



MORROW COUNTY, OREGON

ANNUAL FINANCIAL REPORT

Year Ended June 30, 2025

MORROW COUNTY
OFFICERS AND MEMBERS OF THE GOVERNING BODY
Year Ended June 30, 2025

<u>Commissioners</u>	<u>Term Expiration</u> <u>December 31,</u>
David Sykes	2027
Jeff Wenholz	2027
August (Gus) Peterson	2027

The officials may be reached at the address below:

Elected Officials

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

Administrative Offices

Matthew Jensen, County Administrator
Morrow County
110 N. Court St
Heppner, OR 97836

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Morrow County
Heppner, Oregon

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Morrow County (the "County") as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Morrow County as of June 30, 2025, 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.

Basis for Opinions

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

Emphasis of Matter

As of July 1, 2024, the County implemented the requirements of Governmental Accounting Standards Board ("GASB") Statement 101, *Compensated Absences*. As discussed in Note 22, the County reported a restatement to the beginning balance due to this new standard. Additionally, the County reported an error correction. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages a – i, and the schedules on pages 52 – 57 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The budgetary comparison schedules on pages 48 – 49 for the General and Road funds are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the budgetary comparison schedules for the General and Road funds are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Supplementary Information

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

Board of Commissioners
Morrow County
Independent Auditor's Report
December 28, 2025

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2025, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Other Reporting Required by Oregon State Regulations

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have also issued our report dated December 28, 2025, on our consideration of the County's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

Singer Lewak LLP

December 28, 2025

By:



Bradley G. Bingenheimer, Partner

MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Management's Discuss and Analysis (MD&A) serves as an introduction and analytical overview, helping readers interpret the detailed information presented in the financial statements. The government-wide statements provide a broad, long-term perspective, while the fund financial statements focus on short-term fiscal accountability. Reconciliation schedules bridge these two views, explaining differences in measurement focus and basis of accounting. Notes and supplementary information add context and detail, ensuring transparency and compliance with accounting standards. Together, these sections provide a complete picture of the County's financial health and performance.

FINANCIAL HIGHLIGHTS

The County's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at June 30, 2025 by \$122,831,141 (*net position*). Of this amount \$72,350,486 was the net investment in capital assets; \$30,501,522 was restricted for specific purposes and \$19,979,133 was unrestricted.

The County's net position increased by \$7,160,596, or 6.2%, which was due primarily to the operations of governmental activities.

The County's governmental fund balances increased by \$10,182,910. The General Fund experienced a decrease of \$7,594,775, which includes separately budgeted funds combined with the General Fund for financial reporting purposes in accordance with GASB 54 (these separate funds include: Willow Creek Wind, PGE Carty, Orchard Wind, Echo Wind, Shepherds Flat, Wheatridge Wind, Resiliency, and Finley Buttes Licenses Fee). The decrease in the general fund balance was partially offset by increases in other governmental funds.

Fund balance changes in other funds include the Road Fund with an increase of \$3,627,450, the Capital Improvement Fund with an increase of \$7,140,276, the IT Reserve Fund with an increase of \$270,698, and Nonmajor Governmental Funds having a combined increase in fund balance of \$6,739,261.

OVERVIEW OF THE FINANCIAL STATEMENTS

The County's annual financial report consists of several sections that together provide a comprehensive view of its financial position and activities. The key components include:

Management's Discussion and Analysis (MD&A)

This section offers financial highlights, an overview of significant changes, and analysis of economic factors affecting the County.

Government-wide Financial Statements

The Government-wide Financial Statements consist of the Statement of Net Position, which shows assets, liabilities, and net position, and the Statement of Activities, which reports revenues, expenses, and changes in net position. These statements provide a comprehensive overview of the financial status and performance of the county, offering insights into the economic resources available and how they are utilized.

Fund Financial Statements

The Fund-Financial Statements provide a detailed overview of the financial activities and balances of the county's funds. Governmental Funds show sources and uses of current financial resources, while Reconciliation Statements explain differences between fund statements and government-wide statements. Fiduciary Funds report resources held for others and are excluded from government-wide statements.

Notes to the Basic Financial Statements:

Provide essential disclosures and explanations to help readers understand the County's financial condition and accounting policies.

Required Supplementary Information (RSI)

The Governmental Accounting Standards Board (GASB) requires certain additional schedules related to pensions, and other postemployment benefits (OPEB).

Combining and Individual Fund Statements and Schedules

Offer additional details for non-major funds and other supplementary schedules. Readers desiring additional information can find it in this section of the report. Included within this section are:

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

Compliance Section

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Morrow County Net Position

The County's net position as of June 30, 2025, was \$122,831,141. Net position is a key measure of financial health, reflecting the extent to which the County's assets and other resources exceed its obligations over the long term.

	Governmental Activities	
	2025	2024
Assets other than capital assets	\$ 74,733,932	\$ 65,365,722
Capital assets, net	78,261,052	79,265,766
Total assets	<u>152,994,984</u>	<u>144,631,488</u>
Deferred outflows of resources	<u>4,989,773</u>	<u>8,766,145</u>
Current Liabilities	3,866,356	4,693,505
Non-current liabilities	<u>31,152,676</u>	<u>32,341,874</u>
Total liabilities	<u>35,019,032</u>	<u>37,035,379</u>
Deferred inflows of resources	<u>134,584</u>	<u>46,121</u>
Net position:		
Net investment in capital assets	72,350,486	72,841,663
Restricted	30,501,522	21,448,549
Unrestricted	<u>19,979,133</u>	<u>22,025,921</u>
Net position	<u>\$ 122,831,141</u>	<u>\$ 116,316,133</u>

The largest portion of net position is comprised of the County's investment in capital assets (e.g., land, buildings, equipment, and public infrastructure), less any related debt outstanding that was used to acquire those assets. The County uses capital assets to provide services to citizens; therefore, these assets are not available for future spending. The resources to repay the related debt are not provided by capital assets but will be provided by other sources.

Changes in Net Position

Total net position increased by \$7,160,596, or approximately 6.2% during FY2025. The revenue of the County comes primarily from property taxes (\$15,629,606), charges for services (\$6,770,953), and operating grants and contributions (\$12,011,741). The County's expenses cover a wide variety of services, with general government (\$16,007,499), public safety (\$10,145,561), and health and sanitation (\$4,475,290) accounting for over half of the expenses.

As of July 1, 2024, the County implemented GASB Statement No. 101, Compensated Absences. This statement requires recognition of a liability for certain accumulated leave attributable to past service that is more likely than not to be used for time off or paid, including salary-related payments. In conformance with this guidance, the County recorded additional compensated absence liabilities and restated beginning net position, resulting in a decrease of \$645,588 for governmental activities beginning net position.

Additionally, there was a correction resulting from an overstatement of a receivable as of June 30, 2024. This correction resulted in a decrease of \$133,103 for governmental activities beginning net position.

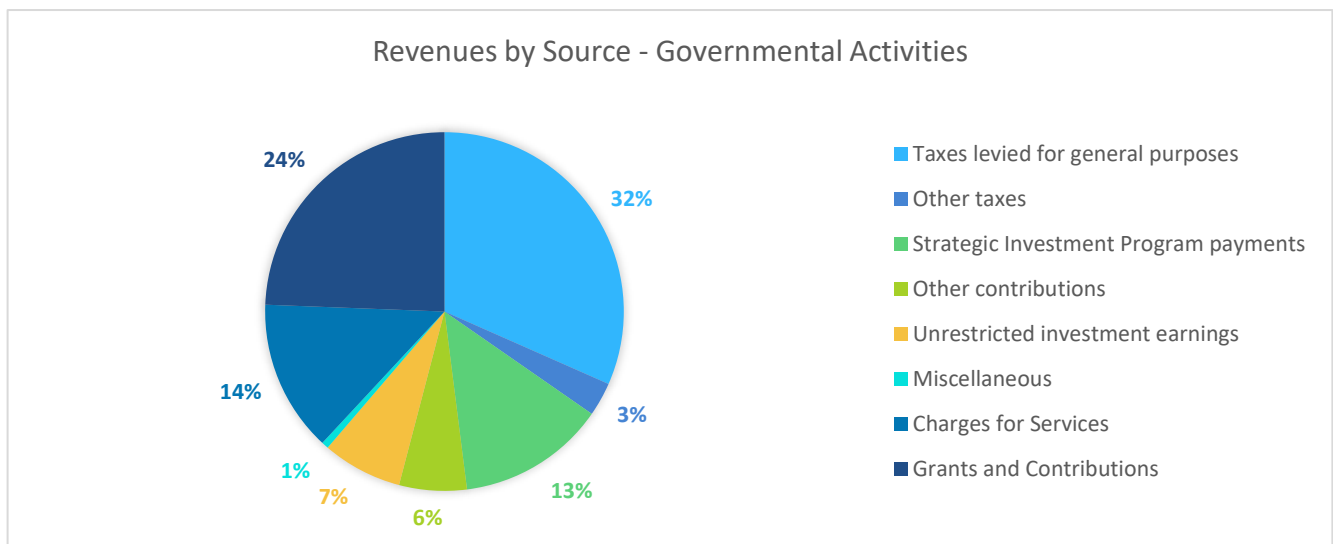
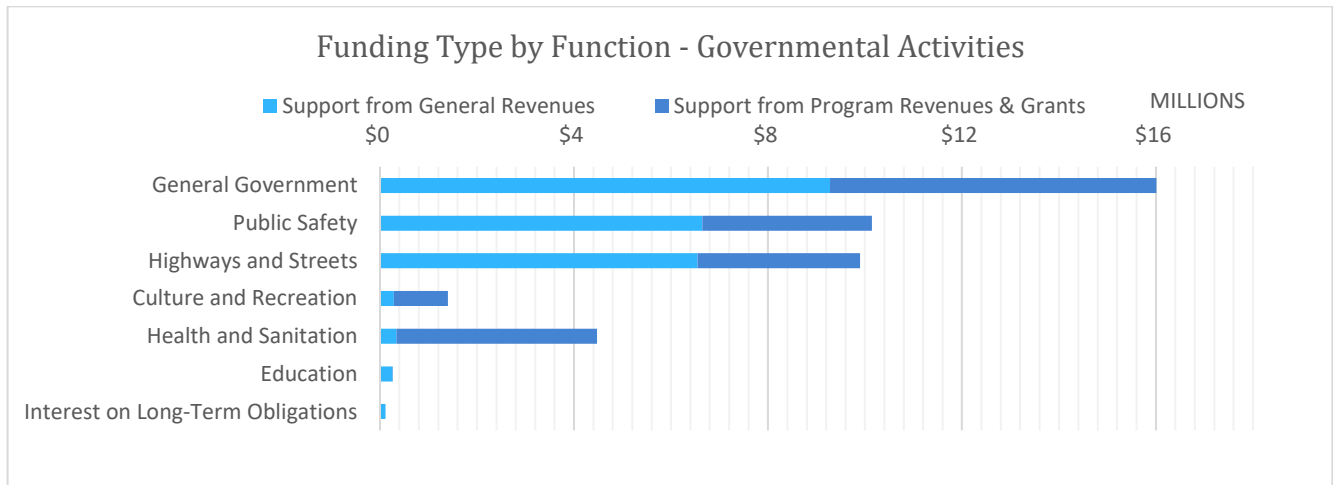
These restatements impacted the government-wide statements.

	Governmental Activities	
	2025	2024
Program revenues:		
Charges for services	\$ 6,770,953	\$ 8,077,517
Operating grants and contributions	12,011,741	10,622,807
Capital grants and contributions	53,410	61,055
General revenues:		
Property taxes	15,641,094	15,662,797
Other taxes	1,505,098	1,448,221
Other grants and contributions	3,012,007	3,237,786
Strategic Investment Program Payments	6,594,628	11,691,368
Other	3,880,557	2,705,301
Total revenues	<u>49,469,488</u>	<u>53,506,852</u>
Expenses:		
General government	16,007,499	14,016,844
Public safety	10,145,561	9,560,904
Highways and streets	9,897,350	9,039,066
Culture and recreation	1,399,711	1,468,068
Health and sanitation	4,475,290	3,468,074
Education	268,020	280,732
Interest on long-term obligations	115,461	120,247
Total expenses	<u>42,308,892</u>	<u>37,953,935</u>
Change in net position	7,160,596	15,552,917
Net position - beginning	116,449,236	100,845,876
Error correction	(133,103)	50,443
Change in accounting principle	(645,588)	-
Net Position - beginning (restated)	<u>115,670,545</u>	<u>100,896,319</u>
Net position - ending	<u>\$ 122,831,141</u>	<u>\$ 116,449,236</u>

Changes Due to Government Activities

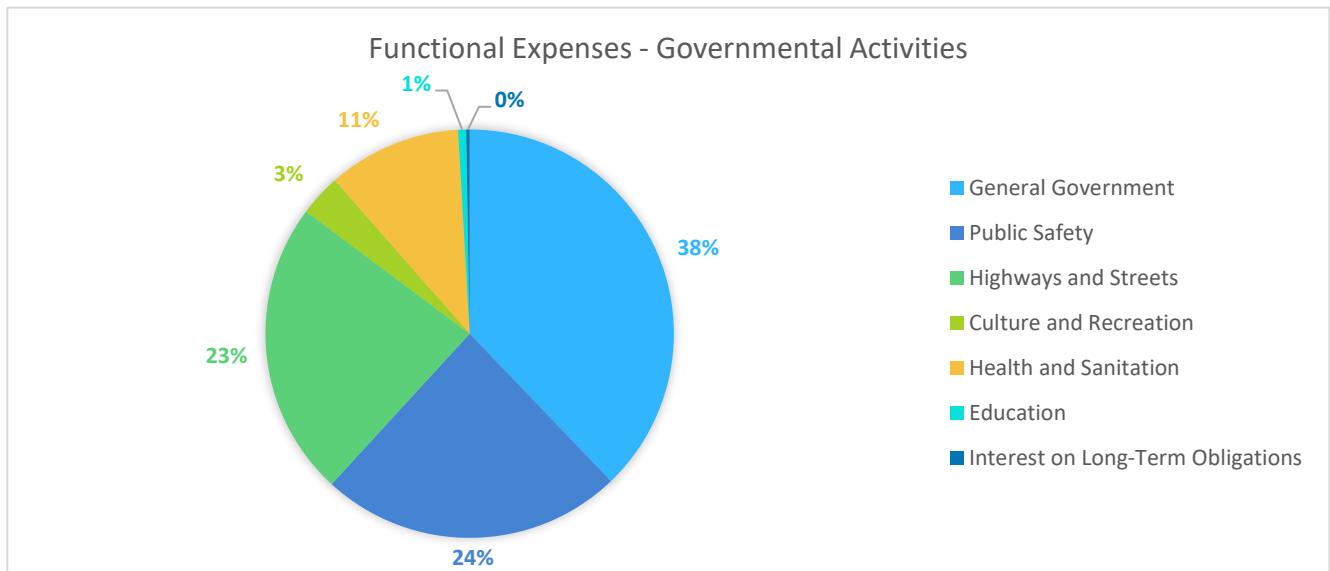
Property taxes, comprising 32% of Morrow County’s revenue, are derived from the County’s permanent tax rate. The permanent tax rate provides funding for general government services. For the year ended June 30, 2025, the largest sources of revenue were:

- **Property taxes (32%)** – derived from the County’s permanent tax rate. These provide funding for general government services.
- **Operating grants and contributions (24%)** – federal and state grants and contributions (such as solid waste licensing fees) primarily used to fund public works, community corrections, children and family programs and health and sanitation services.
- **Charges for services (14%)** – comprised of user fees, these funds are generated from items such as permits, licenses, recreation fees, recording fees, health services patient fees, other user fees, and assessments and fines.
- **Strategic Investment Program payments (13%)** – represent negotiated payments in lieu of property taxes from large capital projects, which remain a significant revenue source for the County.



Expenses for general government and public safety comprise approximately 62% of total governmental activities expenses.

- **General Government (38%)** – Includes expenses for community development, information services, assessment and taxation, elections, finance, commissioners, and support services. County park system expenses are included in culture and recreation.
- **Public Safety (24%)** – Includes the sheriff’s department, community corrections, justice court, and emergency dispatch services.
- **Highways and Streets (16%)** – Includes the County’s road department and public transportation. The road department is responsible for improvements and maintenance of County roads and bridges. Public Transportation (Morrow County Public Transit) provides fixed-route and demand-response transportation services to County residents.
- **Health and Sanitation (11%)** – Relates to the public health department, mental health services (contracted to Community Counseling Solutions), and the County transfer stations and waste disposal operations.
- **Culture and Recreation (2%)** – Includes costs for the County park system, County Fair, County Museums and related programs.
- **Interest on Long-Term Debt (<1%)** – Accounts for interest payments on the County’s



outstanding obligations.

In conclusion, FY2025 brought forth both opportunities and challenges. The County sustained a robust net position through revenue diversification and prudent financial management, despite notable declines in specific revenue streams and escalations in core service costs. The County continues to exhibit resilience and fiscal stability.

SIGNIFICANT CHANGES IN MAJOR FUNDS

As of June 30, 2025, the County’s governmental funds reported a combined fund balance of \$70,510,813, which is an increase of \$10,182,910 from June 30, 2024.

The General Fund is the primary operating fund of the County. As of June 30, 2025, the General Fund balance is \$12,758,518, which represents a decrease of \$7,594,775 from June 30, 2024. The County has multiple funds, which are separately budgeted, that do not qualify to be presented as separate funds in accordance with accounting principles generally accepted in the United States of America. Accordingly, these funds have been combined with the General Fund. The specific funds combined with the General Fund are as follows:

- 210 – Finley Buttes License Fees
- 222 – Willow Creek Wind Fees (SIP)
- 500 – Echo Wind (SIP)
- 501 – Shepherds Flat Fees (SIP)
- 521 – PGE Carty (SIP)
- 523 – Wheatridge Wind Fees (SIP)
- 524 – Orchard Wind (SIP)
- 540 – Resiliency Fund

The Road Fund is primarily supported by state fuel taxes, license fees generated from Finley Buttes Landfill, and fee revenue generated through various strategic investment program (SIP) agreements. Its fund balance increased by \$3,627,450 during FY2025, resulting in an end-of-year fund balance of \$10,557,000. The increase is primarily due to spending that was below budget on all object classifications.

The Capital Improvements Fund experienced an increase in fund balance of \$7,140,276, bringing its year-end balance to \$26,004,336. This increase is primarily due to the accumulation of capital reserves necessary to support major construction projects. The most significant capital project currently underway is the construction of the new Circuit Court building. With an estimated total cost of \$35 million and an estimated County share of \$22.75 million (offset by a grant from the State of Oregon), capital reserves have been planned to ensure adequate cash is available to meet the funding needs of this project.

The Information Technology (IT) Reserve Fund ended FY2025 with a balance of \$524,394, more than doubling its prior-year balance with a 107% increase. This growth reflects the County's commitment to building reserves for critical technology upgrades, including the ongoing replacement of the Enterprise Resource Planning (ERP) system, a project aimed at improving integration, reporting, and internal controls.

The increase was driven primarily by interest earnings and interfund transfers, while expenditures were carefully managed and remained below budget. Total revenues were \$303,483, supplemented by \$258,970 in transfers, and expenditures totaled \$291,755, primarily for technology-related capital outlay.

This disciplined approach positions the County to meet near-term technology needs and maintain flexibility for future investments. Continued monitoring of reserve adequacy will be essential as ERP implementation progresses and technology demands evolve.

GENERAL FUND BUDGETARY HIGHLIGHTS

During FY2025, the General Fund experienced significant amendments that materially increased appropriations compared to the original adopted budget. The original expenditure budget of \$25.7 million was increased by approximately \$.4 million (1.6%), resulting in a final budget of \$26.1 million. These adjustments were authorized through supplemental budget resolutions and primarily addressed higher personnel costs in general government departments, technology upgrades for countywide systems, and expanded contractual services. Additional appropriations were made for contingency transfers and operational needs in public safety and administrative functions. These material changes ensured adequate funding for essential services while maintaining compliance with Oregon budget law.

There were 7 budget adjustments to the original adopted budget in the General Fund in FY2025:

1. Recognized increase in intergovernmental revenue for the Sheriff's Office and increased department's capital outlay expense.
2. Transferred appropriations from operating contingency to interfund transfers in order to transfer restricted grant revenues from the General Fund into a newly created special revenue fund.
3. Transferred appropriations from operating contingency to the Weed Department and increased department's expenditures to cover the costs of a capital lease.
4. Transferred appropriations from operating contingency to interfund transfers in order to transfer restricted opioid abatement revenues from the General Fund into a newly created special revenue fund.
5. Transferred appropriations from operating contingency to the Finance Department in order to cover increased costs associated with the addition of a new position.
6. Transferred appropriations between the Community Development and EMS Departments in the General Fund due to the recommitment of ARPA SLFRF funding.
7. Transferred appropriations from operating contingency to the Assessment & Tax Department due to unplanned increase in capital outlay.

For FY2025, actual General Fund expenditures totaled \$20.6 million, compared to a final budget of \$26.1 million, resulting in an overall variance of approximately \$5.5 million (21%). The most significant variances occurred in contingency and capital outlay, where appropriations were not fully utilized. Contingency remained largely unspent, consistent with its intended purpose as a reserve for unforeseen needs. Capital outlay expenditures were below budget due to project delays and timing differences, with certain technology and facility upgrades deferred to the next fiscal year. Other functional areas, including general government and public safety, were within budgeted limits, with only minor variances attributable to operational efficiencies and cost controls.

CAPITAL ASSETS AND DEBT ADMINISTRATION

As of June 30, 2025, the County had invested \$78,261,052 in capital assets, net of depreciation. This investment includes land, buildings and improvements, equipment, and public infrastructure such as roads and bridges. Construction in progress also saw notable activity, with additions of \$1,433,793 and reclassifications of \$347,251 as projects moved to completion. Overall, total governmental activities capital assets decreased slightly by \$1,004,714, primarily due to depreciation outpacing new acquisitions. Additional details on the County's capital assets can be found in Note 7 of the financial statements.

The County's total long-term obligations outstanding as of June 30, 2025, amounted to \$31,152,676. These obligations include direct borrowings and placements, financed purchases, compensated absences, other postemployment benefit liability, and the net pension liability.

During the year, the County paid \$513,537 in principal on long-term debt obligations. Other long-term obligations decreased by \$1,834,786, driven mainly by reductions in the net pension liability and other postemployment benefit liability.

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

Direct borrowings and placements	\$	5,830,000
Financed purchases		80,566
Compensated absences		1,227,767
Net pension liability		23,852,933
Other postemployment benefit liability		161,410
Total	\$	31,152,676

Additional information on the County's long-term obligations may be found in Notes 9 through 16 to the financial statements.

ECONOMIC FACTORS

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

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

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

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

FINANCIAL CONTACT

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

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

BASIC FINANCIAL STATEMENTS

MORROW COUNTY
STATEMENT OF NET POSITION
June 30, 2025

	Governmental Activites
Assets	
Cash, cash equivalents, and investments	\$ 69,729,839
Receivables, net	2,919,922
Inventories	1,961,924
Prepaid items	122,247
Capital assets:	
Land and construction in progress	4,123,954
Other capital assets, net	74,137,098
Total assets	152,994,984
 Deferred outflows of resources	
Pension related items	4,973,546
Other postemployment benefit related items	16,227
Total deferred outflows of resources	4,989,773
 Liabilities	
Accounts payable and accrued liabilities	3,375,277
Accrued interest payable	8,869
Unearned revenue	482,210
Long-term liabilities:	
Due within one year	1,336,610
Due in more than one year	29,816,066
Total liabilities	35,019,032
 Deferred inflows of resources	
Pension related items	1,203
Other postemployment benefit related items	133,381
Total deferred inflows of resources	134,584
 Net position	
Net investment in capital assets	72,350,486
Restricted for:	
Highways and streets	10,557,000
Public safety	2,641,448
Health and sanitation	2,470,373
Culture and recreation	3,808,827
Transportation	822,973
Debt service	2,727,071
Other restricted purposes	7,473,830
Unrestricted	19,979,133
Total net position	\$ 122,831,141

See notes to financial statements

MORROW COUNTY
STATEMENT OF ACTIVITIES
Year Ended June 30, 2025

Functions/Programs	Program Revenues				Net (Expense)
	Operating Grants				Revenue and Changes
	Expenses	Charges for Services	and Contributions	Capital Grants and Contributions	in Net Position
					Totals
General government	\$ 16,007,499	\$ 4,197,614	\$ 2,528,839	\$ -	\$ (9,281,046)
Public safety	10,145,561	1,221,949	2,278,310	-	(6,645,302)
Highways and streets	9,897,350	79,692	3,269,327	-	(6,548,331)
Culture and recreation	1,399,711	467,487	593,477	53,410	(285,337)
Health and sanitation	4,475,290	804,211	3,333,966	-	(337,113)
Education	268,020	-	7,822	-	(260,198)
Interest on long-term obligations	115,461	-	-	-	(115,461)
Total governmental activities	\$ 42,308,892	\$ 6,770,953	\$ 12,011,741	\$ 53,410	(23,472,788)
General revenues:					
Taxes levied for:					
General purposes					15,641,094
Other taxes					1,505,098
Strategic investment program payments					6,594,628
Other contributions					3,012,007
Unrestricted investment earnings					3,568,224
Miscellaneous					312,333
Total general revenues and transfers					30,633,384
Change in net position					7,160,596
Net position - beginning, as previously reported					116,449,236
Error correction					(133,103)
Change in accounting principle					(645,588)
Net position - beginning, as adjusted					115,670,545
Net position - ending					\$ 122,831,141

See notes to financial statements

MORROW COUNTY
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2025

	General	Road	Capital Improvement	Information Technology Reserve	Total Nonmajor Funds	Total Governmental Funds
Assets						
Cash, cash equivalents, and investments	\$ 12,704,392	\$ 9,728,660	\$ 26,606,284	\$ 967,816	\$ 19,722,687	\$ 69,729,839
Receivables	1,247,751	-	-	-	1,672,171	2,919,922
Inventory	-	1,950,241	-	-	11,683	1,961,924
Prepaid items	68,972	-	-	34,500	18,775	122,247
Due from other funds	27,425	-	-	-	-	27,425
Total assets	\$ 14,048,540	\$ 11,678,901	\$ 26,606,284	\$ 1,002,316	\$ 21,425,316	\$ 74,761,357
Liabilities, deferred inflows and fund balances						
Accounts payable and accrued liabilities	\$ 924,390	\$ 1,121,901	\$ 601,948	\$ 5,425	\$ 720,713	\$ 3,374,377
Due to other funds	-	-	-	-	27,425	27,425
Consumer deposits	-	-	-	-	900	900
Unearned revenue	-	-	-	472,497	9,713	482,210
Total liabilities	924,390	1,121,901	601,948	477,922	758,751	3,884,912
Deferred inflows of resources						
Unavailable revenue	365,632	-	-	-	-	365,632
Total deferred inflows of resources	365,632	-	-	-	-	365,632
Fund balances						
Nonspendable	96,397	1,950,241	-	34,500	30,458	2,111,596
Restricted	1,477,767	8,606,759	-	-	18,436,297	28,520,823
Committed	362,038	-	26,004,336	489,894	2,199,810	29,056,078
Unassigned	10,822,316	-	-	-	-	10,822,316
Total fund balances	12,758,518	10,557,000	26,004,336	524,394	20,666,565	70,510,813
Total liabilities, deferred inflows of resources and fund balances	\$ 14,048,540	\$ 11,678,901	\$ 26,606,284	\$ 1,002,316	\$ 21,425,316	\$ 74,761,357

See notes to financial statements

MORROW COUNTY
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
June 30, 2025

Fund balances - total governmental funds	\$	70,510,813
<i>Amounts reported for governmental activities in the statement of net position are different because:</i>		
Capital and lease assets used in governmental activities are not financial resources and, therefore, are not reported in the funds		78,261,052
Deferred outflows related to the pension and other postemployment benefit plans are not current financial resources and therefore are not reported in the funds		4,989,773
Other long-term assets are not available to pay for current-period expenditures and therefore are reported as unavailable in the funds		365,632
The net pension liability is reported in the statement of net position, but is not reported in the funds		(23,852,933)
The other postemployment benefit liability is reported in the statement of net position but is not reported in the funds		(161,410)
Some liabilities, including compensated absences and bonds, are not due and payable in the current period and, therefore, are not reported in the funds		(7,147,202)
Deferred inflows related to the pension and other postemployment benefit plan are reported in the statement of net position but are not reported in the funds		<u>(134,584)</u>
Net position of governmental activities	\$	<u>122,831,141</u>

MORROW COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2025

	General	Road	Capital Improvement	Information Technology Reserve	Total Nonmajor Funds	Total Governmental Funds
Revenues						
Property taxes	\$ 15,629,606	\$ -	\$ -	\$ -	\$ -	\$ 15,629,606
Licenses, permits and fees	3,026,389	58,162	-	-	1,436,187	4,520,738
Fines and forfeitures	277,818	-	-	-	413,295	691,113
Charges for services	603,117	21,136	-	-	934,849	1,559,102
Strategic investment program payments	6,594,628	-	-	-	-	6,594,628
Other contributions	-	-	3,012,007	-	-	3,012,007
Intergovernmental	6,269,035	2,299,191	-	258,555	4,743,468	13,570,249
Interest	821,672	479,244	1,285,285	44,928	937,095	3,568,224
Miscellaneous	106,702	135,140	-	-	70,491	312,333
Total revenues	<u>33,328,967</u>	<u>2,992,873</u>	<u>4,297,292</u>	<u>303,483</u>	<u>8,535,385</u>	<u>49,458,000</u>
Expenditures						
Current						
General government	12,118,415	-	49,767	271,022	1,304,851	13,744,055
Public safety	6,292,701	-	-	-	2,713,980	9,006,681
Highways and streets	-	4,924,006	-	-	870,635	5,794,641
Culture and recreation	25,170	-	-	-	1,092,028	1,117,198
Health and sanitation	4,306,449	-	-	-	-	4,306,449
Education	-	-	-	-	268,020	268,020
Capital outlay	1,486,503	565,068	1,107,249	20,733	1,253,089	4,432,642
Debt service	-	-	-	-	513,537	513,537
Principal	-	-	-	-	116,422	116,422
Interest	-	-	-	-	-	-
Total expenditures	<u>24,229,238</u>	<u>5,489,074</u>	<u>1,157,016</u>	<u>291,755</u>	<u>8,132,562</u>	<u>39,299,645</u>
Excess (deficiency) of revenues over expenditures	<u>9,099,729</u>	<u>(2,496,201)</u>	<u>3,140,276</u>	<u>11,728</u>	<u>402,823</u>	<u>10,158,355</u>
Other financing sources (uses)						
Transfers in	31,206	6,118,651	6,000,000	258,970	6,399,278	18,808,105
Sale of capital assets	19,555	5,000	-	-	-	24,555
Transfers out	(16,745,265)	-	(2,000,000)	-	(62,840)	(18,808,105)
Total other financing sources (uses)	<u>(16,694,504)</u>	<u>6,123,651</u>	<u>4,000,000</u>	<u>258,970</u>	<u>6,336,438</u>	<u>24,555</u>
Net change in fund balances	<u>(7,594,775)</u>	<u>3,627,450</u>	<u>7,140,276</u>	<u>270,698</u>	<u>6,739,261</u>	<u>10,182,910</u>
Fund balances at beginning of year, as previously reported	20,353,293	6,929,550	18,864,060	-	14,314,103	60,461,006
Error correction	-	-	-	-	(133,103)	(133,103)
Change within financial reporting entity (nonmajor to major fund)	-	-	-	253,696	(253,696)	-
Fund balances at beginning of year, as adjusted	<u>20,353,293</u>	<u>6,929,550</u>	<u>18,864,060</u>	<u>253,696</u>	<u>13,927,304</u>	<u>60,327,903</u>
Fund balance at end of year	<u>\$ 12,758,518</u>	<u>\$ 10,557,000</u>	<u>\$ 26,004,336</u>	<u>\$ 524,394</u>	<u>\$ 20,666,565</u>	<u>\$ 70,510,813</u>

See notes to financial statements

MORROW COUNTY
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2025

Net change in fund balances - total governmental funds		\$ 10,182,910
<i>Amounts reported for governmental activities in the Statement of Activities are different because of the following:</i>		
Governmental funds report the acquisition of capital assets as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. The difference between those two amounts is:		
Acquisition of capital assets	\$ 4,865,215	
Depreciation	<u>(5,413,991)</u>	(548,776)
The net effect of transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position		(455,938)
In the statement of activities, property taxes are reported as revenues when assessed. However, in the governmental funds, property taxes are reported when they are measurable and available. This revenue recognition results in differences in amounts reported for property tax revenues		11,488
In the statement of activities, the change in the net pension liability and deferred outflows and inflows of pension related items are reported as additional expenses for increases and a reduction of expenses for decreases		(2,435,926)
The change in the other postemployment benefit liability and deferred outflows and inflows of other postemployment benefit related items are reported as additional revenues (expenses) in the statement of activities		(6,129)
Repayment of long-term obligation principal and lease payments is an expenditure in the governmental funds, but the repayments reduces long-term obligations in the statement of net position.		513,537
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Accrued interest	961	
Compensated absences	<u>(101,531)</u>	<u>(100,570)</u>
Change in net position of governmental activities		<u>\$ 7,160,596</u>

MORROW COUNTY
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
June 30, 2025

	Retirement Plan for Certain Employees of Morrow County, Oregon Pension	
	Trust	Custodial
Assets		
Cash and cash equivalents	\$ 5,302,939	6,059,859
Investments		
Mututal funds	33,218,604	-
Total assets	38,521,543	6,059,859
Net position		
Net position restricted for pensions	38,521,543	-
Net position held for individuals, organizations and other governments	-	6,059,859
Total net position	\$ 38,521,543	\$ 6,059,859

See notes to financial statements

MORROW COUNTY
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
Year Ended June 30, 2025

	Retirement Plan for Certain Employees of Morrow County, Oregon Pension	
	Trust	Custodial Funds
Additions		
Employer and employee contributions	\$ 3,768,304	\$ -
Investment earnings, net:		
Investment earnings	3,947,220	178,132
FMV Adjustment	-	-
Tax collections for other governments	-	40,930,829
Fee and fine collections for other governments	-	108,069
Other revenue collections for other governments	-	1,485,692
	<u>7,715,524</u>	<u>42,702,722</u>
Deductions		
Benefits	2,798,312	-
Administrative expenses	99,614	-
Payments to other governments	-	41,017,414
	<u>2,897,926</u>	<u>41,017,414</u>
Change in net position	4,817,598	1,685,308
Net position - beginning	<u>33,703,945</u>	<u>4,374,551</u>
Net position - ending	\$ 38,521,543	\$ 6,059,859

See notes to financial statements

MORROW COUNTY

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – FINANCIAL REPORTING ENTITY

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

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

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-wide and fund financial statements

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

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

Separate financial statements are provided for governmental and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major governmental funds are reported in separate columns in the respective fund financial statements.

Measurement focus, basis of accounting and financial statement presentation

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

MORROW COUNTY
NOTES TO FINANCIAL STATEMENTS

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Governmental fund financial statements (balance sheet and statement of revenues, expenditures and changes in fund balance) are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Significant revenues, which are susceptible to accrual under the modified accrual basis of accounting, include property taxes and federal and state grants. Other revenue items are considered to be measurable and available when received by the County. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

The County reports the following major governmental funds:

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

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

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

Information Technology Reserve Fund – accounts for the acquisition of the County’s computer and other information technology assets. This fund’s activities are largely supported by transfers from other funds.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The County reports the following fiduciary funds:

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

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

Additionally, the County reports the following fund types:

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

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

Debt Service – accounts for the resources accumulated and payments made for principal and interest on long-term debt of the governmental funds.

Budget policies and budgetary control

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

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

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budget policies and budgetary control (continued)

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

Risk management

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

Property taxes

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

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

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

Grants and entitlements

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

Other receivables

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

Inventories

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interfund loans

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

Capital assets

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

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

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

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

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

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

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

Long-term debt obligations

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

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated absences

The County recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled during or upon separation from employment. Based on the criteria listed, these types of leave qualify for liability recognition for compensated absences – compensatory time, vacation leave, and sick leave. The liability for compensated absences is reported as incurred in the government-wide financial statements. A liability for compensated absences is recorded in the governmental funds only if the liability has matured because of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

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

Sick leave - The County has a policy which permits employees to earn sick leave over their working careers. The County does not compensate employees for accumulations of sick leave upon termination of employment. In accordance with GASB Statement No. 101, *Compensated Absences*, the County has accrued a liability in the government-wide statements for leave that is more likely than not to be taken.

Net pension liability

The net pension liability, measured as of June 30, 2024, is the portion of the actuarial present value of projected benefit payments that is attributed to past periods of employee service, net of the pension plan's fiduciary net position as of that date.

Other postemployment benefits liability

The other postemployment benefits (OPEB) liability is based on actuarial valuations. The latest valuation used to determine the other postemployment obligation was dated July 1, 2024.

Deferred outflows / inflows of resources

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

MORROW COUNTY
NOTES TO FINANCIAL STATEMENTS

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred outflows / inflows of resources (continued)

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

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

Retirement plans

County has several retirement plans available for employees as follows:

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

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

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

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

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

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

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net position

Government-wide statements

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

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

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

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

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

Fund balance

Governmental fund type fund balance reporting

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

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

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

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

MORROW COUNTY
NOTES TO FINANCIAL STATEMENTS

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund balance (continued)

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

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

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

NOTE 3 – ERROR CORRECTION AND CHANGES IN FINANCIAL REPORTING

As discussed in Note 20, the County has adopted the provisions of GASB Statement 101, *Compensated Absences*, which required a restatement of the beginning net position in the amount of \$645,588.

Additionally, there was a change within the County for a fund previously reported as a nonmajor fund that is currently reported as a major fund, and a correction resulting from an overstatement of receivable as of June 30, 2024.

	Reporting Units Affected by Adjustment to Beginning		
	Information Technology Reserve Fund	Funds Nonmajor Governmental Funds	Government-Wide Governmental Activities
Fund balance / net position			
Beginning balance, as previously reported	\$ -	\$ 14,314,103	\$ 116,449,236
Error correction	-	(133,103)	(133,103)
Change in accounting principle	-	-	(645,588)
Change within reporting entity (nonmajor to major fund)	253,696	(253,696)	-
Beginning balance, as adjusted	<u>\$ 253,696</u>	<u>\$ 13,927,304</u>	<u>\$ 115,670,545</u>

MORROW COUNTY
NOTES TO FINANCIAL STATEMENTS

NOTE 4 – CASH, CASH EQUIVALENTS, AND INVESTMENTS

Cash and cash equivalents as of June 30, 2025 are as follows:

Cash and cash equivalents	
Deposits with financial institutions	\$ 3,184,203
State of Oregon Local Government Investment Pool	30,114,442
Money market	5,302,939
Cash on hand	<u>3,528</u>
Total cash and cash equivalents	<u>\$ 38,605,112</u>

The County's investments at June 30, 2025 are as follows:

Investment Type	
Government agency securities	\$ 40,844,027
U.S. Treasury bills	1,643,498
Mutual funds	<u>33,218,604</u>
	<u>\$ 75,706,129</u>

The cash, cash equivalents, and investments as of June 30, 2025, are reported in the basic financial statements as follows:

Government-wide financial statements	
Governmental activities	
Cash, cash equivalents, and investments	\$ 69,729,839
Fiduciary fund financial statements	
Pension trust fund	
Cash and cash equivalents	5,302,939
Investments	33,218,604
Custodial funds	
Cash and cash equivalents	<u>6,059,859</u>
	<u>\$ 114,311,241</u>

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

MORROW COUNTY
NOTES TO FINANCIAL STATEMENTS

NOTE 4 – CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

Deposits with financial institutions

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

Deposits in excess of FDIC coverage with financial institutions participating in the Oregon Public Funds Collateralization Program are collateralized under the Public Funds Collateralization Program (PFCP) of the Oregon State Treasurer. The PFCP is a shared liability structure for participating financial institutions and is considered additional depository insurance as defined in GASB 40. Participating financial institutions are required to pledge securities, held by the Federal Home Loan Bank of Seattle in the name of the financial institution, with a value equal to at least 10%, with limited exceptions that may require up to 110%, of the amount of deposits of Oregon municipal corporations in excess of FDIC depository insurance. In the event of a failure of a participating financial institution the collective amount of all pledged securities under the PFCP are available to return the County's deposits. As of June 30, 2025, none of the County's deposits with financial institutions were exposed to custodial credit risk.

State of Oregon Local Government Investment Pool

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

MORROW COUNTY
NOTES TO FINANCIAL STATEMENTS

NOTE 4 – CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

Investments

As of June 30, 2025, the County had the following investments:

Investment Type	Rating (Moody's/ Standard & Poor's)	Fair Value	Weighted Average Maturity (in months)
Government agency securities	AAA/AA+	\$ 40,844,027	27.12
Money market account	Not Rated	1,643,498	N/A
Mutual funds	Not Rated	<u>33,218,604</u>	N/A
Total investments		<u>\$ 75,706,129</u>	

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

Concentration of Credit Risk: The County has a formal policy that places a limit on the amount that may be invested in any one insurer as follows:

Investment	Max Investment
U.S. Treasury Obligations	100%
U.S. Agency Securities	100%
Per Agency (Senior Obligators Only)	50%
Oregon Short-Term Fund	Maximum allowed per ORS 294.035
Corporate Debt (Total)	35%
Corporate Commercial Paper	25%
Per Issuer	5%
Corporate Bonds	35%
Per Issuer	5%
Repurchase Agreements	5%
Banker's Acceptance	25%
Bank Time Deposits/Savings	50%
Accounts/Certificates of Deposit	
Per Institution	25%
Municipal Debt (Total)	35%
State of Oregon	25%
States of Idaho, California & Washington	25%

NOTE 4 – CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

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

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

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

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

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

The County's investments in mutual funds are measured using Level 1. The County's investment in U.S. agencies and corporate bonds are measured using Level 2 inputs obtained from independent vendor services provided to our third-party safekeeper. These inputs include a variety of pricing techniques, including but not limited to fundamental analytical data related to the securities, values of baskets of securities, market interest rates, matrix calculated prices, and purchase price.

MORROW COUNTY
NOTES TO FINANCIAL STATEMENTS

NOTE 5 – RECEIVABLES

Receivables at June 30, 2025, are as follows:

	Governmental Funds/Activities		
	General	Nonmajor Funds	Total
Property taxes	\$ 404,056	\$ -	\$ 404,056
Accounts	423,898	646,289	1,070,187
Grants	419,797	834,462	1,254,259
Loans	-	191,420	191,420
	<u>\$ 1,247,751</u>	<u>\$ 1,672,171</u>	<u>\$ 2,919,922</u>

NOTE 6 – INTERFUND BALANCES AND TRANSFERS

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

	Transfers In					Total
	General	Road	Capital Improvement	Information Technology Reserve	Nonmajor governmental	
Transfers out:						
General	\$ -	\$ 4,118,651	\$ 6,000,000	\$ 258,947	\$ 6,367,667	\$ 16,745,265
Capital Improvement	-	2,000,000	-	-	-	2,000,000
Nonmajor governmental	31,206	-	-	23	31,611	62,840
Total	<u>\$ 31,206</u>	<u>\$ 6,118,651</u>	<u>\$ 6,000,000</u>	<u>\$ 258,970</u>	<u>\$ 6,399,278</u>	<u>\$ 18,808,105</u>

The primary purposes for significant transfers include the following:

- The General fund transferred \$6,000,000 to the Capital Improvement fund to provide fund capital projects.
- Shepherds Flat, Echo Wind, and Finley Buttes License funds (combined with the General fund under GASB 54) and the Capital Improvement funds transferred a total of \$6,118,651 to the Road fund to provide resources for maintenance and operations.
- The General Fund transferred \$6,367,667 to various non-major governmental funds to supplement the resources of the funds for their respective activities.

MORROW COUNTY
NOTES TO FINANCIAL STATEMENTS

NOTE 6 – INTERFUND BALANCES AND TRANSFERS (Continued)

Due to and due from other funds

“Due to” and “Due From” balances have been recorded to account for loans that exist between the General fund and a nonmajor fund.

NOTE 7 – CAPITAL ASSETS

Capital asset activity for governmental activities

For the year ended June 30, 2025, capital asset activity for governmental activities was as follows:

	Balances				Balances
	July 1, 2024	Additions	Deletions	Reclassifications	June 30, 2025
Capital assets not being depreciated					
Land	\$ 2,451,990	\$ -	\$ -	\$ -	\$ 2,451,990
Construction in progress	585,422	1,433,793	-	(347,251)	1,671,964
Total capital assets not being depreciated	<u>3,037,412</u>	<u>1,433,793</u>	<u>-</u>	<u>(347,251)</u>	<u>4,123,954</u>
Capital assets being depreciated					
Buildings and Improvements	26,453,383	-	1,783	27,517	26,479,117
Campsites and Trails	972,542	-	-	-	972,542
Machinery and Equipment	23,215,692	2,404,853	385,990	319,734	25,554,289
Bridges	23,384,760	-	-	-	23,384,760
Infrastructure	120,652,194	679,317	-	-	121,331,511
Total capital assets being depreciated	<u>194,678,571</u>	<u>3,084,170</u>	<u>387,773</u>	<u>347,251</u>	<u>197,722,219</u>
Less accumulated depreciation for:					
Buildings and Improvements	10,854,469	656,322	-	-	11,510,791
Campsites and Trails	756,556	21,965	-	-	778,521
Machinery and Equipment	13,658,767	1,635,914	279,087	-	15,015,594
Bridges	18,317,004	587,013	-	-	18,904,017
Infrastructure	74,863,421	2,512,777	-	-	77,376,198
Total accumulated depreciation	<u>118,450,217</u>	<u>5,413,991</u>	<u>279,087</u>	<u>-</u>	<u>123,585,121</u>
Net capital assets being depreciated	<u>76,228,354</u>	<u>(2,329,821)</u>	<u>108,686</u>	<u>347,251</u>	<u>74,137,098</u>
Net governmental activities capital assets	<u>\$ 79,265,766</u>	<u>\$ (896,028)</u>	<u>\$ 108,686</u>	<u>\$ -</u>	<u>\$ 78,261,052</u>

MORROW COUNTY
NOTES TO FINANCIAL STATEMENTS

NOTE 7 – CAPITAL ASSETS (Continued)

Depreciation expense charged to functions/programs of the County:

General government	\$ 1,026,972
Public safety	261,878
Highways and streets	3,913,046
Culture and recreation	202,978
Health and sanitation	<u>9,117</u>
 Total	 <u><u>\$ 5,413,991</u></u>

NOTE 8 – UNAVAILABLE REVENUE

As of June 30, 2025, resources owned by the County, which are measurable but not available, in the governmental funds consist of property taxes in the General fund totaling \$365,632.

NOTE 9 – LONG-TERM OBLIGATIONS

Changes in long-term obligations for the year ended June 30, 2025

	Balances July 1, 2024, As Restated	Additions	Reductions	Balances June 30, 2025	Balances Due Within One Year
<i>Governmental activities</i>					
<u>Long-term debt</u>					
Direct borrowings and placements					
The Commerce Bank	\$ 6,305,000	\$ -	\$ 475,000	\$ 5,830,000	\$ 485,000
Finance purchase of assets					
John Deere Financial	<u>119,103</u>	-	<u>38,537</u>	<u>80,566</u>	<u>39,689</u>
Total long-term debt	6,424,103	-	513,537	5,910,566	524,689
<u>Other long-term obligations</u>					
Compensated absences	1,126,236	101,531	-	1,227,767	811,921
Net pension liability	25,129,219	-	1,276,286	23,852,933	-
Other postemployment benefit liability	<u>307,904</u>	-	<u>146,494</u>	<u>161,410</u>	-
Total long-term obligations	<u><u>\$ 32,987,462</u></u>	<u><u>\$ 101,531</u></u>	<u><u>\$ 1,936,317</u></u>	<u><u>\$ 31,152,676</u></u>	<u><u>\$ 1,336,610</u></u>

Governmental activities long-term debt

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

MORROW COUNTY
NOTES TO FINANCIAL STATEMENTS

NOTE 9 – LONG-TERM OBLIGATIONS (Continued)

Governmental activities long-term debt (continued)

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

Future maturities

Future maturities of long-term debt obligations outstanding as of June 30, 2025, are as follows:

Note payable:

Fiscal Year	Full Faith and Credit Financing Agreement and Note, Series 2021	
	Principal	Interest
2026	\$ 485,000	\$ 104,357
2027	490,000	95,675
2028	500,000	86,905
2029	510,000	77,955
2030	520,000	68,825
2031-35	2,745,000	200,928
2036-37	580,000	7,325
	\$ 5,830,000	\$ 641,970

Finance Purchases of Assets:

Fiscal Year	Deere Tractor	
	Principal	Interest
2026	\$ 39,689	\$ 2,409
2027	40,877	1,222
	\$ 80,566	\$ 3,631

MORROW COUNTY
NOTES TO FINANCIAL STATEMENTS

NOTE 9 – LONG-TERM OBLIGATIONS (Continued)

Other long-term obligations

Compensated absences

As described in note 2, the County’s employees are allowed to accumulate compensatory time, earned vacation leave and sick leave. Vacation and comp time so accumulated are vested and will be paid upon termination or retirement. Sick leave is estimated in accordance with GASB Statement 101. At June 30, 2025, compensated absences totaled \$1,227,767.

Net pension liability

See Notes 10, 11 and 12 below for additional information.

Other postemployment benefit liability

See Note 14. below for additional information.

NOTE 10 – DEFINED BENEFIT PENSION PLANS

Balances of the County’s two pension plans are aggregated and displayed in the financial statements as follows:

	County Plan	Oregon Public Employees Retirement System	Total
Deferred outflows of resources \$	4,450,142	\$ 523,404	\$ 4,973,546
Net Pension Liability	23,374,852	478,081	23,852,933
Deferred inflows of resources	-	1,203	1,203
Pension expense	2,397,242	38,684	2,435,926

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

Plan description

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

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

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

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

Plan membership

Employees hired prior to June 30, 2020 who work more than 20 hours per week are eligible to participate in the Plan after six months of employment. Benefits generally vest after five years of continuous service. As of July 1, 2024, there were 57 active plan members, 87 inactive plan members entitled to but not yet receiving benefits, and 84 retired plan members receiving benefits for a total of 228 plan members. Of the 86 terminated members, 51 were entitled to their account balances only and 36 were members with vested accrued benefits.

Description of benefit terms

Normal retirement

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

Early retirement

Members are able to receive early retirement benefits after attaining age 50 and 5 years of vesting service. Members may also retire after 30 years of service. Retirement benefits are reduced based upon the members age at retirement from 93% to 64% of the benefit that would result if they were of normal retirement age for uniformed members and 93% to 48% for all other members.

Late retirement

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

Disability

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

Death benefits

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

MORROW COUNTY
NOTES TO FINANCIAL STATEMENTS

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

Contributions

The County is required by the Plan’s provisions to pay the employees’ contribution to the Plan of 6% of covered salaries. In addition, the County will contribute additional amount necessary to fund the Plan sufficient to pay benefits when due based on annual actuarial valuations. County contributions to the plan for the year ended June 30, 2025 were \$3,329,695.

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

At June 30, 2025, the County reported a net pension liability of \$23,374,852. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date as follows:

Total pension liability	\$	57,283,393
Plan fiduciary net position		33,703,945
Prepaid benefit payments		<u>204,596</u>
 Net pension liability	 \$	 <u>23,374,852</u>
 Fiduciary net position as a percentage of total pension liability		 59.19%

For the year ended June 30, 2025, changes in the net pension liability are as follows:

	Pension Liability	Fiduciary Net Position	Prepaid Benefit Payments	Net Pension Liability
Beginning balances	\$ 54,842,779	\$ 29,884,129	\$ 189,837	\$ 24,768,813
Changes for the year:				
Service cost	837,872	-	-	837,872
Interest on total pension liability	3,537,462	-	-	3,537,462
Effect of economic/demographic losses	581,605	-	-	581,605
Benefit payments	(2,598,329)	(2,613,088)	14,759	-
Member contributions	82,004	82,004	-	-
Net investment income	-	3,760,850	-	(3,760,850)
Employer contributions	-	<u>2,590,050</u>	-	<u>(2,590,050)</u>
 Ending balances	 <u>\$ 57,283,393</u>	 <u>\$ 33,703,945</u>	 <u>\$ 204,596</u>	 <u>\$ 23,374,852</u>

MORROW COUNTY
NOTES TO FINANCIAL STATEMENTS

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

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

For the year ended June 30, 2025, the County recognized pension expense of \$2,397,242. At June 30, 2025, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 631,463	\$ –
Changes of assumptions or inputs	–	–
Net difference between projected and actual earnings on pension plan investments	488,984	–
County’s contributions subsequent to the measurement date	<u>3,329,695</u>	<u>–</u>
	<u>\$ 4,450,142</u>	<u>\$ –</u>

Deferred outflows of resources related to pensions resulting from the County’s contributions subsequent to the measurement in the amount of \$3,329,695 will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years ending June 30,

2026	\$ 697,290
2027	1,339,500
2028	(555,613)
2029	(360,730)

Actuarial valuation

The County contributions are based on the accruing benefit costs measured using the individual entry age normal actuarial cost method. Under this method, a normal cost is determined for each active member. The normal cost is the annual contribution determined as a level percentage of base salary with would be paid from year of entry to year of retirement to fund the projected retirement benefit. The normal cost for the Plan is the sum of the individuals' normal costs. The actuarial accrued liability for active plan members is an accumulated of the normal costs from entry to the valuation date. The actuarial accrued liability for inactive members is the actuarial present value of the accrued benefits. The actuarial accrued liability for the Plan is the sum of the individual actuarial accrued liabilities. The unfunded actuarial liability is the difference between the actuarial accrued liability and the actuarial value of assets, which is amortized over 15 years on a closed level percent of projected payroll basis, assuming payroll increases 2.75% per year.

MORROW COUNTY
NOTES TO FINANCIAL STATEMENTS

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

Actuarial methods and assumptions used in developing total pension liability

Valuation Date	July 1, 2023
Actuarial Cost Method	Entry Age Normal, Level Percentage of Pay
Amortization Method	Amortized as a level percent of projected payroll, assuming covered payroll increases 2.75% per year, over a closed period of 15 years.
Asset Valuation Method	Market value of assets
Actuarial Assumptions:	
Investment rate of return	6.50%
Projected Salary Increases	Salaries for individuals are assumed to grow at 3.75% through 7.50% based on years of service.
Mortality	Pub-2010 General and Safety Healthy and Disabled Retiree tables, sex distinct for members and dependents, with a one-year setback for male general service employees and female safety employees.

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

Discount rate

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

Depletion date projection

To determine the discount rate used to calculate the total pension liability (TPL), we prepared a depletion date projection using the following methods and assumptions:

- Benefit payments are projected based on the Plan provisions, and the actuarial assumptions and method summarized in the July 1, 2024 Actuarial Valuation.
- Administrative expenses are assumed to be \$70,000 for the 2024-2025 fiscal year, increasing 3% per year for each year benefit payments increase, and decreasing 2% per year thereafter.
- The County is assumed to contribute 100% of the projected actuarially determined contribution in future years, based on the average amount contributed in the last five years.
- Contributions, expenses, and benefit payments are assumed to occur mid-year.

MORROW COUNTY
NOTES TO FINANCIAL STATEMENTS

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

Long-term expected rate of return

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

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

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

	1 Percentage Point Lower	Current Discount Rate	1 Percentage Point Higher
County's net pension liability	\$ 31,164,919	\$ 23,374,852	\$ 16,997,554

NOTE 12 – DEFINED BENEFIT PENSION PLAN – OREGON PERS

Plan Description

All Sheriff’s Office employees of the County are provided with pensions through the Oregon Public Employees Retirement Systems (OPERS).

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

OPERS produces an independently audited Annual Comprehensive Financial Report which includes detailed information about the pension plan’s fiduciary net position. The report can be found at: <https://www.oregon.gov/pers/Documents/Financials/ACFR/2024-ACFR.pdf>

Description of benefit terms

All benefits of the System are established by the legislature pursuant to ORS Chapters 238 and 238A.

PERS Pension (Chapter 238) (Tier 1/Tier 2 retirement benefit)

The Tier 1/Tier 2 Retirement Benefit Plan is closed to new members hired on or after August 29, 2003.

NOTE 12 – DEFINED BENEFIT PENSION PLAN – OREGON PERS (Continued)

Pension benefits: The OPERS 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 (1.67% for general service employees and 2% for police and fire 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 benefit 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, and police and fire members after age 50. Tier 1 general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Tier 2 members are eligible for full benefits at age 60.

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 one or more of the following conditions are met:

- the member was employed by an OPERS employer at the time of death,
- the member died within 120 days after termination of OPERS-covered employment,
- the member died as a result of injury sustained while employed in an OPERS-covered job,
or
- the member was on an official leave of absence from an OPERS-covered job at the time of death.

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 OPERS judge members) for disability benefits regardless of the length of OPERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 for general service members and age 55 for police and fire members when determining the monthly benefit.

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 of equity investments. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes.

NOTE 12 – DEFINED BENEFIT PENSION PLAN – OREGON PERS (Continued)

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

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

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

- General service: 1.5% is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit.
- Police and fire: 1.8% is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 60, or age 53 with 25 years of retirement credit.

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

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

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

Benefit changes after retirement: Under ORS 238.360, monthly benefits are adjusted annually through cost-of-living changes.

Contributions and funding policy

OPERS funding policy provides for periodic member and employer contributions at actuarial determined rates, subject to limits set in statute. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. Employer contribution rates during the period were based on the December 31, 2021 actuarial valuation.

Tier 1/Tier 2 employer contribution rates are 17.12% and the OPSRP employer contribution rates are 10.82% for general service employees. Police and fire employee Tier 1/Tier 2 rates are 17.12% and OPSRP rates are 15.61%. Employer contributions for the year ended June 30, 2025 were \$131,680.

NOTE 12 – DEFINED BENEFIT PENSION PLAN – OREGON PERS (Continued)

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

Net pension liability

At June 30, 2025, the County reported a liability of \$478,081 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022. The County's proportion of the net pension liability was actuarially determined based on a projection of the County's long-term contributions effort to the pension plan relative to the long-term projected contributions effort of all participating employers. The projected long-term contribution effort is equal to the sum of the present value of future normal costs (PVFNC) and the unfunded actuarial liability (UAL).

Normal Cost Rate: The PVFNC represents the portion of the projected long-term contribution effort related to future service. An employer's PVFNC depends on both the normal cost rates charged on the employer's payrolls, and on the underlying demographics of the respective payrolls. For OPERS funding, employers have up to three different payrolls, each with a different normal cost rate: (1) Tier 1/Tier 2 payroll, (2) OPSRP general service payroll, and (3) OPSRP police and fire payroll.

UAL Rate: A UAL exists when plan assets are less than the actuarial liability as measured by the plan's actuarial funding valuations. UAL can arise in a biennium when an event such as experience differing from the assumptions used in the actuarial valuation occurs. An amortization schedule is established to eliminate the UAL that arises over a fixed period of time if future experience follows assumption. The UAL Rate is the upcoming year's component of the cumulative amortization schedules, stated as a percent of payroll. The UAL represents the portion of the projected long-term contribution effort related to past service. In determining the employer's projected long-term contribution effort to the plan, the UAL component was adjusted for supplemental lump-sum payments made during the measurement period, if applicable.

After the employer's projected long-term contribution effort is calculated, that amount is reduced by the value of the employer's supplemental lump-sum payments, known as side accounts, transition surpluses and pre-SLGRP (State and Local Government Rate Pool) surpluses as of the valuation date. Side accounts decrease the employer's projected long-term contribution effort because side accounts are effectively prepaid contributions. The employer's projected long-term contribution effort does not include payments toward the current value of transition liabilities and pre-SLGRP liabilities.

At June 30, 2024, the County's proportion was 0.00215088%, which was an increase of 0.00022673% from its proportion measured as of June 30, 2023.

MORROW COUNTY
NOTES TO FINANCIAL STATEMENTS

NOTE 12 – DEFINED BENEFIT PENSION PLAN – OREGON PERS (Continued)

Pension expense

For the year ended June 30, 2025, the County recognized a pension expense of \$38,684.

Deferred inflows of resources and deferred outflows of resources

Deferred inflows of resources and deferred outflows of resources are calculated at the plan level and are allocated to employers based on their proportionate share.

Differences between expected and actual experience, changes in assumptions and changes in employer proportionate are amortized over the average remaining service lives of all plan participants, including retirees, determined at the beginning of the respective measurement period. Employers are required to recognize pension expense based on the balance of the closed period "layers" attributable to each measurement period.

The net difference between projected and actual investment earnings attributable to each measurement period is amortized over a closed five-year period.

At June 30, 2025, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 28,322	\$ 1,141
Changes of assumptions or inputs	48,066	62
Net difference between projected and actual earnings on pension plan investments	30,372	-
Changes in proportionate share	211,231	-
Differences between employer contributions and employer's proportionate share of system contributions	73,733	-
County's contributions subsequent to the measurement date	<u>131,680</u>	<u>-</u>
	<u>\$ 523,404</u>	<u>\$ 1,203</u>

MORROW COUNTY
NOTES TO FINANCIAL STATEMENTS

NOTE 12 – DEFINED BENEFIT PENSION PLAN – OREGON PERS (Continued)

Deferred outflows of resources related to pensions resulting from the County’s contributions subsequent to the measurement in the amount of \$131,680 will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years ending June 30,

2026	\$ 88,514
2027	140,281
2028	106,607
2029	49,164
2030	5,955

Actuarial methods and assumptions used in developing contribution rates and total pension liability

The total pension liability measured as of June 30, 2024 was based on an actuarial valuation as of December 31, 2022 using the following methods and assumptions:

Experience study report	2022, published July 24, 2023
Actuarial cost method	Entry age normal
Inflation rate	2.4%
Long-term expected rate of return	6.9%
Discount rate	6.9%
Projected salary increases	3.4%
Cost of living adjustments (COLA)	Blend of 2% COLA and graded COLA (1.25%/.15%) in accordance with <i>Moro</i> decision; blend based on service
Mortality	<p>Healthy retirees and beneficiaries: Pub-2010 Health Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Active members: Pub-2010 employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Disabled retirees: Pub-2010 Disabled Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p>

NOTE 12 – DEFINED BENEFIT PENSION PLAN – OREGON PERS (Continued)

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2022 Experience Study which reviewed experience for the four-year period ending on December 31, 2022.

Discount rate

The discount rate used to measure the total pension liability was 6.9%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Assumed asset allocation

Asset Class	Target Allocation
Cash	0.00%
Debt securities	25.00%
Public equity	27.50%
Private equity	20.00%
Real estate	12.50%
Real assets	7.50%
Diversifying strategies	7.50%
Total	100.00%

Long-term expected rate of return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in January 2023 the PERS Board reviewed long-term assumptions developed by both the actuary's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. 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 forward-looking capital market economic model.

MORROW COUNTY
NOTES TO FINANCIAL STATEMENTS

NOTE 12 – DEFINED BENEFIT PENSION PLAN – OREGON PERS (Continued)

<u>Long-Term Expected Rate of Return</u> ¹				
Asset Class	Target Allocation	Annual Arithmetic Return ²	20-Year Annualized Geometric Mean	Annual Standard Deviation
Global Equity	27.50 %	8.57 %	7.07 %	17.99 %
Private Equity	25.50	12.89	8.83	30.00
Core Fixed Income	25.00	4.59	4.50	4.22
Real Estate	12.25	6.90	5.83	15.13
Master Limited Partnerships	0.75	9.41	6.02	27.04
Infrastructure	1.50	7.88	6.51	17.11
Hedge Fund of Funds - Multistrategy	1.25	6.81	6.27	9.04
Hedge Fund Equity - Hedge	0.63	7.39	6.48	12.04
Hedge Fund - Macro	5.62	5.44	4.83	7.49
Assumed Inflation - Mean			2.35 %	1.41 %

¹ Based on the OIC Statement of Investment Objectives and Policy Framework for the Oregon Public Employees Retirement Fund, including revisions adopted at the OIC meeting on January 25, 2023.

² The arithmetic mean is a component that goes into calculating the geometric mean. Expected rates of return are presented using the geometric mean, which the Board uses in setting the discount rate.

Depletion date projection

GASB 68 generally requires that a blended discount rate be used to measure the Total Pension Liability (the Actuarial Accrued Liability calculated using the Individual Entry Age Normal Cost Method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan’s fiduciary net position (fair market value of assets) is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the fiduciary net position is not projected to cover benefit payments and administrative expenses. Determining the discount rate under GASB 68 will often require that the actuary perform complex projections of future benefit payments and asset values. GASB 68 does allow for alternative evaluations of projected solvency, if such evaluation can reliably be made. GASB does not contemplate a specific method for making an alternative evaluation of sufficiency; it is left to professional judgment.

The following circumstances justify an alternative evaluation of sufficiency for OPERS:

- OPERS has a formal written policy to calculate an Actuarially Determined Contribution (ADC), which is articulated in the actuarial valuation report.
- The ADC is based on a closed, layered amortization period, which means that payment of the full ADC each year will bring the plan to a 100% funded position by the end of the amortization period if future experience follows assumption.

MORROW COUNTY
NOTES TO FINANCIAL STATEMENTS

NOTE 12 – DEFINED BENEFIT PENSION PLAN – OREGON PERS (Continued)

Depletion date projection (continued)

- GASB 68 specifies that the projections regarding future solvency assume that plan assets earn the assumed rate of return and there are no future changes in the plan provisions or actuarial methods and assumptions, which means that the projections would not reflect any adverse future experience which might impact the plan’s funded position.

Based on these circumstances, it is OPERS independent actuary’s opinion that the detailed depletion date projections outlined in GASB 68 would clearly indicate that the fiduciary net position is always projected to be sufficient to cover benefit payments and administrative expenses.

Changes in actuarial methods and assumptions

There have been no changes in actuarial methods or assumptions since the December 31, 2022 valuation.

Sensitivity of the proportionate share of the net pension liability to changes in the discount rate

The following presents the proportionate share of the net pension liability calculated using the discount rate of 6.9%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.9%) or 1-percentage-point higher (7.9%) than the current rate:

	<u>1 Percentage Point Lower</u>	<u>Current Discount Rate</u>	<u>1 Percentage Point Higher</u>
County's net pension liability	\$ 754,154	\$ 478,081	\$ 246,857

NOTE 13 – DEFINED CONTRIBUTION PLAN – OREGON PERS

Plan description

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

Pension benefits

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

NOTE 13 – DEFINED CONTRIBUTION PLAN – OREGON PERS (Continued)

Pension benefits (continued)

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

Death benefits

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

Contributions

Starting July 1, 2020, Senate Bill 1049 required a portion of member contributions to their IAP accounts to be redirected to the Defined Benefit Pension Plan. If the member earns more than \$2,500 per month (increased to \$3,570 per month on January 1, 2022) 0.75 percent (if OPSRP member) or 2.5 percent (if Tier One/Tier Two member) of the member's contributions that were previously contributed to the member's IAP now fund the new Employee Pension Stability Accounts (EPSA). The EPSA accounts will be used to fund the cost of future pension benefits without changing those benefits, which means reduced contributions to the member's IAP account. Members may elect to make voluntary IAP contributions equal to the amount redirected.

The County makes the employee contributions of 6% of covered payroll to the IAP. Contributions for the year ended June 30, 2025 were \$52,212.

Recordkeeping

PERS contracts with VOYA Financial to maintain IAP participant records.

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

The County sponsors the Morrow County Public Employees Retirement Plan, a non-standardized 401(a) plan open to all full-time employees except Teamsters represented employees. Employees who complete at least 520 hours of service during their first six months of employment and are employed continuously during the designated period of employment are eligible to participate. The Plan calls for County employer contributions of 9% of plan compensation. In addition, the County is required by the Plan's provisions to pay the employee's contribution to the Plan of 6% of plan compensation. County contributions to the plan were \$432,366 for the year ended June 30, 2025, including employee "pick-up" of \$172,947.

NOTE 15 – DEFERRED COMPENSATION PLAN – 457 PLAN

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

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

NOTE 16 – OTHER POSTEMPLOYMENT BENEFITS

Plan description and benefits provided

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

Plan membership

As of July 1, 2024, there were 82 active employees, 0 eligible retirees, and 1 spouse of ineligible retirees for a total of 83 plan members.

Contributions

The County funds the plan only to the extent of current year insurance premium requirements on a pay-as-you-go basis. The average monthly premium requirements for the County are as follows:

For retirees	\$	824
For spouses of retirees		933

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

At June 30, 2025, the County reported a total OPEB liability of \$161,410. The total OPEB liability was measured as of June 30, 2024, and determined by an actuarial valuation as of that date.

MORROW COUNTY
NOTES TO FINANCIAL STATEMENTS

NOTE 16 – OTHER POSTEMPLOYMENT BENEFITS (Continued)

Changes in the total OPEB liability is as follows:

	Total OPEB Liability
Balances at June 30, 2024	\$ 307,904
Changes for the year:	
Service cost	29,887
Interest on total OPEB liability	11,548
Effect of economic/demographic gains or losses	(105,714)
Changes in assumptions or other inputs	(39,035)
Benefit payments	(43,180)
Balances at June 30, 2025	\$ 161,410

For the year ended June 30, 2025, the County recognized an OPEB benefit of \$6,129. At June 30, 2025, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,430	\$ 93,961
Changes of assumptions	2,597	39,420
Contributions subsequent to the measurement date	12,200	-
	\$ 16,227	\$ 133,381

Deferred outflows of resources related to OPEB resulting from County contributions subsequent to the measurement date in the amount of \$12,200 will be recognized as an adjustment to the Total OPEB liability in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years ending June 30.

2026	\$ (22,139)
2027	(19,138)
2028	(19,221)
2029	(19,266)
2030	(19,117)
Thereafter	(30,473)

NOTE 16 – OTHER POSTEMPLOYMENT BENEFITS (Continued)

Actuarial valuation

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

Actuarial methods and assumptions used in developing total OPEB liability

Valuation Date	July 1, 2024
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Inflation Rate	2.4%
Projected Salary Increases	3.4%
Mortality	Pub-2010 General and Safety Employee and Healthy Retiree tables, sex distinct for members and dependents, with a one-year setback for male general service employees and female safety employees
Election and Lapse Rates	35% of eligible employees. 60% of male members and 25% of female members will elect spouse coverage. 5% annual lapse rate

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

Discount rate

The discount rate used to measure the total OPEB liability was 3.93%. The discount rate is based on the Bond Buyer 20-year General Obligation Bond Index. The discount rate at the prior measurement date was 3.65%.

MORROW COUNTY
NOTES TO FINANCIAL STATEMENTS

NOTE 16 – OTHER POSTEMPLOYMENT BENEFITS (Continued)

Healthcare cost trend rate

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

Year	Pre-65 Trend
2024	6.90%
2025	6.00%
2026	5.50%
2027 - 2028	5.00%
2029 - 2030	4.75%
2031 - 2032	4.50%
2033 - 2065	4.25%
2066 - 2071	4.00%
2072+	3.75%

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

The following presents the County total OPEB liability calculated using the discount rate of 3.93%, as well as what the County’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.93%) or 1-percentage-point higher (4.93%) than the current rate. A similar sensitivity analysis is then presented for changes in the healthcare cost trend assumption.

	1 Percentage Point Lower	Current Discount Rate	1 Percentage Point Higher
County's total OPEB liability	\$ 171,756	\$ 161,410	\$ 151,527
	1 Percentage Point Lower	Current Trend Rate	1 Percentage Point Higher
County's total OPEB liability	\$ 144,991	\$ 161,410	\$ 180,419

MORROW COUNTY
NOTES TO FINANCIAL STATEMENTS

NOTE 17 – TAX ABATEMENTS

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

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

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

Property taxes abated by Morrow County for the year ended June 30, 2025, listed by abatement program are as follows:

<u>Abatement Program</u>	<u>Percentage of Taxes Abated</u>	<u>Total Property Taxes Abated</u>	<u>In Lieu of Taxes Received</u>
Enterprise Zone	100%	\$ 23,982,295	\$ 3,012,007
Strategic Investment Program	100%	<u>4,777,568</u>	<u>6,594,628</u>
Total Abatement		<u>\$ 28,759,863</u>	<u>\$ 9,606,635</u>

NOTE 18 – FINLEY BUTTES LANDFILL

A private company operates the Finley Buttes Landfill. The County receives licensing fees from the landfill operator. For the year ended June 30, 2025, the County received \$2,698,867 in license fees which are available for general government purposes. Fund balances in the Finley Buttes Trust fund are restricted for maintenance of Bombing Range Road.

The County maintains a custodial fund for future landfill closing costs. The landfill operator and landfill owners are responsible for additional future landfill closing costs beyond amounts in the agency fund. At June 30, 2025, the balance in the custodial landfill closure fund totaled \$1,383,320.

NOTE 19 – LITIGATION

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

MORROW COUNTY
NOTES TO FINANCIAL STATEMENTS

NOTE 20 – COMMITMENTS

The County entered into commitments for various projects as of June 30, 2025, as follows:

Project	Commitment
Vehicle upgrades	\$ 402,614
Arena wall and sheep shelter	106,311
Others	38,624
	\$ 547,549

NOTE 21 – GOVERNMENTAL FUND BALANCES

Categories

As of June 30, 2025, fund balance amounts for governmental funds have been reported in the categories of nonspendable, restricted, committed, assigned and unassigned. The specific purposes for these amounts are as follows:

	General	Road	Capital Improvement	Information Technology Reserve	Nonmajor Funds	Total
Fund balances:						
Nonspendable						
Inventory	\$ -	\$ 1,950,241	\$ -	\$ -	\$ 11,683	\$ 1,961,924
Prepaid items	68,972	-	-	34,500	18,775	122,247
Advances to other funds	27,425	-	-	-	-	27,425
	96,397	1,950,241	-	34,500	30,458	2,111,596
Restricted for:						
Highways and streets	-	8,606,759	-	-	-	8,606,759
Health and sanitation	-	-	-	-	2,470,373	2,470,373
Culture and recreation	-	-	-	-	3,808,707	3,808,707
Public safety	-	-	-	-	2,625,147	2,625,147
Transportation	-	-	-	-	811,290	811,290
Debt service	-	-	-	-	2,727,071	2,727,071
Other purposes	1,477,767	-	-	-	5,993,709	7,471,476
	1,477,767	8,606,759	-	-	18,436,297	28,520,823
Committed						
Small business development	-	-	-	-	659,550	659,550
Building improvement	-	-	-	-	706,907	706,907
Vehicle replacement	-	-	-	-	107,881	107,881
Road equipment	-	-	-	-	628,449	628,449
Computer replacement	-	-	-	489,894	-	489,894
Capital improvement projects	-	-	26,004,336	-	-	26,004,336
Other purposes	362,038	-	-	-	97,023	459,061
	362,038	-	26,004,336	489,894	2,199,810	29,056,078
Unassigned	10,822,316	-	-	-	-	10,822,316
Total fund balances	\$ 12,758,518	\$ 10,557,000	\$ 26,004,336	\$ 524,394	\$ 20,666,565	\$ 70,510,813

NOTE 22 - NEWLY ISSUED ACCOUNTING STANDARD

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. The statement changes the way governments recognize and measure liabilities for leave time earned by employees, including recognition of liabilities for leave that is expected to be paid as salaries for periods during which employees use leave, as well as for leave that will be paid in cash or settled in some other manner during or at the end of an employee's active service, for reporting on an economic resources measurement focus. The new standard resulted in the inclusion of sick leave, and the change in accounting principle is accounted for in the County's financial statements (see Note 3).

In December 2023, the GASB issued Statement No. 102, *Certain Risk Disclosures*. The statement provides users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. Implementation of this standard had no significant impact on the County's financial statements.

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REQUIRED SUPPLEMENTARY INFORMATION

MORROW COUNTY
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET TO ACTUAL
Year Ended June 30, 2025

	Budget		Actual	Variance
	Original	Final		
Revenues				
Property taxes	\$ 16,098,300	\$ 16,098,300	\$ 15,629,606	\$ (468,694)
Licenses, permits and fees	288,525	289,525	327,522	37,997
Fines and forfeitures	225,125	225,125	277,818	52,693
Charges for services	486,886	486,886	603,117	116,231
Intergovernmental	5,094,458	5,620,433	5,286,641	(333,792)
Interest	350,000	350,000	632,103	282,103
Miscellaneous	108,364	108,364	106,702	(1,662)
Total revenues	<u>22,651,658</u>	<u>23,178,633</u>	<u>22,863,509</u>	<u>(315,124)</u>
Expenditures				
Board of commissioners	1,398,231	1,410,231	1,312,978	97,253
Finance & accounting	810,997	949,382	754,047	195,335
County assessor/tax collector	1,243,749	1,261,224	1,114,267	146,957
County treasurer	197,600	198,600	192,584	6,016
County clerk	571,981	572,981	481,867	91,114
Veterans services	189,171	189,171	135,653	53,518
Board of property tax appeals	4,195	4,195	3,391	804
Justice court	511,148	511,148	456,766	54,382
District attorney	519,114	519,114	344,537	174,577
Juvenile department	493,062	495,562	458,950	36,612
Sheriff department	6,287,717	6,387,717	5,382,564	1,005,153
Health department	3,592,214	3,777,214	3,318,334	458,880
Planning department	761,899	769,399	758,048	11,351
Community development	-	910,780	112,341	798,439
Emergency management	271,683	274,533	219,406	55,127
Surveyor's department	39,949	39,949	33,395	6,554
Museum	17,165	28,165	25,170	2,995
Public works administration	388,010	525,110	455,220	69,890
Facilities & general maintenance	1,213,456	1,213,456	881,385	332,071
Solid waste transfer station north	268,016	288,016	253,658	34,358
Solid waste transfer station south	211,842	213,442	206,347	7,095
Information technology	682,910	682,910	606,277	76,633
Weed department	361,460	393,410	336,693	56,717
Human resources	528,196	528,196	483,209	44,987
Emergency medical services	1,500,000	720,606	720,323	283
Nondepartmental personnel services	1,000,000	1,000,000	1,000,000	-
Nondepartmental materials & services	567,293	589,043	580,189	8,854
Contingency	2,084,801	1,680,280	-	1,680,280
Total expenditures	<u>25,715,859</u>	<u>26,133,834</u>	<u>20,627,599</u>	<u>5,506,235</u>
Excess (deficiency) of revenues over expenditures	<u>(3,064,201)</u>	<u>(2,955,201)</u>	<u>2,235,910</u>	<u>5,191,111</u>
Other financing sources (uses)				
Sale of capital assets	35,000	35,000	19,555	(15,445)
Transfers in	733,257	733,257	693,819	(39,438)
Transfers out	(9,840,594)	(9,949,594)	(9,949,325)	269
Total other financing sources (uses)	<u>(9,072,337)</u>	<u>(9,181,337)</u>	<u>(9,235,951)</u>	<u>(54,614)</u>
Net change in fund balance	(12,136,538)	(12,136,538)	(7,000,041)	5,136,497
Fund balance at beginning of year	12,136,538	12,136,538	18,321,112	6,184,574
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>11,321,071</u>	<u>\$ 11,321,071</u>
Reconciliation to generally accepted accounting principles				
Adjust investments to fair value			132,215	
Fund balance at end of year			<u>\$ 11,453,286</u>	

MORROW COUNTY
ROAD FUND - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET TO ACTUAL
Year Ended June 30, 2025

	Budget		Actual	Variance
	Original	Final		
Revenues				
Licenses, permits and fees	\$ 27,200	\$ 27,200	\$ 58,162	\$ 30,962
Charges for services	-	-	21,136	21,136
Intergovernmental	2,980,839	2,980,839	2,299,191	(681,648)
Interest	50,000	50,000	367,753	317,753
Miscellaneous	126,000	126,000	135,140	9,140
Total revenues	3,184,039	3,184,039	2,881,382	(302,657)
Expenditures				
Personnel services	2,629,353	2,629,353	1,963,445	665,908
Materials and services	3,477,684	3,477,684	3,373,617	104,067
Capital outlay	604,500	604,500	565,068	39,432
Contingency	557,030	557,030	-	557,030
Total expenditures	7,268,567	7,268,567	5,902,130	1,366,437
Excess (deficiency) of revenues over expenditures	(4,084,528)	(4,084,528)	(3,020,748)	1,063,780
Other financing sources (uses)				
Sale of capital assets	16,901	16,901	5,000	(11,901)
Transfers in	6,118,651	6,118,651	6,118,651	-
Total other financing sources (uses)	6,135,552	6,135,552	6,123,651	(11,901)
Net change in fund balance	2,051,024	2,051,024	3,102,903	1,051,879
Fund balance at beginning of year	888,976	888,976	5,388,161	4,499,185
Fund balance at end of year	\$ 2,940,000	\$ 2,940,000	8,491,064	\$ 5,551,064
Reconciliation to generally accepted accounting principles				
Adjust investments to fair value			115,695	
Inventory			1,950,241	
Fund balance at end of year			\$ 10,557,000	

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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

MORROW COUNTY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2025

NOTE 1 – BUDGETARY INFORMATION

On or before June 30 of each year, the County enacts a resolution approving the budget, appropriating the expenditures, and levying the property taxes. Prior to enacting this resolution, the proposed budget is presented to a budget committee consisting of members of the Board of Commissioners and a like number of interested citizens. The budget committee presents the budget to the Board of Commissioners for budget hearings prior to enactment of the resolution. The County budgets all funds, except the Fiduciary Funds, as required by Oregon Local Budget Law. The basis of budgeting for all major funds is the modified accrual basis.

The resolution authorizing appropriations for each fund sets the legal level of control by which the expenditures cannot legally exceed appropriations. Total expenditures by department as established by the resolution are the legal level of control for the General Fund. Expenditure categories of division operations, operating transfers, and contingency are the legal level of control for all other funds. The detail budget document, however, is required to contain more specific information for the above mentioned expenditure categories. Unexpected additional resources may be added to the budget through the use of a supplemental budget, with some exceptions. A supplemental budget requires hearings before the public, publications in newspapers, and adoption by the Board of Commissioners. Management may modify original and supplemental budgets by the use of appropriations transfers between the legal levels of control within a fund. Such transfers require approval by the Board of Commissioners. The County had appropriation transfers, approved through supplemental or budget transfer resolutions, during the year ended June 30, 2025.

MORROW COUNTY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2025

NOTE 2 – RECONCILIATION OF GENERALLY ACCEPTED ACCOUNTING PRINCIPLES TO BUDGETARY BASIS

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

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

	General	Road
Net change in fund balances - generally accepted accounting principles	\$ (7,594,775)	\$ 3,627,450
Revenues:		
Revenues of separately budgeted funds which are included in the General Fund on the governmental fund statements	(10,345,944)	-
Fair value adjustments on investments	(119,514)	(111,491)
	(10,465,458)	(111,491)
Expenditures:		
Increase (decrease) in expenditure recognized as changes in inventory under generally accepted accounting principles.	-	(413,056)
Expenditures of separately budgeted funds which are included in the General Fund on the governmental fund statements	3,601,639	-
	3,601,639	(413,056)
Other financing sources (uses):		
Transfers out of separately budgeted funds which are included in the General Fund on the governmental fund statements	7,458,553	-
	7,458,553	-
Net change in fund balances - budgetary basis	\$ (7,000,041)	\$ 3,102,903

MORROW COUNTY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2025

NOTE 2 – RECONCILIATION OF GENERALLY ACCEPTED ACCOUNTING PRINCIPLES TO BUDGETARY BASIS (Continued)

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

	General	Road
Beginning fund balances - generally accepted accounting principles	\$ 20,353,293	\$ 6,929,550
Beginning balances of separately budgeted funds which are included in the General Fund on the governmental fund statements	(2,019,480)	-
Differences in revenue recognition	(12,701)	(4,204)
Differences in expenditure recognition	-	(1,537,185)
Beginning fund balance - budgetary basis	\$ 18,321,112	\$ 5,388,161
Ending fund balances - generally accepted accounting principles	\$ 12,758,518	\$ 10,557,000
Ending balances of separately budgeted funds which are included in the general fund on the governmental funds statements	(1,305,232)	-
Differences in revenue recognition	(132,215)	(115,695)
Differences in expenditures recognition	-	(1,950,241)
Ending fund balance - budgetary basis	\$ 11,321,071	\$ 8,491,064

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

	Years Ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Beginning of year										
Total pension liability	\$ 54,842,779	\$ 51,571,970	\$ 42,115,987	\$ 39,927,493	\$ 37,244,726	\$ 34,875,126	\$ 32,667,258	\$ 30,537,274	\$ 29,588,001	\$ 25,194,987
Fiduciary net position	30,073,966	27,463,440	34,544,238	27,017,501	25,466,923	23,975,779	21,148,866	18,783,226	19,919,914	19,434,147
Net pension liability	\$ 24,768,813	\$ 24,108,530	\$ 7,571,749	\$ 12,909,992	\$ 11,777,803	\$ 10,899,347	\$ 11,518,392	\$ 11,754,048	\$ 9,668,087	\$ 5,760,840
Changes in total pension liability										
Service cost	\$ 837,872	\$ 919,797	\$ 877,434	\$ 981,950	\$ 973,073	\$ 917,396	\$ 851,065	\$ 768,358	\$ 670,931	\$ 564,657
Interest on total pension liability	3,537,462	3,583,625	2,939,520	2,788,516	2,626,398	2,450,738	2,297,651	2,143,810	2,049,096	1,894,605
Effect of economic/demographic losses	581,605	1,361,634	(85,230)	565,022	478,937	565,425	448,618	577,357	201,509	1,362,260
Effect of assumption changes or inputs	-	-	7,724,821	-	-	-	-	-	-	1,567,973
Benefit payments	(2,598,329)	(2,669,093)	(2,085,960)	(2,225,184)	(1,464,644)	(1,627,635)	(1,443,225)	(1,416,721)	(2,021,216)	(1,030,803)
Member contributions	82,004	74,846	85,398	78,190	69,003	63,676	53,759	57,180	48,953	34,322
Net change in total pension liability	\$ 2,440,614	\$ 3,270,809	\$ 9,455,983	\$ 2,188,494	\$ 2,682,767	\$ 2,369,600	\$ 2,207,868	\$ 2,129,984	\$ 949,273	\$ 4,393,014
Changes in fiduciary net position and prepaid benefits										
Employer contributions	\$ 2,590,050	\$ 2,359,899	\$ 1,796,387	\$ 2,005,657	\$ 2,058,783	\$ 1,968,992	\$ 2,811,558	\$ 1,769,758	\$ 1,350,209	\$ 1,225,021
Member contributions	82,004	74,846	85,398	78,190	69,003	63,676	53,759	57,180	48,953	34,322
Investment income net of expenses	3,760,850	2,887,170	(6,802,830)	7,723,963	937,244	1,181,999	1,445,686	2,001,161	(447,095)	271,052
Benefit payments	(2,598,329)	(2,669,093)	(2,085,960)	(2,225,184)	(1,464,644)	(1,627,635)	(1,443,225)	(1,416,721)	(2,021,216)	(1,030,803)
Administrative expenses	-	(42,296)	(73,793)	(55,889)	(49,808)	(95,888)	(40,865)	(45,738)	(67,539)	(13,825)
Net change in fiduciary net position and prepaid benefits	\$ 3,834,575	\$ 2,610,526	\$ (7,080,798)	\$ 7,526,737	\$ 1,550,578	\$ 1,491,144	\$ 2,826,913	\$ 2,365,640	\$ (1,136,688)	\$ 485,767
End of year										
Total pension liability	\$ 57,283,393	\$ 54,842,779	\$ 51,571,970	\$ 42,115,987	\$ 39,927,493	\$ 37,244,726	\$ 34,875,126	\$ 32,667,258	\$ 30,537,274	\$ 29,588,001
Fiduciary net position and prepaid benefits	33,908,541	30,073,966	27,463,440	34,544,238	27,017,501	25,466,923	23,975,779	21,148,866	18,783,226	19,919,914
Net pension liability	\$ 23,374,852	\$ 24,768,813	\$ 24,108,530	\$ 7,571,749	\$ 12,909,992	\$ 11,777,803	\$ 10,899,347	\$ 11,518,392	\$ 11,754,048	\$ 9,668,087
Fiduciary net position as a percent of total pension liability	59.2%	54.8%	53.3%	82.0%	67.7%	68.4%	68.7%	64.7%	61.5%	67.3%
Covered payroll	\$ 4,922,602	\$ 5,315,947	\$ 5,794,797	\$ 6,511,875	\$ 6,684,360	\$ 6,392,832	\$ 5,881,681	\$ 5,802,486	\$ 5,315,783	\$ 4,959,599
Net pension liability as a percent of covered payroll	474.8%	465.9%	416.0%	116.3%	193.1%	184.2%	185.3%	198.5%	221.1%	194.9%

*Information will be accumulated until 10 years are presented

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

	June 30,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	\$ 3,072	\$ 2,750	\$ 1,970	\$ 1,796	\$ 1,973	\$ 1,979	\$ 1,956	\$ 1,812	\$ 1,770	\$ 1,350
Actual employer contribution	3,330	2,590	2,360	1,796	2,006	2,059	1,969	2,812	1,770	1,350
Contribution deficiency (excess)	(258)	160	(390)	-	(33)	(80)	(13)	(1,000)	-	-
Covered payroll	4,781	4,923	5,316	5,795	6,512	6,684	6,393	5,881	5,802	5,315
Contribution as a percent of covered payroll	69.65%	52.61%	44.39%	30.99%	30.80%	30.80%	30.80%	47.81%	30.51%	25.40%
Valuation date	7/1/2023	7/1/2022	7/1/2021	7/1/2020	7/1/2019	7/1/2018	7/1/2017	7/1/2016	7/1/2015	7/1/2014
Assumed investment rate of return	6.50%	6.50%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.50%

Notes to schedule

Methods and assumptions used to determine contribution rates:

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

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

<u>Year Ended</u> <u>June 30,</u>	<u>Rate of</u> <u>Return</u>
2024	12.6%
2023	10.6%
2022	-19.8%
2021	28.6%
2020	3.6%
2019	4.9%
2018	6.7%
2017	10.5%
2016	-2.3%
2015	1.4%

MORROW COUNTY
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM
Last 10 Plan Years Ended June 30 *

Year Ended June 30,	County's proportion of the net pension liability	County's proportionate share of the net pension liability	County's covered payroll	County's proportionate share of the net pension liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2024	0.00215088% \$	478,081 \$	673,078	71%	79%
2023	0.00192415%	360,406	428,893	84%	82%

*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.

Notes to schedule

Changes in Benefit Terms and Assumptions

Benefit Terms: The 2013 Oregon Legislature made a series of changes to PERS that lowered projected future benefit payments from the System. These changes included reductions to future Cost of Living Adjustments (COLA) made through Senate Bills 822 and 861. Senate Bill 822 also required the contribution rates scheduled to be in effect from July 2013 to June 2015 to be reduced. The Oregon Supreme Court decision in *Moro v. State of Oregon*, issued on April 30, 2015, reversed a significant portion of the reductions the 2013 Oregon Legislature made to future System Cost of Living Adjustments (COLA) through Senate Bills 822 and 861. This reversal increased the total pension liability as of June 30, 2015 compared to June 30, 2014 total pension liability.

Assumptions: The PERS Board adopted assumption changes that were used to measure the June 30, 2016 total pension liability and June 30, 2018 total pension liability. For June 30, 2016, the changes included the lowering of the long-term expected rate of return to 7.50 percent and lowering of the assumed inflation to 2.50 percent. For June 30, 2018, the long-term expected rate of return was lowered to 7.20 percent. For June 30, 2021, the long-term expected rate of return was lowered to 6.90 percent, and the inflation rate was lowered from 2.5 to 2.4 percent. In addition, the healthy mortality assumption was changed to reflect an updated mortality improvement scale for all groups, and assumptions were updated for merit increases, unused sick leave, and vacation pay were updated.

MORROW COUNTY
SCHEDULE OF PENSION CONTRIBUTIONS
OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM
Last 10 Fiscal Years Ended *

Year Ended June 30,	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	County's covered payroll	Contributions as a percent of covered payroll
2025	\$ 131,680	\$ 131,680	\$ -	\$ 1,201,824	10.96%
2024	72,768	72,768	-	673,078	10.81%
2023	94,983	94,983	-	428,893	22.15%

Notes to schedule

Actuarial Valuation:

	2021 July 2023-June 2025	2019 July 2021-June 2023
Effective:	Entry Age Normal	Entry Age Normal
Actuarial cost method:	Entry Age Normal	Entry Age Normal
Amortization method:	Level percentage of payroll	Level percentage of payroll
Asset valuation method:	Fair value	Fair value
Remaining amortization periods:	20 years	20 years
Actuarial assumptions:		
Inflation rate	2.40 percent	2.40 percent
Projected salary increases	3.40 percent	3.40 percent
Investment rate of return	6.90 percent	6.90 percent

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

	2025	2024	2023	2022	2021	2020	2019	2018
Service cost	\$ 29,887	\$ 29,160	\$ 26,287	\$ 25,578	\$ 19,883	\$ 17,900	\$ 18,301	\$ 19,370
Interest on total OPEB liability	11,548	12,289	8,196	8,480	14,261	15,207	13,889	11,336
Effect of economic/demographic gains or losses	(105,714)	-	(4,119)	-	13,360	-	(28,503)	-
Effect of assumptions changes or inputs	(39,035)	(1,523)	4,543	753	(41,827)	6,969	24,058	(16,234)
Benefit payments	(43,180)	(99,160)	(41,618)	(37,978)	(32,201)	(22,936)	(21,810)	(24,592)
Net change in total OPEB liability	(146,494)	(59,234)	(6,711)	(3,167)	(26,524)	17,140	5,935	(10,120)
Total OPEB liability - beginning of year	307,904	367,138	373,849	377,016	403,540	386,400	380,465	390,585
Total OPEB liability - end of year	\$ 161,410	\$ 307,904	\$ 367,138	\$ 373,849	\$ 377,016	\$ 403,540	\$ 386,400	\$ 380,465
Covered employee payroll	\$ 4,922,602	\$ 5,315,947	\$ 5,794,797	\$ 6,511,875	\$ 6,684,360	\$ 6,392,832	\$ 5,881,681	\$ 5,802,486
Total OPEB liability as a percentage of covered payroll	3.28%	5.79%	6.34%	5.74%	5.64%	6.31%	6.57%	6.56%

Notes to schedule

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

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

Implicit rate subsidy

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

Changes in assumptions

	2025	2024	2023	2022	2021	2020	2019	2018
Discount rate used	3.93%	3.65%	3.54%	2.16%	2.21%	3.50%	3.87%	3.58%

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

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GENERAL FUNDS

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

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

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

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

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

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

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

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

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

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

	<u>General</u>	<u>PGE Carty</u>	<u>Orchard Wind</u>
Assets			
Cash, cash equivalents, and investments	\$ 11,610,576	\$ 1,013	\$ 3,213
Receivables	1,036,335	-	-
Prepaid items	68,972	-	-
Due from other funds	<u>27,425</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 12,743,308</u>	<u>\$ 1,013</u>	<u>\$ 3,213</u>
Liabilities, deferred inflows and fund balances			
Liabilities			
Accounts payable and accrued liabilities	<u>\$ 924,390</u>	<u>\$ -</u>	<u>\$ -</u>
Total liabilities	<u>924,390</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources			
Unavailable revenue	<u>365,632</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>365,632</u>	<u>-</u>	<u>-</u>
Fund balances			
Nonspendable	96,397	-	-
Restricted	1,477,767	-	-
Committed	352,017	-	-
Unassigned	<u>9,527,105</u>	<u>1,013</u>	<u>3,213</u>
Total fund balances	<u>11,453,286</u>	<u>1,013</u>	<u>3,213</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 12,743,308</u>	<u>\$ 1,013</u>	<u>\$ 3,213</u>

MORROW COUNTY
COMBINING BALANCE SHEET
GENERAL FUNDS
June 30, 2025

<u>Echo Wind</u>	<u>Wheatridge Wind</u>	<u>Resiliency</u>	<u>Finley Butte License Fee</u>	<u>Total</u>
\$ 60,632	\$ 101,949	\$ 54,977	\$ 872,032	\$ 12,704,392
-	-	-	211,416	1,247,751
-	-	-	-	68,972
-	-	-	-	27,425
<u>\$ 60,632</u>	<u>\$ 101,949</u>	<u>\$ 54,977</u>	<u>\$ 1,083,448</u>	<u>\$ 14,048,540</u>
\$ -	\$ -	\$ -	\$ -	\$ 924,390
-	-	-	-	924,390
-	-	-	-	365,632
-	-	-	-	365,632
-	-	-	-	96,397
-	-	-	-	1,477,767
-	-	10,021	-	362,038
60,632	101,949	44,956	1,083,448	10,822,316
60,632	101,949	54,977	1,083,448	12,758,518
<u>\$ 60,632</u>	<u>\$ 101,949</u>	<u>\$ 54,977</u>	<u>\$ 1,083,448</u>	<u>\$ 14,048,540</u>

	General	Willow Creek Wind Fees	PGE Carty	Orchard Wind
Revenues				
Property taxes	\$ 15,629,606	\$ -	\$ -	\$ -
Licenses, permits and fees	327,522	-	-	-
Fines and forfeitures	277,818	-	-	-
Charges for services	603,117	-	-	-
Strategic investment program payments	-	-	-	-
Intergovernmental	5,286,641	-	-	-
Interest	751,617	-	(1)	24
Miscellaneous	106,702	-	-	-
Total revenues	22,983,023	-	(1)	24
Expenditures				
Current				
General government	8,516,776	-	-	-
Public safety	6,292,701	-	-	-
Culture and recreation	25,170	-	-	-
Health and welfare	4,306,449	-	-	-
Capital outlay	1,486,503	-	-	-
Total expenditures	20,627,599	-	-	-
Excess (deficiency) of revenues over expenditures	2,355,424	-	(1)	24
Other financing sources (uses)				
Transfers in	693,819	-	-	-
Sale of assets	19,555	-	-	-
Transfers out	(9,949,325)	(68)	-	-
Total other financing sources (uses)	(9,235,951)	(68)	-	-
Net change in fund balances	(6,880,527)	(68)	(1)	24
Fund balances at beginning of year	18,333,813	68	1,014	3,189
Fund balance at end of year	\$ 11,453,286	\$ -	\$ 1,013	\$ 3,213

MORROW COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GENERAL FUNDS
Year Ended June 30, 2025

Echo Wind	Shepherds Flat Fees	Wheatridge Wind	Resiliency	Finley Butte License Fee	Eliminations	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,629,606
-	-	-	-	2,698,867	-	3,026,389
-	-	-	-	-	-	277,818
-	-	-	-	-	-	603,117
6,594,628	-	-	-	-	-	6,594,628
-	-	-	982,394	-	-	6,269,035
19,530	-	772	-	49,730	-	821,672
-	-	-	-	-	-	106,702
<u>6,614,158</u>	<u>-</u>	<u>772</u>	<u>982,394</u>	<u>2,748,597</u>	<u>-</u>	<u>33,328,967</u>
2,619,245	-	-	982,394	-	-	12,118,415
-	-	-	-	-	-	6,292,701
-	-	-	-	-	-	25,170
-	-	-	-	-	-	4,306,449
-	-	-	-	-	-	1,486,503
<u>2,619,245</u>	<u>-</u>	<u>-</u>	<u>982,394</u>	<u>-</u>	<u>-</u>	<u>24,229,238</u>
<u>3,994,913</u>	<u>-</u>	<u>772</u>	<u>-</u>	<u>2,748,597</u>	<u>-</u>	<u>9,099,729</u>
252	-	-	-	-	(662,865)	31,206
-	-	-	-	-	-	19,555
<u>(3,935,897)</u>	<u>(184)</u>	<u>-</u>	<u>-</u>	<u>(3,522,656)</u>	<u>662,865</u>	<u>(16,745,265)</u>
<u>(3,935,645)</u>	<u>(184)</u>	<u>-</u>	<u>-</u>	<u>(3,522,656)</u>	<u>-</u>	<u>(16,694,504)</u>
59,268	(184)	772	-	(774,059)	-	(7,594,775)
<u>1,364</u>	<u>184</u>	<u>101,177</u>	<u>54,977</u>	<u>1,857,507</u>	<u>-</u>	<u>20,353,293</u>
<u>\$ 60,632</u>	<u>\$ -</u>	<u>\$ 101,949</u>	<u>\$ 54,977</u>	<u>\$ 1,083,448</u>	<u>\$ -</u>	<u>\$ 12,758,518</u>

MORROW COUNTY
WILLOW CREEK WIND FEES - GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET TO ACTUAL
Year Ended June 30, 2025

	Budget	Actual	Variance
Other financing sources (uses)			
Transfers out	\$ -	\$ (68)	\$ (68)
Total other financing sources (uses)	-	(68)	(68)
Net change in fund balance	-	(68)	(68)
Fund balance at beginning of year	-	68	68
Fund balance at end of year	\$ -	\$ -	\$ -

MORROW COUNTY
PGE CARTY - GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET TO ACTUAL
Year Ended June 30, 2025

	Budget	Actual	Variance
Fund balance at beginning of year	\$ -	\$ 1,013	\$ 1,013
Fund balance at end of year	\$ -	\$ 1,013	\$ 1,013

MORROW COUNTY
ORCHARD WIND - GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET TO ACTUAL
Year Ended June 30, 2025

	Budget	Actual	Variance
Revenues			
Interest	\$ -	\$ 26	\$ 26
Total revenues	-	26	26
Net change in fund balance	-	26	26
Fund balance at beginning of year	-	3,187	3,187
Fund balance at end of year	\$ -	\$ 3,213	\$ 3,213

MORROW COUNTY
ECHO WIND - GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET TO ACTUAL
Year Ended June 30, 2025

	Budget	Actual	Variance
Revenues			
Strategic investment program payments	\$ 6,593,797	\$ 6,594,628	\$ 831
Interest	-	18,815	18,815
	6,593,797	6,613,443	19,646
Expenditures			
Special payments	2,657,900	2,619,245	38,655
	2,657,900	2,619,245	38,655
Excess (deficiency) of revenues over expenditures	3,935,897	3,994,198	58,301
Other financing sources (uses)			
Transfers in	-	252	252
Transfers out	(3,935,897)	(3,935,897)	-
	(3,935,897)	(3,935,645)	252
Net change in fund balance	-	58,553	58,553
Fund balance at beginning of year	-	1,363	1,363
Fund balance at end of year	\$ -	59,916	\$ 59,916
Reconciliation to generally accepted accounting principles			
Adjust investments to fair value		716	
Fund balance at end of year		\$ 60,632	

MORROW COUNTY
SHEPHERDS FLAT FEES - GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET TO ACTUAL
Year Ended June 30, 2025

	Budget	Actual	Variance
Other financing sources (uses)			
Transfers out	\$ -	\$ (184)	\$ (184)
Total other financing sources (uses)	-	(184)	(184)
Net change in fund balance	-	(184)	(184)
Fund balance at beginning of year	-	184	184
Fund balance at end of year	\$ -	\$ -	\$ -

MORROW COUNTY
WHEATRIDGE WIND - GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET TO ACTUAL
Year Ended June 30, 2025

	Budget	Actual	Variance
Revenues			
Interest	\$ -	\$ 839	\$ 839
Total revenues	-	839	839
Net change in fund balance	-	839	839
Fund balance at beginning of year	-	101,110	101,110
Fund balance at end of year	\$ -	\$ 101,949	\$ 101,949

MORROW COUNTY
RESILIENCY - GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET TO ACTUAL
Year Ended June 30, 2025

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Expenditures			
Materials and services	\$ 987,370	\$ 932,394	\$ 54,976
Special payments	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Total expenditures	<u>1,037,370</u>	<u>982,394</u>	<u>54,976</u>
Excess (deficiency) of revenues over expenditures	<u>(1,037,370)</u>	<u>(982,394)</u>	<u>54,976</u>
Other financing sources (uses)			
Transfers in	10,021	10,021	-
Transfers out	<u>(731,053)</u>	<u>(731,052)</u>	<u>1</u>
Total other financing sources (uses)	<u>(721,032)</u>	<u>(721,031)</u>	<u>1</u>
Net change in fund balance	(1,758,402)	(1,703,425)	54,977
Fund balance at beginning of year	<u>1,758,402</u>	<u>1,758,402</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ 54,977</u></u>	<u><u>\$ 54,977</u></u>

MORROW COUNTY
FINLEY BUTTES LICENSE FEE - GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET TO ACTUAL
Year Ended June 30, 2025

	Budget	Actual	Variance
Revenues			
Licenses, permits and fees	\$ 2,200,000	\$ 2,698,867	\$ 498,867
Interest	<u>25,000</u>	<u>37,636</u>	<u>12,636</u>
Total revenues	<u>2,225,000</u>	<u>2,736,503</u>	<u>511,503</u>
Other financing sources (uses)			
Transfers out	<u>(3,525,000)</u>	<u>(3,522,656)</u>	<u>2,344</u>
Total other financing sources (uses)	<u>(3,525,000)</u>	<u>(3,522,656)</u>	<u>2,344</u>
Net change in fund balance	(1,300,000)	(786,153)	513,847
Fund balance at beginning of year	<u>1,300,000</u>	<u>1,856,490</u>	<u>556,490</u>
Fund balance at end of year	<u>\$ -</u>	<u>1,070,337</u>	<u>\$ 1,070,337</u>
Reconciliation to generally accepted accounting principles			
Adjust investments to fair value		<u>13,111</u>	
Fund balance at end of year		<u>\$ 1,083,448</u>	

MORROW COUNTY
CAPITAL IMPROVEMENT - CAPITAL PROJECTS FUND (MAJOR FUND)
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET TO ACTUAL
Year Ended June 30, 2025

	Budget	Actual	Variance
Revenues			
Other contributions	\$ -	\$ 3,012,007	\$ 3,012,007
Intergovernmental	1,896,012	-	(1,896,012)
Interest	600,000	981,899	381,899
	2,496,012	3,993,906	1,497,894
Total revenues			
Expenditures			
Materials and services	1,086,855	49,767	1,037,088
Capital outlay	3,909,500	1,107,249	2,802,251
	4,996,355	1,157,016	3,839,339
Total expenditures			
Excess (deficiency) of revenues over expenditures	(2,500,343)	2,836,890	5,337,233
Other financing sources (uses)			
Transfers in	6,000,000	6,000,000	-
Transfers out	(2,000,000)	(2,000,000)	-
	4,000,000	4,000,000	-
Total other financing sources (uses)			
Net change in fund balance	1,499,657	6,836,890	5,337,233
Fund balance at beginning of year	18,557,219	18,851,650	294,431
Fund balance at end of year	\$ 20,056,876	25,688,540	\$ 5,631,664
Reconciliation to generally accepted accounting principles			
Adjust investments to fair value		315,796	
Fund balance at end of year		\$ 26,004,336	

MORROW COUNTY

INFORMATION TECHNOLOGY RESERVE - CAPITAL PROJECTS FUND (MAJOR FUND)
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET TO ACTUAL
Year Ended June 30, 2025

	Budget	Actual	Variance
Revenues			
Intergovernmental	\$ 29,690	\$ -	\$ (29,690)
Interest	1,500	33,613	32,113
Total revenues	31,190	33,613	2,423
Expenditures			
Materials and services	819,500	305,522	513,978
Capital Outlay	49,690	20,733	28,957
Total expenditures	869,190	326,255	542,935
Excess (deficiency) of revenues over expenditures	(838,000)	(292,642)	545,358
Other financing sources (uses)			
Transfers in	990,000	990,022	22
Total other financing sources (uses)	990,000	990,022	22
Net change in fund balance	152,000	697,380	545,380
Fund balance at beginning of year	248,000	253,529	5,529
Fund balance at end of year	\$ 400,000	950,909	\$ 550,909
Reconciliation to generally accepted accounting principles			
SBITA prepayment		34,500	
Unearned revenue		(472,497)	
Adjust investments to fair value		11,482	
Fund balance at end of year		\$ 524,394	

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

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

Local Public Safety Coordinating Council Fund – accounts for grant revenue and expenditure dedicated to County services provided to children and families residing in the County.

Airport Fund – accounts for revenues and expenditures for upkeep and management of County airports.

Law Library Fund – accounts for revenues collected from the courts that are designed to help support the law library located in the County.

911 Emergency Dispatch Fund – accounts for 911 taxes and expenditures for the operation of the County's 911 emergency telephone system.

Corner Preservation Fund – accounts for the revenues and expenditures associated with surveyor preservation.

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

Lone School Fund – accounts for revenues designated specifically for the lone school district located in the County.

Fair Fund – accounts for revenues and expenditures associated with the annual County fair.

Morrow County Public Transit Fund – accounts for revenues and expenditures associated with providing certain County residents with transportation throughout the County.

Alcohol Enforcement Fund – accounts for the fines specifically designated to fund the County's alcohol enforcement programs.

Economic Development Fund (Video Lottery) – accounts for video lottery funds received from the State of Oregon.

Victim/Witness Assistance Fund – accounts for grant revenues and expenditures associated with the County's victim and witness programs.

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

NONMAJOR GOVERNMENTAL FUNDS (Continued)

Special Revenue Funds (continued)

Safety Committee Fund – accounts for SAIF dividends and the associated safety expenditures.

Justice Court Bail and Fines Fund – accounts for fines received by the County and associated turnover to other governmental agencies.

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

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

Building Permit Fund – accounts for building permit fees received by the County.

Park Fund – accounts for revenues and expenditures associated with the operation and maintenance of the County's parks.

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

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

Liquor Control Fund – accounts for revenues designated to fund the County's liquor control activities.

Water Planning Fund – accounts for revenues received from State water resources.

Forest Service – accounts for forest fees received and the expenditures associated with the County's federal forest land.

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

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

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

Election Modernization – accounts for revenues and expenditures of monies received for the purpose of modernizing the county's election services.

NONMAJOR GOVERNMENTAL FUNDS (Continued)

Special Revenue Funds (continued)

Opioid Abatement – accounts for funds received from the Opioid Class Action Settlements.

Mediation & Conciliation Fund – accounts for revenues designated to fund the County's mediation and conciliation activities.

Behavioral Health Deflection Grant Fund – accounts for revenues designated to fund the County's deflection program.

Capital Projects Funds

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

Programming Reserve Fund – accounts for the acquisition of the County's various software assets.

Weed Equipment Reserve Fund – accounts for the County's weed fund equipment.

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

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

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

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

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

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

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

Debt Service Fund

Debt Service Fund – accounts for the payment of principal and interest on the long-term debt obligations of the County.

MORROW COUNTY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2025

	Special Revenue Funds	Capital Projects Funds	Debt Service Fund	Totals
Assets				
Cash, cash equivalents, and investments	\$ 11,404,193	\$ 5,591,423	\$ 2,727,071	\$ 19,722,687
Receivables	1,620,133	52,038	-	1,672,171
Inventory	11,683	-	-	11,683
Prepaid items	18,775	-	-	18,775
Total assets	\$ 13,054,784	\$ 5,643,461	\$ 2,727,071	\$ 21,425,316
Liabilities and fund balances				
Liabilities				
Accounts payable and accrued liabilities	\$ 303,000	\$ 417,713	\$ -	\$ 720,713
Due to other funds	27,425	-	-	27,425
Consumer deposits	900	-	-	900
Unearned revenue	9,713	-	-	9,713
Total liabilities	341,038	417,713	-	758,751
Fund balances				
Nonspendable	30,458	-	-	30,458
Restricted	11,937,672	3,771,554	2,727,071	18,436,297
Committed	745,616	1,454,194	-	2,199,810
Total fund balances	12,713,746	5,225,748	2,727,071	20,666,565
Total liabilities and fund balances	\$ 13,054,784	\$ 5,643,461	\$ 2,727,071	\$ 21,425,316

MORROW COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2025

	Special Revenue	Capital Projects	Debt Service Fund	Totals
	Funds	Funds		
Revenues				
Licenses, permits and fees	\$ 1,436,187	\$ -	\$ -	\$ 1,436,187
Fines and forfeitures	413,295	-	-	413,295
Charges for services	253,987	680,862	-	934,849
Intergovernmental	4,690,058	53,410	-	4,743,468
Interest	539,551	264,862	132,682	937,095
Miscellaneous	70,414	77	-	70,491
	<u>7,403,492</u>	<u>999,211</u>	<u>132,682</u>	<u>8,535,385</u>
Expenditures				
Current				
General government	1,304,851	-	-	1,304,851
Public safety	2,713,980	-	-	2,713,980
Highways and streets	870,635	-	-	870,635
Culture and recreation	1,092,028	-	-	1,092,028
Health and welfare	-	-	-	-
Education	268,020	-	-	268,020
Capital outlay	252,719	1,000,370	-	1,253,089
Debt service				
Principal	-	38,537	475,000	513,537
Interest	-	3,562	112,860	116,422
	<u>6,502,233</u>	<u>1,042,469</u>	<u>587,860</u>	<u>8,132,562</u>
Excess (deficiency) of revenues over expenditures	<u>901,259</u>	<u>(43,258)</u>	<u>(455,178)</u>	<u>402,823</u>
Other financing sources (uses)				
Transfers in	2,472,639	1,358,172	2,568,467	6,399,278
Transfers out	(31,206)	(31,634)	-	(62,840)
	<u>2,441,433</u>	<u>1,326,538</u>	<u>2,568,467</u>	<u>6,336,438</u>
Net change in fund balances	<u>3,342,692</u>	<u>1,283,280</u>	<u>2,113,289</u>	<u>6,739,261</u>
Fund balances at beginning of year, as previously reported	9,504,157	4,196,164	613,782	14,314,103
Error correction	(133,103)	-	-	(133,103)
Change within financial reporting entity (major to nonmajor fund)	-	(253,696)	-	(253,696)
Fund balances at beginning of year, as adjusted	<u>9,371,054</u>	<u>3,942,468</u>	<u>613,782</u>	<u>13,927,304</u>
Fund balance at end of year	<u>\$ 12,713,746</u>	<u>\$ 5,225,748</u>	<u>\$ 2,727,071</u>	<u>\$ 20,666,565</u>

MORROW COUNTY
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
June 30, 2025

	Local Public Safety					
	Heritage Trail	Coordinating Council	Airport	Law Library	911 Emergency Dispatch	Corner Preservation
Assets						
Cash, cash equivalents, and investments	\$ 1,355,401	\$ 25,271	\$ 279,342	\$ 45,724	\$ 1,296,319	\$ 355,934
Receivables	21,810	-	-	-	144,460	-
Inventory	-	-	11,683	-	-	-
Prepaid items	-	-	-	-	2,868	-
Total assets	\$ 1,377,211	\$ 25,271	\$ 291,025	\$ 45,724	\$ 1,443,647	\$ 355,934
Liabilities and fund balances						
Liabilities						
Accounts payable and accrued liabilities	\$ 8,930	\$ -	\$ 4,882	\$ 264	\$ 13,844	\$ -
Due to other funds	-	-	-	-	-	-
Consumer deposits	-	-	-	-	-	-
Unearned revenue	-	-	-	-	9,713	-
Total liabilities	8,930	-	4,882	264	23,557	-
Fund balances						
Nonspendable	-	-	11,683	-	2,868	-
Restricted	1,368,281	25,271	274,460	45,460	1,417,222	355,934
Committed	-	-	-	-	-	-
Total fund balances	1,368,281	25,271	286,143	45,460	1,420,090	355,934
Total liabilities and fund balances	\$ 1,377,211	\$ 25,271	\$ 291,025	\$ 45,724	\$ 1,443,647	\$ 355,934

MORROW COUNTY
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
June 30, 2025

	Fair	Morrow County Public Transit	Alcohol Enforcement	Economic Development (Video Lottery)	Victim/Witness Assistance	CAMI Grant
Assets						
Cash, cash equivalents, and investments	\$ 297,072	\$ 288,231	\$ 20,365	\$ 38,546	\$ 29,173	\$ 42,969
Receivables	-	289,000	-	32,267	-	-
Inventory	-	-	-	-	-	-
Prepaid items	120	-	-	-	-	-
Total assets	\$ 297,192	\$ 577,231	\$ 20,365	\$ 70,813	\$ 29,173	\$ 42,969
Liabilities and fund balances						
Liabilities						
Accounts payable and accrued liabilities	\$ 3,964	\$ 40,401	\$ -	\$ 5,667	\$ 304	\$ 45
Due to other funds	-	-	-	-	27,425	-
Consumer deposits	900	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-
Total liabilities	4,864	40,401	-	5,667	27,729	45
Fund balances						
Nonspendable	120	-	-	-	-	-
Restricted	292,208	536,830	20,365	65,146	1,444	42,924
Committed	-	-	-	-	-	-
Total fund balances	292,328	536,830	20,365	65,146	1,444	42,924
Total liabilities and fund balances	\$ 297,192	\$ 577,231	\$ 20,365	\$ 70,813	\$ 29,173	\$ 42,969

MORROW COUNTY
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
June 30, 2025

	Safety Committee	Justice Court Bail and Fines	Clerk Records	DUII Impact	Building Permit	Park
Assets						
Cash, cash equivalents, and investments	\$ 34,934	\$ 36,663	\$ 31,125	\$ 34,416	\$ 5,131,682	\$ 439,667
Receivables	-	-	-	-	329,687	418,288
Inventory	-	-	-	-	-	-
Prepaid items	-	-	-	-	2,354	-
Total assets	\$ 34,934	\$ 36,663	\$ 31,125	\$ 34,416	\$ 5,463,723	\$ 857,955
Liabilities and fund balances						
Liabilities						
Accounts payable and accrued liabilities	\$ -	\$ 7,952	\$ -	\$ -	\$ 19	\$ 36,189
Due to other funds	-	-	-	-	-	-
Consumer deposits	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-
Total liabilities	-	7,952	-	-	19	36,189
Fund balances						
Nonspendable	-	-	-	-	2,354	-
Restricted	-	28,711	31,125	34,416	5,461,350	821,766
Committed	34,934	-	-	-	-	-
Total fund balances	34,934	28,711	31,125	34,416	5,463,704	821,766
Total liabilities and fund balances	\$ 34,934	\$ 36,663	\$ 31,125	\$ 34,416	\$ 5,463,723	\$ 857,955

MORROW COUNTY
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
June 30, 2025

	Court Security	Equity	Liquor Control	Water Planning	Forest Service	Community Corrections
Assets						
Cash, cash equivalents, and investments	\$ 22,986	\$ 431,382	\$ 994	\$ 47,918	\$ 10,837	\$ 313,904
Receivables	-	230,168	-	154,453	-	-
Inventory	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	13,433
Total assets	\$ 22,986	\$ 661,550	\$ 994	\$ 202,371	\$ 10,837	\$ 327,337
Liabilities and fund balances						
Liabilities						
Accounts payable and accrued liabilities	\$ -	2,000	\$ -	\$ 165,817	\$ -	\$ 12,410
Due to other funds	-	-	-	-	-	-
Consumer deposits	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-
Total liabilities	-	2,000	-	165,817	-	12,410
Fund balances						
Nonspendable	-	-	-	-	-	13,433
Restricted	22,986	-	994	-	10,837	301,494
Committed	-	659,550	-	36,554	-	-
Total fund balances	22,986	659,550	994	36,554	10,837	314,927
Total liabilities and fund balances	\$ 22,986	\$ 661,550	\$ 994	\$ 202,371	\$ 10,837	\$ 327,337

MORROW COUNTY
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
June 30, 2025

	Sheriff Reserve	State and Federal Wildlife	Election Modernization	Opioid Abatement	Mediation & Conciliation	Behavioral Health Deflection Grant	Total
Assets							
Cash, cash equivalents, and investments	\$ 314,890	\$ 3,409	\$ 20,448	\$ 149,919	\$ 149,025	\$ 155,647	\$ 11,404,193
Receivables	-	-	-	-	-	-	1,620,133
Inventory	-	-	-	-	-	-	11,683
Prepaid items	-	-	-	-	-	-	18,775
Total assets	\$ 314,890	\$ 3,409	\$ 20,448	\$ 149,919	\$ 149,025	\$ 155,647	\$ 13,054,784
Liabilities and fund balances							
Liabilities							
Accounts payable and accrued liabilities	\$ 312	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 303,000
Due to other funds	-	-	-	-	-	-	27,425
Consumer deposits	-	-	-	-	-	-	900
Unearned revenue	-	-	-	-	-	-	9,713
Total liabilities	312	-	-	-	-	-	341,038
Fund balances							
Nonspendable	-	-	-	-	-	-	30,458
Restricted	300,000	3,409	20,448	149,919	149,025	155,647	11,937,672
Committed	14,578	-	-	-	-	-	745,616
Total fund balances	314,578	3,409	20,448	149,919	149,025	155,647	12,713,746
Total liabilities and fund balances	\$ 314,890	\$ 3,409	\$ 20,448	\$ 149,919	\$ 149,025	\$ 155,647	\$ 13,054,784

MORROW COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
Year Ended June 30, 2025

	Local Public Safety						
	Heritage Trail	Coordinating Council	Airport	Law Library	911 Emergency Dispatch	Comer Preservation	County School
Revenues							
Licenses, permits and fees	\$ -	\$ -	\$ 28,992	\$ -	\$ -	\$ 14,014	\$ -
Fines and forfeitures	-	-	-	-	-	-	-
Charges for services	-	-	52,831	-	-	-	-
Intergovernmental	24,422	8,000	45,592	8,985	574,256	-	252,437
Interest	64,055	-	15,232	2,358	67,110	17,802	330
Miscellaneous	-	-	1,789	-	976	-	-
Total revenues	88,477	8,000	144,436	11,343	642,342	31,816	252,767
Current							
General government	-	18,750	172,489	5,367	-	-	-
Public safety	-	-	-	-	1,302,501	-	-
Highways and streets	-	-	-	-	-	-	-
Culture and recreation	55,323	-	-	-	-	-	-
Education	-	-	-	-	-	-	252,767
Capital outlay	-	-	2,500	-	-	-	-
Total expenditures	55,323	18,750	174,989	5,367	1,302,501	-	252,767
Excess (deficiency) of revenues over expenditures	33,154	(10,750)	(30,553)	5,976	(660,159)	31,816	-
Other financing sources (uses)							
Transfers in	600,000	-	-	-	809,239	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	600,000	-	-	-	809,239	-	-
Net change in fund balances	633,154	(10,750)	(30,553)	5,976	149,080	31,816	-
Fund balances at beginning of year, as previously reported	735,127	36,021	316,696	39,484	1,271,010	324,118	-
Error correction	-	-	-	-	-	-	-
Fund balances at beginning of year, as adjusted	735,127	36,021	316,696	39,484	1,271,010	324,118	-
Fund balance at end of year	\$ 1,368,281	\$ 25,271	\$ 286,143	\$ 45,460	\$ 1,420,090	\$ 355,934	\$ -

MORROW COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
Year Ended June 30, 2025

	Lone School	Fair	Morrow County Public Transit	Alcohol Enforcement	Economic Development (Video Lottery)	Victim/Witness Assistance	CAMI Grant
Revenues							
Licenses, permits and fees	\$ -	\$ 4,068	\$ -	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	-	-	-	-
Charges for services	-	83,384	394	-	-	-	-
Intergovernmental	15,233	53,167	970,136	-	128,967	70,175	40,138
Interest	20	14,590	15,521	1,035	4,036	-	618
Miscellaneous	-	831	4,706	-	-	238	-
Total revenues	15,253	156,040	990,757	1,035	133,003	70,413	40,756
Current							
General government	-	-	-	-	372,343	-	-
Public safety	-	-	-	504	-	137,254	29,110
Highways and streets	-	-	870,635	-	-	-	-
Culture and recreation	-	216,278	-	-	-	-	-
Education	15,253	-	-	-	-	-	-
Capital outlay	-	1,392	12,288	-	-	-	-
Total expenditures	15,253	217,670	882,923	504	372,343	137,254	29,110
Excess (deficiency) of revenues over expenditures	-	(61,630)	107,834	531	(239,340)	(66,841)	11,646
Other financing sources (uses)							
Transfers in	-	152,217	-	-	240,300	29,750	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	152,217	-	-	240,300	29,750	-
Net change in fund balances	-	90,587	107,834	531	960	(37,091)	11,646
Fund balances at beginning of year, as previously reported	-	201,741	428,996	19,834	64,186	38,535	31,278
Error correction	-	-	-	-	-	-	-
Fund balances at beginning of year, as adjusted	-	201,741	428,996	19,834	64,186	38,535	31,278
Fund balance at end of year	\$ -	\$ 292,328	\$ 536,830	\$ 20,365	\$ 65,146	\$ 1,444	\$ 42,924

MORROW COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
Year Ended June 30, 2025

	Safety Committee	Justice Court Bail and Fines	Clerk Records	DUII Impact	Building Permit	Park	Court Security
Revenues							
Licenses, permits and fees	\$ -	\$ -	\$ 1,637	\$ -	\$ 1,109,819	\$ 277,657	\$ -
Fines and forfeitures	-	402,819	-	700	-	-	9,776
Charges for services	-	-	-	-	-	102,378	-
Intergovernmental	-	-	-	-	-	647,589	-
Interest	1,698	-	1,568	1,737	243,273	26,620	1,451
Miscellaneous	12,756	-	-	-	-	8,505	-
Total revenues	14,454	402,819	3,205	2,437	1,353,092	1,062,749	11,227
Current							
General government	424	-	-	416	131	-	-
Public safety	-	393,477	-	-	-	-	23,150
Highways and streets	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	820,427	-
Education	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	195,149	-
Total expenditures	424	393,477	-	416	131	1,015,576	23,150
Excess (deficiency) of revenues over expenditures	14,030	9,342	3,205	2,021	1,352,961	47,173	(11,923)
Other financing sources (uses)							
Transfers in	-	-	-	-	-	71,031	-
Transfers out	-	-	-	-	(31,206)	-	-
Total other financing sources (uses)	-	-	-	-	(31,206)	71,031	-
Net change in fund balances	14,030	9,342	3,205	2,021	1,321,755	118,204	(11,923)
Fund balances at beginning of year, as previously reported	20,904	19,369	27,920	32,395	4,141,949	703,562	34,909
Error correction	-	-	-	-	-	-	-
Fund balances at beginning of year, as adjusted	20,904	19,369	27,920	32,395	4,141,949	703,562	34,909
Fund balance at end of year	\$ 34,934	\$ 28,711	\$ 31,125	\$ 34,416	\$ 5,463,704	\$ 821,766	\$ 22,986

MORROW COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
Year Ended June 30, 2025

	Equity	Liquor Control	Water Planning	Forest Service	Community Corrections	Sheriff Reserve
Revenues						
Licenses, permits and fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fines and forfeitures	-	-	-	-	-	-
Charges for services	-	-	-	-	15,000	-
Intergovernmental	-	-	756,292	-	719,669	300,000
Interest	25,634	44	1,323	388	5,280	5,993
Miscellaneous	-	-	-	-	5,685	541
Total revenues	<u>25,634</u>	<u>44</u>	<u>757,615</u>	<u>388</u>	<u>745,634</u>	<u>306,534</u>
Current						
General government	5,813	-	728,386	-	-	-
Public safety	-	-	-	-	819,728	3,773
Highways and streets	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Education	-	-	-	-	-	-
Capital outlay	-	-	-	41,390	-	-
Total expenditures	<u>5,813</u>	<u>-</u>	<u>728,386</u>	<u>41,390</u>	<u>819,728</u>	<u>3,773</u>
Excess (deficiency) of revenues over expenditures	<u>19,821</u>	<u>44</u>	<u>29,229</u>	<u>(41,002)</u>	<u>(74,094)</u>	<u>302,761</u>
Other financing sources (uses)						
Transfers in	-	-	66,000	-	175,191	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>66,000</u>	<u>-</u>	<u>175,191</u>	<u>-</u>
Net change in fund balances	<u>19,821</u>	<u>44</u>	<u>95,229</u>	<u>(41,002)</u>	<u>101,097</u>	<u>302,761</u>
Fund balances at beginning of year, as previously reported	639,729	950	(58,675)	51,839	346,933	11,817
Error correction	-	-	-	-	(133,103)	-
Fund balances at beginning of year, as adjusted	<u>639,729</u>	<u>950</u>	<u>(58,675)</u>	<u>51,839</u>	<u>213,830</u>	<u>11,817</u>
Fund (deficit) balance at end of year	<u>\$ 659,550</u>	<u>\$ 994</u>	<u>\$ 36,554</u>	<u>\$ 10,837</u>	<u>\$ 314,927</u>	<u>\$ 314,578</u>

MORROW COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
Year Ended June 30, 2025

	State and Federal Wildlife	Election Modernization	Opioid Abatement	Mediation & Conciliation	Behavioral Health Deflection Grant	Total
Revenues						
Licenses, permits and fees	\$ -	\$ -	\$ -	\$ -	\$ -	1,436,187
Fines and forfeitures	-	-	-	-	-	413,295
Charges for services	-	-	-	-	-	253,987
Intergovernmental	-	-	-	-	75,000	4,690,058
Interest	-	1,059	6,800	8,329	5,647	539,551
Miscellaneous	-	-	34,387	-	-	70,414
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	-	1,059	41,187	8,329	80,647	7,403,492
	<u>-</u>	<u>1,059</u>	<u>41,187</u>	<u>8,329</u>	<u>80,647</u>	<u>7,403,492</u>
Current						
General government	-	732	-	-	-	1,304,851
Public safety	-	-	-	4,483	-	2,713,980
Highways and streets	-	-	-	-	-	870,635
Culture and recreation	-	-	-	-	-	1,092,028
Education	-	-	-	-	-	268,020
Capital outlay	-	-	-	-	-	252,719
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	-	732	-	4,483	-	6,502,233
	<u>-</u>	<u>732</u>	<u>-</u>	<u>4,483</u>	<u>-</u>	<u>6,502,233</u>
Excess (deficiency) of revenues over expenditures	-	327	41,187	3,846	80,647	901,259
	<u>-</u>	<u>327</u>	<u>41,187</u>	<u>3,846</u>	<u>80,647</u>	<u>901,259</u>
Other financing sources (uses)						
Transfers in	-	-	108,732	145,179	75,000	2,472,639
Transfers out	-	-	-	-	-	(31,206)
	<u>-</u>	<u>-</u>	<u>108,732</u>	<u>145,179</u>	<u>75,000</u>	<u>2,441,433</u>
Total other financing sources (uses)	-	-	108,732	145,179	75,000	2,441,433
	<u>-</u>	<u>-</u>	<u>108,732</u>	<u>145,179</u>	<u>75,000</u>	<u>2,441,433</u>
Net change in fund balances	-	327	149,919	149,025	155,647	3,342,692
	<u>-</u>	<u>327</u>	<u>149,919</u>	<u>149,025</u>	<u>155,647</u>	<u>3,342,692</u>
Fund balances at beginning of year, as previously reported	3,409	20,121	-	-	-	9,504,157
Error correction	-	-	-	-	-	(133,103)
	<u>3,409</u>	<u>20,121</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,371,054</u>
Fund balances at beginning of year, as adjusted	3,409	20,121	-	-	-	9,371,054
	<u>3,409</u>	<u>20,121</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,371,054</u>
Fund balance at end of year	\$ 3,409	\$ 20,448	\$ 149,919	\$ 149,025	\$ 155,647	\$ 12,713,746
	<u>\$ 3,409</u>	<u>\$ 20,448</u>	<u>\$ 149,919</u>	<u>\$ 149,025</u>	<u>\$ 155,647</u>	<u>\$ 12,713,746</u>

MORROW COUNTY
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
June 30, 2025

	Weed Equipment Reserve	Fair Roof Reserve	Bleacher Reserve	Fair Capital Improvement
Assets				
Cash, cash equivalents, and investments	\$ 10,957	\$ 38	\$ 23,632	\$ 1,302,782
Receivables	-	-	-	-
Total assets	<u>\$ 10,957</u>	<u>\$ 38</u>	<u>\$ 23,632</u>	<u>\$ 1,302,782</u>
Liabilities and fund balances				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -
Total liabilities	-	-	-	-
Fund balances				
Restricted	-	38	23,632	1,302,782
Committed	10,957	-	-	-
Total fund balances	<u>10,957</u>	<u>38</u>	<u>23,632</u>	<u>1,302,782</u>
Total liabilities and fund balances	<u>\$ 10,957</u>	<u>\$ 38</u>	<u>\$ 23,632</u>	<u>\$ 1,302,782</u>

MORROW COUNTY
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
June 30, 2025

	Building Reserve	Road Equipment Reserve	STF Vehicle Reserve	Finley Buttes Trust	Total
Assets					
Cash, cash equivalents, and investments	\$ 706,907	\$ 1,046,162	\$ 107,881	\$ 2,393,064	\$ 5,591,423
Receivables	-	-	-	52,038	52,038
Total assets	<u>\$ 706,907</u>	<u>\$ 1,046,162</u>	<u>\$ 107,881</u>	<u>\$ 2,445,102</u>	<u>\$ 5,643,461</u>
Liabilities and fund balances					
Liabilities					
Accounts payable and accrued liabilities	\$ -	\$ 417,713	\$ -	\$ -	\$ 417,713
Total liabilities	-	417,713	-	-	417,713
Fund balances					
Restricted	-	-	-	2,445,102	3,771,554
Committed	706,907	628,449	107,881	-	1,454,194
Total fund balances	706,907	628,449	107,881	2,445,102	5,225,748
Total liabilities and fund balances	<u>\$ 706,907</u>	<u>\$ 1,046,162</u>	<u>\$ 107,881</u>	<u>\$ 2,445,102</u>	<u>\$ 5,643,461</u>

MORROW COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
Year Ended June 30, 2025

	Information Technology Reserve (formerly nonmajor)	Programming Reserve	Weed Equipment Reserve	Fair Roof Reserve	Bleacher Reserve	Fair Capital Improvement
Revenues						
Charges for services	\$ -	\$ -	\$ 23,030	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	53,410
Interest	-	-	166	275	993	63,960
Miscellaneous	-	-	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>23,196</u>	<u>275</u>	<u>993</u>	<u>117,370</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>23,196</u>	<u>275</u>	<u>993</u>	<u>117,370</u>
Other financing sources (uses)						
Transfers in	-	-	-	-	-	31,611
Transfers out	-	(23)	-	(31,611)	-	-
Total other financing sources (uses)	<u>-</u>	<u>(23)</u>	<u>-</u>	<u>(31,611)</u>	<u>-</u>	<u>31,611</u>
Net change in fund balances	<u>-</u>	<u>(23)</u>	<u>23,196</u>	<u>(31,336)</u>	<u>993</u>	<u>148,981</u>
Fund balances at beginning of year, as previously reported	253,696	23	(12,239)	31,374	22,639	1,153,801
Change within financial reporting entity (nonmajor to major fund)	<u>(253,696)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances at beginning of year, as adjusted	<u>-</u>	<u>23</u>	<u>(12,239)</u>	<u>31,374</u>	<u>22,639</u>	<u>1,153,801</u>
Fund (deficit) balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,957</u>	<u>\$ 38</u>	<u>\$ 23,632</u>	<u>\$ 1,302,782</u>

MORROW COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
Year Ended June 30, 2025

	Building Reserve	Road Equipment Reserve	STF Vehicle Reserve	Finley Buttes Trust	Total
Revenues					
Charges for services	\$ -	\$ -	\$ -	\$ 657,832	\$ 680,862
Intergovernmental	-	-	-	-	53,410
Interest	33,357	48,441	5,469	112,201	264,862
Miscellaneous	-	77	-	-	77
	<u>33,357</u>	<u>48,518</u>	<u>5,469</u>	<u>770,033</u>	<u>999,211</u>
Total revenues					
Expenditures					
Capital outlay	-	1,000,370	-	-	1,000,370
Debt service					
Principal	-	38,537	-	-	38,537
Interest	-	3,562	-	-	3,562
	<u>-</u>	<u>1,042,469</u>	<u>-</u>	<u>-</u>	<u>1,042,469</u>
Total expenditures					
Excess (deficiency) of revenues over expenditures	<u>33,357</u>	<u>(993,951)</u>	<u>5,469</u>	<u>770,033</u>	<u>(43,258)</u>
Other financing sources (uses)					
Transfers in	277,000	1,049,561	-	-	1,358,172
Transfers out	-	-	-	-	(31,634)
	<u>277,000</u>	<u>1,049,561</u>	<u>-</u>	<u>-</u>	<u>1,326,538</u>
Total other financing sources (uses)					
Net change in fund balances	<u>310,357</u>	<u>55,610</u>	<u>5,469</u>	<u>770,033</u>	<u>1,283,280</u>
Fund balances at beginning of year	396,550	572,839	102,412	1,675,069	4,196,164
Change within financial reporting entity (nonmajor to major fund)	-	-	-	-	(253,696)
	<u>396,550</u>	<u>572,839</u>	<u>102,412</u>	<u>1,675,069</u>	<u>3,942,468</u>
Fund balances at beginning of year, as adjusted					
Fund balance at end of year	<u>\$ 706,907</u>	<u>\$ 628,449</u>	<u>\$ 107,881</u>	<u>\$ 2,445,102</u>	<u>\$ 5,225,748</u>

MORROW COUNTY
HERITAGE TRAIL - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET TO ACTUAL
Year Ended June 30, 2025

	Budget	Actual	Variance
Revenues			
Intergovernmental	\$ 40,000	\$ 24,422	\$ (15,578)
Interest	<u>42,500</u>	<u>48,465</u>	<u>5,965</u>
Total revenues	<u>82,500</u>	<u>72,887</u>	<u>(9,613)</u>
Expenditures			
Materials and services	<u>105,000</u>	<u>55,323</u>	<u>49,677</u>
Total expenditures	<u>105,000</u>	<u>55,323</u>	<u>49,677</u>
Excess (deficiency) of revenues over expenditures	<u>(22,500)</u>	<u>17,564</u>	<u>40,064</u>
Other financing sources (uses)			
Transfers in	<u>600,000</u>	<u>600,000</u>	<u>-</u>
Total other financing sources (uses)	<u>600,000</u>	<u>600,000</u>	<u>-</u>
Net change in fund balance	577,500	617,564	40,064
Fund balance at beginning of year	<u>735,000</u>	<u>734,637</u>	<u>(363)</u>
Fund balance at end of year	<u><u>\$ 1,312,500</u></u>	<u><u>1,352,201</u></u>	<u><u>\$ 39,701</u></u>
Reconciliation to generally accepted accounting principles			
Adjust investments to fair value		<u>16,080</u>	
Fund balance at end of year		<u><u>\$ 1,368,281</u></u>	

MORROW COUNTY
LOCAL PUBLIC SAFETY COORDINATING COUNCIL - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET TO ACTUAL
Year Ended June 30, 2025

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Intergovernmental	\$ 8,000	\$ 8,000	\$ -
Total revenues	<u>8,000</u>	<u>8,000</u>	<u>-</u>
Expenditures			
Materials and services	<u>28,000</u>	<u>18,750</u>	<u>9,250</u>
Total expenditures	<u>28,000</u>	<u>18,750</u>	<u>9,250</u>
Net change in fund balance	(20,000)	(10,750)	9,250
Fund balance at beginning of year	<u>20,000</u>	<u>36,021</u>	<u>16,021</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 25,271</u>	<u>\$ 25,271</u>

MORROW COUNTY
AIRPORT - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET TO ACTUAL
Year Ended June 30, 2025

	Budget	Actual	Variance
Revenues			
Licenses, permits and fees	\$ 24,654	\$ 28,992	\$ 4,338
Charges for services	46,000	52,831	6,831
Intergovernmental	47,512	45,592	(1,920)
Interest	200	12,004	11,804
Miscellaneous	34,696	1,789	(32,907)
Total revenues	153,062	141,208	(11,854)
Expenditures			
Personnel services	58,894	49,547	9,347
Materials and services	154,899	116,312	38,587
Capital outlay	4,500	2,500	2,000
Contingency	14,135	-	14,135
Total expenditures	232,428	168,359	64,069
Net change in fund balance	(79,366)	(27,151)	52,215
Fund balance at beginning of year	79,366	298,188	218,822
Fund balance at end of year	\$ -	271,037	\$ 271,037
Reconciliation to generally accepted accounting principles			
Adjust investments to fair value		3,423	
Inventory		11,683	
Fund balance at end of year		\$ 286,143	

MORROW COUNTY
LAW LIBRARY - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET TO ACTUAL
Year Ended June 30, 2025

	Budget	Actual	Variance
Revenues			
Intergovernmental	\$ 7,000	\$ 8,985	\$ 1,985
Interest	1,000	1,842	842
Total revenues	8,000	10,827	2,827
Expenditures			
Materials and services	45,000	5,367	39,633
Total expenditures	45,000	5,367	39,633
Net change in fund balance	(37,000)	5,460	42,460
Fund balance at beginning of year	37,000	39,458	2,458
Fund balance at end of year	\$ -	44,918	\$ 44,918
Reconciliation to generally accepted accounting principles			
Adjust investments to fair value		542	
Fund balance at end of year		\$ 45,460	

MORROW COUNTY
911 EMERGENCY DISPATCH - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET TO ACTUAL
Year Ended June 30, 2025

	Budget	Actual	Variance
Revenues			
Fines and forfeitures	\$ 98,200	\$ -	\$ (98,200)
Intergovernmental	497,295	574,256	76,961
Interest	10,000	52,743	42,743
Miscellaneous	-	976	976
	<u>605,495</u>	<u>627,975</u>	<u>22,480</u>
Expenditures			
Personnel services	1,471,588	1,246,244	225,344
Materials and services	109,967	56,257	53,710
Contingency	137,179	-	137,179
	<u>1,718,734</u>	<u>1,302,501</u>	<u>416,233</u>
Excess (deficiency) of revenues over expenditures	<u>(1,113,239)</u>	<u>(674,526)</u>	<u>438,713</u>
Other financing sources (uses)			
Transfers in	809,239	809,239	-
	<u>809,239</u>	<u>809,239</u>	<u>-</u>
Net change in fund balance	(304,000)	134,713	438,713
Fund balance at beginning of year	304,000	1,270,274	966,274
	<u>304,000</u>	<u>1,270,274</u>	<u>966,274</u>
Fund balance at end of year	<u>\$ -</u>	<u>1,404,987</u>	<u>\$ 1,404,987</u>
Reconciliation to generally accepted accounting principles			
Adjust investments to fair value		15,103	
		<u>15,103</u>	
Fund balance at end of year		<u>\$ 1,420,090</u>	

MORROW COUNTY
CORNER PRESERVATION - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET TO ACTUAL
Year Ended June 30, 2025

	Budget	Actual	Variance
Revenues			
Licenses, permits and fees	\$ 15,000	\$ 14,014	\$ (986)
Interest	4,000	13,792	9,792
Total revenues	19,000	27,806	8,806
Expenditures			
Materials and services	200,000	-	200,000
Total expenditures	200,000	-	200,000
Net change in fund balance	(181,000)	27,806	208,806
Fund balance at beginning of year	181,000	323,905	142,905
Fund balance at end of year	\$ -	351,711	\$ 351,711
Reconciliation to generally accepted accounting principles			
Adjust investments to fair value		4,223	
Fund balance at end of year		\$ 355,934	

MORROW COUNTY
COUNTY SCHOOL - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET TO ACTUAL
Year Ended June 30, 2025

	Budget	Actual	Variance
Revenues			
Intergovernmental	\$ 270,200	\$ 252,437	\$ (17,763)
Interest	<u>300</u>	<u>330</u>	<u>30</u>
Total revenues	<u>270,500</u>	<u>252,767</u>	<u>(17,733)</u>
Expenditures			
Special payments	<u>270,500</u>	<u>252,767</u>	<u>17,733</u>
Total expenditures	<u>270,500</u>	<u>252,767</u>	<u>17,733</u>
Net change in fund balance	-	-	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

MORROW COUNTY
IONE SCHOOL - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET TO ACTUAL
Year Ended June 30, 2025

	Budget	Actual	Variance
Revenues			
Intergovernmental	\$ 18,850	\$ 15,233	\$ (3,617)
Interest	<u>30</u>	<u>20</u>	<u>(10)</u>
 Total revenues	 <u>18,880</u>	 <u>15,253</u>	 <u>(3,627)</u>
 Expenditures			
Special payments	<u>18,880</u>	<u>15,253</u>	<u>3,627</u>
 Total expenditures	 <u>18,880</u>	 <u>15,253</u>	 <u>3,627</u>
 Net change in fund balance	 -	 -	 -
 Fund balance at beginning of year	 <u>-</u>	 <u>-</u>	 <u>-</u>
 Fund balance at end of year	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ -</u>

MORROW COUNTY
FAIR - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET TO ACTUAL
Year Ended June 30, 2025

	Budget	Actual	Variance
Revenues			
Licenses, permits and fees	\$ 2,600	\$ 4,068	\$ 1,468
Charges for services	47,300	83,384	36,084
Donations	50	-	(50)
Intergovernmental	53,167	53,167	-
Interest	2,000	11,204	9,204
Miscellaneous	700	831	131
Total revenues	105,817	152,654	46,837
Expenditures			
Personnel services	36,432	33,313	3,119
Materials and services	218,414	182,557	35,857
Special payments	500	408	92
Capital outlay	1,500	1,392	108
Contingency	17,752	-	17,752
Total expenditures	274,598	217,670	56,928
Excess (deficiency) of revenues over expenditures	(168,781)	(65,016)	103,765
Other financing sources (uses)			
Transfers in	152,217	152,217	-
Total other financing sources (uses)	152,217	152,217	-
Net change in fund balance	(16,564)	87,201	103,765
Fund balance at beginning of year	201,607	201,607	-
Fund balance at end of year	\$ 185,043	288,808	\$ 103,765
Reconciliation to generally accepted accounting principles			
Adjust investments to fair value		3,520	
Fund balance at end of year		\$ 292,328	

MORROW COUNTY
MORROW COUNTY PUBLIC TRANSIT - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET TO ACTUAL
Year Ended June 30, 2025

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Charges for services	\$ 13,200	\$ 394	\$ (12,806)
Intergovernmental	1,444,000	970,136	(473,864)
Interest	3,500	12,402	8,902
Miscellaneous	<u>150</u>	<u>4,706</u>	<u>4,556</u>
 Total revenues	 <u>1,460,850</u>	 <u>987,638</u>	 <u>(473,212)</u>
Expenditures			
Personnel services	1,059,623	670,230	389,393
Materials and services	277,501	200,405	77,096
Capital outlay	25,000	12,288	12,712
Contingency	<u>77,942</u>	<u>-</u>	<u>77,942</u>
 Total expenditures	 <u>1,440,066</u>	 <u>882,923</u>	 <u>557,143</u>
 Net change in fund balance	 20,784	 104,715	 83,931
 Fund balance at beginning of year	 <u>400,000</u>	 <u>428,791</u>	 <u>28,791</u>
 Fund balance at end of year	 <u>\$ 420,784</u>	 <u>533,506</u>	 <u>\$ 112,722</u>
 Reconciliation to generally accepted accounting principles			
Adjust investments to fair value		<u>3,324</u>	
 Fund balance at end of year		 <u>\$ 536,830</u>	

MORROW COUNTY
ALCOHOL ENFORCEMENT - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET TO ACTUAL
Year Ended June 30, 2025

	Budget	Actual	Variance
Revenues			
Interest	\$ 500	\$ 806	\$ 306
Total revenues	500	806	306
Expenditures			
Materials and services	19,500	504	18,996
Total expenditures	19,500	504	18,996
Net change in fund balance	(19,000)	302	19,302
Fund balance at beginning of year	19,000	19,821	821
Fund balance at end of year	\$ -	20,123	\$ 20,123
Reconciliation to generally accepted accounting principles			
Adjust investments to fair value		242	
Fund balance at end of year		\$ 20,365	

MORROW COUNTY
ECONOMIC DEVELOPMENT (VIDEO LOTTERY) - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET TO ACTUAL
Year Ended June 30, 2025

	Budget	Actual	Variance
Revenues			
Intergovernmental	\$ 128,000	\$ 128,967	\$ 967
Interest	-	3,602	3,602
Total revenues	<u>128,000</u>	<u>132,569</u>	<u>4,569</u>
Expenditures			
Materials and services	47,300	37,343	9,957
Special payments	<u>335,000</u>	<u>335,000</u>	-
Total expenditures	<u>382,300</u>	<u>372,343</u>	<u>9,957</u>
Excess (deficiency) of revenues over expenditures	<u>(254,300)</u>	<u>(239,774)</u>	<u>14,526</u>
Other financing sources (uses)			
Transfers in	<u>240,300</u>	<u>240,300</u>	-
Total other financing sources (uses)	<u>240,300</u>	<u>240,300</u>	-
Net change in fund balance	(14,000)	526	14,526
Fund balance at beginning of year	<u>14,000</u>	<u>64,163</u>	<u>50,163</u>
Fund balance at end of year	<u>\$ -</u>	<u>64,689</u>	<u>\$ 64,689</u>
Reconciliation to generally accepted accounting principles			
Adjust investments to fair value		<u>457</u>	
Fund balance at end of year		<u>\$ 65,146</u>	

MORROW COUNTY
VICTIM/WITNESS ASSISTANCE - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET TO ACTUAL
Year Ended June 30, 2025

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Intergovernmental	\$ 114,457	\$ 70,175	\$ (44,282)
Miscellaneous	<u>-</u>	<u>238</u>	<u>238</u>
Total revenues	<u>114,457</u>	<u>70,413</u>	<u>(44,044)</u>
Expenditures			
Personnel services	132,175	128,552	3,623
Materials and services	12,181	8,702	3,479
Contingency	<u>14,251</u>	<u>-</u>	<u>14,251</u>
Total expenditures	<u>158,607</u>	<u>137,254</u>	<u>21,353</u>
Excess (deficiency) of revenues over expenditures	<u>(44,150)</u>	<u>(66,841)</u>	<u>(22,691)</u>
Other financing sources (uses)			
Transfers in	<u>29,750</u>	<u>29,750</u>	<u>-</u>
Total other financing sources (uses)	<u>29,750</u>	<u>29,750</u>	<u>-</u>
Net change in fund balance	(14,400)	(37,091)	(22,691)
Fund balance at beginning of year	<u>14,400</u>	<u>38,535</u>	<u>24,135</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ 1,444</u></u>	<u><u>\$ 1,444</u></u>

MORROW COUNTY
CAMI GRANT - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET TO ACTUAL
Year Ended June 30, 2025

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Intergovernmental	\$ 41,008	\$ 40,138	\$ (870)
Interest	<u>250</u>	<u>618</u>	<u>368</u>
Total revenues	<u>41,258</u>	<u>40,756</u>	<u>(502)</u>
Expenditures			
Materials and services	<u>50,346</u>	<u>29,110</u>	<u>21,236</u>
Total expenditures	<u>50,346</u>	<u>29,110</u>	<u>21,236</u>
Net change in fund balance	(9,088)	11,646	20,734
Fund balance at beginning of year	<u>9,088</u>	<u>31,278</u>	<u>22,190</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 42,924</u>	<u>\$ 42,924</u>

MORROW COUNTY
SAFETY COMMITTEE - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET TO ACTUAL
Year Ended June 30, 2025

	Budget	Actual	Variance
Revenues			
Interest	\$ 200	\$ 1,298	\$ 1,098
Miscellaneous	28,800	12,756	(16,044)
Total revenues	29,000	14,054	(14,946)
Expenditures			
Materials and services	29,000	424	28,576
Total expenditures	29,000	424	28,576
Net change in fund balance	-	13,630	13,630
Fund balance at beginning of year	-	20,890	20,890
Fund balance at end of year	\$ -	34,520	\$ 34,520
Reconciliation to generally accepted accounting principles			
Adjust investments to fair value		414	
Fund balance at end of year		\$ 34,934	

MORROW COUNTY
JUSTICE COURT BAIL AND FINES - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET TO ACTUAL
Year Ended June 30, 2025

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Fines and forfeitures	\$ 400,000	\$ 402,819	\$ 2,819
Total revenues	<u>400,000</u>	<u>402,819</u>	<u>2,819</u>
Expenditures			
Special payments	<u>420,000</u>	<u>393,477</u>	<u>26,523</u>
Total expenditures	<u>420,000</u>	<u>393,477</u>	<u>26,523</u>
Net change in fund balance	(20,000)	9,342	29,342
Fund balance at beginning of year	<u>20,000</u>	<u>19,369</u>	<u>(631)</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 28,711</u>	<u>\$ 28,711</u>

MORROW COUNTY
CLERK RECORDS - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET TO ACTUAL
Year Ended June 30, 2025

	Budget	Actual	Variance
Revenues			
Licenses, permits and fees	\$ 1,500	\$ 1,637	\$ 137
Interest	200	1,217	1,017
Total revenues	1,700	2,854	1,154
Expenditures			
Materials and services	25,700	-	25,700
Total expenditures	25,700	-	25,700
Net change in fund balance	(24,000)	2,854	26,854
Fund balance at beginning of year	24,000	27,902	3,902
Fund balance at end of year	\$ -	30,756	\$ 30,756
Reconciliation to generally accepted accounting principles			
Adjust investments to fair value		369	
Fund balance at end of year		\$ 31,125	

MORROW COUNTY
DUII IMPACT - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET TO ACTUAL
Year Ended June 30, 2025

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Fines and forfeitures	\$ -	\$ 700	\$ 700
Interest	<u>400</u>	<u>1,351</u>	<u>951</u>
Total revenues	<u>400</u>	<u>2,051</u>	<u>1,651</u>
Expenditures			
Materials and services	<u>31,900</u>	<u>416</u>	<u>31,484</u>
Total expenditures	<u>31,900</u>	<u>416</u>	<u>31,484</u>
Net change in fund balance	(31,500)	1,635	33,135
Fund balance at beginning of year	<u>31,500</u>	<u>32,373</u>	<u>873</u>
Fund balance at end of year	<u>\$ -</u>	<u>34,008</u>	<u>\$ 34,008</u>
Reconciliation to generally accepted accounting principles			
Adjust investments to fair value		<u>408</u>	
Fund balance at end of year		<u>\$ 34,416</u>	

MORROW COUNTY
BUILDING PERMIT - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET TO ACTUAL
Year Ended June 30, 2025

	Budget	Actual	Variance
Revenues			
Licenses, permits and fees	\$ 500,000	\$ 1,109,819	\$ 609,819
Interest	<u>65,000</u>	<u>184,799</u>	<u>119,799</u>
Total revenues	<u>565,000</u>	<u>1,294,618</u>	<u>729,618</u>
Expenditures			
Personnel services	<u>-</u>	<u>131</u>	<u>(131)</u>
Total expenditures	<u>-</u>	<u>131</u>	<u>(131)</u>
Excess (deficiency) of revenues over expenditures	<u>565,000</u>	<u>1,294,487</u>	<u>729,487</u>
Other financing sources (uses)			
Transfers out	<u>(68,300)</u>	<u>(31,206)</u>	<u>37,094</u>
Total other financing sources (uses)	<u>(68,300)</u>	<u>(31,206)</u>	<u>37,094</u>
Net change in fund balance	496,700	1,263,281	766,581
Fund balance at beginning of year	<u>3,300,000</u>	<u>4,139,544</u>	<u>839,544</u>
Fund balance at end of year	<u>\$ 3,796,700</u>	<u>5,402,825</u>	<u>\$ 1,606,125</u>
Reconciliation to generally accepted accounting principles			
Adjust investments to fair value		<u>60,879</u>	
Fund balance at end of year		<u>\$ 5,463,704</u>	

MORROW COUNTY
PARK - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET TO ACTUAL
Year Ended June 30, 2025

	Budget	Actual	Variance
Revenues			
Licenses, permits and fees	\$ 214,280	\$ 277,657	\$ 63,377
Charges for services	24,300	102,378	78,078
Intergovernmental	726,983	647,589	(79,394)
Interest	6,500	21,490	14,990
Miscellaneous	8,100	8,505	405
Total revenues	980,163	1,057,619	77,456
Expenditures			
Personnel services	668,338	478,224	190,114
Materials and services	379,723	337,125	42,598
Special payments	8,090	5,078	3,012
Capital outlay	204,650	195,149	9,501
Contingency	64,577	-	64,577
Total expenditures	1,325,378	1,015,576	309,802
Excess (deficiency) of revenues over expenditures	(345,215)	42,043	387,258
Other financing sources (uses)			
Transfers in	71,031	71,031	-
Total other financing sources (uses)	71,031	71,031	-
Net change in fund balance	(274,184)	113,074	387,258
Fund balance at beginning of year	274,184	703,337	429,153
Fund balance at end of year	\$ -	816,411	\$ 816,411
Reconciliation to generally accepted accounting principles			
Adjust investments to fair value		5,355	
Fund balance at end of year		\$ 821,766	

MORROW COUNTY
COURT SECURITY - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET TO ACTUAL
Year Ended June 30, 2025

	Budget	Actual	Variance
Revenues			
Fines and forfeitures	\$ 6,500	\$ 9,776	\$ 3,276
Interest	750	1,201	451
Total revenues	7,250	10,977	3,727
Expenditures			
Materials and services	42,830	23,150	19,680
Total expenditures	42,830	23,150	19,680
Net change in fund balance	(35,580)	(12,173)	23,407
Fund balance at beginning of year	35,580	34,886	(694)
Fund balance at end of year	\$ -	22,713	\$ 22,713
Reconciliation to generally accepted accounting principles			
Adjust investments to fair value		273	
Fund balance at end of year		\$ 22,986	

MORROW COUNTY
EQUITY - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET TO ACTUAL
Year Ended June 30, 2025

	Budget	Actual	Variance
Revenues			
Interest	\$ 13,000	\$ 20,761	\$ 7,761
Total revenues	13,000	20,761	7,761
Expenditures			
Materials and services	13,000	5,813	7,187
Total expenditures	13,000	5,813	7,187
Net change in fund balance	-	14,948	14,948
Fund balance at beginning of year	630,000	639,484	9,484
Fund balance at end of year	\$ 630,000	654,432	\$ 24,432
Reconciliation to generally accepted accounting principles			
Adjust investments to fair value		5,118	
Fund balance at end of year		\$ 659,550	

MORROW COUNTY
LIQUOR CONTROL - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET TO ACTUAL
Year Ended June 30, 2025

	Budget	Actual	Variance
Revenues			
Interest	\$ 20	\$ 33	\$ 13
Total revenues	20	33	13
Expenditures			
Materials and services	950	-	950
Total expenditures	950	-	950
Net change in fund balance	(930)	33	963
Fund balance at beginning of year	930	949	19
Fund balance at end of year	\$ -	982	\$ 982
Reconciliation to generally accepted accounting principles			
Adjust investments to fair value		12	
Fund balance at end of year		\$ 994	

MORROW COUNTY
WATER PLANNING - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET TO ACTUAL
Year Ended June 30, 2025

	Budget	Actual	Variance
Revenues			
Intergovernmental	\$ 1,124,000	\$ 750,407	\$ (373,593)
Interest	-	787	787
	1,124,000	751,194	(372,806)
Expenditures			
Materials and services	1,055,979	728,386	327,593
Special payments	124,000	-	124,000
	1,179,979	728,386	451,593
Excess (deficiency) of revenues over expenditures	(55,979)	22,808	78,787
Other financing sources (uses)			
Transfers in	66,000	66,000	-
Transfers out	(10,021)	(10,021)	-
	55,979	55,979	-
Net change in fund balance	-	78,787	78,787
Fund balance at beginning of year	-	(42,802)	(42,802)
Fund balance at end of year	\$ -	35,985	\$ 35,985
Reconciliation to generally accepted accounting principles			
Adjust investments to fair value		569	
Fund balance at end of year		\$ 36,554	

MORROW COUNTY
FOREST SERVICE - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET TO ACTUAL
Year Ended June 30, 2025

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Intergovernmental	\$ 5,608	\$ -	\$ (5,608)
Interest	-	388	388
	<u>5,608</u>	<u>388</u>	<u>(5,220)</u>
Total revenues			
Expenditures			
Capital outlay	57,447	41,390	16,057
	<u>57,447</u>	<u>41,390</u>	<u>16,057</u>
Total expenditures			
Net change in fund balance	(51,839)	(41,002)	10,837
Fund balance at beginning of year	<u>51,839</u>	<u>51,839</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 10,837</u>	<u>\$ 10,837</u>

MORROW COUNTY
COMMUNITY CORRECTIONS - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET TO ACTUAL
Year Ended June 30, 2025

	Budget	Actual	Variance
Revenues			
Charges for services	\$ 9,000	\$ 15,000	\$ 6,000
Intergovernmental	668,978	719,669	50,691
Interest	6,000	5,280	(720)
Miscellaneous	-	5,685	5,685
	<u>683,978</u>	<u>745,634</u>	<u>61,656</u>
Expenditures			
Personnel services	633,245	620,909	12,336
Materials and services	247,033	189,252	57,781
Special payments	9,567	9,567	-
Contingency	60,784	-	60,784
	<u>950,629</u>	<u>819,728</u>	<u>130,901</u>
Excess (deficiency) of revenues over expenditures	<u>(266,651)</u>	<u>(74,094)</u>	<u>192,557</u>
Other financing sources (uses)			
Transfers in	<u>175,191</u>	<u>175,191</u>	<u>-</u>
Total other financing sources (uses)	<u>175,191</u>	<u>175,191</u>	<u>-</u>
Net change in fund balance	(91,460)	101,097	192,557
Fund balance at beginning of year	91,460	346,933	255,473
Error correction	<u>-</u>	<u>(133,103)</u>	<u>(133,103)</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 314,927</u>	<u>\$ 314,927</u>

MORROW COUNTY
SHERIFF RESERVE - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET TO ACTUAL
Year Ended June 30, 2025

	Budget	Actual	Variance
Revenues			
Licenses, permits and fees	\$ 2,000	\$ -	\$ (2,000)
Intergovernmental	-	300,000	300,000
Interest	300	2,262	1,962
Miscellaneous	1,500	541	(959)
Total revenues	3,800	302,803	299,003
Expenditures			
Materials and services	11,000	3,773	7,227
Contingency	4,800	-	4,800
Total expenditures	15,800	3,773	12,027
Net change in fund balance	(12,000)	299,030	311,030
Fund balance at beginning of year	12,000	11,809	(191)
Fund balance at end of year	\$ -	310,839	\$ 310,839
Reconciliation to generally accepted accounting principles			
Adjust investments to fair value		3,739	
Fund balance at end of year		\$ 314,578	

MORROW COUNTY
STATE AND FEDERAL WILDLIFE - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET TO ACTUAL
Year Ended June 30, 2025

	Budget	Actual	Variance
Fund balance at beginning of year	\$ -	\$ 3,409	\$ 3,409
Fund balance at end of year	<u>\$ -</u>	<u>\$ 3,409</u>	<u>\$ 3,409</u>

MORROW COUNTY
ELECTION MODERNIZATION - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET TO ACTUAL
Year Ended June 30, 2025

	Budget	Actual	Variance
Revenues			
Interest	\$ -	\$ 829	\$ 829
Total revenues	-	829	829
Expenditures			
Materials and services	19,660	732	18,928
Total expenditures	19,660	732	18,928
Net change in fund balance	(19,660)	97	19,757
Fund balance at beginning of year	19,660	20,108	448
Fund balance at end of year	\$ -	20,205	\$ 20,205
Reconciliation to generally accepted accounting principles			
Adjust investments to fair value		243	
Fund balance at end of year		\$ 20,448	

MORROW COUNTY
OPIOID ABATEMENT - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET TO ACTUAL
Year Ended June 30, 2025

	Budget	Actual	Variance
Revenues			
Interest	\$ -	\$ 5,021	\$ 5,021
Miscellaneous	-	34,387	34,387
	-	39,408	39,408
Expenditures			
Materials and services	109,000	-	109,000
	109,000	-	109,000
Excess (deficiency) of revenues over expenditures	(109,000)	39,408	148,408
Other financing sources (uses)			
Transfers in	109,000	108,732	(268)
	109,000	108,732	(268)
Net change in fund balance	-	148,140	148,140
Fund balance at beginning of year	-	-	-
Fund balance at end of year	\$ -	148,140	\$ 148,140
Reconciliation to generally accepted accounting principles			
Adjust investments to fair value		1,779	
Fund balance at end of year		\$ 149,919	

MORROW COUNTY
MEDIATION & CONCILIATION - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET TO ACTUAL
Year Ended June 30, 2025

	Budget	Actual	Variance
Revenues			
Interest	\$ -	\$ 6,408	\$ 6,408
Total revenues	-	6,408	6,408
Expenditures			
Materials and services	145,180	4,483	140,697
Total expenditures	145,180	4,483	140,697
Excess (deficiency) of revenues over expenditures	(145,180)	1,925	147,105
Other financing sources (uses)			
Transfers in	145,180	145,179	(1)
Total other financing sources (uses)	145,180	145,179	(1)
Net change in fund balance	-	147,104	147,104
Fund balance at beginning of year	-	-	-
Fund balance at end of year	\$ -	147,104	\$ 147,104
Reconciliation to generally accepted accounting principles			
Adjust investments to fair value		1,921	
Fund balance at end of year		\$ 149,025	

MORROW COUNTY
BEHAVIORAL HEALTH REFLECTION GRANT - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET TO ACTUAL
Year Ended June 30, 2025

	Budget	Actual	Variance
Revenues			
Intergovernmental	\$ -	\$ 75,000	\$ 75,000
Interest	-	3,800	3,800
	-	78,800	78,800
Expenditures			
Materials and services	75,000	-	75,000
	75,000	-	75,000
Excess (deficiency) of revenues over expenditures	(75,000)	78,800	153,800
Other financing sources (uses)			
Transfers in	75,000	75,000	-
	75,000	75,000	-
Net change in fund balance	-	153,800	153,800
Fund balance at beginning of year	-	-	-
Fund balance at end of year	\$ -	153,800	\$ 153,800
Reconciliation to generally accepted accounting principles			
Adjust investments to fair value		1,847	
Fund balance at end of year		\$ 155,647	

MORROW COUNTY
PROGRAMMING RESERVE - CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET TO ACTUAL
Year Ended June 30, 2025

	Budget	Actual	Variance
Other financing sources (uses)			
Transfers out	\$ -	\$ (23)	\$ (23)
Total other financing sources (uses)	-	(23)	(23)
Net change in fund balance	-	(23)	(23)
Fund balance at beginning of year	-	23	23
Fund balance at end of year	\$ -	\$ -	\$ -

MORROW COUNTY
WEED EQUIPMENT RESERVE - CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET TO ACTUAL
Year Ended June 30, 2025

	Budget	Actual	Variance
Revenues			
Charges for services	\$ 52,300	\$ 23,030	\$ (29,270)
Interest	-	28	28
	52,300	23,058	(29,242)
Total revenues			
	52,300	23,058	(29,242)
Net change in fund balance			
	-	(12,231)	(12,231)
Fund balance at beginning of year			
	-	(12,231)	(12,231)
Fund balance at end of year	<u>\$ 52,300</u>	<u>10,827</u>	<u>\$ (41,473)</u>
Reconciliation to generally accepted accounting principles			
Adjust investments to fair value		130	
Fund balance at end of year		<u>\$ 10,957</u>	

MORROW COUNTY
FAIR ROOF RESERVE - CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET TO ACTUAL
Year Ended June 30, 2025

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Interest	\$ 350	\$ 296	\$ (54)
Total revenues	<u>350</u>	<u>296</u>	<u>(54)</u>
Other financing sources (uses)			
Transfers out	<u>(32,350)</u>	<u>(31,611)</u>	<u>739</u>
Total other financing sources (uses)	<u>(32,350)</u>	<u>(31,611)</u>	<u>739</u>
Net change in fund balance	(32,000)	(31,315)	685
Fund balance at beginning of year	<u>32,000</u>	<u>31,353</u>	<u>(647)</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 38</u>	<u>\$ 38</u>

MORROW COUNTY
BLEACHER/CIP RESERVE - CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET TO ACTUAL
Year Ended June 30, 2025

	Budget	Actual	Variance
Revenues			
Interest	\$ 200	\$ 993	\$ 793
Total revenues	200	993	793
Net change in fund balance	200	993	793
Fund balance at beginning of year	21,550	22,639	1,089
Fund balance at end of year	\$ 21,750	\$ 23,632	\$ 1,882

MORROW COUNTY
FAIR CAPITAL IMPROVEMENT - CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET TO ACTUAL
Year Ended June 30, 2025

	Budget	Actual	Variance
Revenues			
Intergovernmental	\$ 274,855	\$ 53,410	\$ (221,445)
Interest	<u>20,000</u>	<u>49,270</u>	<u>29,270</u>
Total revenues	<u>294,855</u>	<u>102,680</u>	<u>(192,175)</u>
Expenditures			
Capital outlay	<u>1,377,000</u>	<u>-</u>	<u>1,377,000</u>
Total expenditures	<u>1,377,000</u>	<u>-</u>	<u>1,377,000</u>
Excess (deficiency) of revenues over expenditures	<u>(1,082,145)</u>	<u>102,680</u>	<u>1,184,825</u>
Other financing sources (uses)			
Transfers in	<u>32,350</u>	<u>31,611</u>	<u>(739)</u>
Total other financing sources (uses)	<u>32,350</u>	<u>31,611</u>	<u>(739)</u>
Net change in fund balance	(1,049,795)	134,291	1,184,086
Fund balance at beginning of year	<u>1,190,750</u>	<u>1,153,042</u>	<u>(37,708)</u>
Fund balance at end of year	<u>\$ 140,955</u>	<u>1,287,333</u>	<u>\$ 1,146,378</u>
Reconciliation to generally accepted accounting principles			
Adjust investments to fair value		<u>15,449</u>	
Fund balance at end of year		<u><u>\$ 1,302,782</u></u>	

MORROW COUNTY
BUILDING RESERVE - CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET TO ACTUAL
Year Ended June 30, 2025

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Interest	\$ 18,000	\$ 25,231	\$ 7,231
Total revenues	<u>18,000</u>	<u>25,231</u>	<u>7,231</u>
Expenditures			
Materials and services	175,000	-	175,000
Capital outlay	<u>205,000</u>	<u>-</u>	<u>205,000</u>
Total expenditures	<u>380,000</u>	<u>-</u>	<u>380,000</u>
Excess (deficiency) of revenues over expenditures	<u>(362,000)</u>	<u>25,231</u>	<u>387,231</u>
Other financing sources (uses)			
Transfers in	<u>277,000</u>	<u>277,000</u>	<u>-</u>
Total other financing sources (uses)	<u>277,000</u>	<u>277,000</u>	<u>-</u>
Net change in fund balance	(85,000)	302,231	387,231
Fund balance at beginning of year	<u>385,000</u>	<u>396,289</u>	<u>11,289</u>
Fund balance at end of year	<u>\$ 300,000</u>	<u>698,520</u>	<u>\$ 398,520</u>
Reconciliation to generally accepted accounting principles			
Adjust investments to fair value		<u>8,387</u>	
Fund balance at end of year		<u>\$ 706,907</u>	

MORROW COUNTY
ROAD EQUIPMENT RESERVE - CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET TO ACTUAL
Year Ended June 30, 2025

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Interest	\$ 8,500	\$ 36,436	\$ 27,936
Miscellaneous	<u>-</u>	<u>77</u>	<u>77</u>
Total revenues	<u>8,500</u>	<u>36,513</u>	<u>28,013</u>
Expenditures			
Capital outlay	1,421,962	1,000,370	421,592
Debt service	<u>42,099</u>	<u>42,099</u>	<u>-</u>
Total expenditures	<u>1,464,061</u>	<u>1,042,469</u>	<u>421,592</u>
Excess (deficiency) of revenues over expenditures	<u>(1,455,561)</u>	<u>(1,005,956)</u>	<u>449,605</u>
Other financing sources (uses)			
Transfers in	<u>1,049,561</u>	<u>1,049,561</u>	<u>-</u>
Total other financing sources (uses)	<u>1,049,561</u>	<u>1,049,561</u>	<u>-</u>
Net change in fund balance	(406,000)	43,605	449,605
Fund balance at beginning of year	<u>406,000</u>	<u>572,433</u>	<u>166,433</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>616,038</u></u>	<u><u>\$ 616,038</u></u>
Reconciliation to generally accepted accounting principles			
Adjust investments to fair value		<u>12,411</u>	
Fund balance at end of year		<u><u>\$ 628,449</u></u>	

MORROW COUNTY
STF VEHICLE RESERVE - CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET TO ACTUAL
Year Ended June 30, 2025

	Budget	Actual	Variance
Revenues			
Interest	\$ 2,000	\$ 4,256	\$ 2,256
Total revenues	2,000	4,256	2,256
Net change in fund balance	2,000	4,256	2,256
Fund balance at beginning of year	100,000	102,345	2,345
Fund balance at end of year	\$ 102,000	106,601	\$ 4,601
Reconciliation to generally accepted accounting principles			
Adjust investments to fair value		1,280	
Fund balance at end of year		\$ 107,881	

MORROW COUNTY
FINLEY BUTTES TRUST FUND - CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET TO ACTUAL
Year Ended June 30, 2025

	Budget	Actual	Variance
Revenues			
Charges for services	\$ 400,000	\$ 657,832	\$ 257,832
Interest	<u>23,000</u>	<u>84,861</u>	<u>61,861</u>
 Total revenues	 <u>423,000</u>	 <u>742,693</u>	 <u>319,693</u>
Expenditures			
Materials and services	<u>100,000</u>	<u>-</u>	<u>100,000</u>
 Total expenditures	 <u>100,000</u>	 <u>-</u>	 <u>100,000</u>
Net change in fund balance	323,000	742,693	419,693
Fund balance at beginning of year	<u>2,000,000</u>	<u>1,674,017</u>	<u>(325,983)</u>
 Fund balance at end of year	 <u>\$ 2,323,000</u>	 <u>2,416,710</u>	 <u>\$ 93,710</u>
Reconciliation to generally accepted accounting principles			
Adjust investments to fair value		<u>28,392</u>	
 Fund balance at end of year		 <u>\$ 2,445,102</u>	

MORROW COUNTY
DEBT SERVICE - DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET TO ACTUAL
Year Ended June 30, 2025

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Interest	\$ 83,000	\$ 100,734	\$ 17,734
Total revenues	<u>83,000</u>	<u>100,734</u>	<u>17,734</u>
Expenditures			
Debt service	<u>588,608</u>	<u>587,860</u>	<u>748</u>
Total expenditures	<u>588,608</u>	<u>587,860</u>	<u>748</u>
Excess (deficiency) of revenues over expenditures	<u>(505,608)</u>	<u>(487,126)</u>	<u>18,482</u>
Other financing sources (uses)			
Transfers in	<u>2,568,467</u>	<u>2,568,467</u>	<u>-</u>
Total other financing sources (uses)	<u>2,568,467</u>	<u>2,568,467</u>	<u>-</u>
Net change in fund balance	2,062,859	2,081,341	18,482
Fund balance at beginning of year	<u>588,000</u>	<u>613,378</u>	<u>25,378</u>
Fund balance at end of year	<u>\$ 2,650,859</u>	<u>2,694,719</u>	<u>\$ 43,860</u>
Reconciliation to generally accepted accounting principles			
Adjust investments to fair value		<u>32,352</u>	
Fund balance at end of year		<u>\$ 2,727,071</u>	

MORROW COUNTY
SCHEDULE OF ACCOUNTABILITY FOR INDEPENDENTLY ELECTED OFFICIALS
As of and for the Year Ended June 30, 2025

Elected Officials	Cash and Investments Balances July 1, 2024	Cash Receipts	Cash Turnovers and Disbursements to County Treasurer and Others	Cash and Investments Balances June 30, 2025
County Clerk	\$ -	\$ 218,278	\$ 218,278	\$ -
Justice of the Peace	-	402,819	402,819	-
Sheriff	-	1,828,343	1,828,343	-
Tax Collector	-	56,352,610	56,352,610	-
Treasurer	65,571,404	87,492,448	77,274,154	75,789,698
Totals	\$ 65,571,404	\$ 146,294,498	\$ 136,076,204	\$ 75,789,698
Cash and investments as of June 30, 2025				
Deposits with financial institutions				\$ 3,184,203
Cash on hand				3,528
Investments				42,487,525
State treasurer's investment pool				30,114,442
Cash and investments for elected officials				75,789,698
Held by custodian under pension plan, primarily mutual funds				38,521,543
Total cash and investments				\$ 114,311,241

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COMPLIANCE SECTION

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

Board of Commissioners
Morrow County
Heppner, Oregon

We have audited the basic financial statements of Morrow County (the “County”) as of and for the year ended June 30, 2025, and have issued our report thereon dated December 28, 2025. Our audit was conducted in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

Compliance

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

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

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

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

Board of Commissioners
Morrow County
Independent Auditor's Report
Required by Oregon State Regulations
December 28, 2025

Internal Control OAR 162-10-0230

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

Restriction on Use

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

Singer Lewak LLP

December 28, 2025

By:



Bradley G. Bingenheimer, Partner

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

INDEPENDENT AUDITOR’S REPORT

Board of Commissioners
Morrow County
Heppner, Oregon

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Morrow County (the “County”) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the County’s basic financial statements, and have issued our report thereon dated December 28, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County’s internal control over financial reporting (“internal control”) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County’s internal control. Accordingly, we do not express an opinion on the effectiveness of the County’s internal control.

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

Board of Commissioners
Morrow County
Independent Auditor's Report on Internal Control over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial
Statements Performed in Accordance with *Government Auditing Standards*
December 28, 2025

Report on Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in cursive script that reads "Singer Lewak LLP".

December 28, 2025