Agency, which represent 7%, 9%, and 4%, respectively of the assets, net position and revenues of the County. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Qualitylife Intergovernmental Agency, is based solely on the report of the other auditors. 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. The financial statements of the Wasco County Library Service District and the Wasco County 4H and Extension Service District (component units) were not audited in accordance with Government Auditing Standards.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Wasco County, as of June 30, 2018, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

The District adopted the provisions of GASB 75 – Accounting and Financial Reporting for Postemployment Benefits Other than Pensions, for the year ended June 30, 2018. Our opinion is not modified with respect to this matter.

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

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The supplementary and other information, as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal expenditures is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and is not a required part of the basic financial statements.

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

The listing of board members containing their term expiration dates, located before the table of contents, and the other information, as listed in the table of contents, have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Reports on Other Legal and Regulatory Requirements

In accordance with *Government Auditing Standards*, we have also issued our report dated January 7, 2019 on our consideration of the internal control over financial reporting and on our tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting and compliance.

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated January 7, 2019, on our consideration of compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

A handwritten signature in black ink, appearing to read "Ken Allen". The signature is fluid and cursive, with a large initial "K" and "A".

Kenneth Allen, CPA
PAULY, ROGERS AND CO., P.C.

Wasco County, Oregon
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2018

This discussion and analysis is intended to be an easily readable analysis of Wasco County's financial activities based on currently known facts, decisions or conditions. This analysis focuses on current year activities and should be read in conjunction with the financial statements in the audit.

REPORT LAYOUT

This discussion and analysis is intended to serve an introduction to Wasco County's basic financial statements. The County's basic financial statements are comprised 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. The first several statements are highly condensed and present a government-wide view of the County's finances including the Statement of Net Position and the Statement of Activities.

Government-Wide Financial Statements

Statement of Net Position: The focus of the Statement of Net Position is to present the difference between Assets, Liabilities and Deferred Inflows/Outflows divided into three components: net investment in capital assets, restricted and unrestricted. 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.

Statement of Activities: The focus of the Statement of Activities is to present the major program costs and match major resources with each. To the extent a program's cost is not recovered by grants and direct charges, it is paid from general taxes and other resources. This Statement summarizes and simplifies the user's analysis to determine the extent to which programs are self-supporting and/or subsidized by general revenues.

The government wide financial statements include two service districts as discretely presented component units. Requests for copies of the separately issued financial statements for the service districts should be addressed to Wasco County, 511 Washington Street, Room 207, The Dalles, Oregon 97058.

Fund Financial Statements

Following the government-wide statements is a section containing fund financial statements. The County's major funds are presented in their own column and the remaining funds are combined into a column titled "Non-Major Governmental Funds". For each major fund, a Budgetary Comparison Statement is presented. Readers who wish to obtain information on non-major funds can find it in the Combining Schedules of Non-Major Funds and/or the Supplemental Information-Budgetary Comparison Schedules sections of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the financial

data provided in the government-wide and fund financial statements.

Finally, completing the document is a series of other financial and statistical schedules, and the reports by the independent certified public accountants, as required by statute.

The MD&A is intended to explain the significant changes in financial position and differences in operations between the current and prior years.

COUNTY AS A WHOLE

GOVERNMENT-WIDE FINANCIAL STATEMENTS

This section discusses and analyzes significant difference between fiscal year 2018 and fiscal year 2017. A condensed version of the Primary Government Statement of Net Position at June 30, 2018 and 2017 follows:

TABLE 1
NET POSITION AS OF YEAR END

| | <u>June 30, 2018</u> | <u>June 30, 2017</u> |
|-------------------------------------------------|----------------------|----------------------|
| ASSETS | | |
| Cash and Investments | 29,144,693 | 26,489,808 |
| Other Assets | 4,906,386 | 3,729,875 |
| Capital Assets | <u>11,117,847</u> | <u>11,548,578</u> |
| TOTAL ASSETS | <u>45,168,926</u> | <u>41,768,261</u> |
| DEFERRED OUTFLOW OF RESOURCES | | |
| Related to Pensions & OPEB | <u>3,285,771</u> | <u>5,207,959</u> |
| TOTAL DEFERRED OUTFLOW OF RESOURCES | <u>3,285,771</u> | <u>5,207,959</u> |
| LIABILITIES | | |
| Other Liabilities | 1,745,116 | 1,084,869 |
| Long Term Liabilities | 765,252 | 932,009 |
| Net Pensions Liabilities | <u>8,542,153</u> | <u>9,892,441</u> |
| TOTAL LIABILITIES | <u>11,052,521</u> | <u>11,909,319</u> |
| DEFERRED INFLOW OF RESOURCES | | |
| Related to Pensions & OPEB | <u>1,030,681</u> | <u>1,133,787</u> |
| TOTAL DEFERRED INFLOW OF RESOURCES | <u>1,030,681</u> | <u>1,133,787</u> |
| NET POSITION | | |
| Investing in Capital Assets Net of Related Debt | 11,117,847 | 11,548,578 |
| Restricted | 11,308,853 | 2,225,560 |
| Unrestricted | <u>13,944,795</u> | <u>20,158,974</u> |
| TOTAL NET POSITION | <u>36,371,495</u> | <u>33,933,112</u> |

Governmental Activities

As noted earlier, net position may serve over time as a useful indicator of the County's financial position. The County's assets exceeded liabilities by \$36,371,495 at the close of fiscal year 2018.

A large portion of the County's net position reflects investment in capital assets (land, buildings, improvements, machinery and equipment, bridges and infrastructure), net of accumulated depreciation and the debt used to acquire the assets. Fixed Assets account for almost 31% of the total Net Assets of the County.

The total net position increased by \$2,317,601 or 6.8%. There is a significant increase in cash and investments from FY17 to FY18 of \$2,654,885 – an increase for cash and investments of 10%.

TABLE 2
STATEMENT OF ACTIVITIES
For fiscal years ending June 30th

| | <u>FY2018</u> | <u>FY2017</u> |
|---------------------------------------|-------------------|-------------------|
| Program revenues | | |
| Charges for Services | 4,050,694 | 3,719,895 |
| Operating Grants and Contributions | 7,526,440 | 6,890,874 |
| Capital Grants and Contributions | 694,773 | 693,795 |
| General Revenues | | |
| Taxes for General Purpose | 9,151,991 | 8,728,823 |
| Other Taxes | 1,023,713 | 653,589 |
| Interest | 201,797 | 245,942 |
| Miscellaneous | 542,473 | 165,635 |
| Gain (Loss) on joint venture | 271,863 | 132,675 |
| Gain (Loss) on Sale of Capital Assets | - | (10,654) |
| Total Program and General Revenues | <u>23,463,744</u> | <u>21,220,574</u> |
| Expenses | | |
| General Government | 10,772,728 | 7,122,946 |
| Public Safety | 5,346,561 | 7,715,983 |
| Highways and Streets | 3,871,642 | 3,344,097 |
| Health and Welfare | 807,962 | 438,260 |
| Culture and Recreation | 347,250 | 353,526 |
| Total Expenses | <u>21,146,143</u> | <u>18,974,812</u> |
| Change in Net Assets | 2,317,601 | 2,245,762 |
| Net position, beginning | 33,933,112 | 30,429,223 |
| Restatement of Beginning Net Position | <u>120,782</u> | <u>1,258,128</u> |
| Net Position, ending | <u>36,371,495</u> | <u>33,933,113</u> |

Governmental Activities

The ending net position is an increase of \$2,317,601 or 6.8%. This is due to additional funding received for Public Works with the new funding legislations. Additionally, marijuana receipts started and were not included in the budget plan so just increased the net position. Additionally, not utilizing contingency funds allows for growth of the net position.

BUDGETARY HIGHLIGHTS

The General Fund revenue exceeded the budgeted amount by \$691,607. This was primarily due to License, Fees & Permits generating \$403,652 more than budgeted. \$256,132 of this was due to the Solid Waste Host Fee. The General Fund Departments controlled costs and managed to come in under budget by 6.9% (\$789,456).

Combining the revenue exceeding budget with the expenses under the budget amount, the County had revenues exceeding expenditures by \$2,363,383 instead of the budgeted expense exceeding the revenue by \$(319,652). Part of the difference is due to only using \$79,028 of the Contingencies budget leaving \$1,201,972 unexpended.

The Public Works fund was budgeted for expenditures to exceed revenues resulting in the planned use of fund balance. Revenues Due to budgetary savings of \$420,000 by not using contingency funds and savings of operation expenditures of \$288,636 (7.9%), expenditures ended up being \$708,636 under budget which resulted in actual excess revenue over expenditure of \$260,272 instead of the \$(1,206,338) revenues under expenditures as budgeted.

CAPITAL ASSETS AND DEBT ADMINISTRATION

As of June 30, 2018 the County had invested over \$25.9 million in capital assets, after depreciation the net value of the assets is \$11.1 million.

TABLE 3
CAPITAL ASSETS SUMMARY

| | Beginning Balance | Additions | Deletions | Ending Balance |
|---------------------------------|--------------------------|-------------------------|-----------------|-------------------------|
| Land | 1,523,041 | - | - | 1,523,041 |
| <i>Depreciable Assets</i> | | | | |
| Buildings | 8,117,432 | | | 8,117,432 |
| Furniture & Equipment | 10,257,004 | 474,771 | | 10,731,775 |
| Infrastructure | 5,433,139 | | | 5,433,139 |
| | <u>23,807,575</u> | <u>474,771</u> | <u>-</u> | <u>24,282,346</u> |
| <i>Accumulated Depreciation</i> | | | | |
| Buildings | 4,050,893 | 115,423 | | 4,166,316 |
| Furniture & Equipment | 7,708,271 | 581,272 | | 8,289,543 |
| Infrastructure | 2,022,874 | 208,807 | | 2,231,681 |
| | <u>13,782,038</u> | <u>905,502</u> | <u>-</u> | <u>14,687,540</u> |
| Depreciable Assets - Net | <u>10,025,537</u> | <u>(430,731)</u> | <u>-</u> | <u>9,594,806</u> |
| Net Fixed Assets | <u>11,548,578</u> | <u>(430,731)</u> | <u>-</u> | <u>11,117,847</u> |

While the net value of the fixed assets decreased, this is due to the additions being less than the depreciation for the fiscal year.

DEBT OUTSTANDING

At the close of the fiscal year, the only long term liabilities (debt) for the County consisted of Compensated Absences, OPEB obligation and the Net Pension Liability.

TABLE 4
DEBT OUTSTANDING

| | Beginning Balance | Additions | Deletions | Ending Balance | Due in One Year |
|--------------------------------|----------------------|-----------|--------------------|-------------------|--------------------|
| <i>Governmental Activities</i> | | | | | |
| Compensated Absences | 196,582 | - | (17,985) | 178,597 | 178,597 |
| OPEB Obligation | 735,427 | | (148,772) | 586,655 | |
| Net Pension Liability | 9,892,441 | | (1,350,288) | 8,542,153 | |
| Total Long Term Liabilities | <u>10,824,450</u> | <u>-</u> | <u>(1,517,045)</u> | <u>9,307,405</u> | <u>-</u> |

ECONOMIC FACTORS

Wasco County's permanent rate is \$4.2523 per thousand. This absolute limitation on tax revenues and the County's dependence on property taxes do not allow it to keep pace with increased demands for services. Counties are highly susceptible to economic pressures given the large reliance on property taxes to fund County services. This creates a certain amount of financial uncertainty for Counties as we move through economic cycles. Budgeting in this type of an environment where such a large percent of a county's budget can be impacted by market conditions creates challenges for forecasting budgets into the future. Property taxes represent

approximately 68% of total General Fund revenues. The County does monitor all of its resources and determines the need for program adjustments or fee increases accordingly.

2018 – 2019 YEAR BUDGET

The budget for fiscal year 2019 is starting to be compiled. The major guideline is to maintain the current service levels. Any additional service must be supported by a sustainable revenue source. The retirement fund contribution rate will remain stable and the rate will not increase for fiscal year 2019, a sizable increase is expected in fiscal year 2020 though. At this point in time, there is a possibility the County will take over the Building Codes function and add an additional department to the County along with the additional required funds.

FINANCIAL CONTACT

The County's financial statements are designed to be presented to users (citizens, taxpayers, customers, investors and creditors) with a general overview of the County's finances and to demonstrate the County's accountability. If you have questions about the report or need additional financial information, please contact the County's Finance Director at 511 Washington Street, Room 207, The Dalles Oregon 90758.

Wasco County, Oregon
Statement of Net Position
June 30, 2018
(all amounts are in dollars)

| | Primary Governmental Activities | Component Units |
|---------------------------------------------------|------------------------------------------------|------------------------|
| Assets | | |
| Cash and investments | \$ 29,144,693 | \$ 1,867,607 |
| Receivables, net of allowances for uncollectibles | | |
| Property taxes | 587,211 | 123,550 |
| Other | 2,046,972 | - |
| Inventory | 425,750 | - |
| Prepays | 183,788 | - |
| Investment in joint venture | 1,662,665 | - |
| Capital assets: | | |
| Non-depreciable capital assets | 1,523,041 | - |
| Depreciable capital assets, net of depreciation | 9,594,806 | - |
| Total assets | 45,168,926 | 1,991,157 |
| Deferred Outflows of Resources | | |
| Deferred outflow of resources - pension | 3,230,431 | - |
| Deferred outflow of resources - OPEB | 55,340 | - |
| Total deferred outflows of resources | 3,285,771 | - |
| Liabilities | | |
| Accounts payable | 1,242,049 | - |
| Accrued liabilities | 503,067 | - |
| Non-current liabilities | | |
| Compensated absences | 178,597 | - |
| OPEB obligation | 586,655 | - |
| Net pension liability | 8,542,153 | - |
| Total liabilities | 11,052,521 | - |
| Deferred Inflows of Resources | | |
| Deferred inflow of resources - pension | 1,001,582 | - |
| Deferred inflow of resources - OPEB | 29,099 | - |
| Total deferred inflows of resources | 1,030,681 | - |
| Net Position | | |
| Net investment in capital assets | 11,117,847 | - |
| Restricted for: | | |
| General government | 32,758 | - |
| Public safety | 2,040,895 | - |
| Highways and streets | 8,645,784 | - |
| Health and welfare | 99,803 | - |
| Culture and recreation | 489,613 | - |
| Unrestricted | 13,944,795 | - |
| Total net position | \$ 36,371,495 | 1,991,157 |

Wasco County, Oregon
Statement of Activities
For the year ended June 30, 2018
(all amounts are in dollars)

| Functions/Programs | Program Revenues | | | | Net (Expense) Revenue and Changes in Net Position | |
|--------------------------------------|------------------|----------------------|------------------------------------|----------------------------------|---------------------------------------------------|-----------------|
| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Total Governmental Activities | Component Units |
| Primary Government | | | | | | |
| General government | \$ 10,772,728 | \$ 2,003,129 | \$ 1,399,889 | \$ 694,773 | \$ (6,674,937) | \$ - |
| Public Safety | 5,346,561 | 771,321 | 2,463,221 | - | (2,112,019) | - |
| Highways and streets | 3,871,642 | 687,666 | 2,995,704 | - | (188,272) | - |
| Health and welfare | 807,962 | 420,202 | 499,228 | - | 111,468 | - |
| Culture and recreation | 347,250 | 168,376 | 168,398 | - | (10,476) | - |
| Total primary government | 21,146,143 | 4,050,694 | 7,526,440 | 694,773 | (8,874,236) | - |
| Component Unit | | | | | | |
| Component units | \$ 1,831,304 | \$ - | \$ - | \$ - | | \$ (1,831,304) |
| General Revenues: | | | | | | |
| Property taxes | | | | | 9,151,991 | 1,909,652 |
| Other taxes | | | | | 1,023,713 | - |
| Interest and investment earnings | | | | | 201,797 | 25,751 |
| Miscellaneous | | | | | 542,473 | 36,340 |
| Gain (loss) on joint venture | | | | | 271,863 | - |
| Gain (loss) on sale of fixed assets | | | | | - | - |
| Total general revenues | | | | | 11,191,837 | 1,971,743 |
| Change in net position | | | | | 2,317,601 | 140,439 |
| Net position - beginning | | | | | 33,933,112 | 1,750,718 |
| Restatement (see Note 4.D.) | | | | | 120,782 | 100,000 |
| Net position - beginning as restated | | | | | 34,053,894 | 1,850,718 |
| Net position - ending | | | | | \$ 36,371,495 | \$ 1,991,157 |

Wasco County, Oregon
Balance Sheet - Governmental Funds

June 30, 2018

(all amounts are in dollars)

| | <u>General</u> | <u>Public Works</u> | <u>Total Non-Major Governmental Funds</u> | <u>Total Governmental Funds</u> |
|--------------------------------------------------------------------|-------------------|---------------------|---------------------------------------------------|-----------------------------------------|
| Assets | | | | |
| Cash and investments | 14,767,743 | 7,737,153 | 6,639,797 | 29,144,693 |
| Receivables: | | | | |
| Taxes | 587,211 | - | - | 587,211 |
| Other | 347,139 | 557,827 | 1,142,006 | 2,046,972 |
| Prepays | 157,200 | 26,588 | - | 183,788 |
| Inventories | - | 425,750 | - | 425,750 |
| Total assets | <u>15,859,293</u> | <u>8,747,318</u> | <u>7,781,803</u> | <u>32,388,414</u> |
| Liabilities | | | | |
| Accounts payable | 241,272 | 107,051 | 893,726 | 1,242,049 |
| Accrued liabilities | 376,517 | 57,360 | 69,190 | 503,067 |
| Total Liabilities | <u>617,789</u> | <u>164,411</u> | <u>962,916</u> | <u>1,745,116</u> |
| Deferred inflows of resources: | | | | |
| Unavailable revenue | 549,439 | - | - | 549,439 |
| Total deferred inflows of resources | <u>549,439</u> | <u>-</u> | <u>-</u> | <u>549,439</u> |
| Fund Balances | | | | |
| Nonspendable | 157,200 | 452,338 | - | 609,538 |
| Restricted | - | 8,130,569 | 3,086,734 | 11,217,303 |
| Committed | 7,063,615 | - | 602,024 | 7,665,639 |
| Assigned | - | - | 3,130,129 | 3,130,129 |
| Unassigned | 7,471,250 | - | - | 7,471,250 |
| Total fund balances | <u>14,692,065</u> | <u>8,582,907</u> | <u>6,818,887</u> | <u>30,093,859</u> |
| Total liabilities, deferred inflows of resources and fund balances | <u>15,859,293</u> | <u>8,747,318</u> | <u>7,781,803</u> | <u>32,388,414</u> |

Wasco County, Oregon
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2018
(all amounts are in dollars)

Total fund balances - governmental funds \$ 30,093,859

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

| | | |
|--------------------------|---------------------|------------|
| Capital assets | \$ 25,805,367 | |
| Accumulated depreciation | <u>(14,687,520)</u> | 11,117,847 |

Investments in joint ventures are not financial resources and, therefore are not reported in the funds

1,662,665

Certain non-current assets and deferred outflows of resources recorded in the Statement of Net Position expended in the governmental funds:

| | | |
|------------------------------------------|---------------|-----------|
| Deferred outflows of resources - pension | 3,230,431 | |
| Deferred outflows of resources - OPEB | <u>55,340</u> | 3,285,771 |

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:

| | | |
|----------------------------------------|------------------|-------------|
| Net pension liability | (8,542,153) | |
| Other post employment benefits payable | (586,655) | |
| Compensated absences payable | <u>(178,597)</u> | (9,307,405) |

Deferred inflows of resources on the Statement of Net Position represent amounts that were not available to fund current expenditures, and therefore are not reported in the governmental funds. However unavailable revenue in the governmental funds is considered available in the Statement of Activities:

| | | |
|-----------------------------------------|----------------|------------------|
| Deferred inflows of resources - pension | (1,001,582) | |
| Deferred inflows of resources - OPEB | (29,099) | |
| Unavailable revenue | <u>549,439</u> | <u>(481,242)</u> |

Total net position - governmental activities \$ 36,371,495

Wasco County, Oregon
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the year ended June 30, 2018
(all amounts are in dollars)

| | <u>General</u> | <u>Public Works</u> | <u>Total Non-Major Governmental Funds</u> | <u>Total Governmental Funds</u> |
|-----------------------------------------------------------|----------------------|---------------------|-------------------------------------------------------|-----------------------------------------|
| Revenues | | | | |
| Property taxes | \$ 9,105,789 | \$ - | \$ - | \$ 9,105,789 |
| Licenses, fees and permits | 1,786,000 | 14,208 | 747,241 | 2,547,449 |
| Intergovernmental | 1,455,941 | 2,956,204 | 3,044,135 | 7,456,280 |
| Federal revenues | - | - | - | - |
| Charges for services | 83,052 | 619,736 | 475,829 | 1,178,617 |
| Fines and restitution | 53,070 | - | 27,537 | 80,607 |
| Investment earnings | 128,982 | 25,163 | 47,652 | 201,797 |
| Rents | 234,978 | - | - | 234,978 |
| Internal services | - | - | - | - |
| Grants and donations | - | - | 1,797,688 | 1,797,688 |
| Miscellaneous | 508,254 | 21,269 | 10,461 | 539,984 |
| Pass-through payments | 2,490 | - | - | 2,490 |
| Total revenues | 13,358,556 | 3,636,580 | 6,150,543 | 23,145,679 |
| Expenditures | | | | |
| Current: | | | | |
| Assessor | 757,201 | - | - | 757,201 |
| Clerk | 310,637 | - | 11,488 | 322,125 |
| Sheriff | 2,448,427 | - | 2,829,752 | 5,278,179 |
| Employee and administrative services | 2,586,921 | - | - | 2,586,921 |
| Administration | 2,987,171 | - | 2,328,500 | 5,315,671 |
| District attorney | 624,999 | - | 30,120 | 655,119 |
| Planning | 692,864 | - | 327,843 | 1,020,707 |
| Public works | 45,158 | 3,366,368 | 18,439 | 3,429,965 |
| Youth services | 615,316 | - | 122,785 | 738,101 |
| Total expenditures | 11,068,694 | 3,366,368 | 5,668,927 | 20,103,989 |
| Excess (deficiency) of revenues over (under) expenditures | 2,289,862 | 270,212 | 481,616 | 3,041,690 |
| Other Financing Sources (Uses) | | | | |
| Transfers from other funds | 2,030,843 | 2,195,153 | 997,529 | 5,223,525 |
| Transfers to other funds | (2,713,549) | (2,000,000) | (509,976) | (5,223,525) |
| Gain/loss on the sale of fixed assets | - | - | - | - |
| Total other financing sources (uses) | (682,706) | 195,153 | 487,553 | - |
| Net change in fund balances | 1,607,156 | 465,365 | 969,169 | 3,041,690 |
| Fund balances - beginning | 13,084,909 | 8,117,542 | 5,849,718 | 27,052,169 |
| Fund balances - ending | \$ 14,692,065 | \$ 8,582,907 | \$ 6,818,887 | \$ 30,093,859 |

Wasco County, Oregon
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the year ended June 30, 2018
(all amounts are in dollars)

Net change in fund balances - governmental funds \$ 3,041,690

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This amount is the difference between capital outlays and depreciation in the current period.

| | | |
|-----------------------------------------|------------------|-----------|
| Capital asset expenditures | \$ 474,771 | |
| Gain/loss on disposal of capital assets | - | |
| Current year depreciation expense | <u>(905,502)</u> | (430,731) |

The County has an equity interest in a joint venture. The allocated gain or (loss) from this investment is not a current financial resource and therefore is not reported in the governmental funds.

271,863

Revenues in the funds that do not provide current financial resources are not reported as revenues in the Statement of Activities as follows:

| | |
|--------------------------------|----------|
| Change in unavailable revenues | (46,202) |
|--------------------------------|----------|

Changes in deferred inflows of resources not available to fund current expenditures and therefore not reported in the governmental funds

| | |
|---------------------|---------|
| Related to pensions | 869,437 |
|---------------------|---------|

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.

| | | |
|------------------------------------------|--------------------|--------------------|
| Change in compensated absences | (17,985) | |
| Change in other post employment benefits | (20,183) | |
| Change in pension liability | <u>(1,350,288)</u> | <u>(1,388,456)</u> |

Change in net position - governmental activities \$ 2,317,601

Wasco County, Oregon
Statement of Fiduciary Net Position
June 30, 2018

(all amounts are in dollars)

| | Trust Fund | Agency Funds |
|--------------------------|-----------------------|-------------------------|
| Assets | | |
| Cash with treasurer | 74,748 | 1,230,003 |
| Taxes receivable | | |
| Accounts receivable | | 1,727,179 |
| Total assets | 74,748 | 2,957,182 |
| Liabilities | | |
| Accounts payable | 93 | - |
| Due to other governments | - | 2,957,182 |
| Total Liabilities | 93 | 2,957,182 |
| Net Position | 74,655 | |

Wasco County, Oregon
Statement of Changes in Fiduciary Net Position - Trust Only
MINT Trust Fund
For the year ended June 30, 2018
(all amounts are in dollars)

Additions:

| | |
|---------------------|---------------|
| Investment earnings | 857 |
| Miscellaneous | <u>52,161</u> |
| Total Additions | <u>53,018</u> |

Deductions

| | |
|------------------------------------------|----------------------|
| Materials and services | <u>36,380</u> |
| Change in net position | 16,638 |
| Net position held for MINT-beginning | <u>58,017</u> |
| Net Position held for MINT-ending | <u><u>74,655</u></u> |

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The accounting policies of Wasco County, Oregon conform to the generally accepted accounting principles (GAAP) as applicable to governments. The following is a summary of the more significant policies:

A. REPORTING ENTITY:

Wasco County, Oregon is a non-home rule county governed by an elected Board of County Commissioners consisting of three County Commissioners, one of whom serves as County Chair. Other elected officials include the County Clerk, County Treasurer, County Sheriff, County Assessor and County District Attorney.

As required by GAAP, these financial statements present the County and its component units – legally separate entities for which the County is considered to be financially accountable. Financial accountability is defined by GASB 61, as appointment of a voting majority of the component unit’s board and either a) the ability to impose its will on the organization, or b) the possibility that the component unit will provide a financial benefit or impose a financial burden on the primary government.

Wasco County reports two component units. These are the Wasco County 4-H and Extension Service District and the Wasco County Library Service District. These Districts began operations July 1, 2008 and are included in the County’s statements as discretely presented component units. Each District has separate audited financial statements available upon request through Wasco County.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS:

The statement of net position and the statement of activities display information about the primary government (the County) and its component unit. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activities of the County. Governmental activities generally are financed through taxes, intergovernmental revenues and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the County and for each function of the County’s governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees, fines and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

The fund financial statements provide information about the County’s funds, including its fiduciary funds and blended component units. Separate statements for each fund category governmental, proprietary and fiduciary-are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds.

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PREPARATION:

The government-wide, and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non exchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The County considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Property taxes, sales taxes, franchise taxes, licenses and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and financing from capital leases are reported as other financing sources.

Property taxes, franchise taxes, licenses, and interest associated with the current period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the County.

GASB 34 establishes criteria (percentage of the assets, liabilities, revenues or expenditure/expense of either fund category or the governmental and enterprise funds combined) for the determination of major funds. Nonmajor funds are combined in a single column in the fund financial statements. The County reports the following major governmental funds:

GENERAL FUND: This is the County's primary operating fund and is always considered a major fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

PUBLIC WORKS FUND: This fund accounts for revenues and expenditures used in constructing and maintaining County roads.

Additionally, the County reports the following fund types:

SPECIAL REVENUE FUNDS: These 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 the expenditures.

CAPITAL PROJECTS FUNDS: Expenditures for major construction projects or equipment acquisitions are accounted for in the capital projects funds.

FIDUCIARY FUNDS: Trust and Agency funds are used to account for assets held by the County in a trustee capacity. Agency funds are custodial in nature and do not involve measurement of result of operations.

D. ASSETS, LIABILITIES AND NET POSITION:

1. *Cash, Cash Equivalents, and Investments:* State statutes authorize the County to invest in obligations of the U.S. Treasury, certificates of deposit, U.S. government agency securities, instrumentalities of U.S. government-sponsored corporations, commercial paper, bankers' acceptances, repurchase agreements and the State of Oregon Treasurer's Local Government Investment Pool (LGIP). Additionally, Oregon Revised Statutes require that deposits be made with approved depository banks. Local Government Investment Pool balances are backed by the full faith and credit of the State of Oregon.

The County maintains a cash and investment pool for all of the County's funds. Monies within the cash and investment pool are identified by fund and by type. Interest earned on the cash and investment pool is allocated to the individual funds based on the individual fund's average cash balance for the period in which the interest was earned. The cash and investment pool possesses the general characteristics of a demand deposit account since the cash and investment pool has sufficient liquidity in that any fund may deposit or withdraw cash at any time without notice or penalty.

2. *Inventories and Prepaid Expenses:* Inventory-type items are considered to be an expenditure when purchased. Except for the Public Works Fund, the amount of inventory at year end was not considered significant and is not reported on the balance sheet. The Public Works Fund inventory is recorded at valued at cost using the first-in/first-out (FIFO) method.. Certain payments to vendors reflect costs applicable to future accounting periods and are reported as prepaid expenses.
3. *Fund Balance:* In the fund financial statements, Government Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54) defines the different type of fund balances a government entity must use for financial reporting purposes. GASB 54 requires the fund balance amounts be properly reported within one of the five fund balance components below:

Nonspendable – Includes amounts that cannot be spent because of either 1) not in spendable form or 2) legally or contractually required to be maintained intact.

Restricted – Consists of amounts that can only be spent for specific purpose stipulated by external resource providers, constitutional provisions or enabling legislation.

Committed – Consists of amounts that can only be used for the specific purposes determined by a formal action of the County's highest level of decision-making authority, which includes resolutions. Those committed amounts cannot be used for any other purpose unless the County removes or changes the specified use by taking the same type of action (resolution) it employed previously to commit the amounts.

Assigned – Consists of amounts intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. The authority for assigning fund balance is expressed by the Board of Commissioners, or their designee as established in the County’s Fund Balance Policy.

Unassigned – The residual classification of fund balance includes all spendable amounts that have not been restricted, committed or assigned.

When both restricted and unrestricted resources are available for use, it is the County’s policy to use restricted resources first, then unrestricted resources (committed, assigned and unassigned) as they are needed. When unrestricted resources (committed, assigned and unassigned) are available for use, it is the County’s policy to use committed resources first, then assigned and then unassigned as needed.

Below is a schedule of ending fund balances, based on the standards in GASB 54:

| Fund Balances | General Fund | Public Works Fund | Nonmajor Funds | Total all Funds |
|-------------------------------|---------------------|--------------------------|-----------------------|------------------------|
| Total Nonspendable | 157,200 | 452,338 | - | 609,538 |
| Restricted: | | | | |
| Public Works Fund | - | 3,267,555 | - | 3,267,555 |
| Road Reserve Fund | - | 4,863,014 | - | 4,863,014 |
| County Fair Fund | - | - | 97,384 | 97,384 |
| County School Fund | - | - | 7 | 7 |
| Land Corner Preservation Fund | - | - | 62,877 | 62,877 |
| Forest Health Fund | - | - | 315,422 | 315,422 |
| Law Library Fund | - | - | 135,585 | 135,585 |
| Parks Fund | - | - | 256,637 | 256,637 |
| Community Corrections Fund | - | - | 1,509,857 | 1,509,857 |
| Court Facilities Fund | - | - | 145,873 | 145,873 |
| CCFC Fund | - | - | 99,803 | 99,803 |
| CDBG Fund | - | - | 18,706 | 18,706 |
| Clerk Records Fund | - | - | 32,758 | 32,758 |
| Economic Development Fund | - | - | 343,695 | 343,695 |
| 911 Communications | - | - | 68,130 | 68,130 |
| Total Restricted | - | 8,130,569 | 3,086,734 | 11,217,303 |
| Committed: | | | | |
| Household Hazardous Waste | - | - | 346,162 | 346,162 |
| District Attorney's Fund | - | - | 13,242 | 13,242 |
| Museum Fund | - | - | 242,620 | 242,620 |
| Kramer Field Fund | 33,694 | - | - | 33,694 |
| Equipment Reserve Fund | 1,613 | - | - | 1,613 |
| Facility Reserve Fund | 3,392,712 | - | - | 3,392,712 |
| General Operating Reserve | 3,635,596 | - | - | 3,635,596 |
| Total Committed | 7,063,615 | - | 602,024 | 7,665,639 |
| Assigned: | | | | |
| Capital Acquisitions Fund | - | - | 3,130,129 | 3,130,129 |
| Total Assigned | - | - | 3,130,129 | 3,130,129 |
| Total Unassigned | 7,471,250 | - | - | 7,471,250 |
| Fund Balances | 14,692,065 | 8,582,907 | 6,818,887 | 30,093,859 |

4. *Capital Assets:* Include property and equipment, infrastructure and land, and are reported in the government-wide financial statements. Capital assets (other than infrastructure) are defined by the County as assets with an initial individual cost of more than \$5,000 and an estimated useful life of more than one year. Infrastructure assets are defined by the County as assets with an initial, individual cost of more than \$50,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

| | |
|----------------------------|-----------------|
| Equipment and Software | 5 to 45 years |
| Buildings and Improvements | 45 to 100 years |
| Infrastructure | 25 to 100 years |

5. *Compensated Absences:* Vacation time for employees who are members of bargaining units accumulates based on the number of years of service, ranging from 10 to twenty working days per year. Vacation pay is vested when earned.

Vacation time for employees who are not member of bargaining units is awarded based on the number of years of service, ranging from 10 to 20 working days per year. Vacation is awarded January 1, of any given year for all employees hired before August 1st, 2017. Vacation is awarded on the anniversary date of any given year for all employees hired after August 1st, 2017. The liability for compensated absences reported in the government-wide consists of unpaid, accumulated annual and sick leave balances. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included.

Sick leave accumulates at the rate of twelve (12) days per year for full time employees. There is no limit on accumulation, and it is not compensable upon termination of employment.

6. *Investment in Joint Ventures:* Investment in joint ventures with other governments is reported at cost plus or minus the County's share of operating income or loss utilizing the equity method of accounting for investments.
7. *Long-Term Obligations:* In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are treated as period costs in the year of issue and are shown as other financial uses. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs during the current period. The face amount of debt issued is reported as debt service expenditures..

8. *Property tax revenues and receivables:* Property taxes are collected by the Wasco County Tax Collector and distributed to County Funds monthly. The fund financial statements reflect property taxes as revenue when collected by the Tax Collector and available to the County to pay current period expenditures. The government-wide financial statements reflect property taxes as revenue in the year levied.

Property taxes receivable at year end have been reported on the balance sheet. No allowance has been made for uncollectible taxes since past history has shown losses to be minimal. In the fund financial statements, taxes receivable considered not available for payment of current year expenditures have been offset as deferred inflows of resources – unavailable revenue.

Property taxes are levied on July 1st pursuant to Oregon Revised Statute 310.030. Taxes are payable in full on November 15th or are payable in installments the last of which is due on May 15th of the year following the year in which imposed. Taxes become delinquent on real property if not paid by May 15th. On January 1st and July 1st, tax liens attach to person and real property respectively to secure payment of all taxes, penalties and interest ultimately imposed. Personal property is subject to summary seizure and the responsible taxpayer is subject to warrant service 30 days after the delinquency date. Foreclosure proceedings begin on real property after three years from the date taxes become delinquent.

9. *Deferred outflows/inflows of resources:* In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflow of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the Statement of Net Position will sometime report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

10. *Pensions:* Substantially all of the District's employees are participants in the State of Oregon Public Employees Retirement System (PERS). For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about fiduciary net position of PERS and additions to/deductions from PERS's fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

11. *Interfund Activity:*

Transfers – Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. Operating interfund transactions are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers.

Receivables and Payables – Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “due to/from other funds” (i.e., current portion of interfund loans).

12. *Use of Estimates:* the financial statements and related disclosures are prepared in conformity with accounting principles generally accepted in the United States. Management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and revenues and expenses during the period reported. These estimates include assessing the collectability of accounts receivable, use and recoverability of inventory and the useful lives and impairment of tangible and intangible assets, among others. Estimates and assumptions are reviewed periodically and the effects of revisions are reflected in the financial statements in the period determined to be necessary. Actual results could differ from the estimates.
13. *Other Post-Employment Benefits (OPEB) Obligations:* The County's net OPEB obligation is recognized as a liability and the Annual Required Contribution (ARC) is expensed, as determined by the County's actuary, in the government-wide financial statements.
14. *Fair Value Inputs and Methodologies and Hierarchy:* Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Observable inputs are developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are developed based on the best information available about the assumptions market participants would use in pricing the asset. The classification of securities within the fair value hierarchy is based up on the activity level in the market for the security type and the inputs used to determine their fair value, as follows:
- Level 1 – unadjusted price quotations in active markets/exchanges for identical assets or liabilities that each Fund has the ability to access
 - Level 2 – other observable inputs (including, but not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, loss severities, credit risks and default rates) or other market-corroborated inputs)
 - Level 3 – unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including each Fund's own assumptions used in determining the fair value of investments)
15. *Net Position:* Net position is comprised of the various net earnings from operations, nonoperating revenues, expenses and contributions of capital. Net position is classified in the following three categories:

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

Restricted – consists of external constraints placed on asset use by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation. A portion of Net Position is restricted for Debt Service and for System Development.

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

Sometimes the County will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the County's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY:

A. BUDGETS AND BUDGETARY ACCOUNTING:

Budgets are prepared on the modified accrual basis for all funds. Except for the Fiduciary Fund, all of which are agency funds that account for "pass-through" transactions, the County adopts annual budgets for each of its funds, and sub-funds as determined appropriate, as required by state law. The resolution, authorizing appropriations for each fund, sets the level by which expenditures cannot lawfully exceed appropriations. The levels of control established by the resolution are: personnel services, materials and services, debt service, capital outlay and transfers out. The County's published budget contains more specific detailed information for the above mentioned expenditure categories. Unexpected additional resources may be added to the budget through the use of a supplemental budget and appropriation resolution. Original and supplemental budgets may be modified by the use of appropriation transfers between the levels of control. Such transfers require approval of the Board of County Commissioners. Appropriations lapse at year-end.

The County adopted resolutions for appropriation transfers which adjusted the fiscal year 2017-2018 original Budget, as well as several appropriation transfers. Expenditures of the various funds were within authorized appropriations.

NOTE 3 – DETAILED NOTES ON ALL FUNDS:

A. CASH AND INVESTMENTS:

The County maintains a pool of cash and investments that are available for use by all funds. Each fund's portion of this pool is displayed on the financial statements as cash and investments. Interest earned on pooled cash and investments is allocated to participating funds based upon their combined cash and investment balances. Cash and Investments (recorded at cost) for the County, its discretely presented component units and fiduciary funds, are as follows:

| | |
|---------------------------------------|----------------------|
| Deposits with Financial Institutions: | |
| Petty Cash | \$ 3,208 |
| Demand Deposits | 3,680,825 |
| Investments | <u>28,633,017</u> |
| Total cash and Investments | <u>\$ 32,317,050</u> |

The County Investment of cash funds is regulated by Oregon Revised Statutes. Under these guidelines, cash funds may be invested in bank accounts, general obligation issues of the United States and its agencies, certain states and certain guaranteed investments issued by banks. During the year, the County purchased investment instruments, but did not participate in any repurchase of reverse repurchase agreements.

DEPOSITS:

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

aggregate of all interest bearing accounts at each institution. Deposits in excess of FDIC coverage with institutions participating in the Oregon Public Funds Collateralization Program. Oregon Revised Statutes and County policy require depository institutions to maintain on deposit, with the collateral pool manager, securities having a value not less than 10% of their quarter-end public fund deposits if they are well capitalized, 25% of their quarter-end public fund deposits if they are adequately capitalized, or 110% of their quarter-end public fund deposits if they are undercapitalized or assigned to pledge 110% by the Office of the State Treasurer. As of June 30, 2018, the total bank balance per the bank statements was \$4,249,917. Of these deposits, \$250,000 was covered by federal depository insurance. The remainder, if any, is collateralized the Oregon Public Funds Collateralization Program (PFCP).

INVESTMENTS:

State statutes authorize investment primarily in general obligations of the U.S. 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. Investments are valued at fair value as required by GASB 72. The categorization of a value determined for investments is based on the pricing transparency of the investments and is not necessarily an indication of the risks associated with investing in those securities. Security pricing is provided by a third-party, and is reported monthly to the County by its custodian bank. US Government agencies fall into level 1 of the fair value hierarchy. Banker's acceptances and LGIP fall under level 2 of the fair value hierarchy.

| Investment Type | Maturity | Cost |
|---------------------------------------------|------------------|-------------------|
| Local Government Investment Pool | 1 Day | 19,922,569 |
| US Government Agency Securities | Less than 1 Year | 996,831 |
| US Government Agency Securities | Under 3 years | 1,875,371 |
| US Government Agency Securities | Under 5 years | 5,838,246 |
| | | <u>28,633,017</u> |
| Less amounts classified as cash equivalents | | <u>19,922,569</u> |
| Total Investments | | 8,710,448 |

Investment Pool: Investments in the Local Government Investment Pool (LGIP) are included in the Oregon Short-Term Fund, which is an external investment pool that is not a 2a-7-like external investment pool, and is not registered with the U.S. Securities and Exchange Commission as an investment company. Fair value of the LGIP is calculated at the same value as the number of pool shares owned. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held. Investments in the Short-Term Fund are governed by ORS 294.135, Oregon Investment Council, and portfolio guidelines issued by the Oregon Short-Term Fund Board, which establish diversification percentages and specify the types and maturities of investments. The portfolio guidelines permit securities lending transactions as well as investments in repurchase agreements and reverse repurchase agreements. The fund appears to be in compliance with all portfolio guidelines at June 30, 2018. The LGIP seeks to exchange shares at \$1.00 per share; an investment in the LGIP is neither insured nor guaranteed by the FDIC or any other government agency. Although the LGIP seeks to maintain the value of share investments at \$1.00 per share, it is possible to lose money by investing in the pool.

We intend to measure these investments at book value since it approximates fair value. The pool is comprised of a variety of investments. These investments are characterized as a level 2 fair value measurement in the

Oregon Short Term Fund's audited financial report. As of June 30, 2018, the fair value of the position in the LGIP is 100.13% of the value of the pool shares as reported in the Oregon Short Term Fund audited financial statements. Amounts in the State Treasurer's Local Government Investment Pool are not required to be collateralized. The County's position in the Pool at June 30, 2018 is stated at cost which approximates the fair value.

Custodial Credit Risk – Investments is the risk that, in the event of failure of the counterparty (e.g., broker dealer) to a transaction, a government will not be able to recover the value of its investment of collateral securities that are in the possession of another party. The County's investment policy provides that broker/dealers and financial institutions meet certain qualifications which are reviewed annually.

Credit Risk – Investments is the risk an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The State of Oregon Local Government Investments Pool is unrated. The minimum weighted average credit rating of the portfolio's rated investments shall be Aa/AA/AA.

Concentration of Credit Risk – Investments is the risk of loss attributed to the magnitude of an entity's investment in a single issuer. The County diversifies the investment portfolio to avoid incurring unreasonable risks, both credit and interest rate risk, inherent in the over-investing in specific instruments, individual financial institutions or maturities.

Interest Rate Risk – Investments is the risk interest rates will increase after investments are purchased. The County mitigates this risk by matching investment maturities to expected cash outflows. Unless matched to a specific cash flow requirement, the County does not invest in securities maturing more than five years from the date of settlement. The maximum average maturity of the County's portfolio cannot exceed 2.5 years at any time.

Foreign Currency Risk – Investment is the risk of loss caused by investing in foreign currencies. The County's investment policy mitigates this risk by prohibiting investments not U.S. dollar denominated. Therefore, the County is not exposed to this risk.

| Issue Type | Maximum % Holdings | Minimum Ratings Moody's / S&P / Fitch |
|--------------------------------------------------------------------------|------------------------------------|------------------------------------------|
| US Treasury Obligations | 100% | None |
| US Agency Securities | 100% | - |
| Per Agency (Senior Obligations Only) | 33% | - |
| Oregon Short Term Fund | Maximum allowed per ORS 294.810 | - |
| Bankers' Acceptances | 25% ⁽¹⁾ | A1+/P1/F1+ |
| Time Deposits/Savings Accounts/Certificates of Deposit ⁽²⁾ | 50% | - |
| Per Institution | 25% | - |
| Repurchase Agreements | 5% | - |
| Corporate Debt (Total) | 15% ⁽³⁾ | - |
| Corporate Commercial Paper | 15% ⁽³⁾ | - |
| Per Issuer | 2.5% ⁽⁴⁾ | A1/P1/F1 |
| Corporate Bonds | 10% ⁽³⁾ | - |
| Per Issuer | 2.5% ⁽⁴⁾ | Aa2/AA/AA |
| Municipal Debt (Total) | 10% | - |
| Municipal Commercial Paper | 10% | A1/P1/F |
| Municipal Bonds | 10% | 1 |

⁽¹⁾ 25% Maximum per ORS 294.035(D)

⁽²⁾ As authorized by ORS 294.035(3)(d)

⁽³⁾ 35% Maximum per ORS 294.035(D)

⁽⁴⁾ 5% Maximum per ORS 294.035(D)

B. CAPITAL ASSETS:

The following schedule shows the changes in the Capital Assets for the year ended June 30, 2018:

| | Beginning Balance | Additions | Deletions | Corrections | Ending Balance |
|---------------------------------|----------------------|------------------|-----------|-------------|-------------------|
| Land | 1,523,041 | | | | 1,523,041 |
| <i>Depreciable Assets</i> | | | | | - |
| Buildings | 8,117,432 | | | | 8,117,432 |
| Furniture & Equipment | 10,257,004 | 474,771 | | | 10,731,775 |
| Infrastructure | 5,433,139 | | | | 5,433,139 |
| | 23,807,575 | 474,771 | - | - | 24,282,346 |
| <i>Accumulated Depreciation</i> | | | | | |
| Buildings | 4,050,893 | 115,423 | | | 4,166,316 |
| Furniture & Equipment | 7,708,271 | 581,272 | | | 8,289,543 |
| Infrastructure | 2,022,874 | 208,807 | | | 2,231,681 |
| | 13,782,038 | 905,502 | - | - | 14,687,540 |
| Depreciable Assets - Net | 10,025,537 | (430,731) | - | - | 9,594,806 |
| Net Fixed Assets | 11,548,578 | (430,731) | - | - | 11,117,847 |

Depreciation expense for the year was charged to the following programs:

| | |
|----------------------|----------------|
| General Government | 277,002 |
| Public Safety | 229,607 |
| Highways & Streets | 346,640 |
| Health & Welfare | 35,684 |
| Culture & Recreation | 16,569 |
| | <u>905,502</u> |

C. INVESTMENT IN JOINT VENTURES:

The QualityLife Intergovernmental Agency (QLife) is jointly owned by the City of The Dalles and Wasco County, Oregon, each party owning 50 percent. QLife operates a fiber optic network to the residents and businesses in The Dalles, Wasco County and the new Maupin Project. The Maupin project started in the fiscal year ended June 30, 2016 and will be a separate operating network from the one that serves the City and Wasco County. Revenues earned by QLife are expended for the continued operations and maintenance of the network. Upon dissolution of QLife, the net position would be shared 50 percent each to the City and Wasco County. QLife is governed by a five-member board comprised of two appointees from the City, two appointees from Wasco County and a fifth member appointed by the other four. The County's net investment and its share of the operation results of QLife are reported in the County's governmental activities. Net position of the County's governmental fund increased \$271,863 from a net gain in fiscal year ended June 30, 2018. The County's investment in QLife of \$1,662,665 can be accounted for using the equity method. Complete financial statements for QLife can be obtained from Wasco County Finance Office, 511 Washington St, The Dalles, OR 97058.

D. LONG-TERM DEBT:

Changes in Long-Term Liabilities:

Long-term liability activity for the year ended June 30, 2018 was as follows:

| <i>Governmental Activities</i> | Beginning Balance | Additions | Deletions | Ending Balance | Due in One Year |
|--------------------------------|----------------------|-----------|-------------|----------------|--------------------|
| Compensated Absences | 196,582 | | (17,985) | 178,597 | 178,597 |
| OPEB Obligation (Restated) | 606,838 | | (20,183) | 586,655 | - |
| Net Pension Liability | 9,892,441 | | (1,350,288) | 8,542,153 | - |
| Total Long-Term Liabilities | 10,695,861 | - | (1,388,456) | 9,307,405 | 178,597 |

E. EMPLOYEE PENSION PLANS:

Plan Description – The Oregon Public Employees Retirement System (PERS) consists of a single cost-sharing multiple-employer defined benefit plan. All benefits of the system are established by the legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A. Oregon PERS produces an independently audited Comprehensive Annual Financial Report which can be found at:

<http://www.oregon.gov/pers/documents/financials/CAFR/2017-CAFR.pdf>

If the link is expired please contact Oregon PERS for this information.

- a. *PERS Pension (Chapter 238)*. The ORS Chapter 238 Defined Benefit Plan is closed to new members hired on or after August 29, 2003.
 - i. *Pension Benefits*. The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.0 percent for police and fire employees, and 1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefits results. A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer (age 45 for police and fire members). General service employees may retire after reaching age 55. Police and fire members are eligible after reaching age 50. Tier 1 general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Police and fire member benefits are reduced if retirement occurs prior to age 55 with fewer than 25 years of service. Tier 2 members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.
 - ii. *Death Benefits*. Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member’s account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided on or more of the following contributions are met:
 - member was employed by PERS employer at the time of death,
 - member died within 120 days after termination of PERS covered employment,
 - member died as a result of injury sustained while employed in a PERS-covered job, or
 - member was on an official leave of absence from a PERS-covered job at the time of death.

- iii. *Disability Benefits.* A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.
 - iv. *Benefit Changes After Retirement.* Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value equity investments. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes. The cap on the COLA will vary based on the amount of the annual benefit.
- b. *OPSRP Pension Program (OPSRP DB).* The ORS Chapter 238A Defined Benefit Pension Program provides benefits to members hired on or after August 29, 2003.
- i. *Pension Benefits.* This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:
Police and fire: 1.8 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit. To be classified as a police and fire member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement.

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

A member of the pension program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which termination becomes effective.
 - ii. *Death Benefits.* Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50 percent of the pension that would otherwise have been paid to the deceased member.
 - iii. *Disability Benefits.* A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.
 - iv. *Benefit Changes After Retirement.* Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes. The cap on the COLA will vary based on the amount of the annual benefit.

Contributions – PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. The funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2015 actuarial valuation, which became effective July 1, 2017. The state of Oregon and certain schools, community colleges, and political subdivision have made unfunded actuarial liability payments and their rates have been reduced. Employer contributions for the year ended June 30, 2018 were \$1,025,704, excluding amounts to fund employer specific liabilities. In addition approximately \$82,981 in employee contributions were paid or picked up by the City in fiscal 2018. At June 30, 2018, the City reported a net pension liability of \$8,542,153 for its proportionate share of the net pension liability. The pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation dated December 31, 2015. The City’s proportion of the net pension liability was based on a projection of the City’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. As of the measurement date of June 30, 2017, the City’s proportion was .06 percent. Pension expense for the year ended June 30, 2018 was \$495,035.

The rates in effect for the year ended June 30, 2018 were:

- (1) Tier 1/Tier 2 – 19.8%
- (2) OPSRP general services – 9.69%
- (3) OPSRP police and fire – 16.29%

| | Deferred Outflow of Resources | Deferred Inflow of Resources |
|----------------------------------------------------------------------------------|----------------------------------|---------------------------------|
| Difference between expected and actual experience | \$ 413,102 | \$ - |
| Changes in assumptions | 1,557,082 | - |
| Net difference between projected and actual earnings on pension plan investments | 88,004 | - |
| Net changes in proportionate share | - | 830,776 |
| Differences between City contributions and proportionate share of contributions | 146,539 | 170,806 |
| Subtotal - Amortized Deferrals (below) | 2,204,727 | 1,001,582 |
| City contributions subsequent to measuring date | 1,025,704 | - |
| Deferred outflow (inflow) of resources | <u>\$ 3,230,431</u> | <u>\$ 1,001,582</u> |

Deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| <u>Year ending June 30,</u> | <u>Amount</u> |
|-----------------------------|---------------------|
| 2019 | \$ 98,876 |
| 2020 | 806,095 |
| 2021 | 544,932 |
| 2022 | (255,409) |
| 2023 | 8,651 |
| Thereafter | - |
| Total | <u>\$ 1,203,145</u> |

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 68 reporting summary dated February 16, 2018. Oregon PERS produces an independently audited CAFR which can be found at:

<http://www.oregon.gov/pers/documents/financials/CAFR/2017-CAFR.pdf>

Actuarial Valuations: The employer contribution rates effective July 1, 2017 through June 30, 2019, were set using the entry age normal actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (estimated amount necessary to finance benefits earned by employees during the current service year), (2) an amount for the amortization unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial liabilities being amortized over 20 years.

For the OPSRP Pension Program component of the PERS Defined Benefit Plan, this method produced an employer rate consisting of (a) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (b) an actuarially determined amount for funding a disability benefit component, and (c) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 16 years.

Actuarial Methods and Assumptions:

| | |
|---------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Valuation Date | December 31, 2015 rolled forward to June 30, 2017 |
| Experience Study Report | 2014, Published September 23, 2015 |
| Actuarial cost method | Entry Age Normal |
| Amortization method | Amortized as a level percentage of payroll as layered amortization bases over a closed period; Tier One/Tier Two UAL is amortized over 20 years and OPSRP pension UAL is amortized over 16 years |
| Asset valuation method | Market value of assets |
| Inflation rate | 2.50 percent |
| Investment rate of return | 7.50 percent |
| Projected salary increase | 3.5 percent overall payroll growth |
| Cost of Living Adjustment | Blend of 2% COLA and graded COLA (1.25%/.15%) in accordance with Moro decision, blend based on service. |
| Mortality | Healthy retirees and beneficiaries: RP-2000 Sex-distinct, generational per Scale BB, with collar adjustments and set-backs as described in the valuation. Active members: Mortality rates are a percentage of healthy retiree rates that vary by group, as described in the valuation. Disabled retirees: Mortality rates are a percentage (70% for males and 95% for females) of the RP-2000 sex-distinct, generational per scale BB, disabled mortality table. |

Actuarial valuations of an ongoing plan involve estimates of value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The method and assumptions shown are based on the 2015 Experience Study which is reviewed for the four-year period ending December 31, 2015.

Assumed Asset Allocation:

| Asset Class/Strategy | Low Range | High Range | OIC Target |
|-----------------------------|------------------|-------------------|-------------------|
| Cash | 0.0% | 3.0% | 0.0% |
| Debt Securities | 15.0% | 25.0% | 20.0% |
| Public Equity | 32.5% | 42.5% | 37.5% |
| Real Estate | 9.5% | 15.5% | 12.5% |
| Private Equity | 14.0% | 21.0% | 17.5% |
| Alternative Equity | 0.0% | 12.5% | 12.5% |
| Opportunity Portfolio | 0.0% | 3.0% | 0.0% |
| Total | | | 100% |

(Source: June 30, 2017 PERS CAFR; p. 92)

Long-Term Expected Rate of Return:

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2015 the PERS Board reviewed long-term assumptions developed by both Milliman’s capital market assumptions team and the Oregon Investment Council’s (OIC) investment advisors. The table below shows Milliman’s assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC’s description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

| Asset Class | Target | Compound Annual Return (Geometric) |
|-----------------------------------|---------------|-----------------------------------------------|
| Core Fixed Income | 8.00% | 4.00% |
| Short-term Bonds | 8.00% | 3.61% |
| Bank/Leveraged Loans | 3.00% | 5.42% |
| High Yield Bonds | 1.00% | 6.20% |
| Large/Mid Cap US Equities | 15.75% | 6.70% |
| Small Cap US Equities | 1.31% | 6.99% |
| Micro Cap US Equities | 1.31% | 7.01% |
| Developed Foreign Equities | 13.13% | 6.73% |
| Emerging Market Equities | 4.12% | 7.25% |
| Non-US Small Cap Equities | 1.88% | 7.22% |
| Private Equity | 17.50% | 7.97% |
| Real Estate (Property) | 10.00% | 5.84% |
| Real Estate (REITS) | 2.50% | 6.69% |
| Hedge Fund of Funds - Diversified | 2.50% | 4.64% |
| Hedge Fund - Event-driven | 0.63% | 6.72% |
| Timber | 1.88% | 5.85% |
| Farmland | 1.88% | 6.37% |
| Infrastructure | 3.75% | 7.13% |
| Commodities | 1.88% | 4.58% |
| <i>Assumed Inflation - Mean</i> | | 2.50% |

(Source: June 30, 2017 PERS CAFR; p. 69)

Discount Rate: The discount rate used to measure the total pension liability was 7.50 percent for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from the plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City’s proportionate share of the net pension liability to changes in the discount rate – The following presents the City’s proportionate share of the net pension liability calculated using the discount rate of 7.50 percent, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate.

| | 1% Decrease (6.50%) | Discount Rate (7.50%) | 1% Increase (8.50%) |
|------------------------------------------------------------------|------------------------|--------------------------|------------------------|
| County's proportionat share of the net pension liability (asset) | 14,557,388 | 8,542,153 | 3,512,302 |

Changes Subsequent to the Measurement Date:

As described above, GASB 67 and GASB 68 require the Total Pension Liability to be determined based on the benefit terms in effect at the Measurement Date. Any changes to benefit terms that occurs after that date are reflected in amounts reported for the subsequent Measurement Date. However, Paragraph 80f of GASB 68 requires employers to briefly describe any changes between the Measurement Date and the employer’s reporting date that are expected to have a significant effect on the employer’s share of the collective Net Pension Liability, along with an estimate of the resulting change, if available.

At its July 28, 2017 meeting, the PERS Board lowered the assumed rate to 7.2 percent. For member transactions, this rate will take effect January 1, 2018. The current assumed rate is 7.5 percent and has been in effect for member transactions since January 1, 2016.

Deferred Compensation Plan: A deferred compensation plan is available to employees wherein they may execute an individual agreement with the City for amounts earned by them to not be paid until a future date when certain circumstances are met. These circumstances are: termination by reason of death, disability, resignation, or retirement. Payment to the employee will be made over a period not to exceed 15 years. The deferred compensation plan is one which is authorized under IRC Section 457 and has been approved in its specifics by a private ruling from the Internal Revenue Service. The assets of the plan are held by the administrator for the sole benefit of the plan participants and are not considered assets or liabilities of the City.

OPSRP Individual Account Program (OPSRP IAP):

Plan Description: Employees of the City are provided with pensions through OPERS. All the benefits of OPERS are established by the Oregon legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A. Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003. Chapter 238A created the Oregon Public Service Retirement Plan (OPSRP), which consists of the Defined Benefit Pension Program and the Individual Account Program (IAP). Membership includes public employees hired on or after August 29, 2003. PERS members retain their existing defined benefit plan accounts, but member contributions are deposited into the member's IAP account. OPSRP is part of OPERS, and is administered by the OPERS Board.

Pension Benefits: Participants in OPERS defined benefit pension plans also participate in their defined contribution plan. An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies. Upon retirement, a member of the OPSRP IAP may receive the amounts in his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, 20-year period or an anticipated life span option. Each distribution option has a \$200 minimum distribution limit.

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

Contributions: Employees of the City pay six (6) percent of their covered payroll. The City paid \$82,981 in contributions to member IAP accounts for the year ended June 30, 2018.

Retirement Health Insurance Account:

Plan Description: As a member of Oregon Public Employees Retirement System (OPERS) the County contributes to the Retirement Health Insurance Account (RHIA) for each of its eligible employees. RHIA is a cost-sharing multiple-employer defined benefit other postemployment benefit plan administered by OPERS. RHIA pays a monthly contribution toward the cost of Medicare companion health insurance premiums of eligible retirees. Oregon Revised Statute (ORS) 238.420 established this trust fund. Authority to establish and amend the benefit provisions of RHIA reside with the Oregon Legislature. The plan is closed to new entrants after January 1, 2004. OPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Oregon Public Employees Retirement System, PO Box 23700, Tigard, OR 97281-3700.

Funding Policy: Because RHIA was created by enabling legislation (ORS 238.420), contribution requirements of the plan members and the participating employers were established and may be amended only by the Oregon

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

Participating Counties are contractually required to contribute to RHIA at a rate assessed each year by OPERS, and the County currently contributes 0.53% of annual covered OPERF payroll and 0.45% of OPSRP payroll under a contractual requirement in effect until June 30, 2019. The OPERS Board of Trustees sets the employer contribution rates based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The County's contributions to RHIA for the years ended June 30, 2018 was \$30,281, which equaled the required contributions each year.

At June 30, 2018, the County's net OPEB liability/(asset) and deferred inflows and outflows were not considered significant by management and were not accrued on the government wide statements.

F. OTHER POST-EMPLOYMENT BENEFITS:

Post-employment Health Insurance Subsidy

Plan Description

The County administers a single-employer defined benefit healthcare plan that covers both active and retired participants. The plan provides post-retirement healthcare benefits for eligible retirees and their dependents through the County's group health insurance plans. The County's post-retirement plan was established in accordance with Oregon Revised Statutes (ORS) 243.303 which states, in part, that for the purposes of establishing healthcare premiums, the calculated rate must be based on the cost of all plan members, including both active employees and retirees. Because claim costs are generally higher for retiree groups than for active members, the premium amount does not represent the full cost of coverage for retirees. The resulting additional cost, or implicit subsidy, is required to be valued under GASB Statement 75 related to Other Post-Employment Benefits (OPEB). Calculations are based on the OPEB benefits provided under the terms of the substantive plan in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. Actuarial valuations for OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations of the OPEB plan reflect a long-term perspective. The valuation date was July 1, 2016 and the measurement date was June 30, 2017.

Funding Policy

The County has not established a trust fund to finance the cost of post-employment health care benefits related to implicit rate subsidies. Premiums are paid by retirees based on the rates established for active employees. Additional costs related to an implicit subsidy are paid by the County on a pay-as-you-go basis. There is no obligation on the part of the County to fund these benefits in advance.

Actuarial Methods and Assumptions

The County engaged an actuary to perform a valuation as of June 30, 2017 using the Entry Age Normal, level percent of salary Actuarial Cost Method. Mortality rates were based on the RP-2000 healthy white collar male and female mortality tables, set back one year for males. Mortality is projected on a generational basis using Scale BB for males and females. Demographic assumptions regarding retirement, mortality, and turnover are based on Oregon PERS valuation assumptions as of December 31, 2015. Election rate and lapse assumptions are based on experience implied by valuation data for this and other Oregon public employers.

Changes in the Net OPEB Liability

| | |
|----------------------------------------------|-----------------------------------|
| | CIS Plan Increase/ Decrease |
| Total OPEB Liability at June 30, 2017 | <u>606,838</u> |
| Changes for the year: | |
| OPEB Expense (Credit) | 57,331 |
| Deferred Inflows: | |
| Beginning Investment Deferral | - |
| Ending Investment Deferral | (33,198) |
| Deferred Outflows: | |
| Beginning Proportion/Cont Def | - |
| Ending Proportion/Cont Def | - |
| Contributions During Measurement Period | <u>(44,316)</u> |
| Balance as of June 30, 2018 | <u>586,655</u> |

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate and Trend Rates

The following analysis presents the net OPB liability using a discount rate of 3.58% as well as what the County's net OPEB liability would be if it was calculated using a discount rate that is one percentage point lower (2.58%) or one percentage point higher (4.58%) than the current rate.

| | | | |
|--------------------------|-----------------|-------------------|-----------------|
| | Decrease | Discount Rate | Increase |
| | <u>2.58%</u> | <u>3.58%</u> | <u>4.58%</u> |
| Total CIS OPEB Liability | 631,619 | 586,655 | 544,991 |
| | 1% | Current | 1% |
| | <u>Decrease</u> | <u>Trend Rate</u> | <u>Increase</u> |
| Total CIS OPEB Liability | 529,494 | 586,655 | 653,938 |

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB Benefits:

| | Deferred Outflow of Resources | Deferred Inflow of Resources | Net Deferred Inflow/Outflow of Resources |
|---------------------------------------------------|-------------------------------------|------------------------------------|------------------------------------------------|
| Changes in assumptions | - | 33,198 | 33,198 |
| County contributions subsequent to measuring date | - | - | - |
| Deferred outflow (inflow) of resources | - | 33,198 | 33,198 |

Amounts Reported as deferred outflows or inflows of resources related to pension will be recognized in pension expense as follows:

| Year ending June 30, | CIS | RHIA | Total |
|----------------------|--------|--------|--------|
| | Amount | Amount | Amount |
| 2018 | 4,099 | 2,702 | 6,801 |
| 2019 | 4,099 | 2,702 | 6,801 |
| 2020 | 4,099 | 2,795 | 6,894 |
| 2021 | 4,099 | 3,015 | 7,114 |
| 2022 | 4,099 | - | 4,099 |
| 2023 | 4,099 | - | 4,099 |
| Thereafter | 8,604 | - | 8,604 |
| Total | 33,198 | 11,214 | 44,412 |

The beginning Net Position for governmental funds was restated due to the County's implementation of GASB 75 for the implicit rate subsidy. Net position was decreased by \$128,589

G. INTERFUND TRANSFERS:

The following table reflects the interfund transfers completed during the year ended June 30, 2018.

| Fund# | Fund Name | GASB 54 Fund | Transfers In | Transfers Out |
|-----------------------------------|--------------------------------|-----------------------------|--------------|---------------|
| 101 | General Fund | General Fund | 504,976 | 2,456,354 |
| 219 | Weed & Pest Control Fund | General Fund | - | 195,153 |
| 324 | 911 Equipment Reserve Fund | General Fund | - | 62,042 |
| 326 | Facilities Capital Fund | General Fund | 700,000 | - |
| 327 | General Operating Reserve Fund | General Fund | 825,867 | - |
| 202 | Public Works Fund | Public Works Fund | 195,153 | 2,000,000 |
| 321 | Road Reserve Fund | Public Works Fund | 2,000,000 | - |
| 203 | Fair Fund | Non-Major Governmental Fund | 29,000 | - |
| 205 | Land Corner Preservation Fund | Non-Major Governmental Fund | - | 2,500 |
| 208 | Economic Development Fund | Non-Major Governmental Fund | - | 505,676 |
| 210 | District Attorney Fund | Non-Major Governmental Fund | - | 1,800 |
| 211 | Museum Fund | Non-Major Governmental Fund | 22,500 | - |
| 220 | 911 Communications Fund | Non-Major Governmental Fund | 246,029 | - |
| 322 | Capital Acquisitions Fund | Non-Major Governmental Fund | 700,000 | - |
| Total All Transfers | | | 5,223,525 | 5,223,525 |
| Total General Fund | | | 2,030,843 | 2,713,549 |
| Total Public Works Fund | | | 2,195,153 | 2,000,000 |
| Total Non-Major Governmental Fund | | | 997,529 | 509,976 |
| | | | 5,223,525 | 5,223,525 |

H. DEFERRED COMPENSATION

The County offers a deferred compensation plan created in accordance with the Internal Revenue Code Section 457. This plan, available to all full time employees, permits employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseen emergency. All amounts of compensation deferred under the plan are held in trust by the plan administrator for the sole benefit of the participants.

I. TAX ABATEMENTS

Wasco County has authorized tax-exempt status for five qualified firms within the County: Escape The Dalles, Integrated 3D, NuCulture, 15 Mile Ventures LLC, and Design LLC. All properties are required to meet State and Federal funding requirements which include annual physical inspections and an annual audit of financial activity and programmatic compliance. The property tax exemption may be removed if the property is being used for any purpose other than the provisions of low income housing, or if the property is no longer eligible under the stated provisions of ORS 307.540 to 307.548. Section E of the renewal application requires the applicant to acknowledge compliance with the requirements annually. For fiscal year ending June 30, 2018, the foregone property tax revenue is \$12,983,912.

NOTE 4 – OTHER INFORMATION:

A. 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 for which the County carries commercial insurance with nominal deductible levels. Losses over the past three years have not exceeded the insurance coverage.

Liabilities are reported when it is probable that a loss occurred and the amount of the loss can be reasonable estimated. Any liability for claims or judgements would be reported in the appropriate governmental fund.

The County has elected to finance the liability for unemployment compensation benefits to County employees by reimbursing the State of Oregon Employment Division for the County's actual costs for unemployment benefits.

B. JOINTLY GOVERNED ORGANIZATIONS

Wasco County, Oregon, in conjunction with Sherman County, Hood River County, and Gilliam County, has created a regional jail facility in Wasco County known as Northern Oregon Corrections (NORCOR). The board of NORCOR is composed of five members, one from each of the participating governments, along with one sheriff. Wasco County budgeted expenditures to NORCOR for the year ended June 30, 2018 totaled \$1,941,748 with actual expenditures being \$1,939,756. The difference between budget to actual is based on medical care usage. Financial information for this entity may be obtained from the Administrator, Northern Oregon Corrections, 201 Webber Road, The Dalles, OR 97058.

Wasco County, Oregon, in conjunction with Sherman County and Gilliam County, has created a public health department in Wasco County known as North Central Public Health District (NCPHD). The board of NCPHD is composed of nine members total, one from each of the participating governments along with two other members from each County. Wasco County budgeted expenditures to NCPHD for the year ended June 30, 2018 total \$356,360. Actual expenditures are the same as budgeted. Financial information for this district may be obtained from the Finance Manager, North Central Public Health District, 419 E 7th Street, The Dalles, OR 97058.

C. RELATED PARTIES

During the year, the County had the following related party transactions. Qlife revenues from clerk fees, computer, GIS and administrative services totaled \$70,887 and expenditures totaled \$15,180. At June 30, 2018 the County has a \$1,380 balance to the Agency for services received.

D. RESTATEMENT

The beginning Net position for governmental funds was restated due to the County's implementation of GASB 75 for the implicit rate subsidy. Net position was increased by \$128,589 from \$33,933,112 to \$34,061,701..

Required Supplementary Information

**Wasco County, Oregon
Schedule of Changes in Other Post-Employment Benefits and Related Ratios**

| | |
|---------------------------------------------------------------------------------------|---------------------------------|
| Total Other Post Employment Benefits Liability at June 30, 2017 | \$ 606,828 |
| <u>Changes for the year:</u> | |
| Service Cost | 39,536 |
| Interest | 17,795 |
| Changes in Benefit Terms | - |
| Differences between expected and actual experience | - |
| Changes in assumptions or other input | (33,198) |
| Employer Contributions | - |
| Benefit Payments | <u>(44,306)</u> |
| Net changes for the year | <u>-20,173</u> |
| | |
| Total Other Post Employment Benefits Liability at June 30, 2018 | <u><u>\$ 586,655</u></u> |
| | |
| Fiduciary Net Position - Beginning | \$ - |
| Contributions - Employer | 44,306 |
| Contributions - Employee | - |
| Net Investment Income | - |
| Benefit Payments | (44,306) |
| Administrative Expense | <u>-</u> |
| Net changes for the year | <u>-</u> |
| Fiduciary Net Position - Ending | <u><u>\$ -</u></u> |
| | |
| Net Liability for Other Post Employment Benefits - End of Year | <u><u>\$ 586,655</u></u> |
| | |
| Fiduciary Net Position as a percentage of the total Single Employer Pension Liability | 0% |
| Covered Payroll | \$ 6,693,117 |
| Net Single Employer Pension Plan as a Percentage of Covered Payroll | 9% |

Required Supplementary Information

**Wasco County, Oregon
Schedule of the Proportionate Share of the Net Pension Liability
For the last four fiscal years**

| Year Ended June 30, | Proportion of the net pension liability (asset) (a) | Proportionate share of the net pension liability (asset) (b) | Covered payroll (c) | Proportionate share of the net pension liability (asset) as a percentage of its covered payroll (b/c) | Plan fiduciary net position as a percentage of the total pension liability |
|---------------------|--------------------------------------------------------|-----------------------------------------------------------------|------------------------|----------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------|
| 2018 | 0.06238109% | 8,542,153 | 6,924,289 | 123.37% | 83.10% |
| 2017 | 0.06589545% | 9,892,442 | 6,032,943 | 163.97% | 80.50% |
| 2016 | 0.06589548% | 9,892,442 | 5,852,439 | 169.03% | 91.90% |
| 2015 | 0.07752839% | 4,451,263 | 6,480,919 | 68.68% | 103.60% |
| 2014 | 0.09664647% | 4,932,011 | 7,170,616 | 68.78% | 91.97% |

The amounts presented for each fiscal year were actuarially determined at December 31 and rolled forward to the measurement date.

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

Required Supplementary Information (Continued)

**Wasco County, Oregon
Schedule of Contributions
For the last five fiscal years**

| Year ended June 30, | Statutorily required contribution | Contributions in relation to the statutorily required contribution | Contribution deficiency (excess) | Covered payroll | Contributions as a percent of covered payroll |
|---------------------|-----------------------------------|--------------------------------------------------------------------|----------------------------------|-----------------|-----------------------------------------------|
| | (a) | (b) | (a-b) | (c) | (b/c) |
| 2018 | \$ 1,025,704 | \$ 1,025,704 | \$ - | \$ 6,605,716 | 15.53% |
| 2017 | 774,484 | 774,484 | - | 6,924,289 | 11.19% |
| 2016 | 686,501 | 686,501 | - | 6,032,943 | 11.38% |
| 2015 | 604,704 | 604,704 | - | 5,852,439 | 10.33% |
| 2014 | 692,025 | 692,025 | - | 6,480,919 | 10.68% |

The amounts presented for each fiscal year were actuarially determined at December 31 and rolled forward to the measurement date.

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

Wasco County, Oregon
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Budgetary Basis
202 Public Works
For the year ended June 30, 2018
(all amounts are in dollars)

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget</u> |
|-----------------------------------------------------------|-------------------------|---------------------|-----------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues | | | | |
| Property taxes | \$ 9,120,966 | \$ 9,120,966 | \$ 9,105,789 | \$ (15,177) |
| Licenses, fees, and permits | 1,382,348 | 1,382,348 | 1,786,000 | 403,652 |
| Intergovernmental | 1,321,518 | 1,321,518 | 1,455,941 | 134,423 |
| Charges for services | 68,215 | 68,215 | 83,052 | 14,837 |
| Fines and forfeitures | 42,000 | 42,000 | 53,070 | 11,070 |
| Rents | 228,549 | 228,549 | 234,978 | 6,429 |
| Pass-through payments | 4,000 | 4,000 | 2,490 | (1,510) |
| Investment earnings | 40,200 | 40,200 | 48,249 | 8,049 |
| Miscellaneous | 224,286 | 224,286 | 508,254 | 283,968 |
| Total revenues | <u>12,432,082</u> | <u>12,432,082</u> | <u>13,277,823</u> | <u>845,741</u> |
| Expenditures | | | | |
| Current by Department: | | | | |
| Assessor | 764,985 | 764,985 | 757,201 | 7,784 |
| Clerk | 322,021 | 322,021 | 310,637 | 11,384 |
| Sheriff | 2,380,273 | 2,384,773 | 2,268,674 | 116,099 |
| Employee and administrative services | 3,012,564 | 3,012,564 | 2,586,921 | 425,643 |
| Administration | 2,907,738 | 2,943,188 | 2,858,536 | 84,652 |
| District attorney | 661,877 | 700,904 | 624,999 | 75,905 |
| Planning | 741,690 | 752,362 | 692,864 | 59,498 |
| Public works | 50,242 | 50,242 | 45,158 | 5,084 |
| Youth services | 542,723 | 618,723 | 615,316 | 3,407 |
| Contingencies | 1,281,000 | 1,201,972 | - | 1,201,972 |
| Total expenditures | <u>12,665,113</u> | <u>12,751,734</u> | <u>10,760,306</u> | <u>1,991,428</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(233,031)</u> | <u>(319,652)</u> | <u>2,517,517</u> | <u>2,837,169</u> |
| Other Financing Sources (Uses) | | | | |
| Sale of fixed assets | - | - | - | - |
| Transfers from other funds | 664,300 | 664,300 | 504,976 | (159,324) |
| Transfers to other funds | (2,330,487) | (2,560,487) | (2,456,354) | 104,133 |
| Total other financing sources (uses) | <u>(1,666,187)</u> | <u>(1,896,187)</u> | <u>(1,951,378)</u> | <u>(55,191)</u> |
| Net change in fund balances | (1,899,218) | (2,215,839) | 566,139 | 2,781,978 |
| Fund balances - beginning | 6,509,107 | 6,509,107 | 7,062,311 | 553,204 |
| Fund balances - ending | <u>\$ 4,609,889</u> | <u>\$ 4,293,268</u> | <u>7,628,450</u> | <u>\$ 3,335,182</u> |

Reconciliation to GAAP Fund Balance

| | |
|-----------------------------------|-------------------|
| 233 Kramer Field Fund | 33,694 |
| 324 911 Equipment Reserve Fund | 1,613 |
| 326 Facility Capital Reserve Fund | 3,392,712 |
| 327 General Operating Reserve Fu | 3,635,596 |
| Total GAAP Fund Balance | <u>14,692,065</u> |

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

Wasco County, Oregon
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Budgetary Basis
202 Public Works
For the year ended June 30, 2018
(all amounts are in dollars)

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget</u> |
|-----------------------------------------------------------|-------------------------|---------------------|-----------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues | | | | |
| Licenses, fees and permits | \$ 8,500 | \$ 8,500 | \$ 14,208 | \$ 5,708 |
| Intergovernmental | 2,414,287 | 2,414,287 | 2,956,204 | 541,917 |
| Charges for services | 380,000 | 380,000 | 619,736 | 239,736 |
| Internal services | 3,180 | 3,180 | 3,180 | - |
| Investment earnings | 35,000 | 35,000 | (1,477) | (36,477) |
| Miscellaneous | 11,000 | 11,000 | 18,089 | 7,089 |
| Total revenues | <u>2,851,967</u> | <u>2,851,967</u> | <u>3,609,940</u> | <u>757,973</u> |
| Expenditures | | | | |
| Current: | | | | |
| Public Works | 3,638,305 | 3,638,305 | 3,366,368 | 271,937 |
| Contingencies | 420,000 | 420,000 | - | 420,000 |
| Total expenditures | <u>4,058,305</u> | <u>4,058,305</u> | <u>3,366,368</u> | <u>691,937</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(1,206,338)</u> | <u>(1,206,338)</u> | <u>243,572</u> | <u>1,449,910</u> |
| Other Financing Sources (Uses) | | | | |
| Transfers from other funds | 220,495 | 220,495 | 195,153 | (25,342) |
| Transfers to other funds | <u>(2,000,000)</u> | <u>(2,000,000)</u> | <u>(2,000,000)</u> | <u>-</u> |
| Total other financing sources (uses) | <u>(1,779,505)</u> | <u>(1,779,505)</u> | <u>(1,804,847)</u> | <u>(25,342)</u> |
| Net change in fund balances | <u>(2,985,843)</u> | <u>(2,985,843)</u> | <u>(1,561,275)</u> | <u>1,424,568</u> |
| Fund balances, budgetary basis - beginning | 5,194,621 | 5,194,621 | 5,281,168 | 86,547 |
| Fund balances, budgetary basis - ending | <u>\$ 2,208,778</u> | <u>\$ 2,208,778</u> | <u>\$ 3,719,893</u> | <u>\$ 1,511,115</u> |
| Reconciliation to GAAP Fund Balance | | | | |
| 321 Road Reserve Fund | | | <u>4,863,014</u> | |
| Total GAAP Fund Balance | | | <u>\$ 8,582,907</u> | |

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

Wasco County, Oregon
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2018
(all amounts are in dollars)

| | Special Revenue Funds | Capital Project Funds | Total Nonmajor Governmental Funds |
|----------------------------------------|----------------------------------|----------------------------------|--------------------------------------------------|
| Assets | | | |
| Cash and investments | 3,456,197 | 3,183,600 | 6,639,797 |
| Receivables | 629,793 | 512,213 | 1,142,006 |
| Total assets | <u>4,085,990</u> | <u>3,695,813</u> | <u>7,781,803</u> |
| Liabilities | | | |
| Accounts payable | 346,748 | 546,978 | 893,726 |
| Accrued liabilities | 69,190 | - | 69,190 |
| Total liabilities | <u>415,938</u> | <u>546,978</u> | <u>962,916</u> |
| Fund Balances | | | |
| Restricted | 3,068,028 | 18,706 | 3,086,734 |
| Committed | 602,024 | - | 602,024 |
| Assigned | - | 3,130,129 | 3,130,129 |
| Total fund balances | <u>3,670,052</u> | <u>3,148,835</u> | <u>6,818,887</u> |
| Total liabilities and fund balances | <u>4,085,990</u> | <u>3,695,813</u> | <u>7,781,803</u> |

Wasco County, Oregon
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the year ended June 30, 2018
(all amounts are in dollars)

| | <u>Special Revenue Funds</u> | <u>Capital Project Funds</u> | <u>Total Nonmajor Funds</u> |
|-----------------------------------------------------------|----------------------------------|----------------------------------|---------------------------------|
| Revenues | | | |
| Licenses, fees, and permits | \$ 747,241 | \$ - | \$ 747,241 |
| Intergovernmental | 3,044,135 | - | 3,044,135 |
| Charges for services | 475,829 | - | 475,829 |
| Fines and restitution | 27,537 | - | 27,537 |
| Grants and donations | 1,092,848 | 704,840 | 1,797,688 |
| Investment Earnings | 10,676 | 36,976 | 47,652 |
| Miscellaneous | 10,461 | - | 10,461 |
| Total Revenues | <u>5,408,727</u> | <u>741,816</u> | <u>6,150,543</u> |
| Expenditures | | | |
| Current by Department: | | | |
| Clerk | 11,488 | - | 11,488 |
| Sheriff | 2,829,752 | - | 2,829,752 |
| Administration | 1,269,087 | 1,059,413 | 2,328,500 |
| District attorney | 30,120 | - | 30,120 |
| Household hazardous waste | 327,843 | - | 327,843 |
| Public works | 18,439 | - | 18,439 |
| Youth services | 122,785 | - | 122,785 |
| Total expenditures | <u>4,609,514</u> | <u>1,059,413</u> | <u>5,668,927</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>799,213</u> | <u>(317,597)</u> | <u>481,616</u> |
| Other Financing Sources (Uses): | | | |
| Transfers from other funds | 297,529 | 700,000 | 997,529 |
| Transfers to other funds | (509,976) | - | (509,976) |
| Total other financing sources (Uses) | <u>(212,447)</u> | <u>700,000</u> | <u>487,553</u> |
| Net change in fund balances | <u>586,766</u> | <u>382,403</u> | <u>969,169</u> |
| Fund balances - beginning | 3,083,286 | 2,766,432 | 5,849,718 |
| Fund balances - ending | <u>\$ 3,670,052</u> | <u>\$ 3,148,835</u> | <u>\$ 6,818,887</u> |

SPECIAL REVENUE FUNDS
NONMAJOR GOVERNMENTAL FUNDS

** These funds do not meet the GASB 54 definition of Special Revenue Funds and are included in the General Fund in the GAAP-basis financial statements. They are budgeted as Special Revenue Funds under Oregon Budget Law.

COUNTY FAIR FUND: Revenues and expenditures from the operation of the County Fair are recorded in this fund. The primary source of revenue for the Fair is money earned from the annual County Fair operation. Revenues are also received from the State Video Lottery Commission. Expenditures are mainly for the fair and year-round maintenance of the fairgrounds.

COUNTY SCHOOL FUND: The County School Fund is used to account for the receipt of forest reserve rental revenues and distributions from the State of Oregon Common School Fund. By law, these funds are distributed to the school districts in Wasco County.

LAND CORNER PRESERVATION FUND: This fund accounts for revenues and expenditures for the surveying of all section corners in Wasco County. Revenues are mainly fees charged for recording and interest on investments.

FOREST HEALTH FUND: The County receives Federal Title III money to be used to maintain the health of forests within County boundaries. Revenues are from grants and interest on investments. Expenditures are for materials and services.

HOUSEHOLD HAZARDOUS WASTE FUND: Income is from the Oregon Department of Environmental Quality grants and surcharges on local garbage services. Monies are expended for the Sanitarian and the Public Health Business Manager to supervise the collection of fees and the contracting of services and building projects relating to the disposal of household hazardous waste.

LAW LIBRARY FUND: This fund is used to maintain a law library within the County. Revenues are mainly from filing fees and expenditures are for materials and services.

PARKS FUND: This fund receives RV and campsite fees to pay for a park manager and operations for Hunt Park.

COMMUNITY CORRECTIONS FUND: This fund accounts for revenues from state grants and fees from participants in the community corrections program. Expenditures are for operations of the program.

COURT FACILITIES SECURITY FUND: This fund accounts for revenues from assessments on court fines. Expenditures are for materials and services.

COMMISSION ON CHILDREN AND FAMILIES (CCF): This fund accounts for state and federal grants. The grants are used to redirect state and federal child and family services to the local level.

CLERK RECORDS FUND: Oregon law requires a separate fund to account for a recording fee. The revenue is used to acquire storage and create and maintain a retrieval system for County records.

SPECIAL ECONOMIC DEVELOPMENT PAYMENTS FUND: This fund accounts for Enterprise Zone Tax Abatement Agreement Project fees. Fees are then distributed for local services or infrastructure.

DISTRICT ATTORNEY FUND: This fund accounts for forfeiture proceeds. Victim and Drug Court donation balances in the General Fund are also transferred into this fund. Expenditures are for materials and services and capital expenditures. This fund is included in the General Fund in the GAAP-basis financial statements.

MUSEUM FUND: Revenues are mainly from donations and contributions from the City of The Dalles and Wasco County. Expenditures are for personnel services, materials and services, and capital expenditures.

911 COMMUNICATIONS FUND: The County administrates the 911 emergency center for all of the emergency services providers in Wasco County. Revenues are primarily from intergovernmental agreements and phone taxes. Expenditures are for 911 operations. This fund is included in the General Fund in the GAAP-basis financial statements.

** WEED AND PEST CONTROL FUND: Revenues and expenditures for the County's weed abatement and pest control are recorded in this fund. Major sources of revenue include federal and state grants and contracts. Expenditures are for personal services, materials and services, and capital outlay. This fund is included in the General Fund in the GAAP-basis financial statements, and was permanently rolled into the General Fund as of the end of fiscal year 2017-2018.

** KRAMER FIELD FUND: This fund accounts for monies remaining after the construction of Kramer Field. Revenue is from interest earned on investments. Expenditures are for materials and services. This fund is included in the General Fund in the GAAP-basis financial statements.

Wasco County, Oregon
Combining Balance Sheet
Special Revenue Funds
June 30, 2018
(all amounts are in dollars)

| | <u>County Fair Fund</u> | <u>County School Fund</u> | <u>Land Corner Preservation Fund</u> | <u>Forest Health Fund</u> | <u>Household Hazardous Waste Fund</u> | <u>Law Library Fund</u> |
|-------------------------------------|-----------------------------|-------------------------------|----------------------------------------------|-------------------------------|-----------------------------------------------|-----------------------------|
| Assets | | | | | | |
| Cash and investments | \$ 107,036 | \$ 230,496 | \$ 63,651 | \$ 315,422 | \$ 361,957 | \$ 136,648 |
| Receivables | - | - | - | - | 35,212 | - |
| Total assets | <u>\$ 107,036</u> | <u>\$ 230,496</u> | <u>\$ 63,651</u> | <u>\$ 315,422</u> | <u>\$ 397,169</u> | <u>\$ 136,648</u> |
| Liabilities | | | | | | |
| Accounts payable | \$ 7,925 | \$ 230,489 | \$ 173 | \$ - | \$ 46,966 | \$ 1,063 |
| Accrued liabilities | 1,727 | - | 601 | - | 4,041 | - |
| Total liabilities | <u>9,652</u> | <u>230,489</u> | <u>774</u> | <u>-</u> | <u>51,007</u> | <u>1,063</u> |
| Fund Balances | | | | | | |
| Restricted | 97,384 | 7 | 62,877 | 315,422 | - | 135,585 |
| Committed | - | - | - | - | 346,162 | - |
| Total fund balances | <u>97,384</u> | <u>7</u> | <u>62,877</u> | <u>315,422</u> | <u>346,162</u> | <u>135,585</u> |
| Total liabilities and fund balances | <u>\$ 107,036</u> | <u>\$ 230,496</u> | <u>\$ 63,651</u> | <u>\$ 315,422</u> | <u>\$ 397,169</u> | <u>\$ 136,648</u> |

Wasco County, Oregon
Combining Balance Sheet
Special Revenue Funds
June 30, 2018
(all amounts are in dollars)

| | <u>Parks Fund</u> | <u>Community Corrections Fund</u> | <u>Court Facilities Security Fund</u> | <u>CCF Fund</u> | <u>Clerk Records Fund</u> |
|-------------------------------------|-------------------|-------------------------------------------|-----------------------------------------------|-------------------|-------------------------------|
| Assets | | | | | |
| Cash and investments | \$ 253,575 | \$ 1,119,847 | \$ 145,873 | \$ 105,961 | \$ 32,758 |
| Receivables | 8,257 | 455,851 | - | - | - |
| Total assets | <u>\$ 261,832</u> | <u>\$ 1,575,698</u> | <u>\$ 145,873</u> | <u>\$ 105,961</u> | <u>\$ 32,758</u> |
| Liabilities | | | | | |
| Accounts payable | \$ 4,367 | \$ 38,104 | \$ - | \$ 3,064 | \$ - |
| Accrued liabilities | 828 | 27,737 | - | 3,094 | - |
| Total liabilities | <u>5,195</u> | <u>65,841</u> | <u>-</u> | <u>6,158</u> | <u>-</u> |
| Fund Balances | | | | | |
| Restricted | 256,637 | 1,509,857 | 145,873 | 99,803 | 32,758 |
| Committed | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total fund balances | <u>256,637</u> | <u>1,509,857</u> | <u>145,873</u> | <u>99,803</u> | <u>32,758</u> |
| Total liabilities and fund balances | <u>\$ 261,832</u> | <u>\$ 1,575,698</u> | <u>\$ 145,873</u> | <u>\$ 105,961</u> | <u>\$ 32,758</u> |

Wasco County, Oregon
Combining Balance Sheet
Special Revenue Funds
June 30, 2018
(all amounts are in dollars)

| | Special Economic Development | District Attorney | Museum Fund | 911 Communications | Total |
|-------------------------------------|---------------------------------------------|------------------------------|------------------------|-------------------------------|---------------------|
| Assets | | | | | |
| Cash and investments | \$ 343,695 | \$ 13,295 | \$ 242,236 | \$ (16,253) | \$ 3,456,197 |
| Receivables | - | - | 4,332 | 126,141 | 629,793 |
| Total assets | <u>\$ 343,695</u> | <u>\$ 13,295</u> | <u>\$ 246,568</u> | <u>\$ 109,888</u> | <u>\$ 4,085,990</u> |
| Liabilities | | | | | |
| Accounts payable | \$ - | \$ 53 | \$ 2,892 | \$ 11,652 | \$ 346,748 |
| Accrued liabilities | - | - | 1,056 | 30,106 | 69,190 |
| Total liabilities | <u>-</u> | <u>53</u> | <u>3,948</u> | <u>41,758</u> | <u>415,938</u> |
| Fund Balances | | | | | |
| Restricted | 343,695 | - | - | 68,130 | 3,068,028 |
| Committed | <u>-</u> | <u>13,242</u> | <u>242,620</u> | <u>-</u> | <u>602,024</u> |
| Total fund balances | <u>343,695</u> | <u>13,242</u> | <u>242,620</u> | <u>68,130</u> | <u>3,670,052</u> |
| Total liabilities and fund balances | <u>\$ 343,695</u> | <u>\$ 13,295</u> | <u>\$ 246,568</u> | <u>\$ 109,888</u> | <u>\$ 4,085,990</u> |

Wasco County, Oregon
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance
Special Revenue Funds
For the year ended June 30, 2018
(all amounts are in dollars)

| | <u>County Fair Fund</u> | <u>County School Fund</u> | <u>Land Corner Preservation Fund</u> | <u>Forest Health Fund</u> | <u>Household Hazardous Waste Fund</u> | <u>Law Library Fund</u> |
|--------------------------------------------------------------|-----------------------------|-------------------------------|----------------------------------------------|-------------------------------|-----------------------------------------------|-----------------------------|
| Revenues | | | | | | |
| Licenses, fees, and permits | \$ 93,359 | \$ - | \$ 33,592 | \$ - | \$ 405,807 | \$ 23,992 |
| Intergovernmental | 53,167 | 240,693 | - | 40,267 | - | - |
| Charges for services | - | - | - | - | 12,200 | - |
| Fines and restitution | - | - | - | - | - | - |
| Grants and contributions | 26,183 | - | - | - | - | - |
| Investment earnings | 36 | 1,076 | 696 | 266 | 590 | 615 |
| Miscellaneous | - | - | - | - | 10,067 | - |
| Total Revenues | <u>172,745</u> | <u>241,769</u> | <u>34,288</u> | <u>40,533</u> | <u>428,664</u> | <u>24,607</u> |
| Expenditures | | | | | | |
| Current by Department: | | | | | | |
| Clerk | - | - | - | - | - | - |
| Sheriff | - | - | - | - | - | - |
| Administration | 186,939 | 230,490 | - | - | - | - |
| District attorney | - | - | - | - | - | 23,536 |
| Household hazardous waste | - | - | - | - | 327,843 | - |
| Public works | - | - | 18,439 | - | - | - |
| Youth services | - | - | - | - | - | - |
| Total expenditures | <u>186,939</u> | <u>230,490</u> | <u>18,439</u> | <u>-</u> | <u>327,843</u> | <u>23,536</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(14,194)</u> | <u>11,279</u> | <u>15,849</u> | <u>40,533</u> | <u>100,821</u> | <u>1,071</u> |
| Other Financing Sources (Uses): | | | | | | |
| Transfers from other funds | 29,000 | - | - | - | - | - |
| Transfers to other funds | - | - | (2,500) | - | - | - |
| Total other financing sources (Uses) | <u>29,000</u> | <u>-</u> | <u>(2,500)</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances | <u>14,806</u> | <u>11,279</u> | <u>13,349</u> | <u>40,533</u> | <u>100,821</u> | <u>1,071</u> |
| Fund balances - beginning | 82,578 | (11,272) | 49,528 | 274,889 | 245,341 | 134,514 |
| Fund balances - ending | <u>\$ 97,384</u> | <u>\$ 7</u> | <u>\$ 62,877</u> | <u>\$ 315,422</u> | <u>\$ 346,162</u> | <u>\$ 135,585</u> |

Wasco County, Oregon
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance
Special Revenue Funds
For the year ended June 30, 2018
(all amounts are in dollars)

| | <u>Parks Fund</u> | <u>Community Corrections Fund</u> | <u>Court Facilities Security Fund</u> | <u>CCF Fund</u> | <u>Clerk Records Fund</u> | <u>Special Economic Development</u> |
|--------------------------------------------------------------|-------------------|-------------------------------------------|-----------------------------------------------|------------------|-------------------------------|---------------------------------------------|
| Revenues | | | | | | |
| Licenses, fees, and permits | \$ 34,290 | \$ 112,847 | \$ - | \$ - | \$ 9,827 | \$ - |
| Intergovernmental | 59,381 | 2,006,790 | - | 118,418 | - | 155,832 |
| Charges for services | - | - | - | - | - | - |
| Fines and restitution | - | - | 27,537 | - | - | - |
| Grants and contributions | - | - | - | 48 | - | 1,050,000 |
| Investment earnings | 1,396 | (532) | 1,454 | 1,207 | 436 | 925 |
| Miscellaneous | 132 | 41 | - | - | - | - |
| Total Revenues | <u>95,199</u> | <u>2,119,146</u> | <u>28,991</u> | <u>119,673</u> | <u>10,263</u> | <u>1,206,757</u> |
| Expenditures | | | | | | |
| Current by Department: | | | | | | |
| Clerk | - | - | - | - | 11,488 | - |
| Sheriff | - | 1,813,233 | - | - | - | - |
| Administration | 66,052 | - | 11,677 | - | - | 698,641 |
| District attorney | - | - | - | - | - | - |
| Household hazardous waste | - | - | - | - | - | - |
| Public works | - | - | - | - | - | - |
| Youth services | - | - | - | 122,785 | - | - |
| Total expenditures | <u>66,052</u> | <u>1,813,233</u> | <u>11,677</u> | <u>122,785</u> | <u>11,488</u> | <u>698,641</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>29,147</u> | <u>305,913</u> | <u>17,314</u> | <u>(3,112)</u> | <u>(1,225)</u> | <u>508,116</u> |
| Other Financing Sources (Uses): | | | | | | |
| Transfers from other funds | - | - | - | - | - | - |
| Transfers to other funds | - | - | - | - | - | (505,676) |
| Total other financing sources (Uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(505,676)</u> |
| Net change in fund balances | <u>29,147</u> | <u>305,913</u> | <u>17,314</u> | <u>(3,112)</u> | <u>(1,225)</u> | <u>2,440</u> |
| Fund balances - beginning | 227,490 | 1,203,944 | 128,559 | 102,915 | 33,983 | 341,255 |
| Fund balances - ending | <u>\$ 256,637</u> | <u>\$ 1,509,857</u> | <u>\$ 145,873</u> | <u>\$ 99,803</u> | <u>\$ 32,758</u> | <u>\$ 343,695</u> |

Wasco County, Oregon
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance
Special Revenue Funds
For the year ended June 30, 2018
(all amounts are in dollars)

| | <u>District Attorney</u> | <u>Museum Fund</u> | <u>911 Communications</u> | <u>Total</u> |
|--------------------------------------------------------------|------------------------------|--------------------|-------------------------------|---------------------|
| Revenues | | | | |
| Licenses, fees, and permits | \$ - | \$ 33,527 | \$ - | \$ 747,241 |
| Intergovernmental | - | 24,375 | 345,212 | 3,044,135 |
| Charges for services | - | - | 463,629 | 475,829 |
| Fines and restitution | - | - | - | 27,537 |
| Grants and contributions | 4,126 | 12,491 | - | 1,092,848 |
| Investment earnings | 166 | 1,498 | 847 | 10,676 |
| Miscellaneous | - | - | 221 | 10,461 |
| Total Revenues | <u>4,292</u> | <u>71,891</u> | <u>809,909</u> | <u>5,408,727</u> |
| Expenditures | | | | |
| Current by Department: | | | | |
| Clerk | - | - | - | 11,488 |
| Sheriff | - | - | 1,016,519 | 2,829,752 |
| Administration | - | 75,288 | - | 1,269,087 |
| District attorney | 6,584 | - | - | 30,120 |
| Household hazardous waste | - | - | - | 327,843 |
| Public works | - | - | - | 18,439 |
| Youth services | - | - | - | 122,785 |
| Total expenditures | <u>6,584</u> | <u>75,288</u> | <u>1,016,519</u> | <u>4,609,514</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(2,292)</u> | <u>(3,397)</u> | <u>(206,610)</u> | <u>799,213</u> |
| Other Financing Sources (Uses): | | | | |
| Transfers from other funds | - | 22,500 | 246,029 | 297,529 |
| Transfers to other funds | (1,800) | - | - | (509,976) |
| Total other financing sources (Uses) | <u>(1,800)</u> | <u>22,500</u> | <u>246,029</u> | <u>(212,447)</u> |
| Net change in fund balances | <u>(4,092)</u> | <u>19,103</u> | <u>39,419</u> | <u>586,766</u> |
| Fund balances - beginning | 17,334 | 223,517 | 28,711 | 3,083,286 |
| Fund balances - ending | <u>\$ 13,242</u> | <u>\$ 242,620</u> | <u>\$ 68,130</u> | <u>\$ 3,670,052</u> |

Wasco County, Oregon
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Budgetary Basis
203 County Fair Fund
For the year ended June 30, 2018
(all amounts are in dollars)

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|-----------------------------------------------------------|------------------|------------|----------------|-------------------------------|
| | Original | Final | | |
| Revenues | | | | |
| Licenses, fees, and permits | \$ 100,480 | \$ 100,480 | \$ 93,359 | \$ (7,121) |
| Intergovernmental | 50,500 | 50,500 | 53,167 | 2,667 |
| Contributions and donations | 21,700 | 21,700 | 26,183 | 4,483 |
| Investment earnings | 470 | 470 | 36 | (434) |
| Total revenues | 173,150 | 173,150 | 172,745 | (405) |
| Expenditures | | | | |
| Current: | | | | |
| Administration | 187,313 | 187,313 | 186,939 | 374 |
| Contingencies | 20,000 | 20,000 | - | 20,000 |
| Total expenditures | 207,313 | 207,313 | 186,939 | 20,374 |
| Excess (deficiency) of revenues over (under) expenditures | (34,163) | (34,163) | (14,194) | 19,969 |
| Other Financing Sources (Uses) | | | | |
| Transfers from other funds | 29,000 | 29,000 | 29,000 | - |
| Total other financing sources (uses) | 29,000 | 29,000 | 29,000 | - |
| Net change in fund balances | (5,163) | (5,163) | 14,806 | 19,969 |
| Fund balances, budgetary basis - beginning | 54,199 | 54,199 | 82,578 | 28,379 |
| Fund balances, budgetary basis - ending | \$ 49,036 | \$ 49,036 | \$ 97,384 | \$ 48,348 |

Wasco County, Oregon
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Budgetary Basis
204 County School Fund
For the year ended June 30, 2018
(all amounts are in dollars)

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|-----------------------------------------------------------|------------------|------------|-------------------|-------------------------------|
| | Original | Final | | |
| Revenues | | | | |
| Intergovernmental | \$ 287,000 | \$ 287,000 | \$ 240,693 | \$ (46,307) |
| Investment earnings | 200 | 200 | 1,076 | 876 |
| Total revenues | 287,200 | 287,200 | 241,769 | (45,431) |
| Expenditures | | | | |
| Current: | | | | |
| Administration | 312,550 | 312,550 | 230,490 | 82,060 |
| Excess (deficiency) of revenues over (under) expenditures | (25,350) | (25,350) | 11,279 | 36,629 |
| Net change in fund balances | (25,350) | (25,350) | 11,279 | 36,629 |
| Fund balances, budgetary basis - beginning | 25,350 | 25,350 | (11,272) | (36,622) |
| Fund balances, budgetary basis - ending | \$ - | \$ - | \$ 7 | \$ 7 |

Wasco County, Oregon
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Budgetary Basis
205 Land Corner Preservation Fund
For the year ended June 30, 2018
(all amounts are in dollars)

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|-----------------------------------------------------------|------------------|-----------|-------------------|-------------------------------|
| | Original | Final | | |
| Revenues | | | | |
| Licenses, fees, and permits | \$ 34,000 | \$ 34,000 | \$ 33,592 | \$ (408) |
| Investment earnings | 500 | 500 | 696 | 196 |
| Total revenues | 34,500 | 34,500 | 34,288 | (212) |
| Expenditures | | | | |
| Current: | | | | |
| Public Works | 20,921 | 20,921 | 18,439 | 2,482 |
| Contingency | 20,000 | 20,000 | - | 20,000 |
| Total expenditures | 40,921 | 40,921 | 18,439 | 22,482 |
| Excess (deficiency) of revenues over (under) expenditures | (6,421) | (6,421) | 15,849 | 22,270 |
| Other Financing Sources (Uses) | | | | |
| Transfers to other funds | (2,500) | (2,500) | (2,500) | - |
| Total other financing sources (uses) | (2,500) | (2,500) | (2,500) | - |
| Net change in fund balances | (8,921) | (8,921) | 13,349 | 22,270 |
| Fund balances, budgetary basis - beginning | 41,238 | 41,238 | 49,528 | 8,290 |
| Fund balances, budgetary basis - ending | \$ 32,317 | \$ 32,317 | \$ 62,877 | \$ 30,560 |

Wasco County, Oregon
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Budgetary Basis
206 Forest Health Fund
For the year ended June 30, 2018
(all amounts are in dollars)

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget</u> |
|-----------------------------------------------------------|-------------------------|-----------------|---------------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues | | | | |
| Intergovernmental | \$ - | \$ - | \$ 40,267 | \$ 40,267 |
| Investment earnings | 380 | 380 | 266 | (114) |
| Total revenues | <u>380</u> | <u>380</u> | <u>40,533</u> | <u>40,153</u> |
| Expenditures | | | | |
| Contingencies | 54,211 | 54,211 | - | 54,211 |
| Excess (deficiency) of revenues over (under) expenditures | <u>(53,831)</u> | <u>(53,831)</u> | <u>40,533</u> | <u>94,364</u> |
| Other Financing Sources (Uses) | | | | |
| Transfers to other funds | (75,000) | (75,000) | - | 75,000 |
| Net change in fund balances | (128,831) | (128,831) | 40,533 | 169,364 |
| Fund balances - beginning | 128,831 | 128,831 | 274,889 | 146,058 |
| Fund balances - ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 315,422</u> | <u>\$ 315,422</u> |

Wasco County, Oregon
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Budgetary Basis
207 Household Hazardous Waste Fund
For the year ended June 30, 2018
(all amounts are in dollars)

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|-----------------------------|------------------|------------|-------------------|-------------------------------|
| | Original | Final | | |
| Revenues | | | | |
| Licenses, fees, and permits | \$ 300,000 | \$ 300,000 | \$ 405,807 | \$ 105,807 |
| Charges for services | 12,200 | 12,200 | 12,200 | - |
| Miscellaneous | 8,600 | 13,600 | 10,067 | (3,533) |
| Investment earnings | 1,500 | 1,500 | 590 | (910) |
| Total revenues | 322,300 | 327,300 | 428,664 | 101,364 |
| Expenditures | | | | |
| Current: | | | | |
| Household hazardous waste | 351,801 | 356,801 | 327,843 | 28,958 |
| Contingencies | 75,000 | 75,000 | - | 75,000 |
| Total expenditures | 426,801 | 431,801 | 327,843 | 103,958 |
| Net change in fund balances | (104,501) | (104,501) | 100,821 | 205,322 |
| Fund balances - beginning | 192,610 | 192,610 | 245,341 | 52,731 |
| Fund balances - ending | \$ 88,109 | \$ 88,109 | \$ 346,162 | \$ 258,053 |

Wasco County, Oregon
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Budgetary Basis
209 Law Library Fund Fund
For the year ended June 30, 2018
(all amounts are in dollars)

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|-----------------------------------------------------------|-------------------------|------------------|---------------------------|---------------------------------------|
| | Original | Final | | |
| Revenues | | | | |
| Licenses, fees, and permits | \$ 30,000 | \$ 30,000 | \$ 23,992 | \$ (6,008) |
| Investment earnings | 700 | 700 | 615 | (85) |
| Total revenues | 30,700 | 30,700 | 24,607 | (6,093) |
| Expenditures | | | | |
| Current: | | | | |
| District attorney | 46,984 | 46,984 | 23,536 | 23,448 |
| Contingencies | 1,822 | 1,822 | - | 1,822 |
| Total expenditures | 48,806 | 48,806 | 23,536 | 25,270 |
| Excess (deficiency) of revenues over (under) expenditures | (18,106) | (18,106) | 1,071 | 19,177 |
| Other Financing Sources (Uses) | | | | |
| Transfers to other funds | (110,300) | (110,300) | - | 110,300 |
| Total other financing sources (uses) | (110,300) | (110,300) | - | 110,300 |
| Net change in fund balances | (128,406) | (128,406) | 1,071 | 129,477 |
| Fund balances, budgetary basis - beginning | 128,406 | 128,406 | 134,514 | 6,108 |
| Fund balances, budgetary basis - ending | \$ - | \$ - | \$ 135,585 | \$ 135,585 |

Wasco County, Oregon
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Budgetary Basis
223 Parks Fund
For the year ended June 30, 2018
(all amounts are in dollars)

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|--------------------------------------------|------------------|------------|-------------------|-------------------------------|
| | Original | Final | | |
| Revenues | | | | |
| Licenses, fees and permits | \$ 27,000 | \$ 27,000 | \$ 34,290 | \$ 7,290 |
| Intergovernmental | 55,000 | 55,000 | 59,381 | 4,381 |
| Miscellaneous | - | - | 132 | 132 |
| Investment income | 575 | 575 | 1,396 | 821 |
| Total revenues | 82,575 | 82,575 | 95,199 | 12,624 |
| Expenditures | | | | |
| Current: | | | | |
| Sheriff | 74,562 | 74,562 | 66,052 | 8,510 |
| Contingencies | 20,000 | 20,000 | - | 20,000 |
| Total expenditures | 94,562 | 94,562 | 66,052 | 28,510 |
| Net change in fund balances | (11,987) | (11,987) | 29,147 | 41,134 |
| Fund balances, budgetary basis - beginning | 180,119 | 180,119 | 227,490 | 47,371 |
| Fund balances, budgetary basis - ending | \$ 168,132 | \$ 168,132 | \$ 256,637 | \$ 88,505 |

Wasco County, Oregon
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Budgetary Basis
227 Community Corrections Fund
For the year ended June 30, 2018
(all amounts are in dollars)

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|-----------------------------------------------------------|------------------|-----------|-------------------|-------------------------------|
| | Original | Final | | |
| Revenues | | | | |
| Licenses and permits | \$ 95,000 | \$ 95,000 | \$ 112,847 | \$ 17,847 |
| Intergovernmental | 1,438,000 | 1,505,324 | 2,006,790 | 501,466 |
| Reimbursements | - | - | 41 | 41 |
| Investment income | 4,000 | 4,000 | (532) | (4,532) |
| Total revenues | 1,537,000 | 1,604,324 | 2,119,146 | 514,822 |
| Expenditures | | | | |
| Current: | | | | |
| Sheriff | 1,739,204 | 1,813,324 | 1,813,233 | 91 |
| Contingencies | 160,000 | 153,204 | - | 153,204 |
| Total expenditures | 1,899,204 | 1,966,528 | 1,813,233 | 153,295 |
| Excess (deficiency) of revenues over (under) expenditures | (362,204) | (362,204) | 305,913 | 668,117 |
| Other Financing Sources (Uses) | | | | |
| Transfers to other funds | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - |
| Net change in fund balances | (362,204) | (362,204) | 305,913 | 668,117 |
| Fund balances, budgetary basis - beginning | 458,707 | 458,707 | 1,203,944 | 745,237 |
| Fund balances, budgetary basis - ending | \$ 96,503 | \$ 96,503 | \$ 1,509,857 | \$ 1,413,354 |

Wasco County, Oregon
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Budgetary Basis
229 Court Facilities Fund
For the year ended June 30, 2018
(all amounts are in dollars)

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|--------------------------------------------|------------------|-----------|-------------------|-------------------------------|
| | Original | Final | | |
| Revenues | | | | |
| Fines and restitution | \$ 27,200 | \$ 27,200 | \$ 27,537 | \$ 337 |
| Investment income | 400 | 400 | 1,454 | 1,054 |
| Total revenues | 27,600 | 27,600 | 28,991 | 1,391 |
| Expenditures | | | | |
| Current: | | | | |
| Administration | 43,000 | 43,000 | 11,677 | 31,323 |
| Contingencies | 99,071 | 99,071 | - | 99,071 |
| Total expenditures | 142,071 | 142,071 | 11,677 | 130,394 |
| Net change in fund balances | (114,471) | (114,471) | 17,314 | 131,785 |
| Fund balances, budgetary basis - beginning | 114,471 | 114,471 | 128,559 | 14,088 |
| Fund balances, budgetary basis - ending | \$ - | \$ - | \$ 145,873 | \$ 145,873 |

Wasco County, Oregon
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Budgetary Basis
232 Youth Think Fund
For the year ended June 30, 2018
(all amounts are in dollars)

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|--------------------------------------------|------------------|------------|-------------------|-------------------------------|
| | Original | Final | | |
| Revenues | | | | |
| Intergovernmental | \$ 139,963 | \$ 139,963 | \$ 118,418 | \$ (21,545) |
| Investment income | - | - | 1,207 | 1,207 |
| Contributions | 21,000 | 21,000 | 48 | (20,952) |
| Total revenues | 160,963 | 160,963 | 119,673 | (41,290) |
| Expenditures | | | | |
| Current: | | | | |
| Youth services | 163,659 | 163,659 | 122,785 | 40,874 |
| Contingencies | 30,000 | 30,000 | - | 30,000 |
| Total expenditures | 193,659 | 193,659 | 122,785 | 70,874 |
| Net change in fund balances | (32,696) | (32,696) | (3,112) | 29,584 |
| Fund balances, budgetary basis - beginning | 53,472 | 53,472 | 102,915 | 49,443 |
| Fund balances, budgetary basis - ending | \$ 20,776 | \$ 20,776 | \$ 99,803 | \$ 79,027 |

Wasco County, Oregon
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Budgetary Basis
237 Clerk Records Fund
For the year ended June 30, 2018
(all amounts are in dollars)

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|------------------------------------------------|------------------|---------------|-------------------|-------------------------------|
| | Original | Final | | |
| Revenues | | | | |
| Fees | \$ 7,300 | \$ 7,300 | \$ 9,827 | \$ 2,527 |
| Investment income | 175 | 175 | 436 | 261 |
| Total revenues | 7,475 | 7,475 | 10,263 | 2,788 |
| Expenditures | | | | |
| Current: | | | | |
| County clerk | 18,500 | 18,500 | 11,488 | 7,012 |
| Contingencies | 26,302 | 26,302 | - | 26,302 |
| Total expenditures | 44,802 | 44,802 | 11,488 | 33,314 |
| Net change in fund balances | (37,327) | (37,327) | (1,225) | 36,102 |
| Fund balances, budgetary basis - beginning | 37,327 | 37,327 | 33,983 | (3,344) |
| Fund balances, budgetary basis - ending | \$ - | \$ - | \$ 32,758 | \$ 32,758 |

Wasco County, Oregon
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Budgetary Basis
208 Special Economic Development Fund
For the year ended June 30, 2018
(all amounts are in dollars)

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget</u> |
|-----------------------------------------------------------|-------------------------|------------------|---------------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues | | | | |
| Contributions and donations | \$ 1,050,000 | \$ 1,050,000 | \$ 1,050,000 | \$ - |
| Intergovernmental | 190,000 | 190,000 | 155,832 | (34,168) |
| Investment income | 2,200 | 2,200 | 925 | (1,275) |
| Total revenues | <u>1,242,200</u> | <u>1,242,200</u> | <u>1,206,757</u> | <u>(35,443)</u> |
| Expenditures | | | | |
| Current: | | | | |
| Administration | 716,283 | 716,283 | 698,641 | 17,642 |
| Excess (deficiency) of revenues over (under) expenditures | <u>525,917</u> | <u>525,917</u> | <u>508,116</u> | <u>(17,801)</u> |
| Other Financing Sources (Uses) | | | | |
| Transfers to other funds | (590,000) | (590,000) | (505,676) | 84,324 |
| Total other financing sources (uses) | <u>(590,000)</u> | <u>(590,000)</u> | <u>(505,676)</u> | <u>84,324</u> |
| Net change in fund balances | (64,083) | (64,083) | 2,440 | 66,523 |
| Fund balances, budgetary basis - beginning | 64,083 | 64,083 | 341,255 | 277,172 |
| Fund balances, budgetary basis - ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 343,695</u> | <u>\$ 343,695</u> |

Wasco County, Oregon
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Budgetary Basis
210 District Attorney Fund
For the year ended June 30, 2018
(all amounts are in dollars)

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|-----------------------------------------------------------|------------------|----------|-------------------|-------------------------------|
| | Original | Final | | |
| Revenues | | | | |
| Donations and contributions | \$ 4,000 | \$ 4,000 | \$ 4,126 | \$ 126 |
| Investment earnings | 100 | 100 | 166 | 66 |
| Total revenues | 4,100 | 4,100 | 4,292 | 192 |
| Expenditures | | | | |
| Current: | | | | |
| District attorney | 15,600 | 15,600 | 6,584 | 9,016 |
| Contingencies | 1,000 | 1,000 | - | 1,000 |
| Total expenditures | 16,600 | 16,600 | 6,584 | 10,016 |
| Excess (deficiency) of revenues over (under) expenditures | (12,500) | (12,500) | (2,292) | 10,208 |
| Other Financing Sources (Uses) | | | | |
| Transfers to other funds | (1,800) | (1,800) | (1,800) | - |
| Total other financing sources (uses) | (1,800) | (1,800) | (1,800) | - |
| Net change in fund balances | (14,300) | (14,300) | (4,092) | 10,208 |
| Fund balances, budgetary basis - beginning | 14,300 | 14,300 | 17,334 | 3,034 |
| Fund balances, budgetary basis - ending | \$ - | \$ - | \$ 13,242 | \$ 13,242 |

Wasco County, Oregon
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Budgetary Basis
211 Museum Fund
For the year ended June 30, 2018
(all amounts are in dollars)

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|-----------------------------------------------------------|------------------|------------------|-------------------|-------------------------------|
| | Original | Final | | |
| Revenues | | | | |
| Licenses, fees, and permits | \$ 31,000 | \$ 31,000 | \$ 33,527 | \$ 2,527 |
| Intergovernmental | 22,500 | 22,500 | 24,375 | 1,875 |
| Donations | 14,000 | 14,000 | 12,491 | (1,509) |
| Miscellaneous | 1,500 | 1,500 | - | (1,500) |
| Investment earnings | 1,200 | 1,200 | 1,498 | 298 |
| Total revenues | 70,200 | 70,200 | 71,891 | 1,691 |
| Expenditures | | | | |
| Current: | | | | |
| Administration | 106,230 | 106,230 | 75,288 | 30,942 |
| Contingencies | 120,000 | 120,000 | - | 120,000 |
| Total expenditures | 226,230 | 226,230 | 75,288 | 150,942 |
| Excess (deficiency) of revenues over (under) expenditures | (156,030) | (156,030) | (3,397) | 152,633 |
| Other Financing Sources (Uses) | | | | |
| Transfers from other funds | 22,500 | 22,500 | 22,500 | - |
| Net change in fund balances | (133,530) | (133,530) | 19,103 | 152,633 |
| Fund balances, budgetary basis - beginning | 200,840 | 200,840 | 223,517 | 22,677 |
| Fund balances, budgetary basis - ending | \$ 67,310 | \$ 67,310 | \$ 242,620 | \$ 175,310 |

Wasco County, Oregon
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Budgetary Basis
220 911 Communications
For the year ended June 30, 2018
(all amounts are in dollars)

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|-----------------------------------------------------------|------------------|------------|-------------------|-------------------------------|
| | Original | Final | | |
| Revenues | | | | |
| Charges for services | \$ 463,614 | \$ 463,614 | \$ 463,629 | \$ 15 |
| Intergovernmental | 332,908 | 332,908 | 345,212 | 12,304 |
| Miscellaneous | 200 | 200 | 221 | 21 |
| Investment income | 155 | 155 | 847 | 692 |
| Total revenues | 796,877 | 796,877 | 809,909 | 13,032 |
| Expenditures | | | | |
| Current: | | | | |
| Sheriff | 1,054,325 | 1,054,325 | 1,016,519 | 37,806 |
| Contingencies | 16,100 | 16,100 | - | 16,100 |
| Total expenditures | 1,070,425 | 1,070,425 | 1,016,519 | 53,906 |
| Excess (deficiency) of revenues over (under) expenditures | (273,548) | (273,548) | (206,610) | 66,938 |
| Other Financing Sources (Uses) | | | | |
| Transfers from other funds | 246,029 | 246,029 | 246,029 | - |
| Net change in fund balances | (27,519) | (27,519) | 39,419 | 66,938 |
| Fund balances, budgetary basis - beginning | 27,519 | 27,519 | 28,711 | 1,192 |
| Fund balances, budgetary basis - ending | \$ - | \$ - | \$ 68,130 | \$ 68,130 |

Wasco County, Oregon
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Budgetary Basis
219 Weed and Pest Fund
For the year ended June 30, 2018
 (all amounts are in dollars)

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget</u> |
|--------------------------------------------|-------------------------|--------------|---------------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Other Financing Sources (Uses) | | | | |
| Transfers to other funds | (220,495) | (220,495) | (195,153) | 25,342 |
| Total other financing sources (uses) | (220,495) | (220,495) | (195,153) | 25,342 |
| Net change in fund balances | (220,495) | (220,495) | (195,153) | 25,342 |
| Fund balances, budgetary basis - beginning | 220,495 | 220,495 | 195,153 | (25,342) |
| Fund balances, budgetary basis - ending | \$ - | \$ - | \$ - | \$ - |

Wasco County, Oregon
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Budgetary Basis
233 Kramer Field Fund
For the year ended June 30, 2018
(all amounts are in dollars)

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget</u> |
|--------------------------------------------|-------------------------|--------------|---------------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues | | | | |
| Investment income | \$ 165 | \$ 165 | \$ 391 | \$ 226 |
| Expenditures | | | | |
| Current: | | | | |
| Administration | 33,434 | 33,434 | - | 33,434 |
| Net change in fund balances | (33,269) | (33,269) | 391 | 33,660 |
| Fund balances, budgetary basis - beginning | 33,269 | 33,269 | 33,303 | 34 |
| Fund balances, budgetary basis - ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 33,694</u> | <u>\$ 33,694</u> |

RESERVE FUNDS

The County has four reserve funds that are used for budgetary purposes only. These funds are combined with the General Fund or the Public Works Fund in the GAAP-basis financial statements.

ROAD RESERVE FUND: This fund is used to accumulate money for future road equipment purchases and construction projects. Resources are from interest on investments and transfers in. Expenditures are for materials and services and capital outlay. This fund is included with the Public Works Fund in the GAAP-basis financial statements.

911 EQUIPMENT RESERVE FUND: This fund accumulates money for the purchase of 911 equipment. Revenues are from interest on investments and transfers in. This fund is included in the General Fund in the GAAP-basis financial statements.

FACILITY CAPITAL RESERVE FUND: This fund accumulates money for capital expenditures required by County facilities. Resources are from interest on investments and transfers in. This fund is included in the General Fund in the GAAP-basis financial statements.

GENERAL OPERATING RESERVE FUND: This fund accumulates money to support operations as determined by the County Commissioners. Resources are from interest on investments and transfers in. This fund is included in the General Fund in GAAP-basis financial statements.

Wasco County, Oregon
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Budgetary Basis
321 Road Reserve Fund
For the year ended June 30, 2018
(all amounts are in dollars)

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget</u> |
|-----------------------------------------------------------|-------------------------|--------------|-----------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues | | | | |
| Investment income | \$ 17,000 | \$ 17,000 | \$ 26,640 | \$ 9,640 |
| Expenditures | | | | |
| Current: | | | | |
| Public works | 4,850,437 | 4,850,437 | - | 4,850,437 |
| Excess (deficiency) of revenues over (under) expenditures | (4,833,437) | (4,833,437) | 26,640 | 4,860,077 |
| Other Financing Sources (Uses) | | | | |
| Transfers from other funds | 2,000,000 | 2,000,000 | 2,000,000 | - |
| Total other financing sources (uses) | 2,000,000 | 2,000,000 | 2,000,000 | - |
| Net change in fund balances | (2,833,437) | (2,833,437) | 2,026,640 | 4,860,077 |
| Fund balances, budgetary basis - beginning | 2,833,437 | 2,833,437 | 2,836,374 | 2,937 |
| Fund balances, budgetary basis - ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 4,863,014</u> | <u>\$ 4,863,014</u> |

Wasco County, Oregon
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Budgetary Basis
324 911 Equipment Reserve Fund
For the year ended June 30, 2018
(all amounts are in dollars)

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget</u> |
|-----------------------------------------------------------|-------------------------|------------------|-----------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues | | | | |
| Investment income | \$ 1,500 | \$ 1,500 | \$ 1,615 | \$ 115 |
| Expenditures | | | | |
| Current: | | | | |
| Sheriff | 91,795 | 179,753 | 179,753 | - |
| Contingencies | - | - | - | - |
| Total expenditures | <u>91,795</u> | <u>179,753</u> | <u>179,753</u> | <u>-</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(90,295)</u> | <u>(178,253)</u> | <u>(178,138)</u> | <u>115</u> |
| Other Financing Sources (Uses) | | | | |
| Transfers to other funds | - | (62,042) | (62,042) | - |
| Total other financing sources (uses) | <u>-</u> | <u>(62,042)</u> | <u>(62,042)</u> | <u>-</u> |
| Net change in fund balances | (90,295) | (240,295) | (240,180) | 115 |
| Fund balances, budgetary basis - beginning | 240,295 | 240,295 | 241,793 | 1,498 |
| Fund balances, budgetary basis - ending | <u>\$ 150,000</u> | <u>\$ -</u> | <u>\$ 1,613</u> | <u>\$ 1,613</u> |

Wasco County, Oregon
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Budgetary Basis
326 Facility Capital Reserve Fund
For the year ended June 30, 2018
(all amounts are in dollars)

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget |
|-----------------------------------------------------------|-------------------------|--------------|-----------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | <u>Actual Amounts</u> | |
| Revenues | | | | |
| Investment income | \$ 14,000 | \$ 14,000 | \$ 38,558 | \$ 24,558 |
| Expenditures | | | | |
| Current: | | | | |
| Administration | 3,429,005 | 3,429,005 | - | 3,429,005 |
| Excess (deficiency) of revenues over (under) expenditures | (3,415,005) | (3,415,005) | 38,558 | 3,453,563 |
| Other Financing Sources (Uses) | | | | |
| Transfers from other funds | 700,000 | 700,000 | 700,000 | - |
| Total other financing sources (uses) | 700,000 | 700,000 | 700,000 | - |
| Net change in fund balances | (2,715,005) | (2,715,005) | 738,558 | 3,453,563 |
| Fund balances, budgetary basis - beginning | 2,715,005 | 2,715,005 | 2,654,154 | (60,851) |
| Fund balances, budgetary basis - ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 3,392,712</u> | <u>\$ 3,392,712</u> |

Wasco County, Oregon
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Budgetary Basis
327 General Operating Reserve Fund
For the year ended June 30, 2018
(all amounts are in dollars)

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget</u> |
|-----------------------------------------------------------|-------------------------|--------------------|---------------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues | | | | |
| Investment Income | \$ 14,000 | \$ 14,000 | \$ 40,169 | \$ 26,169 |
| Expenditures | | | | |
| Current: | | | | |
| Administration | 3,607,552 | 3,837,552 | 128,635 | 3,708,917 |
| Contingencies | - | - | - | - |
| Total expenditures | <u>3,607,552</u> | <u>3,837,552</u> | <u>128,635</u> | <u>3,708,917</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(3,593,552)</u> | <u>(3,823,552)</u> | <u>(88,466)</u> | <u>3,735,086</u> |
| Other Financing Sources (Uses) | | | | |
| Transfers from other funds | 700,000 | 930,000 | 825,867 | (104,133) |
| Total other financing sources (uses) | <u>700,000</u> | <u>930,000</u> | <u>825,867</u> | <u>(104,133)</u> |
| Net change in fund balances | (2,893,552) | (2,893,552) | 737,401 | 3,630,953 |
| Fund balances, budgetary basis - beginning | 2,893,552 | 2,893,552 | 2,898,195 | 4,643 |
| Fund balances, budgetary basis - ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 3,635,596</u> | <u>\$ 3,635,596</u> |

CAPITAL PROJECT FUNDS
NONMAJOR GOVERNMENTAL FUNDS

CAPITAL ACQUISITIONS FUND: This fund accumulates money for future capital improvements. Resources are from interest on investments and transfers in.

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG): This fund accounts for a federal grant to be used for construction of a building on behalf of the Mid-Columbia Center for Living.

Wasco County, Oregon
Combining Balance Sheet
Non-Major Capital Project Funds
June 30, 2018
(all amounts are in dollars)

| | Capital Acquisitions Fund | CDBG Grant Fund | Total Capital Project Funds |
|----------------------------------------|--------------------------------------|----------------------------|----------------------------------------|
| Assets | | | |
| Cash and investments | 3,146,128 | 37,472 | 3,183,600 |
| Receivables | - | 512,213 | 512,213 |
| Total assets | <u>3,146,128</u> | <u>549,685</u> | <u>3,695,813</u> |
| Liabilities | | | |
| Accounts payable | 15,999 | 530,979 | 546,978 |
| Fund Balances | | | |
| Restricted | - | 18,706 | 18,706 |
| Assigned | 3,130,129 | - | 3,130,129 |
| Total fund balances | <u>3,130,129</u> | <u>18,706</u> | <u>3,148,835</u> |
| Total liabilities and fund balances | <u>3,146,128</u> | <u>549,685</u> | <u>3,695,813</u> |

Wasco County, Oregon
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance
Non-Major Capital Project Funds
For the year ended June 30, 2018
(all amounts are in dollars)

| | Capital Acquisitions Funds | CDBG Grant Funds | Total Capital Project Funds |
|--------------------------------------------------------------|-------------------------------------------|-----------------------------|----------------------------------------|
| Revenues | | | |
| Investment Earnings | \$ 36,245 | \$ 731 | \$ 36,976 |
| Grants and donations | - | 10,067 | 10,067 |
| Contributions | - | 694,773 | 694,773 |
| Total Revenues | 36,245 | 705,571 | 741,816 |
| Expenditures | | | |
| Current: | | | |
| Administration | 289,837 | 769,576 | 1,059,413 |
| Excess (deficiency) of revenues over (under) expenditures | (253,592) | (64,005) | (317,597) |
| Other Financing Sources: | | | |
| Transfers from other funds | 700,000 | - | 700,000 |
| Net change in fund balances | 446,408 | (64,005) | 382,403 |
| Fund balances - beginning | 2,683,721 | 82,711 | 2,766,432 |
| Fund balances - ending | \$ 3,130,129 | \$ 18,706 | \$ 3,148,835 |

Wasco County, Oregon
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Budgetary Basis
322 Capital Acquisition Fund
For the year ended June 30, 2018
(all amounts are in dollars)

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget</u> |
|-----------------------------------------------------------|-------------------------|--------------|-----------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues | | | | |
| Investment income | \$ 15,000 | \$ 15,000 | \$ 36,245 | \$ 21,245 |
| Expenditures | | | | |
| Current: | | | | |
| Administration | 3,709,600 | 3,709,600 | 289,837 | 3,419,763 |
| Excess (deficiency) of revenues over (under) expenditures | (3,694,600) | (3,694,600) | (253,592) | 3,441,008 |
| Other Financing Sources (Uses) | | | | |
| Transfers from other funds | 700,000 | 700,000 | 700,000 | - |
| Total other financing sources (uses) | 700,000 | 700,000 | 700,000 | - |
| Net change in fund balances | (2,994,600) | (2,994,600) | 446,408 | 3,441,008 |
| Fund balances, budgetary basis - beginning | 2,994,600 | 2,994,600 | 2,683,721 | (310,879) |
| Fund balances, budgetary basis - ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 3,130,129</u> | <u>\$ 3,130,129</u> |

Wasco County, Oregon
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Budgetary Basis
330 CDBG Grant Fund
For the year ended June 30, 2018
(all amounts are in dollars)

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget</u> |
|-----------------------------------------------------------|-------------------------|--------------------|---------------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues | | | | |
| Investment income | \$ 200 | \$ 200 | \$ 731 | \$ 531 |
| Grants | 1,807,450 | 1,807,450 | 10,067 | (1,797,383) |
| Contributions | 1,936,022 | 1,936,022 | 694,773 | (1,241,249) |
| Total revenues | <u>3,743,672</u> | <u>3,743,672</u> | <u>705,571</u> | <u>(3,038,101)</u> |
| Expenditures | | | | |
| Current: | | | | |
| Administration | 5,365,122 | 5,365,122 | 769,576 | 4,595,546 |
| Contingencies | - | - | - | - |
| Total expenditures | <u>5,365,122</u> | <u>5,365,122</u> | <u>769,576</u> | <u>4,595,546</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(1,621,450)</u> | <u>(1,621,450)</u> | <u>(64,005)</u> | <u>1,557,445</u> |
| Other Financing Sources (Uses) | | | | |
| Loan proceeds | 1,500,000 | 1,500,000 | - | (1,500,000) |
| Total other financing sources (uses) | <u>1,500,000</u> | <u>1,500,000</u> | <u>-</u> | <u>(1,500,000)</u> |
| Net change in fund balances | (121,450) | (121,450) | (64,005) | 57,445 |
| Fund balances, budgetary basis - beginning | 121,450 | 121,450 | 82,711 | (38,739) |
| Fund balances, budgetary basis - ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 18,706</u> | <u>\$ 18,706</u> |

Schedule of Changes In Assets and Liabilities

Agency Funds

For the year ended June 30, 2018

(all amounts in dollars)

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Deductions</u> | <u>Ending Balance</u> |
|--------------------------|--------------------------|-------------------|-------------------|-----------------------|
| Assets | | | | |
| Cash with treasurer | 1,205,484 | 50,053,899 | 50,029,380 | 1,230,003 |
| Taxes receivable | 1,747,740 | 26,367,300 | 26,387,861 | 1,727,179 |
| Total assets | <u>2,953,224</u> | <u>76,421,199</u> | <u>76,417,241</u> | <u>2,957,182</u> |
| Liabilities | | | | |
| Due to other governments | 2,953,224 | 76,421,199 | 76,417,241 | 2,957,182 |
| Total liabilities | <u>2,953,224</u> | <u>76,421,199</u> | <u>76,417,241</u> | <u>2,957,182</u> |

**Schedule of Accountability of Elected Officials
For year ended June 30, 2018**

| | <u>County Treasurer</u> | <u>County Clerk</u> | <u>County Sheriff</u> | <u>Assessor/Tax Collector</u> |
|-------------------|--------------------------|---------------------|-----------------------|-----------------------------------|
| Beginning Balance | 29,480,396 | 200 | 200 | 150 |
| Receipts | 23,145,679 | 322,125 | 5,278,179 | 757,201 |
| Disbursements | <u>(22,532,216)</u> | <u>(322,125)</u> | <u>(5,278,179)</u> | <u>(757,201)</u> |
| Ending Balance | <u><u>30,093,859</u></u> | <u><u>200</u></u> | <u><u>200</u></u> | <u><u>150</u></u> |

Wasco County, Oregon
Schedule of Expenditure of Federal Awards
For the year ended June 30, 2018
(all amounts are in dollars)

| FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE | FEDERAL CFDA NUMBER | PASSED THROUGH ENTITY'S IDENTIFYING NUMBER | PROGRAM OR AWARD AMOUNT RECEIVED | PROGRAM OR AWARD AMOUNT EXPENDED | PASSED THROUGH TO SUBRECIPIENTS |
|----------------------------------------------------------------------|---------------------------|-----------------------------------------------------|-------------------------------------------|-------------------------------------------|---------------------------------------|
| <u>U.S. DEPARTMENT OF AGRICULTURE:</u> | | | | | |
| <i>Direct from U.S. Forest Service:</i> | | | | | |
| Water and Waste Disposal Systems for Rural Communities | 10.760 | | | | |
| <i>Passed through Oregon Department of Administrative Services:</i> | | | | | |
| Schools and Roads - Grants to States | 10.665 | ORS 293.560 | 725,133 | 744,139 | |
| <u>TOTAL U.S. DEPARTMENT OF AGRICULTURE</u> | | | <u>725,133</u> | <u>744,139</u> | |
| <u>U.S. DEPARTMENT OF DEFENSE:</u> | | | | | |
| <i>Passed through Oregon Department of Administrative Services:</i> | | | | | |
| Flood Control Leases | 12.106 | ORS 293.570 | 174 | 174 | |
| <u>TOTAL U.S. DEPARTMENT OF DEFENSE</u> | | | <u>174</u> | <u>174</u> | |
| <u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:</u> | | | | | |
| <i>Passed through Oregon Department of Administrative Services:</i> | | | | | |
| Community Development Block Grants | 14.228 | C15007 | 10,067 | 10,067 | |
| <u>TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u> | | | <u>10,067</u> | <u>10,067</u> | |
| <u>U.S. DEPARTMENT OF THE INTERIOR:</u> | | | | | |
| <i>Passed through Oregon Department of Administrative Services:</i> | | | | | |
| Community Development Block Grants | 15.227 | ORS 293.575 | 3,262 | 3,262 | |
| <u>TOTAL U.S. DEPARTMENT OF THE INTERIOR</u> | | | <u>3,262</u> | <u>3,262</u> | |
| <u>U.S. DEPARTMENT OF JUSTICE:</u> | | | | | |
| <i>Direct from Office of Justice Programs:</i> | | | | | |
| Bulletproof Vest Partnership Program | 16.607 | | 1,694 | 1,694 | |
| <i>Passed through Oregon Commission on Children and Families:</i> | | | | | |
| Juvenile Justice and Delinquency Prevention - Allocation to States | 16.540 | 13801 | 34,250 | 34,250 | |
| <i>Passed through Oregon Department of Justice:</i> | | | | | |
| Crime Victim Assistance | 16.575 | DAVAP-00058 | 80,082 | 80,082 | |
| <u>TOTAL U.S. DEPARTMENT OF JUSTICE</u> | | | <u>116,026</u> | <u>116,026</u> | |
| <u>U.S. DEPARTMENT OF TRANSPORTATION:</u> | | | | | |
| <i>Passed through Oregon Department of Transportation:</i> | | | | | |
| Enhanced Mobility of Seniors and Individuals with Disabilities | 20.513 | 320241 | 67,625 | 67,625 | |
| <u>TOTAL U.S. DEPARTMENT OF TRANSPORTATION</u> | | | <u>67,625</u> | <u>67,625</u> | |
| <u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:</u> | | | | | |
| <i>Passed through Oregon Commission on Children and Families:</i> | | | | | |
| Substance Abuse and Mental Health Services | 93.243 | CK#23958 | 4,000 | 4,000 | |
| <i>Passed through Oregon Department of Administrative Services:</i> | | | | | |
| Child Support Enforcement | 93.563 | VP354035 | 13,138 | 13,138 | |
| <u>TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u> | | | <u>17,138</u> | <u>17,138</u> | |
| <u>U.S. DEPARTMENT OF HOMELAND SECURITY:</u> | | | | | |
| <i>Passed through Oregon State Police:</i> | | | | | |
| Emergency Management Performance Grants | 97.042 | 18-533 | 50,699 | 50,699 | |
| <u>TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY</u> | | | <u>50,699</u> | <u>50,699</u> | |
| <u>TOTAL FEDERAL AWARDS</u> | | | <u>990,124</u> | <u>1,009,130</u> | - |

Wasco County, Oregon
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2018

NOTE 1 – Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity for Wasco County, Oregon under programs of the federal government for the year ended June 30, 2018. The information in the SEFA is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the SEFA presents only a selected portion of the operations of the County, it is not intended to, and does not, present the financial position or changes in net assets of the County.

NOTE 2 – Summary of Significant Accounting Policies

Expenditures reported in the SEFA are reported on the modified accrual basis of accounting. 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.

NOTE 3 – Indirect Cost Rate

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

NOTE 4 – Subrecipients

No amounts were provided to subrecipients.



PAULY, ROGERS AND CO., P.C.
12700 SW 72nd Ave. ♦ Tigard, OR 97223
(503) 620-2632 ♦ (503) 684-7523 FAX
www.paulyrogersandcocpas.com

January 7, 2019

To the Board of Commissioners
Wasco County

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

We have audited, 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, the discretely presented component units, each major fund, and the aggregate remaining fund information of Wasco County as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the basic financial statements, and have issued our report thereon dated January 7, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 internal control. Accordingly, we do not express an opinion on the effectiveness of 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 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 first paragraph of this section 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.

Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in black ink, appearing to read "Ken Allen", written in a cursive style.

Kenneth Allen, CPA
PAULY, ROGERS AND CO., P.C.



PAULY, ROGERS AND CO., P.C.
12700 SW 72nd Ave. ♦ Tigard, OR 97223
(503) 620-2632 ♦ (503) 684-7523 FAX
www.paulyrogersandcoepas.com

January 7, 2019

To the Board of Commissioners
Wasco County

Independent Auditors' Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance by the Uniform Guidance

Report on Compliance for Each Major Federal Program

We have audited Wasco County'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 the major federal programs for the year ended June 30, 2018. The 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 the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the 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 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 compliance.

Opinion on Each Major Federal Program

In our opinion, Wasco County 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, 2018.

Report on Internal Control Over Compliance

Management 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 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 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.

A handwritten signature in black ink, appearing to read "Ken Allen", is positioned above the printed name and title.

Kenneth Allen, CPA
PAULY, ROGERS AND CO., P.C.

SECTION I – SUMMARY OF AUDITORS’ RESULTS

FINANCIAL STATEMENTS

Type of auditors’ report issued Unmodified

Internal control over financial reporting:

Material weakness(es) identified? yes no

Significant deficiency(s) identified that are not considered to be material weaknesses? yes none reported

Noncompliance material to financial statements noted? yes no

Any GAGAS audit findings disclosed that are required to be reported in accordance with section 515 (d)(2) of the Uniform Guidance? yes no

FEDERAL AWARDS

Internal control over major programs:

Material weakness(es) identified? yes no

Significant deficiency(s) identified that are not considered to be material weaknesses? yes none reported

Type of auditors’ report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 200.516(a) of the Uniform Guidance? yes no

IDENTIFICATION OF MAJOR PROGRAMS

| <u>CFDA NUMBER</u> | <u>NAME OF FEDERAL PROGRAM CLUSTER</u> |
|---------------------------|-----------------------------------------------|
| 10.665 | Schools and Roads |

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

Auditee qualified as low-risk auditee? No

SECTION II – FINANCIAL STATEMENT FINDINGS

None

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONS COSTS:

None

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes federal grant activity under programs of the federal government. The information in this schedule is presented in accordance with 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). Because the schedule presents only a selected portion of the operations, it is not intended to and does not present the net position, changes in net position, or cash flows of the entity.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement. Negative amounts shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The entity has elected to use the ten percent de minimus indirect cost rate as allowed under Uniform Guidance when allowed.



PAULY, ROGERS AND CO., P.C.
12700 SW 72nd Ave. ♦ Tigard, OR 97223
(503) 620-2632 ♦ (503) 684-7523 FAX
www.paulyrogersandcocpas.com

Independent Auditor's Report Required by Oregon State Regulations

We have audited the basic financial statements of Wasco County as of and for the year ended June 30, 2018, and have issued our report thereon dated January 7, 2019. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards.

Compliance

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

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

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

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

OAR 162-10-0230 Internal Control

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

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

A handwritten signature in black ink, appearing to read "Ken Allen". The signature is fluid and cursive, with a large initial "K" and "A".

Kenneth Allen, CPA
PAULY, ROGERS AND CO., P.C.