

**UMATILLA COUNTY, OREGON**

**Financial Statements and  
Independent Auditors' Report**

**June 30, 2018**

UMATILLA COUNTY, OREGON

List of Officials  
June 30, 2018

COMMISSIONERS

George Murdock, Board Chair

Larry Givens

Bill Elfering, Vice-Chair

TITLE

Commissioner - Position #1

Commissioner - Position #2

Commissioner - Position #3

CHIEF FINANCIAL OFFICER

Robert Pahl

ADDRESS

Umatilla County Courthouse  
216 SE Fourth Street  
Pendleton, OR 97801

Telephone: 541-276-7111

**UMATILLA COUNTY, OREGON**

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---

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

**Independent Auditors' Report**

Board of Commissioners  
Umatilla County  
Pendleton, Oregon

**Report on the Financial Statements**

We have audited the accompanying modified cash-basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Umatilla County, Oregon, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

**Auditor's Responsibility**

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

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

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

**Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash-basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Umatilla County, Oregon, as of June 30, 2018, and the respective changes in modified cash-basis financial position, and where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund, Public Works Fund, and PERS Reserve Fund for the year then ended in accordance with the basis of accounting as described in Note 1.

**Basis of Accounting**

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to that matter.

**Other Matters**

*Report on Supplementary and Other Information*

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

The combining and individual nonmajor fund financial statements and schedules, other schedules, and the schedule of expenditures of federal awards are the responsibility of management and were derived from, and relates directly to, the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing 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 according with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules, other schedules, and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole on the basis of accounting described in Note 1.



Board of Commissioners  
Umatilla County  
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Management's discussion and analysis on pages 57-67 has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on such information.

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

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

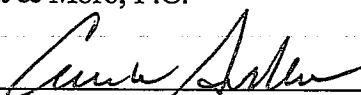
In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2018, on our consideration of Umatilla County, Oregon's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Umatilla County, Oregon's internal control over financial reporting and compliance.

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

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have also issued our report dated December 18, 2018, on our consideration of the Umatilla County, Oregon's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

Barnett & Moro, P.C.

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

  
Cameron W. Anderson, Shareholder

December 18, 2018

**BASIC FINANCIAL STATEMENTS**

UMATILLA COUNTY, OREGON

Statement of Net Position - Modified Cash Basis

June 30, 2018

	<u>Governmental Activities</u>
<b><u>ASSETS:</u></b>	
Cash and investments	\$ 26,509,753
Capital assets:	
Land and construction in progress	1,603,429
Other capital assets (net of accumulated depreciation)	62,832,339
Total assets	<u>90,945,521</u>
<b><u>DEFERRED OUTFLOWS OF RESOURCES:</u></b>	
Prepaid pension asset	<u>11,000,000</u>
Total deferred outflows of resources	<u>11,000,000</u>
<b><u>LIABILITIES:</u></b>	
Noncurrent liabilities:	
Due within one year	738,098
Due in more than one year	10,922,991
Total liabilities	<u>11,661,089</u>
<b><u>NET POSITION:</u></b>	
Net investment in capital assets	63,774,679
Restricted for:	
Debt service	66,397
Public safety	2,214,425
Highways and streets	5,764,001
Culture and recreation	164,838
Education	90,550
Health	1,989,356
Other purposes	830,203
Unrestricted	15,389,983
Total net position	<u>\$ 90,284,432</u>

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

**UMATILLA COUNTY, OREGON**

**Statement of Activities - Modified Cash Basis  
Year Ended June 30, 2018**

Functions/Programs	Program Revenues			Net (Expense) Revenue and Change in Net Position	
	Expenses	Fees, Fines, and Charges for Services	Operating Grants and Contributions		Capital Grants and Contributions
General government	\$ 11,482,345	\$ 2,493,328	\$ 4,763,234	\$ -	\$ (4,225,783)
Public safety	19,798,068	1,636,003	6,241,933	-	(11,920,132)
Highways and streets	9,569,440	43,369	6,441,703	-	(3,084,368)
Cultural and recreation	2,103,735	1,112,965	178,165	-	(812,605)
Education	805,761	64,150	453,699	-	(287,912)
Health	7,271,515	879,076	6,481,164	-	88,725
Interest on long-term debt	602,638	-	-	-	(602,638)
<b>Total governmental activities</b>	<b>\$ 51,633,502</b>	<b>\$ 6,228,891</b>	<b>\$ 24,559,898</b>	<b>\$ -</b>	<b>(20,844,713)</b>

General revenues:

Taxes:

Property taxes, levied for general purposes	16,632,163
Property taxes, levied for debt service	18,496
Fines & forfeitures	262,191
Interest and investment earnings	456,351
Refunds, reimbursements, & miscellaneous	3,631,464

Total general revenues

Change in net position

Net position--beginning

Net position--ending

	21,000,665
	155,952
	90,128,480
<b>\$</b>	<b>90,284,432</b>

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

**UMATILLA COUNTY, OREGON**

**Balance Sheet - Modified Cash Basis**

**Governmental Funds**

**June 30, 2018**

	<u>General</u>	<u>Public Works</u>	<u>PERS Reserve</u>	<u>Other Governmental</u>	<u>Total</u>
<b><u>ASSETS:</u></b>					
Cash and investments	\$5,663,265	\$5,538,145	\$3,621,714	\$ 11,166,051	\$25,989,175
Total assets	<u>\$5,663,265</u>	<u>\$5,538,145</u>	<u>\$3,621,714</u>	<u>\$ 11,166,051</u>	<u>\$25,989,175</u>
<b><u>LIABILITIES</u></b>					
	\$ -	\$ -	\$ -	\$ -	\$ -
<b><u>FUND BALANCES:</u></b>					
Restricted	-	5,538,145	-	5,581,625	11,119,770
Committed	-	-	3,621,714	5,386,313	9,008,027
Assigned	-	-	-	198,113	198,113
Unassigned	5,663,265	-	-	-	5,663,265
Total fund balances	<u>5,663,265</u>	<u>5,538,145</u>	<u>3,621,714</u>	<u>11,166,051</u>	<u>25,989,175</u>
Total liabilities and fund balances	<u>\$5,663,265</u>	<u>\$5,538,145</u>	<u>\$3,621,714</u>	<u>\$ 11,166,051</u>	<u>\$25,989,175</u>

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

UMATILLA COUNTY, OREGON

Reconciliation of the Governmental Funds Balance Sheet to the  
Statement of Net Position - Modified Cash Basis  
June 30, 2018

Fund balances - governmental funds \$ 25,989,175

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

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

Land	\$ 1,311,575	
Construction in progress	291,854	
Equipment, net of \$13,531,098 accumulated depreciation	3,664,200	
Buildings and improvements, net of \$11,866,935 accumulated depreciation	14,039,565	
Infrastructure, net of \$82,282,003 accumulated depreciation	<u>45,128,574</u>	
		64,435,768

Prepaid pension assets are not reported in the governmental funds. 11,000,000

Internal service funds are used by management to charge the costs of industrial insurance, printing and warehouse services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. 520,578

Long-term liabilities that pertain to governmental funds, including bonds payable, are not due and payable in the current period and therefore are not reported in the governmental funds as liabilities. All liabilities, both current and long-term, are reported in the statement of net position.

Bonds payable	(11,000,000)	
Notes payable	(377,780)	
Capital leases payable	<u>(283,309)</u>	
		<u>(11,661,089)</u>
Net position of governmental activities		<u>\$ 90,284,432</u>

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

**UMATILLA COUNTY, OREGON**

**Statement of Revenues, Expenditures, and Changes in Fund Balances - Modified Cash Basis**

**Governmental Funds**  
**Year Ended June 30, 2018**

	<u>General</u>	<u>Public Works</u>	<u>PERS Reserve</u>	<u>Other Governmental</u>	<u>Total</u>
<b><u>REVENUES:</u></b>					
Taxes	\$ 16,359,112	\$ -	\$ -	\$ 291,547	\$ 16,650,659
Intergovernmental	3,262,593	6,385,406	1,057,363	13,854,536	24,559,898
Charges for services	2,342,610	43,369	-	3,842,912	6,228,891
Fines & forfeitures	44,045	-	-	218,146	262,191
Interest	120,859	91,284	54,579	181,187	447,909
Miscellaneous & reimbursements	3,064,819	131,628	-	377,375	3,573,822
Total revenues	<u>25,194,038</u>	<u>6,651,687</u>	<u>1,111,942</u>	<u>18,765,703</u>	<u>51,723,370</u>
<b><u>EXPENDITURES:</u></b>					
Current:					
General government	7,242,626	-	15,400	2,825,858	10,083,884
Public safety	13,161,151	-	-	6,300,345	19,461,496
Highways and streets	-	5,629,433	-	159,000	5,788,433
Cultural and recreation	-	-	-	2,088,181	2,088,181
Education	379,510	-	-	426,251	805,761
Health	1,353,255	-	-	5,846,427	7,199,682
Capital outlay	-	1,399,239	-	575,057	1,974,296
Debt service:					
Principal	-	20,626	-	649,401	670,027
Interest	-	9,574	-	593,064	602,638
Total expenditures	<u>22,136,542</u>	<u>7,058,872</u>	<u>15,400</u>	<u>19,463,584</u>	<u>48,674,398</u>
<b><u>EXCESS (DEFICIENCY) OF REVENUES</u></b>					
<b><u>OVER (UNDER) EXPENDITURES</u></b>	<u>3,057,496</u>	<u>(407,185)</u>	<u>1,096,542</u>	<u>(697,881)</u>	<u>3,048,972</u>
<b><u>OTHER FINANCING SOURCES (USES):</u></b>					
Proceeds from trade in of asset	-	250,000	-	-	250,000
Operating transfers in	131,970	169,057	277,500	2,459,871	3,038,398
Operating transfers out	(1,807,222)	-	(700,000)	(746,831)	(3,254,053)
Total other financing sources (uses)	<u>(1,675,252)</u>	<u>419,057</u>	<u>(422,500)</u>	<u>1,713,040</u>	<u>34,345</u>
<b><u>NET CHANGE IN FUND BALANCES</u></b>	<u>1,382,244</u>	<u>11,872</u>	<u>674,042</u>	<u>1,015,159</u>	<u>3,083,317</u>
<b><u>FUND BALANCES, BEGINNING</u></b>					
<b><u>OF YEAR</u></b>	<u>4,281,021</u>	<u>5,526,273</u>	<u>2,947,672</u>	<u>10,150,892</u>	<u>22,905,858</u>
<b><u>FUND BALANCES, END OF YEAR</u></b>	<u>\$ 5,663,265</u>	<u>\$ 5,538,145</u>	<u>\$ 3,621,714</u>	<u>\$ 11,166,051</u>	<u>\$ 25,989,175</u>

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

UMATILLA COUNTY, OREGON

Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balances of the Governmental Funds to the  
Statement of Activities - Modified Cash Basis  
Year Ended June 30, 2018

Net change in fund balances - governmental funds \$ 3,083,317

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

Governmental funds report capital outlay as expenditures. However in the statement of activities, the cost of those assets is depreciated over their estimated useful lives.

Expenditures for capital assets	\$ 2,189,952	
Adjustment to gain on disposal of assets	(262,280)	
Other adjustments	32,079	
Less current year depreciation	<u>(5,002,827)</u>	(3,043,076)

Internal service funds are used by the County to charge the costs of vehicle maintenance and other costs to individual funds. The net revenue of the internal service funds is reported with governmental activities.

45,684

Governmental funds reported the prepayment of the PERS unfunded actuarial liability as an Other Financing Use in prior years. However, in the Statement of Activities the expense is the amortization of the prepaid asset.

(600,000)

Principal payments:

Bonded debt	600,000	
Notes payable	49,401	
Capital leases	<u>20,626</u>	<u>670,027</u>

Change in net position of governmental activities

\$ 155,952

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



**UMATILLA COUNTY, OREGON**

**General Fund**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Modified Cash Basis - Budget to Actual**  
**Year Ended June 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES:</u></b>				
Property taxes	\$ 15,160,000	\$ 15,160,000	\$ 16,359,112	\$ 1,199,112
Intergovernmental	3,007,238	3,092,661	3,262,593	169,932
Charges for services	2,073,114	2,118,364	2,342,610	224,246
Fine & forfeitures	25,500	25,500	44,045	18,545
Investment revenue	45,000	45,000	120,859	75,859
Miscellaneous & reimbursements	2,975,659	3,120,234	3,064,819	(55,415)
Total revenues	<u>23,286,511</u>	<u>23,561,759</u>	<u>25,194,038</u>	<u>1,632,279</u>
<b><u>EXPENDITURES:</u></b>				
General government	7,883,257	7,966,957	7,242,626	724,331
Public safety	13,488,909	13,735,862	13,161,151	574,711
Education	424,510	424,510	379,510	45,000
Health	1,775,596	2,003,756	1,353,255	650,501
Operating contingency	500,000	163,435	-	163,435
Total expenditures	<u>24,072,272</u>	<u>24,294,520</u>	<u>22,136,542</u>	<u>2,157,978</u>
<b><u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u></b>				
	<u>(785,761)</u>	<u>(732,761)</u>	<u>3,057,496</u>	<u>3,790,257</u>
<b><u>OTHER FINANCING SOURCES (USES):</u></b>				
Operating transfers in	995,755	995,755	131,970	(863,785)
Operating transfers out	(1,909,994)	(1,962,994)	(1,807,222)	155,772
Total other financing sources (uses)	<u>(914,239)</u>	<u>(967,239)</u>	<u>(1,675,252)</u>	<u>(708,013)</u>
<b><u>NET CHANGE IN FUND BALANCES</u></b>				
	<u>(1,700,000)</u>	<u>(1,700,000)</u>	<u>1,382,244</u>	<u>3,082,244</u>
<b><u>FUND BALANCES, BEGINNING</u></b>				
	<u>4,200,000</u>	<u>4,200,000</u>	<u>4,281,021</u>	<u>81,021</u>
<b><u>FUND BALANCES, ENDING</u></b>				
	<u>\$ 2,500,000</u>	<u>\$ 2,500,000</u>	<u>\$ 5,663,265</u>	<u>\$ 3,163,265</u>

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

**UMATILLA COUNTY, OREGON**

**Public Works Fund**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Modified Cash Basis - Budget to Actual**  
**Year Ended June 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES:</u></b>				
Intergovernmental:				
Federal revenues	\$ 538,520	\$ 538,520	\$ 51,824	\$ (486,696)
State revenues	582,405	582,405	635,615	53,210
Local revenues	73,080	73,080	53,607	(19,473)
Federal forest service rentals	50,000	50,000	70,913	20,913
State gas tax & vehicle licensing	5,300,000	5,800,000	5,573,447	(226,553)
Charges for services:				
Sale and rental of supplies	10,000	10,000	1,622	(8,378)
Sale of vehicle and equipment	-	-	41,747	41,747
Interest	25,000	25,000	91,284	66,284
Reimbursements and other revenues	10,000	10,000	131,628	121,628
Total revenues	<u>6,589,005</u>	<u>7,089,005</u>	<u>6,651,687</u>	<u>(437,318)</u>
<b><u>EXPENDITURES:</u></b>				
Weed control:				
Personal services	207,894	207,894	190,831	17,063
Materials & services	93,458	93,458	82,863	10,595
Total weed control	<u>301,352</u>	<u>301,352</u>	<u>273,694</u>	<u>27,658</u>
Non-departmental:				
Personal services	3,393,756	3,393,756	3,064,007	329,749
Materials & services	2,755,882	2,988,882	2,261,806	727,076
Capital outlay	531,000	1,231,000	1,209,365	21,635
Contingency	2,300,000	2,693,272	-	2,693,272
Total non-departmental	<u>8,980,638</u>	<u>10,306,910</u>	<u>6,535,178</u>	<u>3,771,732</u>
Total expenditures	<u>9,281,990</u>	<u>10,608,262</u>	<u>6,808,872</u>	<u>3,799,390</u>
<b><u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u></b>	<u>(2,692,985)</u>	<u>(3,519,257)</u>	<u>(157,185)</u>	<u>3,362,072</u>
<b><u>OTHER FINANCING SOURCES:</u></b>				
Operating transfers in	217,347	217,347	169,057	(48,290)
Total other financing sources	<u>217,347</u>	<u>217,347</u>	<u>169,057</u>	<u>(48,290)</u>
<b><u>NET CHANGE IN FUND BALANCES</u></b>	<u>(2,475,638)</u>	<u>(3,301,910)</u>	<u>11,872</u>	<u>3,313,782</u>
<b><u>FUND BALANCES, BEGINNING</u></b>	<u>4,700,000</u>	<u>5,526,272</u>	<u>5,526,273</u>	<u>1</u>
<b><u>FUND BALANCES, ENDING</u></b>	<u>\$ 2,224,362</u>	<u>\$ 2,224,362</u>	<u>\$ 5,538,145</u>	<u>\$ 3,313,783</u>

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

**UMATILLA COUNTY, OREGON**

**PERS Reserve Fund**

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

**Modified Cash Basis - Budget to Actual**

**Year Ended June 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES:</u></b>				
Payments in-lieu of taxes	\$ 1,000,000	\$ 1,000,000	\$ 1,057,363	\$ 57,363
Interest	15,000	15,000	54,579	39,579
Total revenues	<u>1,015,000</u>	<u>1,015,000</u>	<u>1,111,942</u>	<u>96,942</u>
<b><u>EXPENDITURES</u></b>				
Materials & services	21,200	21,200	15,400	5,800
Contingency	<u>3,153,800</u>	<u>2,453,800</u>	<u>-</u>	<u>2,453,800</u>
Total expenditures	<u>3,175,000</u>	<u>2,475,000</u>	<u>15,400</u>	<u>2,459,600</u>
<b><u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u></b>				
	(2,160,000)	(1,460,000)	1,096,542	2,556,542
<b><u>OTHER FINANCING SOURCES (USES):</u></b>				
Operating transfers in	-	-	277,500	277,500
Operating transfers out	<u>(500,000)</u>	<u>(1,200,000)</u>	<u>(700,000)</u>	<u>500,000</u>
Total other financing sources (uses)	<u>(500,000)</u>	<u>(1,200,000)</u>	<u>(422,500)</u>	<u>777,500</u>
<b><u>NET CHANGE IN FUND BALANCES</u></b>				
	(2,660,000)	(2,660,000)	674,042	3,334,042
<b><u>FUND BALANCES, BEGINNING</u></b>				
	<u>2,660,000</u>	<u>2,660,000</u>	<u>2,947,672</u>	<u>287,672</u>
<b><u>FUND BALANCES, ENDING</u></b>				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,621,714</u>	<u>\$ 3,621,714</u>

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

UMATILLA COUNTY, OREGON

Statement of Net Position - Modified Cash Basis

Proprietary Funds

June 30, 2018

	<u>Governmental Activities Internal Service Fund - Fleet Management</u>
<b><u>ASSETS:</u></b>	
Cash and investments	\$ 520,578
Total assets	<u>520,578</u>
<b><u>LIABILITIES:</u></b>	<u>-</u>
<b><u>NET POSITION:</u></b>	
Unrestricted	<u>\$ 520,578</u>

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

UMATILLA COUNTY, OREGON

Statement of Revenues, Expenses, and Changes in Net Position -  
Modified Cash Basis  
Proprietary Funds  
Year Ended June 30, 2018

	<u>Governmental Activities Internal Service Fund - Fleet Management</u>
<b><u>OPERATING REVENUES:</u></b>	
Miscellaneous revenue	\$ 37,843
<b><u>OPERATING EXPENSES:</u></b>	
Materials & services	600
Capital outlay	215,656
Total operating expenses	<u>216,256</u>
Operating income (loss)	<u>(178,413)</u>
<b><u>NONOPERATING REVENUES:</u></b>	
Interest revenues	8,442
Operating transfers in	215,655
Total nonoperating revenues	<u>224,097</u>
<b><u>CHANGE IN NET POSITION</u></b>	45,684
<b><u>TOTAL NET POSITION, BEGINNING</u></b>	<u>474,894</u>
<b><u>TOTAL NET POSITION, ENDING</u></b>	<u>\$ 520,578</u>

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

**UMATILLA COUNTY, OREGON**

**Statement of Cash Flows -**  
**Modified Cash Basis**  
**Proprietary Funds**  
**Year Ended June 30, 2018**

	<u>Governmental Activities Internal Service Fund - Fleet Management</u>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES:</u></b>	
Cash receipts	\$ 37,843
Payments to suppliers	(216,256)
Total cash flows from operating activities	<u>(178,413)</u>
<b><u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</u></b>	
Transfers from other funds	<u>215,656</u>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES:</u></b>	
Interest revenues	<u>8,442</u>
<b><u>NET DECREASE IN CASH AND INVESTMENTS</u></b>	45,685
<b><u>CASH AND INVESTMENTS, BEGINNING OF YEAR</u></b>	<u>474,894</u>
<b><u>CASH AND INVESTMENTS, ENDING OF YEAR</u></b>	<u>\$ 520,579</u>

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

UMATILLA COUNTY, OREGON

Agency Funds

Statement of Fiduciary Net Position - Modified Cash Basis

June 30, 2018

	<u>Agency Funds</u>
<b><u>ASSETS:</u></b>	
Cash and investments	\$ 701,281
Total assets	<u>701,281</u>
<b><u>LIABILITIES:</u></b>	
Payable to other entities - sheriff accounts	167,971
Payable to other entities - finance department accounts	<u>533,310</u>
Total liabilities	<u>701,281</u>
<b><u>NET POSITION:</u></b>	<u>\$ -</u>

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

**UMATILLA COUNTY, OREGON**

**Notes to Basic Financial Statements**

**June 30, 2018**

**NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

The financial statements of Umatilla County, Oregon (the County) have been prepared in accordance with the modified cash basis of reporting as applicable to municipal governments. This modified basis of accounting differs from accounting principles generally accepted in the United States of America. To the extent they are applicable to the modified basis of reporting, the County applies all relevant Governmental Accounting Standards Board (GASB) pronouncements.

The more significant of the County's accounting policies are described below.

**Reporting Entity:**

Umatilla County, Oregon, was organized under statutory provisions of Oregon law on September 27, 1862. The County elected to be governed under Home Rule in 1992. The government of Umatilla County is vested in three county commissioners. Each commissioner is elected at large for a term of four years. The three commissioners exercise governance responsibilities over all activities related to county operations within the jurisdiction set by the State of Oregon. The commissioners, on behalf of the County, receive funding from local, state, and federal government sources and must comply with the requirements of these funding source entities. However, the commissioners are not included in any other governmental "reporting entity" as defined in Section 2100, codification of governmental accounting and financial reporting standards, since they are elected by the public and have decision-making authority, the power to designate management, the responsibility to significantly influence operations and primary accountability for fiscal matters. No other entities met requirements for inclusion as a component unit in the financial statements.

**Description of Government-Wide Financial Statements:**

The government-wide financial statements (the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the County. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The County had no business-type activities for the year ended June 30, 2018.



**UMATILLA COUNTY, OREGON**

**Notes to Basic Financial Statements**

**June 30, 2018**

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

**Description of Government-Wide Financial Statements (continued):**

The government-wide financial statements use the economic resource measurement focus, and are presented on the modified cash basis of accounting, as are the proprietary and fiduciary fund financial statements. The modified cash basis of accounting is based on the recording of cash and cash equivalents and changes therein, and only recognizes revenues, expenses, assets, and liabilities resulting from cash transactions, adjusted for modifications that have substantial support in generally accepted accounting principles. Only cash (and cash equivalents) and items that involve the receipt or disbursement of cash (or cash equivalents) during the period are recognized, except for the following modifications: 1) fixed assets with an original cost over \$5,000 and an estimated useful life longer than one year are capitalized and depreciated; 2) long-term debts have been recorded in the statement of net position. 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 County proprietary funds and various other function of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

As a result of the use of this modified cash basis of accounting, certain transactions are not recorded in the financial statements. For example, accounts receivables, accounts payables, and accrued expenses are not reported. Additionally, equity investments in joint ventures are also not reported.

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

**Description of Fund Financial Statements:**

The fund financial statements provide information about the government's funds. Separate statements for each fund category, governmental, proprietary, and fiduciary funds are presented. Fiduciary funds are excluded from the government-wide financial statements. The emphasis of fund financial statements is on major funds, each displayed in a separate column. All remaining funds are aggregated and reported as nonmajor funds. The fund financial statements are presented on the modified cash basis of accounting, and use the current financial resource measurement focus.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally results from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**UMATILLA COUNTY, OREGON**

**Notes to Basic Financial Statements**

**June 30, 2018**

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

**Description of Fund Financial Statements (continued):**

Since the governmental fund statements are presented on a different measurement focus than the government-wide statements column, a reconciliation is necessary to explain the adjustments needed to transform the fund based financial statements into the governmental column of the government-wide presentation. This reconciliation is part of the financial statements.

The County may fund certain programs by a combination of specific cost-reimbursement grants, restricted federal funds that are payments in lieu of taxes, limited categorical block grants, and general revenues. When program expenses are incurred for which both restricted and unrestricted net position are available to finance the program, it is the County's policy to first apply restricted resources to such programs, followed by general resources.

The financial activities of the County are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. The various funds are reported by generic classification within the financial statements. There are stated minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. Non-major funds are combined in a column in the fund financial statements and detailed in the combining section. The County reports the following major governmental funds:

- The General Fund -- This is the County's primary operating fund. It is used to account for all financial resources except those required to be accounted for in another fund. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund.
- The Public Works Fund -- Accounts for the expenditures for construction, reconstruction, improvement, repair, maintenance, operations and use of public highways, roads and streets within the County.
- The PERS Reserve Fund -- Accounts for potential costs associated with increases or court decisions related to PERS

Additionally, the County reports the following fund types:

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

Debt Service Funds account for the accumulation of resources and payment of principal and interest on general obligations and other long-term debt.

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

**UMATILLA COUNTY, OREGON**

**Notes to Basic Financial Statements**  
**June 30, 2018**

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

**Description of Fund Financial Statements (continued):**

Internal Service Funds account for the printing, communication and information, and vehicle services provided by one department to other departments of the County on a cost-reimbursement basis.

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

**Assets, liabilities, and net position/fund balance:**

**Cash and investments:**

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

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

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

For purposes of the statement of cash flows, proprietary fund types consider all highly liquid debt instruments with a maturity of three months or less when purchased to be cash equivalents.

**Inventories:**

The Public Works Fund has significant inventories. These inventories are not recorded as assets. Inventory items are recorded as expenditures when purchased and remain constant from year to year.

**Net position flow assumptions:**

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

**UMATILLA COUNTY, OREGON**

**Notes to Basic Financial Statements**

**June 30, 2018**

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

**Fund balance flow assumptions:**

Sometimes the County will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered applied. It is the County's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first followed by assigned fund balance. Unassigned fund balance is applied last.

**Fund balance policies:**

In the fund financial statements, the fund balance for governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The County itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

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

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

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

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

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

**UMATILLA COUNTY, OREGON**

**Notes to Basic Financial Statements**

**June 30, 2018**

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

Fund balances by classification for the year ended June 30, 2018 were as follows:

	General	Public Works	PERS Reserve	Other Governmental	Total Governmental Funds
<b>Fund balances</b>					
Restricted:					
Debt service	\$ -	\$ -	\$ -	\$ 66,397	\$ 66,397
Capital projects	-	-	-	402	402
Public safety	-	-	-	2,214,425	2,214,425
Highways and streets	-	5,538,145	-	225,856	5,764,001
Culture and recreation	-	-	-	164,838	164,838
Education	-	-	-	90,550	90,550
Health	-	-	-	1,989,356	1,989,356
General government	-	-	-	829,801	829,801
<b>Total restricted</b>	<b>-</b>	<b>5,538,145</b>	<b>-</b>	<b>5,581,625</b>	<b>11,119,770</b>
Committed:					
Debt service	-	-	-	1,849,416	1,849,416
Highways and streets	-	-	-	347,758	347,758
Culture and recreation	-	-	-	175,224	175,224
Health	-	-	-	868,549	868,549
General government	-	-	3,621,714	2,145,366	5,767,080
<b>Total committed</b>	<b>-</b>	<b>-</b>	<b>3,621,714</b>	<b>5,386,313</b>	<b>9,008,027</b>
Assigned:					
Capital projects	-	-	-	165,348	165,348
Culture and recreation	-	-	-	30,004	30,004
General government	-	-	-	2,761	2,761
<b>Total assigned</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>198,113</b>	<b>198,113</b>
Unassigned	5,663,265	-	-	-	5,663,265
<b>Ending fund balance</b>	<b>\$ 5,663,265</b>	<b>\$ 5,538,145</b>	<b>\$ 3,621,714</b>	<b>\$ 11,166,051</b>	<b>\$ 25,989,175</b>

The amount of restricted fund balances restricted by enabling legislation is \$5,538,145.

UMATILLA COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2018

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

Property taxes:

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

Capital assets:

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental columns in the government-wide financial statements. Capital assets are charged to expenditures as purchased in the governmental fund statements for budget comparison as capital outlay. Capital assets are recorded at historical cost or estimated historical cost. Donated assets are recorded at estimated fair market value as of the date of the donation.

Capital assets are defined by the County as assets with an initial, individual cost of \$5,000 or more, and an estimated useful life of greater than one year. Additions or improvements and other capital outlays that significantly extend the useful life of an asset, or that significantly increase the capacity of an asset are capitalized. Other costs for repairs and maintenance are expensed as incurred.

Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, including roads and bridges, are also capitalized in the government-wide financial statements. These fixed assets and the associated accumulated depreciation have been provided for in the government-wide financial statements.

Depreciation on exhaustible assets is recorded as an allocated expense in the Statement of Activities with accumulated depreciation reflected in the Statement of Net Position and is provided on the straight-line basis over the following estimated useful lives:

Street system	40 years
Buildings	50 years
Bridges	20 - 50 years
Furniture and equipment	3 - 20 years

Interest incurred during construction phases of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. During the year, the County incurred no interest expense for capital assets:

Long-term debt:

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

**UMATILLA COUNTY, OREGON**

**Notes to Basic Financial Statements**

**June 30, 2018**

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

**Compensated absences:**

Accumulated vested vacation pay is not accrued for governmental funds, since the modified cash basis of accounting is being used. Sick pay, which does not vest, is recognized in all funds when leave is taken.

**Income taxes:**

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

**Leases:**

Leases which meet certain criteria established by the Financial Accounting Standards Board are classified as capital leases, and the assets and related liabilities are recorded at amounts equal to the lesser of the present value of minimum lease payments or the fair value of the leased property at the beginning of the respective lease term. Leases which do not meet the criteria of a capital lease are classified as operating leases.

**Short term interfund receivables and payables:**

During the course of operation, numerous transactions occur between individual funds for goods provided or services rendered. If any remain at the end of the year, these receivables and payables are classified as "Due from Other Funds" or "Due to Other Funds" on the Balance Sheet - Modified Cash Basis - Governmental Funds.

**Interfund transactions:**

Quasi-external transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as revenue in the fund that is reimbursed.

**Use of estimates:**

In preparing the County's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues during the reporting period. Actual results could differ from those estimates.

**UMATILLA COUNTY, OREGON**

**Notes to Basic Financial Statements**

**June 30, 2018**

**NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY:**

**Budget procedures:**

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

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

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

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



**UMATILLA COUNTY, OREGON**

**Notes to Basic Financial Statements**

**June 30, 2018**

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

The county adopted numerous supplemental budgets during the fiscal year.

5. The following funds legally adopt annual budgets:

General fund, all special revenue funds, all capital project funds, all debt service funds, and all internal service funds.

6. The agency funds do not adopt annual budgets. These funds are not used to expend funds for County activities or functions.

7. Expenditures may not legally exceed budget appropriations at the departmental level of control in most funds. Appropriations are made at various legal levels of control for each fund.

8. For budget preparation, capital lease proceeds and related capital outlay expenditures are recorded when the capital lease payments are disbursed.

**NOTE 3 – CASH AND INVESTMENTS:**

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

Cash:

Demand deposits	\$ (355,221)
Money market accounts	<u>876,783</u>
Total cash	<u>521,562</u>

Investments:

		Percentage of Total Investments	Weighted Avg. Maturity (Years)
Oregon Local Government Investment Pool	<u>26,689,472</u>	100%	<u>0.003</u>
Total investments	<u>26,689,472</u>	<u>100%</u>	
Total cash and investments	<u><u>\$27,211,034</u></u>		

Total investment portfolio weighted average maturities 0.003

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

Cash and investments - governmental activities	\$26,509,753
Statement of fiduciary net position	<u>701,281</u>
	<u><u>\$27,211,034</u></u>

**UMATILLA COUNTY, OREGON**

**Notes to Basic Financial Statements**

**June 30, 2018**

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

**Custodial Credit Risk - Deposits**

Custodial credit risk on deposits is the risk that in the event of a bank failure, the County's deposits may not be returned to it. Oregon Revised Statutes Chapter 295 governs the collateralization of Oregon public funds and provides the statutory requirements for the Public Funds Collateralization Program (PFCP). ORS 295 requires the qualified depository to pledge collateral against any public funds deposits in excess of deposit insurance amounts set by the FDIC. The County maintains its funds at financial institutions deemed to be qualified depositories by the Office of the State Treasurer; however, the County does not have a formal deposit policy that addresses custodial credit risk. During the fiscal year ended June 30, 2018 the County's bank balances exceeded the \$250,000 FDIC insurance limitation and were therefore exposed to custodial credit risk, to the extent they were not covered by the PFCP.

**Interest Rate Risk - Investments**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. As a means of limiting its exposure to fair value losses arising from rising interest rates, the County investment policy requires that a minimum of 80% of the County's investment portfolio have maturities of 18 months or less and that the remaining 20% of the County's investments must have maturities of 24 months or less. All of the County's investments on June 30, 2018 have maturities of 18 months or less.

**Credit Risk - Investments**

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. Oregon Revised Statutes authorizes the County to invest primarily in general obligations of the US Government and its agencies, debt obligations of the state of Oregon, California, Idaho, and Washington and their political subdivisions, banker's acceptances, corporate indebtedness, commercial paper, repurchase agreements, time certificates of deposit, fixed or variable life insurance contracts, the State Treasurer's Local Government Investment Pool, among others. The County's investment policy has been approved by the County Commissioners and specifies the County's investment objectives, required diversification, certain limitations and reporting requirements. As of June 30, 2018, the County's investment in U.S. Government agencies is limited to 75% of the portfolio and 50% in any single government sponsored enterprise. The County's investment in the Oregon State Treasurer's investment pool is not rated and is treated as a cash equivalent on the Statement of Net Position.

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

**UMATILLA COUNTY, OREGON**

**Notes to Basic Financial Statements**

**June 30, 2018**

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

**Concentration Risk - Investments**

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The County's investment policy provides that the maximum that may be invested in any one issuer, as a percentage of the funds total investments, is 100% for U.S. Treasury, 75% for U.S. Government agencies with 50% of this amount in a single government sponsored enterprise, 100% in the State of Oregon Investment Pool or the maximum imposed by state statute, 25% in Certificates of Deposit with 30% of this amount in any single qualified financial institution, 20% for Commercial paper and Commercial notes with 5% of this amount in any one corporation, subsidiaries or affiliates, 25% for State and Local Government Securities, 25% for Repurchase Agreements with 10% of this amount in any single qualified financial institution. On June 30, 2018, the County did not hold investments with any one issuer that exceeded these limits.

**Custodial Credit Risk - Investments**

Custodial credit risk is the risk that, in the event of the failure of the counterparty to a transaction, the government will not be able to recover the value of an investment or collateral securities in the possession of an outside party. The County's investment policy provides that brokers/dealers and financial institutions meet certain qualifications, which are reviewed annually. The Local Government Investment Pool is not subject to custodial credit risk because it is not evidenced by securities that exist in physical or book entry form.

**NOTE 4 – SPECIAL ASSESSMENTS:**

Special assessments are the result of improvements made to the Nelson Lane Road Local Improvement District, Poverty Flats Road Local Improvement District, and Culp Road Local Improvement District.

Changes to special assessments receivable consisted of the following:

Balance, July 1, 2017	\$ 20,679
Collections	(3,985)
Interest included	<u>342</u>
Balance June 30, 2018	<u>\$ 17,036</u>

**UMATILLA COUNTY, OREGON**

**Notes to Basic Financial Statements**

**June 30, 2018**

**NOTE 5 - CAPITAL ASSETS:**

Capital asset activity for the year ended June 30, 2018 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 1,311,575	\$ -	\$ -	\$ 1,311,575
Construction in progress	90,637	221,037	(19,820)	291,854
Total capital assets, not being depreciated	<u>1,402,212</u>	<u>221,037</u>	<u>(19,820)</u>	<u>1,603,429</u>
Capital assets, being depreciated:				
Buildings and improvements	25,917,500	66,888	(77,888)	25,906,500
Machinery and equipment	16,143,216	1,953,926	(901,844)	17,195,298
Infrastructure	128,159,429	-	(748,852)	127,410,577
Total capital assets being depreciated	<u>170,220,145</u>	<u>2,020,814</u>	<u>(1,728,584)</u>	<u>170,512,375</u>
Less accumulated depreciation for:				
Buildings and improvements	(11,251,071)	(693,752)	77,888	(11,866,935)
Machinery and equipment	(13,133,852)	(1,291,392)	894,146	(13,531,098)
Infrastructure	(79,758,590)	(3,017,683)	494,270	(82,282,003)
Total accumulated depreciation	<u>(104,143,513)</u>	<u>(5,002,827)</u>	<u>1,466,304</u>	<u>(107,680,036)</u>
Total capital assets being depreciated, net	<u>66,076,632</u>	<u>(2,982,013)</u>	<u>(262,280)</u>	<u>62,832,339</u>
Governmental activities capital assets, net	<u>\$ 67,478,844</u>	<u>\$(2,760,976)</u>	<u>\$ (282,100)</u>	<u>\$ 64,435,768</u>

Depreciation was charged to functions and programs as follows:

	<u>Governmental Activities</u>
General government	\$ 797,861
Public safety	336,572
Highways and streets	3,781,007
Cultural and recreation	15,554
Health	71,833
	<u>\$ 5,002,827</u>

**UMATILLA COUNTY, OREGON**

**Notes To Basic Financial Statements**

**June 30, 2018**

**NOTE 6 - LONG TERM DEBT:**

The table below presents current year changes in long-term debt, and the current portions for each issue:

<u>Governmental activities:</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due in Current Year</u>
<b>Bonded Debt:</b>					
2005 PERS bond issue	\$11,600,000	\$ -	\$ (600,000)	\$ 11,000,000	\$ 685,000
<b>Total bonded debt</b>	<b>11,600,000</b>	<b>-</b>	<b>(600,000)</b>	<b>11,000,000</b>	<b>685,000</b>
<b>Notes payable:</b>					
Reith wastewater	226,967	-	(19,186)	207,781	19,663
Boiler replacement	5,391	-	(5,391)	-	-
EOAF detox center	194,823	-	(24,824)	169,999	12,159
<b>Total notes payable</b>	<b>427,181</b>	<b>-</b>	<b>(49,401)</b>	<b>377,780</b>	<b>31,822</b>
<b>Capital leases:</b>					
Wheel loader	303,935	-	(20,626)	283,309	21,276
<b>Total capital leases</b>	<b>303,935</b>	<b>-</b>	<b>(20,626)</b>	<b>283,309</b>	<b>21,276</b>
<b>Total governmental activities</b>	<b>\$12,331,116</b>	<b>\$ -</b>	<b>\$ (670,027)</b>	<b>\$ 11,661,089</b>	<b>\$ 738,098</b>

**General obligations bonds:**

General obligation bonds are direct obligations and pledge the full faith and credit of the County. The County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities.

*Series 2005 Limited Tax Pension Bonds:*

On September 23, 2005, the County, through participation in the Local Government Pension Bond Pool, issued Limited Tax Pension Obligation Bonds, Series 2005. The County issued these bonds to satisfy its estimated PERS Unfunded Actuarial Liability. The limited tax pension bonds were issued with the principal amount of the issue being \$13,970,000. The bonds carry fixed interest rates ranging from 2.50% to 5.004% with the first payment due June 1, 2006. Principal amounts of the issue are redeemed annually beginning June 1, 2008, with the final coupon payment on June 1, 2028.

**UMATILLA COUNTY, OREGON**

**Notes To Basic Financial Statements**

**June 30, 2018**

**NOTE 6 - LONG TERM DEBT (continued):**

Annual debt service requirements to maturity for general obligation bonds are as follows:

Year Ending June 30,	Principal	Interest	Annual Debt Service
2019	\$ 685,000	\$ 548,316	\$ 1,233,316
2020	780,000	515,032	1,295,032
2021	880,000	477,131	1,357,131
2022	990,000	433,096	1,423,096
2023	1,110,000	383,557	1,493,557
2024-2028	6,555,000	950,510	7,505,510
Totals	<u>\$ 11,000,000</u>	<u>\$ 3,307,642</u>	<u>\$ 14,307,642</u>

**Notes payable:**

*Department of Environmental Quality-Reith Wastewater Project Loan:*

The County entered into a contract with the State of Oregon Department of Environmental Quality for a loan in the Clean Water State Revolving Loan Fund during the fiscal year ended June 30, 2005. This revolving loan allows the County to draw funds from the Revolving Loan Fund up to an approved maximum amount for the construction of a new wastewater collection system for the community of Reith, Oregon. Payments will be due semi-annually including interest at 2.47 percent of the outstanding balance for twenty years from the date of the first disbursement. The County's drawn-upon loan balance was \$381,000. The loan is required to have a loan reserve equal to 100% times one-half of the average annual debt service based on the final repayment schedule. At this time, the reserve is estimated to be \$12,306, which is required to be held by the County in segregated loan reserve account.

*Oregon Department of Energy-Justice Center Heating & DHW Boilers Loan:*

The County entered into a contract with the State of Oregon Department of Energy for a loan in the amount of \$130,000 to replace the boilers in the Justice Center during the year ended June 30, 2008. Monthly payments of \$1,373 will be due including interest at 4.9 percent of the outstanding balance for ten years. The loan was paid off in the current fiscal year.

**UMATILLA COUNTY, OREGON**

**Notes To Basic Financial Statements**

**June 30, 2018**

**NOTE 6 - LONG TERM DEBT (continued):**

*Oregon Public Works Fund-EOAF Detoxification Center Loan:*

The County entered into a contract with the State of Oregon Economic Community Development Department for a loan in the Special Public Works Loan Fund during the fiscal year ended June 30, 2008. This loan was for the construction for the Eastern Oregon Alcoholism Foundation's Detoxification Center project. Annual payments of \$22,186 will be due including interest at 3.71 percent of the outstanding balance for twenty five years. The total funds drawn were \$313,908.

Future maturities of notes payable principal and interest consist of the following:

Year Ending June 30,	Principal	Interest	Annual Debt Service
2019	\$ 31,822	\$ 12,400	\$ 44,222
2020	32,401	13,193	45,594
2021	33,004	12,089	45,093
2022	33,611	10,878	44,489
2023	39,259	9,625	48,884
2024-2028	189,258	24,875	214,133
2029-2033	18,425	904	19,329
Totals	<u>\$ 377,780</u>	<u>\$ 83,964</u>	<u>\$ 461,744</u>

**Capital lease obligations:**

Lease purchase agreement payable in annual installments of \$30,200, including interest at 3.15%, collateralized by CAT Model 966M wheel loader. A balloon payment of \$224,300 is due during the 2021-22 fiscal year to pay off the obligation in full. Future minimum lease obligations as of June 30, 2018, are as follows:

Year Ending June 30, 2018	Lease Payments
2019	30,200
2020	30,200
2021	30,200
2022	224,300
Amount representing interest	(31,591)
Present value of minimum lease payments	<u>\$ 283,309</u>

**UMATILLA COUNTY, OREGON**

**Notes To Basic Financial Statements**

**June 30, 2018**

**NOTE 7 - COMMITMENTS AND CONTINGENCIES:**

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal and state government. Any unforeseen disallowed claims, including amounts already collected, could become a liability of the General Fund or other applicable funds. Management believes that adjustments, if any, will not materially affect the County's financial position.

The County is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of County Counsel the resolution of these matters will not have a material adverse effect on the financial condition of the County.

**NOTE 8 - INTERFUND TRANSACTIONS:**

During the course of normal operations, the County has numerous transactions between funds including expenditures and transfers of resources primarily to provide services. The governmental and proprietary funds financial statements generally reflect such transactions as transfers. All transfers are routine in nature.

The following are the County's interfund transfers for the year ended June 30, 2018:

<u>Transfer From</u>	<u>Transfer To</u>	<u>Purpose</u>	<u>Amount</u>
Foreclosed Property	General	To supplement operations	\$ 32,592
Corrections Assessment	General	To supplement operations	64,377
Law Library	General	To supplement operations	35,000
General	Special Services	To supplement operations	213,008
General	911 Dispatch	To supplement operations	1,121,377
General	Public Works	To supplement operations	169,057
General	Debt Service Fund	To fund payments for long term debt	4,850
General	Veteran Services	To supplement operations	6,430
General	PERS Reserve	To supplement operations	277,500
Criminal	Fleet Management	To supplement operations	15,000
Corrections Assessment	Human Services	To supplement operations	42,919
Corrections Assessment	Community Corrections	To supplement corrections operations	21,459
911 Dispatch	Dispatch Reserve	To fund future requirements	105,847
PERS Reserve	EOTEC Reserve	To supplement operations	700,000
Community Benefit Plans	EOTEC Reserve	To supplement operations	80,000
Community Benefit Plans	Capital Purchase Mgmt	To supplement operations	143,981
Community Benefit Plans	Fleet Management	To supplement operations	200,656
Community Benefit Plans	2050 Plan Fund	To supplement operations	20,000
		Total	<u>\$ 3,254,053</u>



**UMATILLA COUNTY, OREGON**

**Notes to Basic Financial Statements**

**June 30, 2018**

**NOTE 9 - PENSION PLAN - OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM:**

Because the financial statements have been prepared on a modified cash basis of accounting, pension liabilities and the related deferred inflows and outflows of resources have not been recorded in the financial statements. Pension expenditures are recorded when the disbursements are made. If the financial statements were prepared in accordance with accounting principles generally accepted in the United States of America, the following information would have been included:

The Oregon Public Employees Retirement System consists of a single cost-sharing multiple employer defined benefit pension plan, which provides pension, death and disability benefits.

**Tier One/Tier Two Retirement Benefit (Chapter 238).**

Tier One/Tier Two Retirement Benefit plan is closed to new members hired on or after August 29, 2003.

**Pension Benefits**

The PERS retirement allowance is payable monthly for life. The basic benefit is based on years of service and final average salary. Generally, a percentage (2.0 percent for police and fire employees, 1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary.

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer (age 45 for police and fire members). General service employees may retire after reaching age 55. Police and fire members are eligible after reaching age 50. Tier Two 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, if certain conditions are met.

**Disability Benefits**

Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.

**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. Under current law, the cap on the COLA in fiscal year 2015 and beyond will vary based on 1.25 percent on the first \$60,000 of annual benefit and 0.15 percent on annual benefits above \$60,000.

**UMATILLA COUNTY, OREGON**

**Notes to Basic Financial Statements**

**June 30, 2018**

**NOTE 9-PENSION PLAN-OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM (continued):**

**OPSRP Pension Program (ORS Chapter 238A)**

**Pension Benefits.**

The Pension Program provides benefits to members hired on or after August 29, 2003. This portion of OPSRP provides a life pension funded by employer contributions. Benefits are based on years of service and final average salary.

For police and fire, 1.8 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire member, is age 60 or age 53 with 25 years of retirement credit.

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

A member of the 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 percent 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 percent of the member's salary determined as of the last full month of employment before the disability occurred.

**Benefit Changes After Retirement**

Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes. Under current law, the cap on the COLA in fiscal year 2015 and beyond will vary based on 1.25 percent on the first \$60,000 of annual benefit and 0.15 percent on annual benefits above \$60,000.

**OPSRP Individual Account Program (OPSRP IAP)**

**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.

**UMATILLA COUNTY, OREGON**

**Notes to Basic Financial Statements**

**June 30, 2018**

**NOTE 9-PENSION PLAN-OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM:**

**(continued):**

Upon retirement, a member of the OPSRP Individual Account Program (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.

**Recordkeeping**

PERS contracts with VOYA Financial to maintain IAP participant records.

**Contributions:**

PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. Employer contribution rates during the period were based on the December 31, 2015 actuarial valuation. Covered employees are required to contribute 6.00% of wages and the employer is required to contribute 15.94% of Tier 1/Tier 2 wages, 7.6% of OPSRP general service wages, and 12.38% of OPSRP police and fire wages. The County pays the 6% on behalf of the employee.

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

**Pension Liabilities, Pension Expense, and Deferred Inflows and Outflows of Resources:**

At June 30, 2018, the County reported a liability of \$19,497,304 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. At June 30, 2017, the County's proportion was 0.14463835%, which was higher than its proportionate share measured as of June 30, 2016 which was .13388831%.

**UMATILLA COUNTY, OREGON**

**Notes to Basic Financial Statements**

**June 30, 2018**

**NOTE 9 - PENSION PLAN - OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM**

**(continued):**

**Pension Liabilities, Pension Expense, and Deferred Inflows and Outflows of Resources (continued):**

For the year ended June 30, 2018, the County recognized pension expense of \$4,177,997, and reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 942,898	\$ -
Changes of assumptions	3,554,011	-
Net difference between projected and actual earnings on investments	200,868	-
Changes in proportional share	788,086	25,954
Differences between employer contributions and employer's proportional share of system contributions	-	587,334
Contributions subsequent to measurement date	1,694,088	-
Total as of June 30, 2018	<u>\$ 7,179,951</u>	<u>\$ 613,288</u>

Amounts reported as deferred outflows or inflows of resources related to pension will be recognized in pension expense/(income) as follows:

<u>Fiscal Year ended</u>	<u>Deferred Outflow/(Inflow) of Resources (prior to post- measurement date contributions)</u>
June 30, 2018	\$ 900,380
June 30, 2019	2,496,848
June 30, 2020	1,760,171
June 30, 2021	(348,461)
June 30, 2022	63,637
Total	<u>\$ 4,872,575</u>

**UMATILLA COUNTY, OREGON**

**Notes to Basic Financial Statements**

**June 30, 2018**

**NOTE 9 - PENSION PLAN - OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM**

**(continued):**

**Actuarial Valuations:**

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

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

**Actuarial Methods and Assumptions Used in Developing Total Pension Liability:**

Valuation Date	December 31, 2015
Experience Study Report	2014, published September 2015
Actuarial cost method	Entry Age Normal
Amortization method	Amortized as a level percentage of combined payroll. Tier One/Tier Two UAL is amortized over 20 years and OPSRP pension UAL is amortized over 16 years.
Asset valuation method	Market value of assets, excluding reserves

**Actuarial assumptions:**

Inflation rate	2.50 percent
Investment rate of return	7.50 percent
Projected salary increases	3.50 percent overall payroll growth; salaries for individuals are assumed to grow at 3.50 percent plus assumed rates of merit/longevity increases based on service.

**Mortality**

Healthy retirees and beneficiaries:

RP-2000 Sex-distinct, generational per Scale BB, with collar adjustments and set-backs as described in the valuation.

Active members:

Mortality rates are a percentage of healthy retiree rates that vary by group, as described in the valuation.

Disabled retirees:

Mortality rates are a percentage (70% for males, 95% for females) of the RP-2000 sex-distinct, generational per Scale BB, disabled mortality

**UMATILLA COUNTY, OREGON**

**Notes to Basic Financial Statements**

**June 30, 2018**

**NOTE 9 - PENSION PLAN - OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM**

**(continued):**

**Actuarial Methods and Assumptions Used in Developing Total Pension Liability (continued):**

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far in to 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 2014 Experience Study which reviewed experience for the four-year period ending on December 31, 2014.

**Discount Rate:**

The discount rate used to measure the total pension liability was 7.50 percent for the Defined Pension Plan. 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 Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

**Assumed Asset Allocation:**

<b>Asset Class/Strategy:</b>	<b>Low Range</b>	<b>High Range</b>	<b>OIC Target</b>
Cash	- %	3.0 %	- %
Debt Securities	15.0	25.0	20.0
Public Equity	32.5	42.5	37.5
Private Equity	14.0	21.0	17.5
Real Estate	9.5	15.5	12.5
Alternative Equity	-	12.5	12.5
Opportunity Portfolio	-	3.0	-
Total			100.0 %

**Long-Term Expected Rate of Return:**

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

**UMATILLA COUNTY, OREGON**

**Notes to Basic Financial Statements**

**June 30, 2018**

**NOTE 9 - PENSION PLAN - OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM**

**(continued):**

**Long-Term Expected Rate of Return (Continued):**

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

**Sensitivity Analysis :**

	1% Decrease (6.5%)	Current Discount Rate	1% Increase (8.5%)
<b>Employers' Net Pension Liability:</b>			
<b>Defined Benefit Pension Plan:</b>	\$ 33,226,966	\$ 19,497,304	\$ 8,016,764

Oregon PERS produces an independently audited CAFR which can be found at:  
<http://www.oregon.gov/pers/Documents/Financials/CAFR/2018-CAFR.pdf>.

**UMATILLA COUNTY, OREGON**

**Notes to Basic Financial Statements**

**June 30, 2018**

**NOTE 9 - PENSION PLAN - OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM**

**(continued):**

**Changes in Plan Provisions:**

GASB 68 requires employers to briefly describe any changes between the Measurement Date and the employer's reporting date that are expected to have a significant effect on the employer's share of the collective Net Pension Liability, along with an estimate of the resulting change, if available. We are not aware of any changes that meet this disclosure requirement.

**NOTE 10 - DEFERRED COMPENSATION PLAN:**

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

The County funds all amounts of compensation deferred under the plan, at the direction of the covered employee, through investments in fixed and variable rate annuity contracts underwritten by insurance companies. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the County subject only to the claims of general creditors. Participants' rights under the plan are equal to those of general creditors in an amount equal to the fair market value of the deferred amount of each participant.

The County has no liability for losses under the plan, but does have the duty of due care that would be required of an ordinary prudent investor. The County believes that it is unlikely that it will use the assets to satisfy the claims of general creditors in the future.

**NOTE 11 - POST EMPLOYMENT HEALTH CARE PLAN:**

The County operates a single-employer retiree benefit plan which provides medical benefits insurance for retirees and their dependents under the age of 65. There are 299 active employees and 5 eligible retired members in the plan. Eligible retirees pay the same premium for the medical benefit insurance as active employees, which results in an implicit subsidy and an OPEB liability.

The contribution requirements of plan members are established by and may be amended by the County. The County currently finances the retiree benefit plan on a pay-as-you-go basis. The most recent active member monthly premiums for the County and plan members are \$955 for single coverage and \$2,762 for family coverage. The same monthly premiums apply to retirees. For the year ended June 30, 2018, the retired employees contributed \$78,009 to the plan.



**UMATILLA COUNTY, OREGON**

**Notes to Basic Financial Statements**

**June 30, 2018**

**NOTE 11 - POST EMPLOYMENT HEALTH CARE PLAN (continued):**

Because the financial statements have been prepared on a modified cash basis of accounting, other postemployment benefit (OPEB) liabilities and the related deferred inflows and outflows of resources have not been recorded in the financial statements. OPEB expenditures are recorded when the disbursements are made. If the financial statements were prepared in accordance with accounting principles generally accepted in the United States of America, the following information would have been included:

The County's annual other postemployment benefit (OPEB) liability is determined using the normal actuarial cost allocation method in accordance with the parameters of GASB Statement No. 75. In addition, GASB 75 requires that the allocation of costs for accounting purposes be made as a level percentage of employee's projected pay, including future anticipated pay increases. The following table shows the total OPEB liability as of June 30, 2018, based on the July 1, 2016 valuation date and a June 30, 2017 measurement date. The total OPEB liability was determined by an actuarial valuation as of the valuation date, calculated based on the discount rate and actuarial assumptions below, and was then projected forward to the measurement date.

	Year Ended June 30, 2017	Year Ended June 30, 2018
Total OPEB liability	\$ 2,117,459	\$ 2,168,352
Covered payroll	\$ 15,202,999	\$ 15,331,656
Total OPEB liability as a % of covered payroll	13.93%	14.14%
Discount rate	2.85%	3.58%

Other Key Actuarial Assumptions and Methods:

Valuation date	July 1, 2016	July 1, 2016
Measurement Date	June 30, 2016	June 30, 2017
Inflation	2.50%	2.50%
Salary Increases	3.50%	3.50%
Healthy Mortality	RP-2000 healthy white collar male and female mortality tables, set back one year for males. Mortality is projected on a generational basis using Scale BB for males and females	RP-2000 healthy white collar male and female mortality tables, set back one year for males. Mortality is projected on a generational basis using Scale BB for males and females
Actuarial Cost Method	Entry Age Normal	Entry Age Normal

**UMATILLA COUNTY, OREGON**

**Notes to Basic Financial Statements**

**June 30, 2018**

**NOTE 11 - POST EMPLOYMENT HEALTH CARE PLAN (continued):**

The following table shows the changes in net OPEB liability from June 30, 2017 to June 30, 2018:

	Increase (Decrease) Total
Balance as of June 30, 2017	\$ 2,117,459
Changes for the year:	
Service cost	191,420
Interest on total OPEB liability	64,942
Effect of changes to benefit terms	-
Effect of economic/demographic gains or losses	-
Effect of assumptions changes or inputs	(144,625)
Benefit payments	(60,844)
Balance as of June 30, 2018	<u>\$ 2,168,352</u>

The following presents the total OPEB liability of the Plan, calculated using the discount rate of 3.58%, as well as what the Plan's total OPEB liability would be if it were calculate using a discount rate that is 1 percentage point lower (2.58%) or 1 percentage point higher (4.58%) than the current rate. A similar sensitivity analysis is then presented for changes in the healthcare cost trend assumption.

	1% Decrease	Current Discount Rate	1% Increase
Total OPEB Liability	<u>\$ 2,369,566</u>	<u>\$ 2,168,352</u>	<u>\$ 1,983,027</u>
	1% Decrease	Current Trend Rate	1% Increase
Total OPEB Liability	<u>\$ 1,910,864</u>	<u>\$ 2,168,352</u>	<u>\$ 2,473,011</u>

**UMATILLA COUNTY, OREGON**

**Notes to Basic Financial Statements**

**June 30, 2018**

**NOTE 11 - POST EMPLOYMENT HEALTH CARE PLAN (continued):**

The annual OPEB expense is an accounting item designed to recognize certain changes to the Total OPEB Liability in the current period income statement. Additionally, changes to the total OPEB Liability not fully recognized in a given year's OPEB expense will be tracked as deferred inflows and outflows, and recognized incrementally in the OPEB expense over time. The following table shows the OPEB expense for the fiscal year ending June 30, 2018.

	<u>July 1, 2017 to June 30, 2018</u>
Service cost	191,420
Interest on total OPEB liability	64,942
Effect of plan changes	-
Recognition of Deferred (Inflows)/Outflows of Resources	
Recognition of economic/demographic (gains) or losses	-
Recognition of assumptions changes or inputs	(15,720)
Administrative expenses	-
Balance as of June 30, 2018	<u>\$ 240,642</u>

The following shows the total deferred inflows and outflows of resources as of June 30, 2018, along with a schedule showing the amounts that will be recognized in future years.

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ -	\$ -
Changes of assumptions or inputs	-	128,905
Contributions made subsequent to measurement date	63,362	-
Total as of June 30, 2018	<u>\$ 63,362</u>	<u>\$ 128,905</u>

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

<u>Year ended June 30:</u>	<u>Annual recognition</u>
2019	(15,720)
2020	(15,720)
2021	(15,720)
2022	(15,720)
2023	(15,720)
Thereafter	(50,305)
	<u>(128,905)</u>

**UMATILLA COUNTY, OREGON**

**Notes to Basic Financial Statements**

**June 30, 2018**

**NOTE 12 - RETIREMENT HEALTH INSURANCE ACCOUNT (RHIA):**

Because the financial statements have been prepared on a modified cash basis of accounting, other postemployment benefit (OPEB) liabilities and the related deferred inflows and outflows of resources have not been recorded in the financial statements. OPEB expenditures are recorded when the disbursements are made. If the financial statements were prepared in accordance with accounting principles generally accepted in the United States of America, the following information would have been included:

**Plan description:**

ORS 238.420 established the Retirement Health Insurance Account (RHIA) and authorizes a payment of up to \$60 from RHIA toward the monthly cost of health insurance for eligible PERS members. RHIA is a cost-sharing multiple-employer Other Postemployment Benefit (OPEB) plan. The plan was closed to new entrants hired on or after August 29, 2003. To be eligible to receive this monthly payment toward the premium cost the member must: (1) have eight years or more of qualifying service in PERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in PERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in a PERS-sponsored health plan.

**Contributions:**

PERS employers contributed 0.08 percent of PERS-covered salaries for Tier One and Tier Two members to fund the normal cost portion of RHIA benefits. PERS employers contributed 0.45 percent of all PERS-covered salaries to amortize the unfunded actuarial accrued liability.

**OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

At June 30, 2018, the County reported an asset of \$62,886 for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2017. The total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2015 and rolled forward to the measurement date of June 30, 2017. The basis for the employer's proportion is determined by comparing the employer's actual, legally required contributions made during the fiscal year to the Plan with the total actuarial contributions in the fiscal year of all employers. At June 30, 2017, the County's proportion was 0.15068244% compared to its proportion of 0.15655474% measured as of June 30, 2016.

**UMATILLA COUNTY, OREGON**

**Notes to Basic Financial Statements**

**June 30, 2018**

**NOTE 12 - RETIREMENT HEALTH INSURANCE ACCOUNT (RHIA) (continued):**

For the year ended June 30, 2018, the County recognized OPEB income of \$93. At June 30, 2018, 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
Net differences between projected and actual earnings on investments	\$ -	\$ 29,125
Changes in proportionate share	-	1,164
Contributions subsequent to the measurement date	72,058	-
Totals as of June 30, 2018	<u>\$ 72,058</u>	<u>\$ 30,289</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year ended June 30:</u>	<u>Amounts</u>
2019	(7,712)
2020	(7,712)
2021	(7,583)
2022	(7,282)
Thereafter	-
	<u>(30,289)</u>

**Actuarial assumptions:**

Experience studies are performed as of December 31 of even numbered years. The methods and assumptions are based on the 2014 experience study, which reviewed the experience for the four-year period ended on December 31, 2014. The Retirement Health Insurance Account is a benefit of the Oregon Public Employees Retirement System. Actuarial methods and assumptions, including the long-term expected rate of return, are the same as reported for the County's pension plan.

**UMATILLA COUNTY, OREGON**

**Notes to Basic Financial Statements**

**June 30, 2018**

**NOTE 12 - RETIREMENT HEALTH INSURANCE ACCOUNT (RHIA) (continued):**

**Discount rate:**

The discount rate used to measure the total OPEB liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that contributions will be made at contractually required rates, actuarially determined. Based on this assumption, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

**Sensitivity of the District's proportionate share of the net OPEB liability to changes in the discount**

The following presents the County's proportionate share of the net OPEB liability, as well as what the County's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5 percent) or 1-percentage-point higher (8.5 percent) than the current discount

	<u>1% Decrease (6.5%)</u>	<u>Current Discount Rate</u>	<u>1% Increase (8.5%)</u>
Total OPEB liability	\$ 8,768	\$ (62,886)	\$ (123,830)

Oregon PERS produces an independently audited CAFR which can be found at:  
<http://www.oregon.gov/pers/Documents/Financials/CAFR/2018-CAFR.pdf>.

**NOTE 13 - DEFERRED OUTFLOWS OF RESOURCES:**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period(s) and thus, will not be recognized as an outflow of resources (expense/expenditure) until then. The County has only one item that qualifies for reporting in this category. It is the prepaid pension asset related to the Limited Tax Pension bonds (See Note 6) reported in the government-wide statement of net position. This amount is deferred and amortized over the life of the bonds.

**UMATILLA COUNTY, OREGON**

**Notes to Basic Financial Statements**

**June 30, 2018**

**NOTE 14 - TAX ABATEMENT AGREEMENTS:**

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

*Enterprise Zone Program ORS 285C.175*: This program is authorized by Oregon Revised Statutes and is intended to attract and retain jobs through abatement of property taxes. Businesses apply to for exemption with the County. Some program agreements have In Lieu of Taxes payments that are required to be paid to the County.

*Strategic Investment Program ORS 285C.600*: This program is authorized by Oregon Revised Statutes and is intended to attract large, capital intensive facilities to locate and grown in the County through property tax abatements. The County approves the agreements between businesses after holding public hearings. The property taxes are abated for 15 years. The businesses agree to pay a Community Service Fee that is included in the agreement.

For the year ended June 30, 2018, the County abated taxes as follows:

<u>Tax Abatement Program</u>	<u>County Share of Taxes Abated (in thousands)</u>	<u>In-Lieu and Community Service Fees Collected (in thousands)</u>
Enterprise Zone	\$ 2,259	\$ 229
Strategic Investment	\$ 243	\$ 510

**NOTE 15 - JOINT VENTURE:**

In March 2012, the County entered into an intergovernmental agreement with City of Hermiston, Oregon establishing the Eastern Oregon Trade and Event Center Authority to acquire, construct, own, manage and operate the Eastern Oregon Trade and Event Center (EOTEC). The County contributed \$37,500 during the year ended June 30, 2018 prior to the agreement with City of Hermiston on March 12, 2018 to transfer the County's interest in the facility to City of Hermiston.

On March 12, 2018 the County agreed to transfer the County's interest in the facility to City of Hermiston, and dissolve the political subdivision Eastern Oregon Trade and Event Center Authority. As part of the agreement the County agreed to pay City of Hermiston \$700,000 for construction and capital outlay expenditures necessary for the viable operation of the facility. The County also agreed to pay City of Hermiston \$160,574 in October 2018, to assist in the initial startup costs and proposed losses for the EOTEC facility for 2018 and 2019. The County also agreed to pay City of Hermiston an annual contribution of \$75,000, each October toward the operation of the EOTEC for 2018, 2019, 2020, 2021, and 2022.

**UMATILLA COUNTY, OREGON**

**Notes to Basic Financial Statements**

**June 30, 2018**

**NOTE 16 - RISK MANAGEMENT:**

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

**NOTE 17 - SUBSEQUENT EVENTS:**

Management has evaluated subsequent events through the date of this report, which is the date the financial statements were available to be issued. Management is not aware of any subsequent events that would materially effect the financial statements.



SUPPLEMENTARY INFORMATION

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

## UMATILLA COUNTY

### Management Discussion and Analysis

June 30, 2018

This discussion and analysis is intended to serve as an introduction to Umatilla County's basic financial statements. It offers the reader an overview of the County's financial activities for the fiscal year ended June 30, 2018. The basic financial statements have three components: government-wide financial statements, fund financial statements, and notes to the financial statements. To further assist readers, this report contains supplementary information in addition to the basic financial statements.

This narrative will focus on significant financial issues and will identify changes in financial position, material changes from the adopted budget, and individual fund issues or concerns.

Management's Discussion and Analysis is designed to focus on the current year's activities, resulting changes and current known facts. It should be read in conjunction with the financial statements that precede this discussion and analysis.

#### Financial Highlights

The assets of Umatilla County primary government exceeded its liabilities at June 30, 2018 by \$90.3 million (Net Position). Of this amount, \$15.4 million (Unrestricted Net Position) may be used to meet the County's ongoing obligations to creditors and citizens of the County in accordance with Umatilla County's fund designation and fiscal policies.

The County's total Net Position increased by \$155,952 during the fiscal year ending June 30, 2018.

#### Overview of the Basic Financial Statements

Government-Wide Financial Statements—The government-wide statements are designed to provide readers with a broad overview of the County's finances in a presentation similar to a private sector business. The statements in this section are the Statement of Net Position and the Statement of Activities.

The Statement of Net Position presents information on the County primary government assets and liabilities with the difference between the two reported as net position. It uses a modified cash basis of accounting to focus on resources available for future operations.

## UMATILLA COUNTY

### Management Discussion and Analysis

June 30, 2018

As viewed over time, increases or decreases may serve as an indicator of whether the financial position of the County is improving or deteriorating.

The Statement of Activities focuses on gross and net costs of County activities and the extent to which the activities are self-supporting or require assistance from general revenues including property taxes. This statement also uses a modified cash basis for reporting, which incorporates net fixed assets, including depreciation, and long-term debt.

The Statement of Net Position and the Statement of Activities both distinguish functions of the County that are principally supported by taxes and governmental revenues (governmental activities). The governmental functions of the County include general government, public safety, highways and streets, culture and recreation, education, and health. The County has no business-type activities.

Fund Financial Statements - A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The focus of the fund statements is major governmental funds. Of the 47 funds maintained by the County, 46 are characterized as governmental and the remaining fund is considered a proprietary fund. Unlike the government-wide statements, the governmental funds financial statements focus on current sources and uses of spendable resources, as well as spendable resources available at the end of the fiscal year. This information may be useful in evaluating a government's short-term financing decisions.

The governmental funds include the General Fund, forty special revenue funds, three debt service funds, and three capital project funds.

Governmental Funds - Governmental Funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Because the focus of the governmental funds is narrower than that of the government-wide statements, it is useful to compare information presented for governmental funds with similar information presented for governmental activities in the government-wide statements.

## UMATILLA COUNTY

### Management Discussion and Analysis

June 30, 2018

Both the governmental balance sheet-modified cash basis statements of assets, liabilities and equity and the governmental fund statements of revenues, expenditures and changes in fund balance-modified cash basis provide a reconciliation to assist in the comparison between governmental funds and governmental activities.

Of the 48 governmental funds maintained by the County, three are considered to be major funds: the General Fund, the Public Works Fund, and the PERS Reserve Fund. The governmental fund statements focus separately on these major funds presenting each in its own column and combining the remaining funds into a column titled "other governmental funds".

Proprietary Funds—The County maintains one type of proprietary fund, an internal service fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses its internal service fund to account for internal financing activities of its vehicle fleet. As this service predominately benefits governmental services, it has been included within governmental activities in the government-wide financial statements.

Fiduciary Funds—Fiduciary funds are used to account for resources held in trust for the benefit of parties outside the government. Fiduciary funds are not presented in the government-wide financial statements because the resources are not available to support the county's programs.

Notes to the Financial Statements—The notes provide additional information that is essential to a full understanding of the presentation provided in the government-wide and fund financial statements. The notes can be found immediately following the basic financial statements.

Other Supplemental Information—This section will provide the reader with additional information about the non-major governmental funds in the combining schedules of assets, liabilities and equity, and of revenues, expenditures and changes in fund balances. Also included is budgetary information for all funds.

Other supplemental information is available on County compliance and internal controls as required by Oregon statutes.

UMATILLA COUNTY

Management Discussion and Analysis

June 30, 2018

Government-Wide Financial Analysis

Exhibit 1

STATEMENT OF NET POSITION

(Dollars in Thousands)

	2018	2017	2016
Cash and investments	\$ 26,510	\$ 23,381	\$ 22,428
Land and CIP	1,603	1,402	1,311
Other capital assets (net)	62,832	66,076	70,144
Total assets	<u>90,945</u>	<u>90,859</u>	<u>93,883</u>
Prepaid-pension asset	11,000	11,600	12,115
Total deferred outflow of resources	<u>11,000</u>	<u>11,600</u>	<u>12,115</u>
Non current liabilities due in one year	738	657	1,924
Non current liabilities due > one year	10,923	11,674	12,806
Total liabilities	<u>11,661</u>	<u>12,331</u>	<u>14,730</u>
Net position			
Net investment in capital assets	63,775	66,748	68,841
Restricted for			
Debt service	66	47	945
Public safety	2,214	1,864	1,594
Highways and streets	5,764	5,850	5,058
Culture and recreation	165	150	99
Education	91	88	87
Health	1,989	1,493	1,361
Other purposes	830	757	627
Unrestricted	15,390	13,131	12,656
Total net position	<u>\$ 90,284</u>	<u>\$ 90,128</u>	<u>\$ 91,268</u>

Net position may serve over time as a useful indicator of a government's financial position. Umatilla County's assets exceeded liabilities by \$90.3 million as of June 30, 2018. This is an increase of \$155,952 when compared to net position at the end of the previous year.

**UMATILLA COUNTY**

**Management Discussion and Analysis**  
**June 30, 2018**

Exhibit 2

STATEMENT OF NET ACTIVITIES  
(Dollars in Thousands)

	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b>Revenues:</b>			
Program Revenues:			
Charges for services	\$ 6,229	\$ 6,479	\$ 5,834
Operating grants and contributions	24,560	21,996	23,259
Capital grants and contributions		-	441
General receipts			
Property taxes	16,651	16,411	16,035
Fines and forfeitures	262	260	270
Earnings on investments	456	271	147
Refunds and miscellaneous	3,631	3,623	1,253
Total Revenues	<u>51,789</u>	<u>49,040</u>	<u>47,239</u>
<b>Expenses:</b>			
General government	\$ 11,482	\$ 11,307	\$ 10,657
Public safety	19,798	19,780	18,441
Highways and streets	9,569	9,403	9,254
Culture and recreation	2,103	1,400	2,933
Education	806	836	695
Health	7,272	6,777	5,864
Interest on long-term debt	603	677	729
Total Expenses	<u>51,633</u>	<u>50,180</u>	<u>48,573</u>
Change in net position	156	(1,140)	(1,334)
Net position, beginning	90,128	91,268	92,602
Net position, ending	<u>\$ 90,284</u>	<u>\$ 90,128</u>	<u>\$ 91,268</u>

17.05% of the balance of net position or \$15.39 million, is considered unrestricted and may be used to meet the government's ongoing obligations to its citizens and creditors.

## UMATILLA COUNTY

### Management Discussion and Analysis

June 30, 2018

The largest portion of the County's net position 70.6% reflects its investment in capital assets (land, buildings, equipment, improvements, construction in progress and infrastructure), less any related debt. The County uses these assets to provide services to the people of the County; consequently these assets are not available for future spending. Although the investment in its capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided by other sources, since the capital assets themselves cannot be used to liquidate this liability.

#### Governmental Funds Financial Analysis

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

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

At the end of the fiscal year, Umatilla County's governmental funds reported combined ending fund balances of \$26.0 million, an increase of \$3,083,317 when compared to the previous year. The majority of the combined fund balances is reserved and only available for spending within the designated funds and/or policies.

The General Fund, the Public Works Fund, and the PERS Reserve Fund are considered major funds by the County. These major funds account for 57.0% of the combined governmental fund balances.

The major funds account for 63.7% of total governmental revenues and 60.0% of total governmental expenditure.

Public Safety and Health programs account for 54.8% of all governmental expenditures.



**UMATILLA COUNTY**

**Management Discussion and Analysis**

**June 30, 2018**

General Fund. The General Fund is the chief operating fund for Umatilla County. At the end of the year, the fund balance of the General Fund was \$5.7 million. As a measure of the General Fund's liquidity, it may be useful to compare the fund balance to total fund expenditures. The ending fund balance represents 25.6% of total general fund expenditures for the fiscal year ending 2018 compared to 19.6% the prior year. The net change in the fund balance for the General Fund was a \$1,382,244 increase.

Property tax is a significant revenue source for the General Fund. The year's collections represent 64.9% of total General Fund revenues, compared to 66.2% the previous year.

Public Works Fund. The Public Works Fund's primary source of revenue is the gas tax distributed by the State of Oregon. Gas tax receipts were \$5.57 million, compared to \$5.27 million the prior year.

The Public Works Fund revenues exceeded expenditures by \$11,872 in the current year.

**General Fund Budgetary Highlights**

The County made several revisions to the original General Fund appropriations adopted by the Board of Commissioners for the 2017-2018 fiscal year. The adjustments were needed to increase expenditures for the difference in adopted revenue and revised revenue budget. These revisions resulted in a 0.9% increase in General Fund appropriations.

General Fund revenues exceeded the adjusted budget by \$1,632,000 and expenditures were \$2.2 million under budget.

UMATILLA COUNTY

Management Discussion and Analysis

June 30, 2018

Capital Assets. Umatilla County's investment in capital assets for its governmental activities amounts to \$64.4 million (net of accumulated depreciation). The investment in fixed assets includes land, buildings, equipment, infrastructure (roadways and bridges) and construction in progress.

Additional information on Umatilla County's fixed assets can be found in the notes to the financial statements, immediately following the basic statements.

Exhibit 3

FIXED ASSETS AT YEAR END  
(Dollars in Thousands)

	2018	2017	2016
Non-depreciable assets:			
Land	\$ 1,312	\$ 1,312	\$ 1,312
Construction in progress	292	90	-
Sub-Total	<u>1,604</u>	<u>1,402</u>	<u>1,312</u>
Depreciable assets:			
Buildings	25,906	25,918	25,855
Equipment	17,195	16,143	15,949
Infrastructure	127,411	128,159	128,159
Sub-total	<u>170,512</u>	<u>170,220</u>	<u>169,963</u>
Accumulated Depreciation	(107,680)	(104,144)	(99,820)
Total general fixed assets	<u>\$ 64,436</u>	<u>\$ 67,478</u>	<u>\$ 71,455</u>

Debt Administration. At the end of the current fiscal year, Umatilla County had total debt outstanding of \$11.7 million. Of this amount \$11.0 million is comprised of the Limited Tax Pension Bonds issued in 2005, \$378 thousand is comprised of notes backed by the full faith and credit of the County, and \$283 thousand in a capital lease secured by equipment.

Limited Tax Pension Bonds. The Pension Bonds were issued to address the County's estimated PERS unfunded actuarial liability in 2005. The 5% of real market value statutory limitation on pension bonds is well in excess of outstanding debt.

UMATILLA COUNTY

Management Discussion and Analysis

June 30, 2018

Exhibit 3

OUTSTANDING DEBT AT YEAR END

(Dollars in Thousands)

	<u>2018</u>	<u>2017</u>	<u>2016</u>
General obligations	\$ -	\$ -	\$ 925
Limited tax bonds	11,000	11,600	12,115
Notes Payable	378	427	1,491
Capital leases	283	304	198
Total	<u>\$ 11,661</u>	<u>\$ 12,331</u>	<u>\$ 14,729</u>

The County sponsored a new wastewater collection system for the community of Reith. As part of that project the County entered into a contract for a loan from the Oregon Department of Environmental Quality in the year ended June 30, 2005. The project was completed in 2007-2008. The loan had a limit of \$381 thousand and payments commenced six months after project completion on a semi-annual basis. The Reith Sanitary District will pay the County back on the 20-year loan. Please see notes to basic financial statements for additional information.

Additionally, in 2008 the County constructed a new building with a construction loan of \$314 thousand and replaced two aging boilers at the Justice Center with debt financing of \$130 thousand. Energy savings provide the debt service for the boiler debt.

Total County debt outstanding represents .14% of county real market value.

Economic Factors and Next Year's Budget

Oregon's seasonally adjusted unemployment annual rate has declined over the last year from 4.8% to 4.1%, slightly lower than the U.S. rate of 4.4%. However, Oregon has consistently trailed the U.S. rate over the last ten years leading to a shortfall of income taxes in the state and a continuing budget crisis. State programs operated by the County, particularly in areas of health and public safety, are always subject to reduction in the State's budget balancing exercise. The County continues to conservatively budget its resources.

**UMATILLA COUNTY**

**Management Discussion and Analysis**

**June 30, 2018**

The County's seasonally adjusted unemployment rate also decreased slightly over the past year from 4.2% to 3.9%. The County enjoys certain economic advantages: location on both east-west and north-south major highway systems, available water and rail transportation, natural gas transmission lines, and an electrical transmission grid.

A beginning fund balance of \$4.48 million was projected for the General Fund in the 2019 budget. The actual beginning fund balance was \$5.66 million.

The certified property tax base continues to grow. The tax base for 2017-2018 grew at a 3.8% rate over the prior year.

Next year's adopted operating budget is \$5.24 million higher than the 2018 operating budget. The General Fund requirements have been projected \$1.2 million above that of the previous year.

**Contact Information**

The County's financial statements are designed to provide the user (citizens, taxpayers, customers, investors, and creditors) with a general overview of the County's finances and to demonstrate the County's accountability. If you have questions about the report or need additional financial information, please contact the County's Finance Office at 216 S.E. 4th St., Pendleton, Oregon 97801.

**UMATILLA COUNTY, OREGON**

**General Fund**

**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Modified Cash Basis - Budget to Actual - Detail**  
**Year Ended June 30, 2018**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Property taxes:				
Current year taxes	\$ 14,140,000	\$ 14,140,000	\$ 15,056,353	\$ 916,353
Prior year taxes	400,000	400,000	560,370	160,370
In-lieu of taxes	620,000	620,000	742,389	122,389
Intergovernmental:				
Federal revenues	-	-	282	282
State revenues	802,281	717,381	705,755	(11,626)
Local revenues	65,000	66,400	65,924	(476)
Salary supplements	115,000	115,000	111,286	(3,714)
Amusement tax	15,000	15,000	17,994	2,994
Liquor tax	380,000	380,000	410,642	30,642
Cigarette tax	75,000	75,000	69,387	(5,613)
Railcar taxes	20,000	20,000	15,988	(4,012)
Marijuana shared revenue	-	-	163,631	163,631
CAFFA grant	390,500	390,500	401,935	11,435
Emergency services grants	117,666	117,666	120,541	2,875
Nurse family partnership grants	338,000	338,000	219,131	(118,869)
Family planning grants and other	70,000	70,000	133,591	63,591
Health department grants	190,196	436,106	467,310	31,204
Juvenile court/detention grants	142,292	166,828	154,230	(12,598)
VOCA grant	136,300	136,300	166,906	30,606
Video lottery	150,003	48,480	38,060	(10,420)
Charges for services:				
Miscellaneous fees	561,332	561,332	701,506	140,174
Marriage, court, and mediation fees	12,600	12,600	12,269	(331)
Jail fees	1,040,000	1,040,000	1,069,408	29,408
Civil fees	170,360	215,360	217,491	2,131
District attorney fees	70,000	70,000	91,334	21,334
Election fees	40,000	40,000	43,747	3,747
Planning fees	100,000	100,000	127,434	27,434
Surveyor fees and other	1,500	1,500	2,256	756
Tax collector fees and other	18,500	18,500	22,998	4,498
Health department fees	58,822	59,072	54,167	(4,905)
Fines and forfeitures	25,500	25,500	44,045	18,545
Investment revenue	45,000	45,000	120,859	75,859
Other revenues:				
Indirect cost revenue	2,345,205	2,345,205	2,381,736	36,531
Refunds and reimbursements	509,954	531,429	528,499	(2,930)
Rent received	12,000	12,000	25,968	13,968
Donations	-	57,000	58,667	1,667
Landfill	44,000	44,000	50,270	6,270
Miscellaneous	64,500	130,600	19,679	(110,921)
<b>Total revenues</b>	<b>23,286,511</b>	<b>23,561,759</b>	<b>25,194,038</b>	<b>1,632,279</b>

**UMATILLA COUNTY, OREGON**

**General Fund**

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

**Modified Cash Basis - Budget to Actual - Detail**

**Year Ended June 30, 2018**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>EXPENDITURES (by department):</b>				
<b>General government:</b>				
Assessor:				
Personal services	1,270,337	1,270,337	1,147,343	122,994
Materials & services	145,915	145,915	130,031	15,884
Total assessor	<u>1,416,252</u>	<u>1,416,252</u>	<u>1,277,374</u>	<u>138,878</u>
Board of commissioners:				
Personal services	565,769	565,769	548,003	17,766
Materials & services	144,504	144,504	125,294	19,210
Total board of commissioners	<u>710,273</u>	<u>710,273</u>	<u>673,297</u>	<u>36,976</u>
BOR contract				
Materials & services	-	700	695	5
Total BOR contract	<u>-</u>	<u>700</u>	<u>695</u>	<u>5</u>
Human resources:				
Personal services	289,507	289,507	284,156	5,351
Materials & services	63,266	63,266	38,185	25,081
Total human resources	<u>352,773</u>	<u>352,773</u>	<u>322,341</u>	<u>30,432</u>
Support enforcement:				
Personal services	142,172	142,172	112,390	29,782
Materials & services	18,971	18,971	18,779	192
Total support enforcement	<u>161,143</u>	<u>161,143</u>	<u>131,169</u>	<u>29,974</u>
Finance:				
Personal services	357,031	357,031	330,724	26,307
Materials & services	75,429	80,429	77,017	3,412
Total finance	<u>432,460</u>	<u>437,460</u>	<u>407,741</u>	<u>29,719</u>
County records:				
Personal services	196,858	196,858	193,018	3,840
Materials & services	35,847	35,847	34,093	1,754
Total county records	<u>232,705</u>	<u>232,705</u>	<u>227,111</u>	<u>5,594</u>
Elections:				
Personal services	191,132	191,132	171,737	19,395
Materials & services	178,072	178,072	130,781	47,291
Total elections	<u>369,204</u>	<u>369,204</u>	<u>302,518</u>	<u>66,686</u>
Planning:				
Personal services	483,679	483,679	389,992	93,687
Materials & services	66,969	66,969	59,997	6,972
Total planning	<u>550,648</u>	<u>550,648</u>	<u>449,989</u>	<u>100,659</u>

**UMATILLA COUNTY, OREGON**

**General Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Modified Cash Basis - Budget to Actual - Detail  
Year Ended June 30, 2018**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Surveyor:</b>				
Personal services	33,651	33,651	33,284	367
Materials & services	11,040	11,040	10,500	540
Total surveyor	44,691	44,691	43,784	907
<b>Tax collector:</b>				
Personal services	208,988	208,988	207,845	1,143
Materials & services	54,727	54,727	45,400	9,327
Total tax collector	263,715	263,715	253,245	10,470
<b>Veterans service:</b>				
Personal services	222,805	199,805	199,596	209
Materials & services	13,368	26,368	15,910	10,458
Total veterans service	236,173	226,173	215,506	10,667
<b>Administration:</b>				
Personal services	225,264	225,264	221,335	3,929
Materials & services	97,282	97,282	91,012	6,270
Total administration	322,546	322,546	312,347	10,199
<b>Building maintenance:</b>				
Personal services	384,737	384,737	348,905	35,832
Materials & services	360,959	360,959	354,490	6,469
Total building maintenance	745,696	745,696	703,395	42,301
<b>Main St. bldg MF</b>				
Materials & services	-	5,000	1,173	3,827
Total Main St bldg MF	-	5,000	1,173	3,827
<b>Sam Cook bldg Herm</b>				
Materials & services	-	13,000	6,699	6,301
Total Sam Cook bldg Herm	-	13,000	6,699	6,301
<b>Computer information services:</b>				
Personal services	515,267	515,267	488,763	26,504
Materials & services	237,457	237,457	218,965	18,492
Total computer information services	752,724	752,724	707,728	44,996
<b>Communication:</b>				
Personal services	67,314	67,314	65,356	1,958
Materials & services	93,715	93,715	56,112	37,603
Total communication	161,029	161,029	121,468	39,561
<b>Code enforcement:</b>				
Personal services	82,838	82,838	75,037	7,801
Materials & services	11,410	16,410	11,533	4,877
Total code enforcement	94,248	99,248	86,570	12,678

**UMATILLA COUNTY, OREGON**

**General Fund**

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

**Modified Cash Basis - Budget to Actual - Detail**

**Year Ended June 30, 2018**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
West County facility maintenance:				
Materials & services	131,811	131,811	115,223	16,588
Total West County facility maintenance	131,811	131,811	115,223	16,588
Geographical information director:				
Personal services	211,780	211,780	207,032	4,748
Materials & services	30,886	30,886	22,512	8,374
Total geographical information director	242,666	242,666	229,544	13,122
Nondepartmental:				
Materials & services	662,500	727,500	653,709	73,791
Total nondepartmental	662,500	727,500	653,709	73,791
<b>Total general government</b>	<b>7,883,257</b>	<b>7,966,957</b>	<b>7,242,626</b>	<b>724,331</b>
<b>Public safety:</b>				
District attorney:				
Personal services	1,804,737	1,804,737	1,692,446	112,291
Materials & services	265,853	265,853	227,685	38,168
Total district attorney	2,070,590	2,070,590	1,920,131	150,459
Victim Witness:				
Personal services	202,430	202,430	177,829	24,601
Materials & services	23,308	45,683	38,150	7,533
Total victim witness	225,738	248,113	215,979	32,134
Emergency services:				
Personal services	156,565	156,565	153,127	3,438
Materials & services	72,560	82,560	75,014	7,546
Total emergency services	229,125	239,125	228,141	10,984
Jail:				
Personal services	3,665,132	3,685,132	3,643,105	42,027
Materials & services	2,235,168	2,360,168	2,354,807	5,361
Total jail	5,900,300	6,045,300	5,997,912	47,388
Juvenile:				
Personal services	697,908	697,908	597,472	100,436
Materials & services	471,241	495,319	450,753	44,566
Total juvenile	1,169,149	1,193,227	1,048,225	145,002



**UMATILLA COUNTY, OREGON**

**General Fund**

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

**Modified Cash Basis - Budget to Actual - Detail**

**Year Ended June 30, 2018**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Sheriff - civil:</b>				
Personal services	504,180	504,180	483,433	20,747
Materials & services	84,413	129,413	110,357	19,056
Total sheriff - civil	588,593	633,593	593,790	39,803
<b>Sheriff - criminal:</b>				
Personal services	2,658,699	2,658,699	2,552,155	106,544
Materials & services	646,715	646,715	604,361	42,354
Total sheriff - criminal	3,305,414	3,305,414	3,156,516	148,898
<b>Watermaster:</b>				
Materials & services	-	500	457	43
Total watermaster	-	500	457	43
<b>Total public safety</b>	<b>13,488,909</b>	<b>13,735,862</b>	<b>13,161,151</b>	<b>574,711</b>
<b>Education:</b>				
Cooperative extension service:				
Materials & services	424,510	424,510	379,510	45,000
Total education	424,510	424,510	379,510	45,000
<b>Health:</b>				
Nurse Family Partnership				
Personal services	267,563	267,563	170,339	97,224
Materials & services	140,710	140,710	94,461	46,249
Total communicable disease	408,273	408,273	264,800	143,473
Communicable disease:				
Personal services	173,157	173,157	65,395	107,762
Materials & services	91,840	101,840	96,312	5,528
Total communicable disease	264,997	274,997	161,707	113,290
Family planning:				
Personal services	190,275	190,275	153,261	37,014
Materials & services	132,840	132,840	89,071	43,769
Total family planning	323,115	323,115	242,332	80,783
Health department:				
Personal services	442,404	446,011	311,593	134,418
Materials & services	115,690	330,243	171,417	158,826
Total health department	558,094	776,254	483,010	293,244

**UMATILLA COUNTY, OREGON**

**General Fund**

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

**Modified Cash Basis - Budget to Actual - Detail**

**Year Ended June 30, 2018**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Maternal and child health care:				
Personal services	99,651	99,651	96,985	2,666
Materials & services	121,466	121,466	104,421	17,045
Total maternal and child health care	221,117	221,117	201,406	19,711
Total health	1,775,596	2,003,756	1,353,255	650,501
Operating contingency	500,000	163,435	-	163,435
Total expenditures	24,072,272	24,294,520	22,136,542	2,157,978
<b><u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u></b>	<b><u>(785,761)</u></b>	<b><u>(732,761)</u></b>	<b><u>3,057,496</u></b>	<b><u>3,790,257</u></b>
<b><u>OTHER FINANCING SOURCES (USES):</u></b>				
Operating transfers in	995,755	995,755	131,970	(863,785)
Operating transfers out	(1,909,994)	(1,962,994)	(1,807,222)	155,772
Total other financing sources (uses)	<u>(914,239)</u>	<u>(967,239)</u>	<u>(1,675,252)</u>	<u>(708,013)</u>
<b><u>NET CHANGE IN FUND BALANCES</u></b>	<b><u>(1,700,000)</u></b>	<b><u>(1,700,000)</u></b>	<b><u>1,382,244</u></b>	<b><u>3,082,244</u></b>
<b><u>FUND BALANCES, BEGINNING</u></b>	<b><u>4,200,000</u></b>	<b><u>4,200,000</u></b>	<b><u>4,281,021</u></b>	<b><u>81,021</u></b>
<b><u>FUND BALANCES, ENDING</u></b>	<b><u>\$ 2,500,000</u></b>	<b><u>\$ 2,500,000</u></b>	<b><u>\$ 5,663,265</u></b>	<b><u>\$ 3,163,265</u></b>

**UMATILLA COUNTY, OREGON**

**Non-Major Governmental Funds**

**June 30, 2018**

**Special revenue funds:**

- Bicycle path fund
- Parks fund
- Emergency 911 telephone system fund
- Corrections assessment fund
- Special transportation fund
- Law library fund
- Records archiving fund
- Tax foreclosed property fund
- Human services fund
- Public land corner preservation fund
- Fair improvement fund
- EOTEC reserve fund
- Community corrections fund
- Economic development fund
- County road improvement fund
- Sheriff - marine fund
- School based health center fund
- Nuisance abatement fund
- Extension special equipment fund
- County fair fund
- County school fund
- Unitary assessment fund
- Community services development fund
- Mediation services fund
- Assessment and taxation fund
- CARES program fund
- Environment health fund
- Coalitions of Umatilla County fund
- Community benefit plans fund
- Special services fund
- 2050 plan fund
- Veterans expanded services fund
- GIS equipment reserve fund
- Assessor technology reserve fund
- Dispatch reserve fund
- NAIFA reserve fund

**Debt service funds:**

- Debt service fund
- PERS bond fund
- Reith wastewater fund

**Capital projects funds:**

- Facilities improvement fund
- Milton-Freewater Head Start building fund
- Capital purchases management fund

**UMATILLA COUNTY, OREGON**

**Nonmajor Governmental Funds**  
**Combining Balance Sheet - Modified Cash Basis**  
**June 30, 2018**

	<u>Total Nonmajor Special Revenue Funds</u>	<u>Total Nonmajor Debt Service Funds</u>	<u>Total Nonmajor Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
<b><u>ASSETS:</u></b>				
Cash	\$ 9,084,488	\$ 1,915,813	\$ 165,750	\$ 11,166,051
Total assets	<u>\$ 9,084,488</u>	<u>\$ 1,915,813</u>	<u>\$ 165,750</u>	<u>\$ 11,166,051</u>
<b><u>LIABILITIES:</u></b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b><u>FUND BALANCES:</u></b>				
Restricted	5,514,826	66,397	402	5,581,625
Committed	3,536,897	1,849,416	-	5,386,313
Assigned	32,765	-	165,348	198,113
Unassigned	-	-	-	-
Total fund balances	<u>9,084,488</u>	<u>1,915,813</u>	<u>165,750</u>	<u>11,166,051</u>
Total liabilities and fund balances	<u>\$ 9,084,488</u>	<u>\$ 1,915,813</u>	<u>\$ 165,750</u>	<u>\$ 11,166,051</u>

**UMATILLA COUNTY, OREGON**

**Nonmajor Governmental Funds**

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Modified Cash Basis**  
**Year Ended June 30, 2018**

	<u>Total Nonmajor Special Revenue Funds</u>	<u>Total Nonmajor Debt Service Funds</u>	<u>Total Nonmajor Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
<b><u>REVENUES:</u></b>				
Taxes	\$ 273,051	\$ 18,496	\$ -	\$ 291,547
Intergovernmental	12,515,283	1,298,053	41,200	13,854,536
Charges for services	3,842,912	-	-	3,842,912
Fines & forfeitures	218,146	-	-	218,146
Interest	139,136	37,849	4,202	181,187
Miscellaneous & reimbursements	364,264	13,111	-	377,375
Total revenues	<u>17,352,792</u>	<u>1,367,509</u>	<u>45,402</u>	<u>18,765,703</u>
<b><u>EXPENDITURES:</u></b>				
General government	2,743,966	-	81,892	2,825,858
Public safety	6,300,345	-	-	6,300,345
Highways and streets	159,000	-	-	159,000
Culture and recreation	2,088,181	-	-	2,088,181
Education	426,251	-	-	426,251
Health	5,846,427	-	-	5,846,427
Capital outlay	224,546	-	350,511	575,057
Debt Service:				
Principal	-	649,401	-	649,401
Interest	-	593,064	-	593,064
Total expenditures	<u>17,788,716</u>	<u>1,242,465</u>	<u>432,403</u>	<u>19,463,584</u>
<b><u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u></b>	<u>(435,924)</u>	<u>125,044</u>	<u>(387,001)</u>	<u>(697,881)</u>
<b><u>OTHER FINANCING SOURCES (USES):</u></b>				
Operating transfers in	2,311,040	4,850	143,981	2,459,871
Operating transfers out	(746,831)	-	-	(746,831)
Total other financing sources (uses)	<u>1,564,209</u>	<u>4,850</u>	<u>143,981</u>	<u>1,713,040</u>
<b><u>NET CHANGE IN FUND BALANCES</u></b>	<u>1,128,285</u>	<u>129,894</u>	<u>(243,020)</u>	<u>1,015,159</u>
<b><u>FUND BALANCE, BEGINNING OF YEAR</u></b>	<u>7,956,203</u>	<u>1,785,919</u>	<u>408,770</u>	<u>10,150,892</u>
<b><u>FUND BALANCE, END OF YEAR</u></b>	<u>\$ 9,084,488</u>	<u>\$ 1,915,813</u>	<u>\$ 165,750</u>	<u>\$ 11,166,051</u>

UMATILLA COUNTY, OREGON

Non-Major Special Revenue Governmental Funds

June 30, 2018

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

- **Bicycle path fund** - accounts for one percent of State Motor Vehicle fees collected pursuant to ORS 366.514.
- **Parks fund** - accounts for county recreational vehicle registration fees from the State.
- **Tax anticipation notes** - budgeted each year in anticipation of a shortfall in resources before the property tax revenues come in as provided by ORS 278A.180.
- **Emergency 911 telephone system fund** - accounts for revenues from the State telephone excise tax and committed revenues from the General Fund and City of Pendleton under an intergovernmental agreement for dispatch of emergency communication services.
- **Corrections assessment fund** - accounts for assessments imposed by a circuit or municipal court or justice court.
- **Special transportation fund** - accounts for grant monies received from the State elderly and disabled special transportation fund.
- **Law library fund** - accounts for law library fees received from the State.
- **Records archiving fund** - accounts for clerk's record fees pursuant to ORS 205.320 for acquiring storage and retrieval systems.
- **Tax foreclosed property fund** - accounts for the receipt and sale of foreclosed properties for delinquent property taxes.
- **Human services fund** - accounts for revenues from the delivery of alcohol, drug, and gambling services.
- **Public land corner preservation fund** - accounts for the collection of recording fees on real property transactions and surveying activities.
- **Fairground improvement fund** - accounts for receipts to be applied to the County's obligation for construction of EOTEC.
- **EOTEC reserve fund** - accounts for the accumulated and expending funds deemed necessary for the operation of EOTEC.
- **Community corrections fund** - accounts for grant activities under intergovernmental agreements between the State of Oregon and the County.
- **Economic development fund** - accounts for the receipt of video lottery monies distributed by the State of Oregon.
- **County road improvement fund** - accounts for activities of local improvement districts created by the County under Oregon
- **Sheriff - marine fund** - accounts for activities under state grant with Oregon State Marine Board.
- **School based health center fund** - accounts for health care activity at specified school locations within the County.
- **Nuisance abatement fund** - accounts for nuisance abatement activities.
- **Extension special equipment fund** - accounts for the activities of a soil probe truck.

UMATILLA COUNTY, OREGON

Non-Major Special Revenue Governmental Funds (Continued)

June 30, 2018

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

- **County fair fund** - accounts for fair and fairgrounds activities.
- **County school fund** - accounts for federal forest reserve revenues.
- **Unitary assessment fund** - accounts for grant activity that supports the Victim/Witness Program.
- **Community services development fund** - accounts for grant activity associated with services to the community and staff development.
- **Mediation services fund** - accounts for mediation services fees.
- **Assessment and taxation fund** - accounts for the collection of recording fees and interest, pursuant to state law.
- **CARES program fund** - accounts for activity under a Memorandum of Agreement between several school districts, the ESD, Head Start, and the County.
- **Environment health fund** - accounts for economic activities for environmental health program under an intergovernmental agreement with the Oregon Public Health Foodborne Illness Program.
- **Coalitions of Umatilla County fund** - accounts for grant activities associated with youth and children services.
- **Community benefit plans fund** - accounts for revenue streams under Strategic Investment Program plans.
- **Special services fund** - accounts for costs associated with physical security of the Courts.
- **2050 PLAN fund** - accounts for costs associated economic development, especially in critical groundwater areas.
- **Veterans expanded services fund** - accounts for expanded and enhanced services provided to veterans.
- **GIS equipment reserve fund** - accounts for costs associated with acquiring needed equipment or other specific purposes in support of the GIS program.
- **Assessor technology reserve fund** - accounts for costs associated with acquiring needed equipment or other specific purposes in support of the assessor's office.
- **Dispatch reserve fund** - accounts for costs associated with acquiring needed equipment or other specific purposes in support of the dispatch center.
- **NAIFA reserve fund** - accounts for usage of funds donated by NAIFA.

UMATILLA COUNTY, OREGON

Nonmajor Special Revenue Funds  
Combining Balance Sheet - Modified Cash Basis  
June 30, 2018

	Bicycle Path	Parks	Emergency 911 Telephone	Corrections Assessment	Special Transport	Law Library	Records Archiving
<b>ASSETS:</b>							
Cash	\$ 225,856	\$ 164,838	\$ -	\$ 33,624	\$ 105,492	\$ 65,931	\$ 67,230
Total assets	\$ 225,856	\$ 164,838	\$ -	\$ 33,624	\$ 105,492	\$ 65,931	\$ 67,230
<b>LIABILITIES</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>FUND BALANCES:</b>							
Restricted	225,856	164,838	-	33,624	105,492	65,931	67,230
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Total fund balances	225,856	164,838	-	33,624	105,492	65,931	67,230
Total liabilities and fund balances	\$ 225,856	\$ 164,838	\$ -	\$ 33,624	\$ 105,492	\$ 65,931	\$ 67,230



**UMATILLA COUNTY, OREGON**

**Nonmajor Special Revenue Funds  
Combining Balance Sheet - Modified Cash Basis  
June 30, 2018**

Continued from previous page.

	Tax Foreclosed Property	Human Services	Public Land Corner Preservation	Fair Improvement	EOTEC Reserve	Community Corrections
<b>ASSETS:</b>						
Cash	\$ 4,850	\$ 1,572,164	\$ 227,341	\$ 30,004	\$ 79,399	\$ 2,167,549
Total assets	\$ 4,850	\$ 1,572,164	\$ 227,341	\$ 30,004	\$ 79,399	\$ 2,167,549
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>LIABILITIES</b>						
<b>FUND BALANCES:</b>						
Restricted	4,850	1,572,164	227,341	-	-	2,167,549
Committed	-	-	-	-	79,399	-
Assigned	-	-	-	30,004	-	-
Total fund balances	4,850	1,572,164	227,341	30,004	79,399	2,167,549
Total liabilities and fund balances	\$ 4,850	\$ 1,572,164	\$ 227,341	\$ 30,004	\$ 79,399	\$ 2,167,549

UMATILLA COUNTY, OREGON

Nonmajor Special Revenue Funds  
Combining Balance Sheet - Modified Cash Basis  
June 30, 2018

Continued from previous page.

<u>ASSETS:</u>	Economic Development	County Road Improvement	Sheriff Marine	School Based Health Center	Nuisance Abatement	Extension Special Equipment
Cash	\$ 96,142	\$ 347,758	\$ 13,252	\$ 439,705	\$ 41,938	\$ 35,657
Total assets	<u>\$ 96,142</u>	<u>\$ 347,758</u>	<u>\$ 13,252</u>	<u>\$ 439,705</u>	<u>\$ 41,938</u>	<u>\$ 35,657</u>
<u>LIABILITIES</u>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
 <u>FUND BALANCES:</u>						
Restricted	96,142	-	13,252	-	-	-
Committed	-	347,758	-	439,705	41,938	35,657
Assigned	-	-	-	-	-	-
Total fund balances	<u>96,142</u>	<u>347,758</u>	<u>13,252</u>	<u>439,705</u>	<u>41,938</u>	<u>35,657</u>
Total liabilities and fund balances	<u>\$ 96,142</u>	<u>\$ 347,758</u>	<u>\$ 13,252</u>	<u>\$ 439,705</u>	<u>\$ 41,938</u>	<u>\$ 35,657</u>

Continued on next page.

UMATILLA COUNTY, OREGON

Nonmajor Special Revenue Funds  
Combining Balance Sheet - Modified Cash Basis  
June 30, 2018

Continued from previous page.

	County Fair	County School	Unitary Assessment	Comm. Serv. Develop.	Mediation Services	Assessment & Taxation
<b>ASSETS:</b>						
Cash	\$ 95,825	\$ 24,619	\$ 43,317	\$ 405,483	\$ 153,255	\$ 175,491
Total assets	\$ 95,825	\$ 24,619	\$ 43,317	\$ 405,483	\$ 153,255	\$ 175,491
<b>LIABILITIES</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>FUND BALANCES:</b>						
Restricted	-	24,619	43,317	-	153,255	175,491
Committed	95,825	-	-	405,483	-	-
Assigned	-	-	-	-	-	-
Total fund balances	\$ 95,825	\$ 24,619	\$ 43,317	\$ 405,483	\$ 153,255	\$ 175,491
Total liabilities and fund balances	\$ 95,825	\$ 24,619	\$ 43,317	\$ 405,483	\$ 153,255	\$ 175,491

UMATILLA COUNTY, OREGON

Nonmajor Special Revenue Funds  
Combining Balance Sheet - Modified Cash Basis  
June 30, 2018

Continued from previous page.

<u>ASSETS:</u>	CARES Program	Environment Health	Coalitions of Umatilla Cty.	Community Benefit Plans	Special Services	2050 Plan
Cash	\$ 428,844	\$ 373,875	\$ 2,761	\$ 1,407,853	\$ -	\$ 32,683
Total assets	<u>\$ 428,844</u>	<u>\$ 373,875</u>	<u>\$ 2,761</u>	<u>\$ 1,407,853</u>	<u>\$ -</u>	<u>\$ 32,683</u>
<u>LIABILITIES</u>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

FUND BALANCES:

Restricted	-	373,875	-	-	-	-
Committed	428,844	-	-	1,407,853	-	32,683
Assigned	-	-	2,761	-	-	-
Total fund balances	<u>428,844</u>	<u>373,875</u>	<u>2,761</u>	<u>1,407,853</u>	<u>-</u>	<u>32,683</u>
Total liabilities and fund balances	<u>\$ 428,844</u>	<u>\$ 373,875</u>	<u>\$ 2,761</u>	<u>\$ 1,407,853</u>	<u>\$ -</u>	<u>\$ 32,683</u>

Continued on next page.

**UMATILLA COUNTY, OREGON**

**Nonmajor Special Revenue Funds  
Combining Balance Sheet - Modified Cash Basis  
June 30, 2018**

Continued from previous page.

	Veterans Expanded Services	GIS Equipment Reserve	Assessor Technology Reserve	Dispatch Reserve	NAIFA Reserve	Totals
<b>ASSETS:</b>						
Cash	\$ -	\$ 100,108	\$ 3,161	\$ 103,990	\$ 14,493	\$ 9,084,488
Total assets	\$ -	\$ 100,108	\$ 3,161	\$ 103,990	\$ 14,493	\$ 9,084,488
<b>LIABILITIES</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>FUND BALANCES:</b>						
Restricted	-	-	-	-	-	5,514,826
Committed	-	100,108	3,161	103,990	14,493	3,536,897
Assigned	-	-	-	-	-	32,765
Total fund balances	-	100,108	3,161	103,990	14,493	9,084,488
Total liabilities and fund balances	\$ -	\$ 100,108	\$ 3,161	\$ 103,990	\$ 14,493	\$ 9,084,488

**UMATILLA COUNTY, OREGON**

**Nonmajor Special Revenue Funds  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Modified Cash Basis  
Year Ended June 30, 2018**

	Bicycle Path	Parks	Emergency 911 Telephone	Corrections Assessment	Special Transport	Law Library	Records Archiving
<b>REVENUES:</b>							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	56,297	124,998	1,401,504	-	234,566	-	27,851
Charges for services	-	65,634	-	-	-	64,150	13,998
Fines & forfeitures	-	-	-	128,602	-	-	-
Interest	4,970	2,849	-	335	2,300	1,592	816
Miscellaneous & reimbursements	-	-	38,585	-	-	-	-
Total revenues	61,267	193,481	1,440,089	128,937	236,866	65,742	42,665
<b>EXPENDITURES:</b>							
General government	-	-	-	-	269,649	-	360
Public safety	-	-	2,455,619	-	-	-	-
Highways and streets	159,000	-	-	-	-	-	-
Culture and recreation	-	158,747	-	-	-	-	-
Education	-	-	-	-	-	32,032	-
Health	-	-	-	-	-	-	-
Capital outlay	-	19,958	-	-	-	-	25,000
Total expenditures	159,000	178,705	2,455,619	-	269,649	32,032	25,360
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(97,733)	14,776	(1,015,530)	128,937	(32,783)	33,710	17,305
<b>OTHER FINANCING SOURCES (USES):</b>							
Operating transfers in	-	-	1,121,377	-	-	-	-
Operating transfers out	-	-	(105,847)	(128,755)	-	(35,000)	-
Total other financing sources (uses)	-	-	1,015,530	(128,755)	-	(35,000)	-
<b>NET CHANGE IN FUND BALANCES:</b>	(97,733)	14,776	-	182	(32,783)	(1,290)	17,305
<b>FUND BALANCE, BEGINNING OF YEAR</b>	323,589	150,062	-	33,442	138,275	67,221	49,925
<b>FUND BALANCE, END OF YEAR</b>	\$ 225,856	\$ 164,838	\$ -	\$ 33,624	\$ 105,492	\$ 65,931	\$ 67,230

**UMATILLA COUNTY, OREGON**

**Nonmajor Special Revenue Funds  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Modified Cash Basis  
Year Ended June 30, 2018**

Continued from previous page.

	Tax	Foreclosed Property	Human Services	Public Land Corner Preservation	Fairground Improvement	EOTEC Reserve	Community Corrections
<b>REVENUES:</b>							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	4,654,475	-	-	-	3,890,479
Charges for services	-	-	85,671	86,706	-	-	242,009
Fines & forfeitures	-	-	-	-	-	-	-
Interest	2,243	-	19,220	3,294	745	-	38,970
Miscellaneous & reimbursements	154,002	-	17,866	-	-	-	11,794
Total revenues	156,245	-	4,777,232	90,000	745	-	4,183,252
<b>EXPENDITURES:</b>							
General government	150,593	-	-	13,240	-	-	-
Public safety	-	-	-	-	-	-	3,795,705
Highways and streets	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	49,431	738,026	-
Education	-	-	-	-	-	-	-
Health	-	-	4,318,293	-	-	-	-
Capital outlay	-	-	62,402	-	-	-	-
Total expenditures	150,593	-	4,380,695	13,240	49,431	738,026	57,475
							3,853,180
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	5,652		396,537	76,760	(48,686)	(738,026)	330,072
<b>OTHER FINANCING SOURCES (USES):</b>							
Operating transfers in	-	-	42,919	-	-	780,000	21,459
Operating transfers out	(32,592)	-	-	-	-	-	-
Total other financing sources (uses)	(32,592)	-	42,919	-	-	780,000	21,459
<b>NET CHANGE IN FUND BALANCES:</b>	(26,940)		439,456	76,760	(48,686)	41,974	351,531
<b>FUND BALANCE, BEGINNING OF YEAR</b>	31,790		1,132,708	150,581	78,690	37,425	1,816,018
<b>FUND BALANCE, END OF YEAR</b>	\$ 4,850		\$ 1,572,164	\$ 227,341	\$ 30,004	\$ 79,399	\$ 2,167,549

**UMATILLA COUNTY, OREGON**

**Nonmajor Special Revenue Funds  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Modified Cash Basis  
Year Ended June 30, 2018**

Continued from previous page.

	Economic Development	County Road Improvement	Sheriff Marine	School Based Health Center	Nuisance Abatement	Extension Special Equipment
<b>REVENUES:</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	351,572	-	47,670	645,262	-	-
Charges for services	-	-	-	4,913	-	1,694
Fines & forfeitures	-	-	-	-	-	-
Interest	1,513	5,998	243	7,208	1,080	624
Miscellaneous & reimbursements	-	3,985	-	3,593	-	-
Total revenues	<u>353,085</u>	<u>9,983</u>	<u>47,913</u>	<u>660,976</u>	<u>1,080</u>	<u>2,318</u>
<b>EXPENDITURES:</b>						
General government	317,085	-	-	-	27,922	1,659
Public safety	-	-	49,021	-	-	-
Highways and streets	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Education	-	-	-	-	-	-
Health	-	-	-	555,007	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>317,085</u>	<u>-</u>	<u>49,021</u>	<u>555,007</u>	<u>27,922</u>	<u>1,659</u>
<b>EXCESS (DEFICIENCY) OF</b>						
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>36,000</u>	<u>9,983</u>	<u>(1,108)</u>	<u>105,969</u>	<u>(26,842)</u>	<u>659</u>
<b>OTHER FINANCING SOURCES (USES):</b>						
Operating transfers in	-	-	-	-	-	-
Operating transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
<b>NET CHANGE IN FUND BALANCES:</b>	<u>36,000</u>	<u>9,983</u>	<u>(1,108)</u>	<u>105,969</u>	<u>(26,842)</u>	<u>659</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>60,142</u>	<u>337,775</u>	<u>14,360</u>	<u>333,736</u>	<u>68,780</u>	<u>34,998</u>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 96,142</u>	<u>\$ 347,758</u>	<u>\$ 13,252</u>	<u>\$ 439,705</u>	<u>\$ 41,938</u>	<u>\$ 35,657</u>

Continued on next page.



**UMATILLA COUNTY, OREGON**

**Nonmajor Special Revenue Funds  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Modified Cash Basis  
Year Ended June 30, 2018**

Continued from previous page.

	County Fair	County School	Unitary Assessment	Community Services Development	Mediation Services	Assessment & Taxation
<b>REVENUES:</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 273,051
Intergovernmental	53,167	395,459	69,336	-	-	220,100
Charges for services	1,047,331	-	-	-	50,334	109,330
Fines & forfeitures	-	-	-	-	-	-
Interest	2,018	2,336	414	7,754	2,939	1,602
Miscellaneous & reimbursements	23,643	-	-	-	-	-
Total revenues	<u>1,126,159</u>	<u>397,795</u>	<u>69,750</u>	<u>7,754</u>	<u>53,273</u>	<u>604,083</u>
<b>EXPENDITURES:</b>						
General government	-	-	-	75,048	44,671	573,649
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Culture and recreation	1,141,977	-	-	-	-	-
Education	-	394,219	-	-	-	-
Health	-	-	62,794	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>1,141,977</u>	<u>394,219</u>	<u>62,794</u>	<u>75,048</u>	<u>44,671</u>	<u>573,649</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(15,818)</u>	<u>3,576</u>	<u>6,956</u>	<u>(67,294)</u>	<u>8,602</u>	<u>30,434</u>
<b>OTHER FINANCING SOURCES (USES):</b>						
Operating transfers in	-	-	-	-	-	-
Operating transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
<b>NET CHANGE IN FUND BALANCES:</b>	<u>(15,818)</u>	<u>3,576</u>	<u>6,956</u>	<u>(67,294)</u>	<u>8,602</u>	<u>30,434</u>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>111,643</u>	<u>21,043</u>	<u>36,361</u>	<u>472,777</u>	<u>144,653</u>	<u>145,057</u>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 95,825</u>	<u>\$ 24,619</u>	<u>\$ 43,317</u>	<u>\$ 405,483</u>	<u>\$ 153,255</u>	<u>\$ 175,491</u>

**UMATILLA COUNTY, OREGON**

**Nonmajor Special Revenue Funds  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Modified Cash Basis  
Year Ended June 30, 2018**

Continued from previous page.

	CARES Program	Environment Health	Coalitions of Umatilla County	Community Benefit Plans	Special Services	2050 Plan
<b>REVENUES:</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	292,059	-	-	-	-	-
Charges for services	250,259	408,583	-	1,396,312	3,806	-
Fines & forfeitures	-	-	-	-	89,544	-
Interest	8,609	5,791	48	9,357	-	614
Miscellaneous & reimbursements	5,396	-	-	100,000	-	-
Total revenues	556,323	414,374	48	1,505,669	93,350	614
<b>EXPENDITURES:</b>						
General government	-	-	-	788,950	306,358	23,320
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Education	-	-	-	-	-	-
Health	545,402	364,931	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	545,402	364,931	-	788,950	306,358	23,320
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	10,921	49,443	48	716,719	(213,008)	(22,706)
<b>OTHER FINANCING SOURCES (USES):</b>						
Operating transfers in	-	-	-	-	213,008	20,000
Operating transfers out	-	-	-	(444,637)	-	-
Total other financing sources (uses)	-	-	-	(444,637)	213,008	20,000
<b>NET CHANGE IN FUND BALANCES:</b>	10,921	49,443	48	272,082	-	(2,706)
<b>FUND BALANCE, BEGINNING OF YEAR</b>	417,923	324,432	2,713	1,135,771	-	35,389
<b>FUND BALANCE, END OF YEAR</b>	\$ 428,844	\$ 373,875	\$ 2,761	\$ 1,407,853	\$ -	\$ 32,683

Continued on next page.

**UMATILLA COUNTY, OREGON**

**Nonmajor Special Revenue Funds  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Modified Cash Basis  
Year Ended June 30, 2018**

Continued from previous page.

	Veterans Expanded Services	GIS Equipment Reserve	Assessor Technology Reserve	Dispatch Reserve	NAIFA Reserve	Totals
<b>REVENUES:</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 273,051
Intergovernmental	50,488	-	-	-	-	12,515,283
Charges for services	-	12,182	-	-	-	3,842,912
Fines & forfeitures	-	-	-	-	-	218,146
Interest	450	1,660	56	1,267	221	139,136
Miscellaneous & reimbursements	400	-	-	-	5,000	364,264
Total revenues	51,338	13,842	56	1,267	5,221	17,352,792
<b>EXPENDITURES:</b>						
General government	40,692	240	60	109,205	1,265	2,743,966
Public safety	-	-	-	-	-	6,300,345
Highways and streets	-	-	-	-	-	159,000
Culture and recreation	-	-	-	-	-	2,088,181
Education	-	-	-	-	-	426,251
Health	-	-	-	-	-	5,846,427
Capital outlay	53,700	6,011	-	-	-	224,546
Total expenditures	94,392	6,251	60	109,205	1,265	17,788,716
<b>EXCESS (DEFICIENCY) OF</b>						
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(43,054)	7,591	(4)	(107,938)	3,956	(435,924)
<b>OTHER FINANCING SOURCES (USES):</b>						
Operating transfers in	6,430	-	-	105,847	-	2,311,040
Operating transfers out	-	-	-	-	-	(746,831)
Total other financing sources (uses)	6,430	-	-	105,847	-	1,564,209
<b>NET CHANGE IN FUND BALANCES:</b>	(36,624)	7,591	(4)	(2,091)	3,956	1,128,285
<b>FUND BALANCE, BEGINNING OF YEAR</b>	36,624	92,517	3,165	106,081	10,537	7,956,203
<b>FUND BALANCE, END OF YEAR</b>	\$ -	\$ 100,108	\$ 3,161	\$ 103,990	\$ 14,493	\$ 9,084,488

UMATILLA COUNTY, OREGON

Bicycle Path Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances

Modified Cash Basis - Budget to Actual

Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES:</u></b>				
Intergovernmental:				
DMV license and gas tax	\$ 53,000	\$ 53,000	\$ 56,297	\$ 3,297
Interest	2,000	2,000	4,970	2,970
Total revenues	<u>55,000</u>	<u>55,000</u>	<u>61,267</u>	<u>6,267</u>
<b><u>EXPENDITURES:</u></b>				
Materials & services	159,000	159,000	159,000	-
Contingency	47,681	47,681	-	47,681
Total expenditures	<u>206,681</u>	<u>206,681</u>	<u>159,000</u>	<u>47,681</u>
<b><u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u></b>				
	(151,681)	(151,681)	(97,733)	53,948
<b><u>FUND BALANCES, BEGINNING</u></b>				
	<u>274,175</u>	<u>274,175</u>	<u>323,589</u>	<u>49,414</u>
<b><u>FUND BALANCES, ENDING</u></b>				
	<u>\$ 122,494</u>	<u>\$ 122,494</u>	<u>\$ 225,856</u>	<u>\$ 103,362</u>

UMATILLA COUNTY, OREGON

Parks Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances

Modified Cash Basis - Budget to Actual

Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES:</u></b>				
Intergovernmental:				
State vehicle fees	\$ 75,000	\$ 116,000	\$ 124,998	\$ 8,998
Charges for services:				
Park user fees	48,000	48,000	65,634	17,634
Interest	400	2,400	2,849	449
Total revenues	<u>123,400</u>	<u>166,400</u>	<u>193,481</u>	<u>27,081</u>
<b><u>EXPENDITURES:</u></b>				
Personal services	103,980	133,980	109,957	24,023
Materials & services	56,483	66,483	48,790	17,693
Capital outlay	14,000	32,000	19,958	12,042
Contingency	29,135	69,135	-	69,135
Total expenditures	<u>203,598</u>	<u>301,598</u>	<u>178,705</u>	<u>122,893</u>
<b><u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u></b>				
	(80,198)	(135,198)	14,776	149,974
<b><u>FUND BALANCES, BEGINNING</u></b>				
	<u>95,000</u>	<u>150,000</u>	<u>150,062</u>	<u>62</u>
<b><u>FUND BALANCES, ENDING</u></b>				
	<u>\$ 14,802</u>	<u>\$ 14,802</u>	<u>\$ 164,838</u>	<u>\$ 150,036</u>

**UMATILLA COUNTY, OREGON**

**Tax Anticipation Notes**

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

**Modified Cash Basis - Budget to Actual**

**Year Ended June 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES:</u></b>				
Interest	\$ 20,000	\$ 20,000	\$ -	\$ (20,000)
Total revenues	20,000	20,000	-	(20,000)
<b><u>EXPENDITURES:</u></b>				
Interest expense	15,000	15,000	-	15,000
Materials & services	5,000	5,000	-	5,000
Total expenditures	20,000	20,000	-	20,000
<b><u>EXCESS OF REVENUES OVER EXPENDITURES</u></b>				
	-	-	-	-
<b><u>OTHER FINANCING SOURCES (USES):</u></b>				
Tax anticipation note proceeds	2,000,000	2,000,000	-	2,000,000
Repayment of tax anticipation notes	(2,000,000)	(2,000,000)	-	(2,000,000)
<b><u>NET CHANGE IN FUND BALANCES</u></b>				
	-	-	-	-
<b><u>FUND BALANCES, BEGINNING</u></b>				
	-	-	-	-
<b><u>FUND BALANCES, ENDING</u></b>				
	\$ -	\$ -	\$ -	\$ -

**UMATILLA COUNTY, OREGON**

**Emergency 911 Telephone System Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Modified Cash Basis - Budget to Actual**  
**Year Ended June 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES:</u></b>				
Intergovernmental:				
911 apportionment	\$ 495,180	\$ 495,180	\$ 509,600	\$ 14,420
State apportionments	10,000	10,000	5,818	(4,182)
Local apportionments	879,144	879,144	881,086	1,942
National Forest rental	4,000	4,000	5,000	1,000
Refunds and reimbursements	38,857	38,857	38,585	(272)
Total revenues	<u>1,427,181</u>	<u>1,427,181</u>	<u>1,440,089</u>	<u>12,908</u>
<b><u>EXPENDITURES:</u></b>				
Personal services	2,264,865	2,264,865	2,237,263	27,602
Materials & services	242,416	242,416	218,356	24,060
Total expenditures	<u>2,507,281</u>	<u>2,507,281</u>	<u>2,455,619</u>	<u>51,662</u>
<b><u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u></b>				
	(1,080,100)	(1,080,100)	(1,015,530)	64,570
<b><u>OTHER FINANCING SOURCES (USES):</u></b>				
Operating transfers in	1,185,947	1,185,947	1,121,377	(64,570)
Operating transfers out	(105,847)	(105,847)	(105,847)	-
Total other financing sources (uses)	<u>1,080,100</u>	<u>1,080,100</u>	<u>1,015,530</u>	<u>(64,570)</u>
<b><u>NET CHANGE IN FUND BALANCES</u></b>				
	-	-	-	-
<b><u>FUND BALANCES, BEGINNING</u></b>				
	-	-	-	-
<b><u>FUND BALANCES, ENDING</u></b>				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**UMATILLA COUNTY, OREGON**

**Corrections Assessment Fund**

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

**Modified Cash Basis - Budget to Actual**

**Year Ended June 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES:</u></b>				
Fines & impound fees	\$ 144,000	\$ 144,000	\$ 128,602	\$ (15,398)
Interest	-	-	335	335
Total revenues	<u>144,000</u>	<u>144,000</u>	<u>128,937</u>	<u>(15,063)</u>
<b><u>EXPENDITURES:</u></b>				
Contingency	<u>36,000</u>	<u>36,000</u>	-	<u>36,000</u>
Total expenditures	<u>36,000</u>	<u>36,000</u>	-	<u>36,000</u>
<b><u>EXCESS OF REVENUES OVER EXPENDITURES</u></b>				
	108,000	108,000	128,937	20,937
<b><u>OTHER FINANCING SOURCES (USES):</u></b>				
Operating transfers out	<u>(144,000)</u>	<u>(144,000)</u>	<u>(128,755)</u>	<u>15,245</u>
<b><u>NET CHANGE IN FUND BALANCES</u></b>				
	(36,000)	(36,000)	182	36,182
<b><u>FUND BALANCES, BEGINNING</u></b>				
	<u>36,000</u>	<u>36,000</u>	<u>33,442</u>	<u>(2,558)</u>
<b><u>FUND BALANCES, ENDING</u></b>				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,624</u>	<u>\$ 33,624</u>



UMATILLA COUNTY, OREGON

Special Transportation Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances

Modified Cash Basis - Budget to Actual

Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES:</u></b>				
Intergovernmental:				
State grant	\$ 300,000	\$ 300,000	\$ 234,566	\$ (65,434)
Interest	1,000	1,000	2,300	1,300
Total revenues	<u>301,000</u>	<u>301,000</u>	<u>236,866</u>	<u>(64,134)</u>
<b><u>EXPENDITURES:</u></b>				
Materials & services	372,060	372,060	269,649	102,411
Contingency	108,940	108,940	-	108,940
Total expenditures	<u>481,000</u>	<u>481,000</u>	<u>269,649</u>	<u>211,351</u>
<b><u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u></b>				
	(180,000)	(180,000)	(32,783)	147,217
<b><u>FUND BALANCES, BEGINNING</u></b>				
	<u>180,000</u>	<u>180,000</u>	<u>138,275</u>	<u>(41,725)</u>
<b><u>FUND BALANCES, ENDING</u></b>				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 105,492</u>	<u>\$ 105,492</u>

UMATILLA COUNTY, OREGON

Law Library Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances

Modified Cash Basis - Budget to Actual

Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES:</u></b>				
Fines & forfeitures:				
Court fees	\$ 62,319	\$ 62,319	\$ 64,150	\$ 1,831
Interest	200	200	1,592	1,392
Total revenues	<u>62,519</u>	<u>62,519</u>	<u>65,742</u>	<u>3,223</u>
<b><u>EXPENDITURES:</u></b>				
Materials & services	38,982	38,982	32,032	6,950
Contingency	<u>52,537</u>	<u>52,537</u>	-	<u>52,537</u>
Total expenditures	<u>91,519</u>	<u>91,519</u>	<u>32,032</u>	<u>59,487</u>
<b><u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u></b>				
	(29,000)	(29,000)	33,710	62,710
<b><u>OTHER FINANCING SOURCES (USES):</u></b>				
Operating transfers out	<u>(35,000)</u>	<u>(35,000)</u>	<u>(35,000)</u>	<u>-</u>
<b><u>NET CHANGE IN FUND BALANCES</u></b>				
	(64,000)	(64,000)	(1,290)	62,710
<b><u>FUND BALANCES, BEGINNING</u></b>				
	<u>64,000</u>	<u>64,000</u>	<u>67,221</u>	<u>3,221</u>
<b><u>FUND BALANCES, ENDING</u></b>				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 65,931</u>	<u>\$ 65,931</u>

**UMATILLA COUNTY, OREGON**

**Records Archiving**

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

**Modified Cash Basis - Budget to Actual**

**Year Ended June 30, 2018**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b><u>REVENUES:</u></b>				
Intergovernmental:				
State Reimbursements	\$ -	\$ -	\$ 27,851	\$ 27,851
Charges for services:				
Land transaction fees	14,000	14,000	13,998	(2)
Interest	300	300	816	516
Total revenues	<u>14,300</u>	<u>14,300</u>	<u>42,665</u>	<u>28,365</u>
<b><u>EXPENDITURES:</u></b>				
Materials & services	6,360	6,360	360	6,000
Capital Outlay	-	25,000	25,000	-
Contingency	57,940	32,940	-	32,940
Total expenditures	<u>64,300</u>	<u>64,300</u>	<u>25,360</u>	<u>38,940</u>
<b><u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u></b>				
	(50,000)	(50,000)	17,305	67,305
<b><u>FUND BALANCES, BEGINNING</u></b>				
	<u>50,000</u>	<u>50,000</u>	<u>49,925</u>	<u>(75)</u>
<b><u>FUND BALANCES, ENDING</u></b>				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 67,230</u>	<u>\$ 67,230</u>

**UMATILLA COUNTY, OREGON**

**Tax Foreclosed Property Fund**

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

**Modified Cash Basis - Budget to Actual**

**Year Ended June 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES:</u></b>				
Interest	\$ 500	\$ 500	\$ 2,243	\$ 1,743
Sale of public lands	100,000	200,000	154,002	(45,998)
Total revenues	100,500	200,500	156,245	(44,255)
<b><u>EXPENDITURES:</u></b>				
Materials & services	65,500	165,500	150,593	14,907
Contingency	5,000	5,000	-	5,000
Total expenditures	70,500	170,500	150,593	19,907
<b><u>EXCESS OF REVENUES OVER EXPENDITURES</u></b>				
	30,000	30,000	5,652	(24,348)
<b><u>OTHER FINANCING SOURCES (USES):</u></b>				
Operating transfers out	(35,000)	(35,000)	(32,592)	2,408
<b><u>NET CHANGE IN FUND BALANCES</u></b>				
	(5,000)	(5,000)	(26,940)	(21,940)
<b><u>FUND BALANCES, BEGINNING</u></b>				
	5,000	5,000	31,790	26,790
<b><u>FUND BALANCES, ENDING</u></b>				
	\$ -	\$ -	\$ 4,850	\$ 4,850

**UMATILLA COUNTY, OREGON**

**Human Services Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Modified Cash Basis - Budget to Actual**  
**Year Ended June 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES:</u></b>				
Intergovernmental:				
State grants & contracts	\$ 3,377,588	\$ 4,590,013	\$ 4,654,475	\$ 64,462
Charges for services:				
Customer services	33,000	33,000	85,671	\$ 52,671
Interest	1,600	1,600	19,220	17,620
Insurance reimbursements and other	8,200	8,200	17,866	9,666
Total revenues	<u>3,420,388</u>	<u>4,632,813</u>	<u>4,777,232</u>	<u>144,419</u>
<b><u>EXPENDITURES:</u></b>				
Personal services	2,155,396	2,589,774	2,251,353	338,421
Materials & services	1,599,965	2,292,883	2,066,940	225,943
Capital outlay	88,000	148,000	62,402	85,598
Contingency	458,631	780,146	-	780,146
Total expenditures	<u>4,301,992</u>	<u>5,810,803</u>	<u>4,380,695</u>	<u>1,430,108</u>
<b><u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u></b>				
	(881,604)	(1,177,990)	396,537	1,574,527
<b><u>OTHER FINANCING SOURCES:</u></b>				
Operating transfers in	48,000	48,000	42,919	(5,081)
<b><u>NET CHANGE IN FUND BALANCES</u></b>	(833,604)	(1,129,990)	439,456	1,569,446
<b><u>FUND BALANCES, BEGINNING</u></b>	833,604	1,129,990	1,132,708	2,718
<b><u>FUND BALANCES, ENDING</u></b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,572,164</u>	<u>\$ 1,572,164</u>

**UMATILLA COUNTY, OREGON**

**Public Land Corner Preservation Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Modified Cash Basis - Budget to Actual**  
**Year Ended June 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES:</u></b>				
Charges for services:				
Public corner fees	\$ 85,000	\$ 85,000	\$ 86,706	\$ 1,706
Interest	300	300	3,294	2,994
Total revenues	<u>85,300</u>	<u>85,300</u>	<u>90,000</u>	<u>4,700</u>
<b><u>EXPENDITURES:</u></b>				
Materials & services	71,504	71,504	13,240	58,264
Capital outlay	20,000	20,000	-	20,000
Contingency	68,796	68,796	-	68,796
Total expenditures	<u>160,300</u>	<u>160,300</u>	<u>13,240</u>	<u>147,060</u>
<b><u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u></b>	<u>(75,000)</u>	<u>(75,000)</u>	<u>76,760</u>	<u>151,760</u>
<b><u>FUND BALANCES, BEGINNING</u></b>	<u>75,000</u>	<u>75,000</u>	<u>150,581</u>	<u>75,581</u>
<b><u>FUND BALANCES, ENDING</u></b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 227,341</u>	<u>\$ 227,341</u>

**UMATILLA COUNTY, OREGON**

**Fair Improvement Fund**

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

**Modified Cash Basis - Budget to Actual**

**Year Ended June 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES:</u></b>				
Interest	-	-	745	745
Total revenues	-	-	745	745
<b><u>EXPENDITURES:</u></b>				
Materials & services	21,200	50,000	49,431	569
Contingency	28,800	-	-	-
Total expenditures	50,000	50,000	49,431	569
<b><u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u></b>	(50,000)	(50,000)	(48,686)	1,314
<b><u>FUND BALANCES, BEGINNING</u></b>	50,000	50,000	78,690	28,690
<b><u>FUND BALANCES, ENDING</u></b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,004</u>	<u>\$ 30,004</u>

**UMATILLA COUNTY, OREGON**

**Eastern Oregon Trade and Event Center**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Modified Cash Basis - Budget to Actual**  
**Year Ended June 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES:</u></b>				
Interest	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
<b><u>EXPENDITURES:</u></b>				
Materials & services	50,000	775,000	738,026	36,974
Contingency	67,000	42,000	-	42,000
Total expenditures	117,000	817,000	738,026	78,974
<b><u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u></b>				
	(117,000)	(817,000)	(738,026)	78,974
<b><u>OTHER FINANCING SOURCES:</u></b>				
Operating transfers in	80,000	780,000	780,000	
<b><u>NET CHANGE IN FUND BALANCES</u></b>				
	(37,000)	(37,000)	41,974	78,974
<b><u>FUND BALANCES, BEGINNING</u></b>				
	37,000	37,000	37,425	425
<b><u>FUND BALANCES, ENDING</u></b>				
	\$ -	\$ -	\$ 79,399	\$ 79,399



**UMATILLA COUNTY, OREGON**

**Community Corrections Fund**

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

**Modified Cash Basis - Budget to Actual**

**Year Ended June 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES:</u></b>				
Intergovernmental:				
State grants	\$ 803,170	\$ 800,149	\$ 735,088	\$ (65,061)
Corrections allocation grant	2,880,000	3,145,792	3,145,792	-
Local grants	-	-	1,000	1,000
Inmate welfare	8,580	8,599	8,599	-
Charges for services:				
Supervision fees	172,500	177,930	188,638	10,708
Client fees	68,900	53,900	53,371	(529)
Interest	18,150	28,850	38,970	10,120
Rent	12,000	7,000	9,055	2,055
Refunds and reimbursements	11,500	1,000	2,739	1,739
Total revenues	<u>3,974,800</u>	<u>4,223,220</u>	<u>4,183,252</u>	<u>(39,968)</u>
<b><u>EXPENDITURES:</u></b>				
Community corrections:				
Personal services	2,425,599	2,585,187	2,387,568	197,619
Materials & services	1,054,355	1,085,127	940,163	144,964
Capital outlay	-	67,000	57,475	9,525
Total community corrections	<u>3,479,954</u>	<u>3,737,314</u>	<u>3,385,206</u>	<u>352,108</u>
Drug court:				
Material & services	-	126,000	4,358	121,642
Total drug court	<u>-</u>	<u>126,000</u>	<u>4,358</u>	<u>121,642</u>
Transitional housing:				
Material & services	14,331	22,231	18,949	3,282
Total transitional housing	<u>14,331</u>	<u>22,231</u>	<u>18,949</u>	<u>3,282</u>
Justice reinvestment:				
Personal services	298,832	213,378	189,199	24,179
Materials & services	322,640	384,745	255,468	129,277
Total justice reinvestment	<u>621,472</u>	<u>598,123</u>	<u>444,667</u>	<u>153,456</u>
Operating contingency	989,043	1,578,783	-	1,578,783
Total expenditures	<u>5,104,800</u>	<u>6,062,451</u>	<u>3,853,180</u>	<u>2,209,271</u>
<b><u>EXCESS (DEFICIENCY) OF REVENUES</u></b>				
<b><u>OVER (UNDER) EXPENDITURES</u></b>	<u>(1,130,000)</u>	<u>(1,839,231)</u>	<u>330,072</u>	<u>2,169,303</u>
<b><u>OTHER FINANCING SOURCES:</u></b>				
Operating transfers in	24,000	24,000	21,459	(2,541)
Total other financing sources	<u>24,000</u>	<u>24,000</u>	<u>21,459</u>	<u>(2,541)</u>
<b><u>NET CHANGE IN FUND BALANCES</u></b>	<u>(1,106,000)</u>	<u>(1,815,231)</u>	<u>351,531</u>	<u>2,166,762</u>
<b><u>FUND BALANCES, BEGINNING</u></b>	<u>1,106,000</u>	<u>1,815,231</u>	<u>1,816,018</u>	<u>787</u>
<b><u>FUND BALANCES, ENDING</u></b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,167,549</u>	<u>\$ 2,167,549</u>

UMATILLA COUNTY, OREGON

Economic Development Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances

Modified Cash Basis - Budget to Actual

Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES:</u></b>				
Intergovernmental:				
Video lottery	\$ 320,000	\$ 327,400	\$ 351,572	\$ 24,172
Interest	1,000	1,000	1,513	513
Total revenues	<u>321,000</u>	<u>328,400</u>	<u>353,085</u>	<u>24,685</u>
<b><u>EXPENDITURES:</u></b>				
Personal services	126,794	116,794	114,748	2,046
Materials & services	200,691	270,691	202,337	68,354
Operating contingency	1,000	1,000	-	1,000
Total expenditures	<u>328,485</u>	<u>388,485</u>	<u>317,085</u>	<u>71,400</u>
<b><u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u></b>				
	(7,485)	(60,085)	36,000	96,085
<hr/>				
<b><u>FUND BALANCES, BEGINNING</u></b>	<u>7,485</u>	<u>60,085</u>	<u>60,142</u>	<u>57</u>
<b><u>FUND BALANCES, ENDING</u></b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 96,142</u>	<u>\$ 96,142</u>

**UMATILLA COUNTY, OREGON**

**County Road Improvement Fund**

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

**Modified Cash Basis - Budget to Actual**

**Year Ended June 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES:</u></b>				
Interest	\$ 2,000	\$ 2,000	\$ 5,998	\$ 3,998
Road improvement loan payments	1,000	1,000	3,985	2,985
Total revenues	3,000	3,000	9,983	6,983
<b><u>EXPENDITURES:</u></b>				
Capital outlay	150,000	150,000	-	150,000
Operating contingency	188,000	188,000	-	188,000
Total expenditures	338,000	338,000	-	338,000
<b><u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u></b>				
	(335,000)	(335,000)	9,983	344,983
<b><u>FUND BALANCES, BEGINNING</u></b>				
	335,000	335,000	337,775	2,775
<b><u>FUND BALANCES, ENDING</u></b>				
	\$ -	\$ -	\$ 347,758	\$ 347,758

UMATILLA COUNTY, OREGON

Sheriff - Marine Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances

Modified Cash Basis - Budget to Actual

Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES:</u></b>				
Intergovernmental:				
State Marine Board	\$ 71,690	\$ 71,690	\$ 47,670	\$ (24,020)
Interest	-	-	243	243
Total revenues	<u>71,690</u>	<u>71,690</u>	<u>47,913</u>	<u>(23,777)</u>
<b><u>EXPENDITURES:</u></b>				
Personal services	68,907	68,907	35,864	33,043
Materials & services	23,002	23,002	13,157	9,845
Operating contingency	317	317	-	317
Total expenditures	<u>92,226</u>	<u>92,226</u>	<u>49,021</u>	<u>43,205</u>
<b><u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u></b>				
	(20,536)	(20,536)	(1,108)	19,428
<hr/>				
<b><u>FUND BALANCES, BEGINNING</u></b>	<u>20,536</u>	<u>20,536</u>	<u>14,360</u>	<u>(6,176)</u>
<b><u>FUND BALANCES, ENDING</u></b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,252</u>	<u>\$ 13,252</u>

**UMATILLA COUNTY, OREGON**

**School Based Health Center Fund**

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

**Modified Cash Basis - Budget to Actual**

**Year Ended June 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES:</u></b>				
Intergovernmental:				
Grants	\$ 449,278	\$ 617,554	\$ 645,262	\$ 27,708
Charges for services:				
Fees	3,500	3,500	4,913	1,413
Interest	1,000	2,300	7,208	4,908
Reimbursements	15,000	15,000	3,593	(11,407)
Total revenues	<u>468,778</u>	<u>638,354</u>	<u>660,976</u>	<u>22,622</u>
<b><u>EXPENDITURES:</u></b>				
Personal services	218,058	281,308	241,903	39,405
Materials & services	343,671	405,919	313,104	92,815
Operating contingency	155,937	200,015	-	200,015
Total expenditures	<u>717,666</u>	<u>887,242</u>	<u>555,007</u>	<u>332,235</u>
<b><u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u></b>				
	(248,888)	(248,888)	105,969	354,857
<b><u>FUND BALANCES, BEGINNING</u></b>				
	<u>248,888</u>	<u>248,888</u>	<u>333,736</u>	<u>84,848</u>
<b><u>FUND BALANCES, ENDING</u></b>				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 439,705</u>	<u>\$ 439,705</u>

UMATILLA COUNTY, OREGON

Nuisance Abatement Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances

Modified Cash Basis - Budget to Actual

Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES:</u></b>				
Charges for services:				
Customer fees	\$ 500	\$ 500	\$ -	\$ (500)
Fines & forfeitures	100	100	-	(100)
Interest	300	300	1,080	780
Refund and reimbursements	100	100	-	(100)
Total revenues	<u>1,000</u>	<u>1,000</u>	<u>1,080</u>	<u>80</u>
<b><u>EXPENDITURES:</u></b>				
Materials & services	5,300	35,300	27,922	7,378
Capital outlay	200	200	-	200
Contingency	40,500	10,500	-	10,500
Total expenditures	<u>46,000</u>	<u>46,000</u>	<u>27,922</u>	<u>18,078</u>
<b><u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u></b>	(45,000)	(45,000)	(26,842)	18,158
<b><u>FUND BALANCES, BEGINNING</u></b>	<u>60,000</u>	<u>60,000</u>	<u>68,780</u>	<u>8,780</u>
<b><u>FUND BALANCES, ENDING</u></b>	<u>\$ 15,000</u>	<u>\$ 15,000</u>	<u>\$ 41,938</u>	<u>\$ 26,938</u>

**UMATILLA COUNTY, OREGON**

**Extension Special Equipment Fund**

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

**Modified Cash Basis - Budget to Actual**

**Year Ended June 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES:</u></b>				
Charges for services:				
Rent received/equipment	\$ 3,000	\$ 3,000	\$ 1,694	\$ (1,306)
Interest	-	-	624	624
Total revenues	<u>3,000</u>	<u>3,000</u>	<u>2,318</u>	<u>(682)</u>
<b><u>EXPENDITURES:</u></b>				
Material & services	3,180	3,180	1,659	1,521
Operating contingency	<u>27,820</u>	<u>27,820</u>	-	<u>27,820</u>
Total expenditures	<u>31,000</u>	<u>31,000</u>	<u>1,659</u>	<u>29,341</u>
<b><u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u></b>				
	<u>(28,000)</u>	<u>(28,000)</u>	<u>659</u>	<u>28,659</u>
<b><u>FUND BALANCES, BEGINNING</u></b>				
	<u>28,000</u>	<u>28,000</u>	<u>34,998</u>	<u>6,998</u>
<b><u>FUND BALANCES, ENDING</u></b>				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 35,657</u>	<u>\$ 35,657</u>

UMATILLA COUNTY, OREGON

County Fair Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances

Modified Cash Basis - Budget to Actual

Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES:</u></b>				
Intergovernmental:				
State grants	\$ 50,000	\$ 50,000	\$ 53,167	\$ 3,167
Charges for services:				
Admissions	210,000	210,000	166,120	(43,880)
Local shared revenues				-
Refunds and reimbursements	1,000	1,000	7,389	6,389
Concessions and commercial space	101,500	101,500	102,256	756
Carnival	81,500	81,500	69,191	(12,309)
Rodeo revenues	40,000	40,000	14,711	(25,289)
Livestock sales	500,000	500,000	436,974	(63,026)
Rentals	5,250	5,250	9,373	4,123
Concert	21,500	21,500	30,009	8,509
Fair-sponsorships	144,500	144,500	161,160	16,660
Fair-parking	22,000	22,000	41,328	19,328
Fair-concessions & merchandise	1,000	1,000	2,233	1,233
Fair-other	12,150	12,150	5,892	(6,258)
Sign and bench sales	5,000	5,000	695	(4,305)
Interest	100	100	2,018	1,918
Donations	1,000	1,000	2,225	1,225
Miscellaneous	26,900	26,900	21,418	(5,482)
Total revenues	<u>1,223,400</u>	<u>1,223,400</u>	<u>1,126,159</u>	<u>(97,241)</u>
<b><u>EXPENDITURES:</u></b>				
Personal services	156,348	156,348	138,506	17,842
Materials & services	1,084,152	1,084,152	1,003,471	80,681
Operating contingency	42,900	42,900	-	42,900
Total expenditures	<u>1,283,400</u>	<u>1,283,400</u>	<u>1,141,977</u>	<u>141,423</u>
<b><u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u></b>	<u>(60,000)</u>	<u>(60,000)</u>	<u>(15,818)</u>	<u>44,182</u>
<b><u>FUND BALANCES, BEGINNING</u></b>	<u>60,000</u>	<u>60,000</u>	<u>111,643</u>	<u>51,643</u>
<b><u>FUND BALANCES, ENDING</u></b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 95,825</u>	<u>\$ 95,825</u>



**UMATILLA COUNTY, OREGON**

**County School Fund**

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

**Modified Cash Basis - Budget to Actual**

**Year Ended June 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES:</u></b>				
Intergovernmental:				
State apportionment	\$ 362,000	\$ 392,000	\$ 395,110	\$ 3,110
Federal revenues	-	-	349	349
Mineral leasing	5,000	5,000	-	(5,000)
Fines & impound fees	200	200	-	(200)
Interest	800	800	2,336	1,536
Total revenues	<u>368,000</u>	<u>398,000</u>	<u>397,795</u>	<u>(205)</u>
<b><u>EXPENDITURES:</u></b>				
Materials & services	368,000	398,000	394,219	3,781
Contingency	20,000	20,000	-	20,000
Total expenditures	<u>388,000</u>	<u>418,000</u>	<u>394,219</u>	<u>23,781</u>
<b><u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u></b>				
	(20,000)	(20,000)	3,576	23,576
<b><u>FUND BALANCES, BEGINNING</u></b>				
	20,000	20,000	21,043	1,043
<b><u>FUND BALANCES, ENDING</u></b>				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,619</u>	<u>\$ 24,619</u>

UMATILLA COUNTY, OREGON

Unitary Assessment Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances

Modified Cash Basis - Budget to Actual

Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES:</u></b>				
Intergovernmental:				
State apportionment	\$ 70,180	\$ 70,180	\$ 69,336	\$ (844)
Interest	-	-	414	414
Total revenues	<u>70,180</u>	<u>70,180</u>	<u>69,750</u>	<u>(430)</u>
<b><u>EXPENDITURES:</u></b>				
Materials & services	67,137	88,412	62,794	25,618
Contingency	37,532	16,257	-	16,257
Total expenditures	<u>104,669</u>	<u>104,669</u>	<u>62,794</u>	<u>41,875</u>
<b><u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u></b>				
	(34,489)	(34,489)	6,956	41,445
<b><u>FUND BALANCES, BEGINNING</u></b>				
	<u>34,489</u>	<u>34,489</u>	<u>36,361</u>	<u>1,872</u>
<b><u>FUND BALANCES, ENDING</u></b>				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 43,317</u>	<u>\$ 43,317</u>

**UMATILLA COUNTY, OREGON**

**Community Services Development Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Modified Cash Basis - Budget to Actual**  
**Year Ended June 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES:</u></b>				
Interest	\$ 1,500	\$ 1,500	\$ 7,754	\$ 6,254
Total revenues	1,500	1,500	7,754	6,254
<b><u>EXPENDITURES:</u></b>				
Materials & services	79,500	79,500	75,048	4,452
Contingency	387,000	387,000	-	387,000
Total expenditures	466,500	466,500	75,048	391,452
<b><u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u></b>				
	(465,000)	(465,000)	(67,294)	397,706
<b><u>OTHER FINANCING SOURCES (USES):</u></b>				
- Operating transfers out	(25,000)	(25,000)	-	25,000
<b><u>NET CHANGE IN FUND BALANCES</u></b>				
	(490,000)	(490,000)	(67,294)	422,706
<b><u>FUND BALANCES, BEGINNING</u></b>				
	490,000	490,000	472,777	(17,223)
<b><u>FUND BALANCES, ENDING</u></b>				
	\$ -	\$ -	\$ 405,483	\$ 405,483

UMATILLA COUNTY, OREGON

Mediation Services Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances

Modified Cash Basis - Budget to Actual

Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES:</u></b>				
Charges for services:				
Marriage fees	\$ 6,000	\$ 6,000	\$ 4,880	\$ (1,120)
Mediation services	60,000	60,000	45,454	(14,546)
Interest	-	-	2,939	2,939
Total revenues	<u>66,000</u>	<u>66,000</u>	<u>53,273</u>	<u>(12,727)</u>
<b><u>EXPENDITURES:</u></b>				
Materials & services	72,610	72,610	44,671	27,939
Operating contingency	133,390	133,390	-	133,390
Total expenditures	<u>206,000</u>	<u>206,000</u>	<u>44,671</u>	<u>161,329</u>
<b><u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u></b>				
	(140,000)	(140,000)	8,602	148,602
<b><u>FUND BALANCES, BEGINNING</u></b>				
	<u>140,000</u>	<u>140,000</u>	<u>144,653</u>	<u>4,653</u>
<b><u>FUND BALANCES, ENDING</u></b>				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 153,255</u>	<u>\$ 153,255</u>

**UMATILLA COUNTY, OREGON**

**Assessment and Taxation Fund**

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

**Modified Cash Basis - Budget to Actual**

**Year Ended June 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES:</u></b>				
Taxes:				
Current year taxes	\$ 290,000	\$ 290,000	\$ 273,051	\$ (16,949)
Intergovernmental revenue	200,000	200,000	220,100	20,100
Charges for services:				
Land transactions fee/Fees	112,000	112,000	109,330	(2,670)
Interest	1,000	1,000	1,602	602
Total revenues	<u>603,000</u>	<u>603,000</u>	<u>604,083</u>	<u>1,083</u>
<b><u>EXPENDITURES:</u></b>				
Materials & services	653,000	653,000	573,649	79,351
Operating contingency	100,000	100,000	-	100,000
Total expenditures	<u>753,000</u>	<u>753,000</u>	<u>573,649</u>	<u>179,351</u>
<b><u>EXCESS (DEFICIENCY) OF REVENUES</u></b>				
<b><u>OVER (UNDER) EXPENDITURES</u></b>	(150,000)	(150,000)	30,434	180,434
<b><u>FUND BALANCES, BEGINNING</u></b>	<u>150,000</u>	<u>150,000</u>	<u>145,057</u>	<u>(4,943)</u>
<b><u>FUND BALANCES, ENDING</u></b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 175,491</u>	<u>\$ 175,491</u>

UMATILLA COUNTY, OREGON

CARES Program Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances

Modified Cash Basis - Budget to Actual

Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES:</u></b>				
Intergovernmental:				
Grants	\$ 278,000	\$ 278,000	\$ 292,059	\$ 14,059
Fees	265,251	265,251	250,259	(14,992)
Donations and other	-	-	5,396	5,396
Interest	3,000	3,000	8,609	5,609
Total revenues	<u>546,251</u>	<u>546,251</u>	<u>556,323</u>	<u>10,072</u>
<b><u>EXPENDITURES:</u></b>				
Personal services	430,970	450,970	439,444	11,526
Materials & services	114,262	114,262	105,958	8,304
Operating contingency	307,019	287,019	-	287,019
Total expenditures	<u>852,251</u>	<u>852,251</u>	<u>545,402</u>	<u>306,849</u>
<b><u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u></b>				
	(306,000)	(306,000)	10,921	316,921
<b><u>FUND BALANCES, BEGINNING</u></b>				
	<u>306,000</u>	<u>306,000</u>	<u>417,923</u>	<u>111,923</u>
<b><u>FUND BALANCES, ENDING</u></b>				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 428,844</u>	<u>\$ 428,844</u>

**UMATILLA COUNTY, OREGON**

**Environment Health Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Modified Cash Basis - Budget to Actual**  
**Year Ended June 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES:</u></b>				
Charges for services:				
Fees	\$ 346,140	\$ 346,140	\$ 408,583	\$ 62,443
Interest	2,000	2,000	5,791	3,791
Total revenues	<u>348,140</u>	<u>348,140</u>	<u>414,374</u>	<u>66,234</u>
<b><u>EXPENDITURES:</u></b>				
Personal services	345,797	345,797	293,277	52,520
Materials & services	108,437	108,437	71,654	36,783
Operating contingency	220,527	220,527	-	220,527
Total expenditures	<u>674,761</u>	<u>674,761</u>	<u>364,931</u>	<u>309,830</u>
<b><u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u></b>				
	(326,621)	(326,621)	49,443	376,064
<b><u>FUND BALANCES, BEGINNING</u></b>				
	<u>326,621</u>	<u>326,621</u>	<u>324,432</u>	<u>(2,189)</u>
<b><u>FUND BALANCES, ENDING</u></b>				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 373,875</u>	<u>\$ 373,875</u>

**UMATILLA COUNTY, OREGON**

**Coalitions of Umatilla County Fund**

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

**Modified Cash Basis - Budget to Actual**

**Year Ended June 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES:</u></b>				
Interest	\$ 16	\$ 16	\$ 48	\$ 32
Total revenues	16	16	48	32
<b><u>EXPENDITURES:</u></b>				
Materials & services	2,563	2,563	-	2,563
Contingency	135	135	-	135
Total expenditures	2,698	2,698	-	2,698
<b><u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u></b>	(2,682)	(2,682)	48	2,730
<b><u>FUND BALANCES, BEGINNING</u></b>	2,682	2,682	2,713	31
<b><u>FUND BALANCES, ENDING</u></b>	\$ -	\$ -	\$ 2,761	\$ 2,761



**UMATILLA COUNTY, OREGON**

**Community Benefit Plans Fund**

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

**Modified Cash Basis - Budget to Actual**

**Year Ended June 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES:</u></b>				
Wind/SIP agreements	\$ 1,208,000	\$ 1,408,000	\$ 1,396,312	\$ (11,688)
Interest	-	-	9,357	9,357
Donations	100,000	100,000	100,000	-
Total revenues	<u>1,308,000</u>	<u>1,508,000</u>	<u>1,505,669</u>	<u>(2,331)</u>
<b><u>EXPENDITURES:</u></b>				
Materials & services	837,130	1,087,130	788,950	298,180
Operating contingency	802,620	706,620	-	706,620
Total expenditures	<u>1,639,750</u>	<u>1,793,750</u>	<u>788,950</u>	<u>1,004,800</u>
<b><u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u></b>				
	(331,750)	(285,750)	716,719	1,002,469
<b><u>OTHER FINANCING SOURCES (USES):</u></b>				
Operating transfers out	<u>(773,755)</u>	<u>(819,755)</u>	<u>(444,637)</u>	<u>375,118</u>
<b><u>NET CHANGE IN FUND BALANCES</u></b>	<u>(1,105,505)</u>	<u>(1,105,505)</u>	<u>272,082</u>	<u>1,377,587</u>
<b><u>FUND BALANCES, BEGINNING</u></b>	<u>1,105,505</u>	<u>1,105,505</u>	<u>1,135,771</u>	<u>30,266</u>
<b><u>FUND BALANCES, ENDING</u></b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,407,853</u>	<u>\$ 1,407,853</u>

**UMATILLA COUNTY, OREGON**

**Special Services Fund**

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

**Modified Cash Basis - Budget to Actual**

**Year Ended June 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES:</u></b>				
Charges for services:				
Fingerprinting fees	\$ 4,000	\$ 4,000	\$ 3,806	\$ (194)
Fines and forfeitures	90,000	90,000	89,544	(456)
Total revenues	<u>94,000</u>	<u>94,000</u>	<u>93,350</u>	<u>(650)</u>
<b><u>EXPENDITURES:</u></b>				
Personal services	255,683	285,683	277,883	7,800
Materials & services	47,017	47,017	28,475	18,542
Total expenditures	<u>302,700</u>	<u>332,700</u>	<u>306,358</u>	<u>26,342</u>
<b><u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u></b>				
	(208,700)	(238,700)	(213,008)	25,692
<b><u>OTHER FINANCING SOURCES:</u></b>				
Operating transfers in	<u>208,700</u>	<u>238,700</u>	<u>213,008</u>	<u>(25,692)</u>
<b><u>NET CHANGE IN FUND BALANCES</u></b>				
	-	-	-	-
<b><u>FUND BALANCES, BEGINNING</u></b>				
	-	-	-	-
<b><u>FUND BALANCES, ENDING</u></b>				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**UMATILLA COUNTY, OREGON**

**2050 Plan Fund**

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

**Modified Cash Basis - Budget to Actual**

**Year Ended June 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES:</u></b>				
Interest	\$ 200	\$ 200	\$ 614	\$ 414
Total revenues	200	200	614	414
<b><u>EXPENDITURES:</u></b>				
Materials & services	23,320	23,320	23,320	-
Operating contingency	26,880	26,880	-	26,880
Total expenditures	50,200	50,200	23,320	26,880
<b><u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u></b>				
	(50,000)	(50,000)	(22,706)	27,294
<b><u>OTHER FINANCING SOURCES:</u></b>				
Operating transfers in	20,000	20,000	20,000	-
<b><u>NET CHANGE IN FUND BALANCES</u></b>				
	(30,000)	(30,000)	(2,706)	27,294
<b><u>FUND BALANCES, BEGINNING</u></b>				
	55,000	55,000	35,389	(19,611)
<b><u>FUND BALANCES, ENDING</u></b>				
	\$ 25,000	\$ 25,000	\$ 32,683	\$ 7,683

UMATILLA COUNTY, OREGON

Veterans Expanded Services Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances

Modified Cash Basis - Budget to Actual

Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES:</u></b>				
Intergovernmental:				
Local revenues	\$ 47,029	\$ 47,029	\$ 50,488	\$ 3,459
Interest	-	-	450	450
Donations	-	-	400	400
Total revenues	<u>47,029</u>	<u>47,029</u>	<u>51,338</u>	<u>4,309</u>
<b><u>EXPENDITURES:</u></b>				
Personal services	23,332	21,932	18,050	3,882
Materials & services	30,964	30,964	22,642	8,322
Capital outlay	-	53,757	53,700	57
Contingency	5,602	-	-	-
Total expenditures	<u>59,898</u>	<u>106,653</u>	<u>94,392</u>	<u>12,261</u>
<b><u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u></b>				
	(12,869)	(59,624)	(43,054)	16,570
<b><u>OTHER FINANCING SOURCES:</u></b>				
Operating transfers in	-	23,000	6,430	(16,570)
<b><u>NET CHANGE IN FUND BALANCES</u></b>				
	(12,869)	(36,624)	(36,624)	-
<b><u>FUND BALANCES, BEGINNING</u></b>				
	<u>12,869</u>	<u>36,624</u>	<u>36,624</u>	<u>-</u>
<b><u>FUND BALANCES, ENDING</u></b>				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

UMATILLA COUNTY, OREGON

GIS Equipment Reserve Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances

Modified Cash Basis - Budget to Actual

Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES:</u></b>				
Charges for services	\$ 5,000	\$ 5,000	\$ 12,182	\$ 7,182
Interest	300	300	1,660	1,360
Total revenues	<u>5,300</u>	<u>5,300</u>	<u>13,842</u>	<u>8,542</u>
<b><u>EXPENDITURES:</u></b>				
Materials & services	4,240	4,240	240	4,000
Capital outlay	7,000	7,000	6,011	989
Contingency	82,060	82,060	-	82,060
Total expenditures	<u>93,300</u>	<u>93,300</u>	<u>6,251</u>	<u>87,049</u>
<b><u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u></b>				
	(88,000)	(88,000)	7,591	95,591
<b><u>FUND BALANCES, BEGINNING</u></b>				
	<u>88,000</u>	<u>88,000</u>	<u>92,517</u>	<u>4,517</u>
<b><u>FUND BALANCES, ENDING</u></b>				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 100,108</u>	<u>\$ 100,108</u>

UMATILLA COUNTY, OREGON

Assessor Technology Reserve Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances

Modified Cash Basis - Budget to Actual

Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget-</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES:</u></b>				
Interest	\$ 90	\$ 90	\$ 56	\$ (34)
Total revenues	90	90	56	(34)
<b><u>EXPENDITURES:</u></b>				
Materials & services	1,060	1,060	60	1,000
Contingency	20,030	20,030	-	20,030
Total expenditures	21,090	21,090	60	21,030
<b><u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u></b>				
	(21,000)	(21,000)	(4)	20,996
<b><u>FUND BALANCES, BEGINNING</u></b>				
	21,000	21,000	3,165	(17,835)
<b><u>FUND BALANCES, ENDING</u></b>				
	\$ -	\$ -	\$ 3,161	\$ 3,161

**UMATILLA COUNTY, OREGON**

**Dispatch Reserve Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances**  
**Modified Cash Basis - Budget to Actual**  
**Year Ended June 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES:</u></b>				
Interest	\$ -	\$ -	\$ 1,267	\$ 1,267
Total revenues	-	-	1,267	1,267
<b><u>EXPENDITURES:</u></b>				
Materials & services	106,944	116,179	109,205	6,974
Capital outlay	9,235	-	-	-
Operating contingency	95,515	95,515	-	95,515
Total expenditures	211,694	211,694	109,205	102,489
<b><u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u></b>				
	(211,694)	(211,694)	(107,938)	103,756
<b><u>OTHER FINANCING SOURCES:</u></b>				
Operating transfers in	105,847	105,847	105,847	-
<b><u>NET CHANGE IN FUND BALANCES</u></b>				
	(105,847)	(105,847)	(2,091)	103,756
<b><u>FUND BALANCES, BEGINNING</u></b>				
	105,847	105,847	106,081	234
<b><u>FUND BALANCES, ENDING</u></b>				
	\$ -	\$ -	\$ 103,990	\$ 103,990

UMATILLA COUNTY, OREGON

NAIFA Reserve Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances

Modified Cash Basis - Budget to Actual

Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES:</u></b>				
Donations	\$ -	\$ -	\$ 5,000	\$ 5,000
Interest	-	-	221	221
Total revenues	-	-	5,221	5,221
<b><u>EXPENDITURES:</u></b>				
Materials & services	1,060	6,597	1,265	5,332
Contingency	3,940	3,940	-	3,940
Total expenditures	5,000	10,537	1,265	9,272
<b><u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u></b>				
	(5,000)	(10,537)	3,956	14,493
<b><u>FUND BALANCES, BEGINNING</u></b>				
	5,000	10,537	10,537	-
<b><u>FUND BALANCES, ENDING</u></b>				
	\$ -	\$ -	\$ 14,493	\$ 14,493



**UMATILLA COUNTY, OREGON**

**Non-Major Governmental Funds**

**Debt Service Funds**

**June 30, 2018**

**DEBT SERVICE FUNDS:**

Debt Service Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditures for principal or interest. Debt service funds should be used to report resources if legally mandated. Financial resources that are being accumulated for principal and interest maturing in future years also should be reported in debt service funds. After repayment of the principal and interest, any receipts remaining are returned to the originating jurisdiction or County General Fund. Funds included are:

- **Debt service fund** - accounts for payment of principal and interest on: (1) EOAF note for which proceeds are derived from a payment each year from GEODC; and (2) Oregon Department of Energy loan for which proceeds are derived from the General Fund.
- **PERS bond fund** - accounts for the principal and interest payments on the 2005 Limited Tax Pension Bonds issued to retire the County's PERS unfunded actuarial accrued liability. Revenues are derived from charge backs to departments based on their departmental payroll costs.
- **Reith Wastewater fund** - accounts for the principal and interest payments on the Department of Environmental Quality loan for the Reith Wastewater project.

**UMATILLA COUNTY, OREGON**

**Nonmajor Debt Service Funds**  
**Combining Balance Sheet - Modified Cash Basis**  
**June 30, 2018**

	<u>Debt Service</u>	<u>PERS Bond Fund</u>	<u>Reith Wastewater</u>	<u>Totals</u>
<b><u>ASSETS:</u></b>				
Cash	\$ 52,573	\$ 1,849,416	\$ 13,824	\$ 1,915,813
Total assets	<u>\$ 52,573</u>	<u>\$ 1,849,416</u>	<u>\$ 13,824</u>	<u>\$ 1,915,813</u>
<b><u>LIABILITIES</u></b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b><u>FUND BALANCES:</u></b>				
Restricted	52,573	-	13,824	66,397
Committed	-	1,849,416	-	1,849,416
Total fund balance	<u>52,573</u>	<u>1,849,416</u>	<u>13,824</u>	<u>1,915,813</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 52,573</u>	<u>\$ 1,849,416</u>	<u>\$ 13,824</u>	<u>\$ 1,915,813</u>

**UMATILLA COUNTY, OREGON**

**Nonmajor Debt Service Funds**

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

**- Modified Cash Basis**

**Year Ended June 30, 2018**

	<u>Debt Service</u>	<u>PERS Bond Fund</u>	<u>Reith Wastewater</u>	<u>Totals</u>
<b><u>REVENUES:</u></b>				
Taxes	\$ 18,496	\$ -	\$ -	\$ 18,496
Intergovernmental	21,386	1,250,858	25,809	1,298,053
Other revenues	13,111	-	-	13,111
Interest	773	36,837	239	37,849
Total revenues	<u>53,766</u>	<u>1,287,695</u>	<u>26,048</u>	<u>1,367,509</u>
<b><u>EXPENDITURES:</u></b>				
Principal	30,215	600,000	19,186	649,401
Interest	9,132	577,309	6,623	593,064
Total expenditures	<u>39,347</u>	<u>1,177,309</u>	<u>25,809</u>	<u>1,242,465</u>
<b><u>EXCESS (DEFICIENCY) OF REVENUES, OVER (UNDER) EXPENDITURES</u></b>	14,419	110,386	239	125,044
<b><u>OTHER FINANCING SOURCES:</u></b>				
Operating transfers in	<u>4,850</u>	<u>-</u>	<u>-</u>	<u>4,850</u>
<b><u>NET CHANGE IN FUND BALANCES</u></b>	19,269	110,386	239	129,894
<b><u>FUND BALANCES, BEGINNING</u></b>	<u>33,304</u>	<u>1,739,030</u>	<u>13,585</u>	<u>1,785,919</u>
<b><u>FUND BALANCES, ENDING</u></b>	<u>\$ 52,573</u>	<u>\$ 1,849,416</u>	<u>\$ 13,824</u>	<u>\$ 1,915,813</u>

**UMATILLA COUNTY, OREGON**

**Debt Service Fund**

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

**Modified Cash Basis - Budget to Actual**

**Year Ended June 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES:</u></b>				
Taxes:				
Prior year taxes	\$ 10,000	\$ 10,000	\$ 18,496	\$ 8,496
Intergovernmental:				
Local revenues	21,400	21,400	21,386	(14)
Other revenues	-	-	13,111	13,111
Interest	-	-	773	773
Total revenues	<u>31,400</u>	<u>31,400</u>	<u>53,766</u>	<u>22,366</u>
<b><u>EXPENDITURES:</u></b>				
Principal	265,690	265,690	30,215	235,475
Interest	38,710	38,710	9,132	29,578
Total expenditures	<u>304,400</u>	<u>304,400</u>	<u>39,347</u>	<u>265,053</u>
<b><u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u></b>				
	(273,000)	(273,000)	14,419	287,419
<b><u>OTHER FINANCING SOURCES:</u></b>				
Operating transfers in	248,000	248,000	4,850	(243,150)
<b><u>NET CHANGE IN FUND BALANCES</u></b>				
	(25,000)	(25,000)	19,269	44,269
<b><u>FUND BALANCES, BEGINNING</u></b>				
	25,000	25,000	33,304	8,304
<b><u>FUND BALANCES, ENDING</u></b>				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 52,573</u>	<u>\$ 52,573</u>

**UMATILLA COUNTY, OREGON**

**PERS Bond Fund**

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

**Modified Cash Basis - Budget to Actual**

**Year Ended June 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES:</u></b>				
County apportionment	\$ 1,250,000	\$ 1,250,000	\$ 1,250,858	\$ 858
Interest	15,000	30,000	36,837	6,837
Total revenues	<u>1,265,000</u>	<u>1,280,000</u>	<u>1,287,695</u>	<u>7,695</u>
<b><u>EXPENDITURES:</u></b>				
Debt service:				
Principal	600,000	600,000	600,000	-
Interest	528,000	580,000	577,309	2,691
Total expenditures	<u>1,128,000</u>	<u>1,180,000</u>	<u>1,177,309</u>	<u>2,691</u>
<b><u>EXCESS OF REVENUES OVER EXPENDITURES</u></b>	137,000	100,000	110,386	10,386
<b><u>FUND BALANCES, BEGINNING</u></b>	<u>1,700,000</u>	<u>1,737,000</u>	<u>1,739,030</u>	<u>2,030</u>
<b><u>FUND BALANCES, ENDING</u></b>	<u>\$ 1,837,000</u>	<u>\$ 1,837,000</u>	<u>\$ 1,849,416</u>	<u>\$ 12,416</u>

UMATILLA COUNTY, OREGON

Reith Wastewater Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances

Modified Cash Basis - Budget to Actual

Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES:</u></b>				
Intergovernmental:				
Loan receipts	\$ 25,810	\$ 25,810	\$ 25,809	\$ (1)
Interest	-	-	239	239
Total revenues	<u>25,810</u>	<u>25,810</u>	<u>26,048</u>	<u>238</u>
<b><u>EXPENDITURES:</u></b>				
Principal retirements	19,186	19,186	19,186	-
Interest	6,624	6,624	6,623	1
Contingency	13,400	13,400	-	13,400
Total expenditures	<u>39,210</u>	<u>39,210</u>	<u>25,809</u>	<u>13,401</u>
<b><u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u></b>				
	(13,400)	(13,400)	239	13,639
<b><u>FUND BALANCES, BEGINNING</u></b>				
	<u>13,400</u>	<u>13,400</u>	<u>13,585</u>	<u>185</u>
<b><u>FUND BALANCES, ENDING</u></b>				
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,824</u>	<u>\$ 13,824</u>

UMATILLA COUNTY, OREGON

Non-Major Capital Projects Governmental Funds

June 30, 2018

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

- **Facilities improvements fund** - accounts for acquisition, remodeling, or construction of county facilities other than fairgrounds and juvenile facilities.
- **Milton-Freewater Head Start building fund** - accounts for acquisition of a new building for Umatilla-Morrow County Head Start, Inc.
- **Capital purchases management fund** - accounts for the acquisition of capital equipment

**UMATILLA COUNTY, OREGON**  
**Nonmajor Capital Projects Funds**  
**Combining Balance Sheet- Modified Cash Basis**

**June 30, 2018**

	<u>Facilities Improvements</u>	<u>Milton- Freewater Head Start Building</u>	<u>Capital Purchases Management</u>	<u>Totals</u>
<b><u>ASSETS:</u></b>				
Cash	\$ 153,348	\$ 402	\$ 12,000	\$ 165,750
Total assets	\$ 153,348	\$ 402	\$ 12,000	\$ 165,750
<b><u>LIABILITIES AND FUND BALANCES:</u></b>				
<b><u>LIABILITIES:</u></b>	\$ -	\$ -	\$ -	\$ -
<b><u>FUND BALANCES:</u></b>				
Restricted	-	402	-	402
Assigned	153,348	-	12,000	165,348
Total fund balances	153,348	402	12,000	165,750
Total liabilities and fund balances	\$ 153,348	\$ 402	\$ 12,000	\$ 165,750



**UMATILLA COUNTY, OREGON**

**Nonmajor Capital Projects Funds**

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

**- Modified Cash Basis**

**Year Ended June 30, 2018**

	<u>Facilities Improvements</u>	<u>Milton- Freewater Head Start Building</u>	<u>Capital Purchases Management</u>	<u>Totals</u>
<b><u>REVENUES:</u></b>				
Intergovernmental revenue:				
Reimbursements	\$ -	\$ -	\$ 29,200	\$ 29,200
Loan receipts			12,000	12,000
Interest	4,202	-	-	4,202
Total revenues	<u>4,202</u>	<u>-</u>	<u>41,200</u>	<u>45,402</u>
<b><u>EXPENDITURES:</u></b>				
Materials & services	81,892	-	-	81,892
Capital outlay	177,330	-	173,181	350,511
Total expenditures	<u>259,222</u>	<u>-</u>	<u>173,181</u>	<u>432,403</u>
<b><u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u></b>				
	<u>(255,020)</u>	<u>-</u>	<u>(131,981)</u>	<u>(387,001)</u>
<b><u>OTHER FINANCING SOURCES:</u></b>				
Operating transfers in	-	-	143,981	143,981
Total other financing sources	<u>-</u>	<u>-</u>	<u>143,981</u>	<u>143,981</u>
<b><u>NET CHANGE IN FUND BALANCES</u></b>				
	<u>(255,020)</u>	<u>-</u>	<u>12,000</u>	<u>(243,020)</u>
<b><u>FUND BALANCES, BEGINNING</u></b>				
	<u>408,368</u>	<u>402</u>	<u>-</u>	<u>408,770</u>
<b><u>FUND BALANCES, ENDING</u></b>				
	<u>\$ 153,348</u>	<u>\$ 402</u>	<u>\$ 12,000</u>	<u>\$ 165,750</u>

**UMATILLA COUNTY, OREGON**

**Facilities Improvements Fund**

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

**Modified Cash Basis - Budget to Actual**

**Year Ended June 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES:</u></b>				
Intergovernmental revenue:				
Interest	\$ -	\$ -	4,202	4,202
Total revenues	-	-	4,202	4,202
<b><u>EXPENDITURES:</u></b>				
Materials & services	-	84,890	81,892	2,998
Capital outlay	-	202,110	177,330	24,780
Operating contingency	438,000	151,000	-	151,000
Total expenditures	438,000	438,000	259,222	178,778
<b><u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u></b>				
	(438,000)	(438,000)	(255,020)	182,980
<b><u>FUND BALANCES, BEGINNING</u></b>				
	438,000	438,000	408,368	(29,632)
<b><u>FUND BALANCES, ENDING</u></b>				
	\$ -	\$ -	\$ 153,348	\$ 153,348

UMATILLA COUNTY, OREGON

Milton-Freewater Head Start Building  
Schedule of Revenues, Expenditures, and Changes in Fund Balances  
Modified Cash Basis - Budget to Actual  
Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES:</u></b>				
Governmental	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b><u>EXPENDITURES:</u></b>				
Personnel services	<u>402</u>	<u>402</u>	<u>-</u>	<u>402</u>
Total expenditures	<u>402</u>	<u>402</u>	<u>-</u>	<u>402</u>
<b><u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u></b>	<u>(402)</u>	<u>(402)</u>	<u>-</u>	<u>402</u>
<b><u>FUND BALANCES, BEGINNING</u></b>	<u>402</u>	<u>402</u>	<u>402</u>	<u>-</u>
<b><u>FUND BALANCES, ENDING</u></b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 402</u>	<u>\$ 402</u>

UMATILLA COUNTY, OREGON

Capital Purchases Management Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balances  
Modified Cash Basis - Budget to Actual  
Year Ended June 30, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES:</u></b>				
Reimbursements	\$ -	\$ 29,000	\$ 29,200	\$ 200
Loan receipts	-	-	12,000	12,000
Total revenues	-	29,000	41,200	12,200
<b><u>EXPENDITURES:</u></b>				
Materials & services	20,000	-	-	-
Capital outlay	160,000	255,000	173,181	81,819
Total expenditures	180,000	255,000	173,181	81,819
<b><u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u></b>				
	(180,000)	(226,000)	(131,981)	94,019
<b><u>OTHER FINANCING SOURCES:</u></b>				
Operating transfers in	180,000	226,000	143,981	(82,019)
Total other financing sources	180,000	226,000	143,981	(82,019)
<b><u>NET CHANGE IN FUND BALANCES</u></b>	-	-	12,000	12,000
<b><u>FUND BALANCES, BEGINNING</u></b>	-	-	-	-
<b><u>FUND BALANCES, ENDING</u></b>	\$ -	\$ -	\$ 12,000	\$ 12,000

UMATILLA COUNTY, OREGON

INTERNAL SERVICE FUNDS

June 30, 2018

Internal Service Funds are an accounting device used to accumulate and allocate costs internally among the various functions of the government. Fund included is:

- **Fleet management fund** - the County uses its internal service fund to account for internal financing of its vehicle fleet.

**UMATILLA COUNTY, OREGON**

**Fleet Management Fund**

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

**Modified Cash Basis - Budget to Actual**

**Year Ended June 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b><u>REVENUES:</u></b>				
Miscellaneous revenue	\$ -	\$ 26,000	\$ 37,843	\$ 11,843
Interest	3,000	6,000	8,442	2,442
Total revenue	3,000	32,000	46,285	14,285
<b><u>EXPENDITURES:</u></b>				
Materials & services	10,600	10,600	600	10,000
Capital outlay	215,000	244,000	215,656	28,344
Operating contingency	132,400	132,400	-	132,400
Total expenditures	358,000	387,000	216,256	170,744
<b><u>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</u></b>				
	(355,000)	(355,000)	(169,971)	185,029
<b><u>OTHER FINANCING SOURCES:</u></b>				
Operating transfers in	215,000	215,000	215,655	655
<b><u>NET CHANGE IN FUND BALANCES</u></b>				
	(140,000)	(140,000)	45,684	185,684
<b><u>FUND BALANCES, BEGINNING</u></b>				
	490,000	490,000	474,894	(15,106)
<b><u>FUND BALANCES, ENDING</u></b>				
	\$ 350,000	\$ 350,000	\$ 520,578	\$ 170,578

UMATILLA COUNTY, OREGON

Other Schedules  
June 30, 2018

Property taxes:

- Schedule of property tax transactions and outstanding balances
- Schedule of property taxes receivable -- by fund

Schedule of accountabilities:

- Other elected officials

UMATILLA COUNTY, OREGON

Schedule of Property Tax Transactions and Outstanding Balances  
Year Ended June 30, 2018

Fiscal Year	Property Taxes Receivable July 1, 2017	Current Levy as Extended by Assessor	Discounts Allowed	Corrections and Adjustments	Interest Collected	Cash Collections	Property Taxes Receivable June 30, 2018
2017-18	\$ -	\$ 92,999,645	\$ (2,372,617)	\$ (711,772)	\$ 52,424	\$ (87,424,739)	\$ 2,542,941
2016-17	2,871,395	-	(3,165)	(85,232)	111,634	(1,679,561)	1,215,071
2015-16	1,272,662	-	(27)	(3,967)	107,886	(652,312)	724,242
2014-15	674,552	-	-	(2,676)	137,146	(557,779)	251,243
2013-14	272,188	-	-	(2,690)	83,092	(295,607)	56,983
2012-13	55,666	-	-	(2,698)	9,795	(29,881)	32,882
Prior years	72,476	-	-	(1,547)	11,984	(26,423)	56,490
	<u>\$ 5,218,939</u>	<u>\$ 92,999,645</u>	<u>\$ (2,375,809)</u>	<u>\$ (810,582)</u>	<u>\$ 513,961</u>	<u>\$ (90,666,302)</u>	<u>\$ 4,879,852</u>

**Summary by Fund:**

County Operations *	\$ 937,014	\$ 15,990,119	\$ (408,496)	\$ (139,689)	\$ 93,819	\$ (15,615,038)	\$ 857,729
Agency Funds	4,281,925	77,009,526	(1,967,313)	(670,893)	420,142	(75,051,264)	4,022,123
	<u>\$ 5,218,939</u>	<u>\$ 92,999,645</u>	<u>\$ (2,375,809)</u>	<u>\$ (810,582)</u>	<u>\$ 513,961</u>	<u>\$ (90,666,302)</u>	<u>\$ 4,879,852</u>

\* Includes Debt Service



UMATILLA COUNTY, OREGON

Schedule of Property Taxes Receivable -- By Fund

June 30, 2018

General fund	\$ 844,341
Debt service fund	<u>13,388</u>
Sub-total	857,729
Agency funds	<u>4,022,123</u>
Total	<u>\$ 4,879,852</u>

UMATILLA COUNTY, OREGON

Schedule of Accountability -- Other Elected Officials

Cash Transactions

Year Ended June 30, 2018

Accountability for independently elected officials:

The Sheriff's department collects funds from inmates (Trust Fund) and outside source (Commissary Fund). Trust funds are used to pay for damages, with any balance remaining returned to the inmate upon release. The commissary funds are used by inmates and by the County to pay for commissary items. These funds are included as part of the fiduciary statement amounts.

	<u>Sheriff</u>
<u>CASH BALANCE, JUNE 30, 2017</u>	\$ 145,272
<u>CASH RECEIPTS</u>	866,953
<u>CASH DISBURSEMENTS</u>	<u>(844,254)</u>
<u>CASH BALANCE, JUNE 30, 2018</u>	<u>\$ 167,971</u>

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

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

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

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

Board of Commissioners  
Umatilla County  
Pendleton, Oregon

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Umatilla County, Oregon as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Umatilla County, Oregon's basic financial statements, and have issued our report thereon dated December 18, 2018.

**Internal Control Over Financial Reporting**

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

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

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

Board of Commissioners

Umatilla County

Page two

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Umatilla County, Oregon'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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Barnett & Moro, P.C.

By



Cameron W. Anderson, Shareholder

December 18, 2018

**AUDIT COMMENTS AND DISCLOSURES**  
**REQUIRED BY STATE REGULATIONS**

Oregon Administrative Rules 162-010-0000 through 162-010-0330 of the Minimum Standards for Audits of Oregon Municipal Corporations, prescribed by the Secretary of State in cooperation with the Oregon State Board of Accountancy, enumerate the financial statements, schedules, comments, and disclosures as set forth in the preceding sections of this report. Required comments and disclosures related to the audit of such statements and schedules are set forth following.

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

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

Board of Commissioners  
Umatilla County  
Pendleton, Oregon

We have audited the basic financial statements of Umatilla County, Oregon as of and for the year ended June 30, 2018, and have issued our report thereon dated December 18, 2018. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether Umatilla County, Oregon's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-010-0000 through 162-10-0320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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

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

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

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


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

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

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

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

Barnett & Moro, P.C.

By:   
Cameron W. Anderson, Shareholder  
December 18, 2018



SINGLE AUDIT SECTION

**UMATILLA COUNTY, OREGON**

**Schedule of Expenditures of Federal Awards**  
**Year Ended June 30, 2018**

<u>Federal Grantor/Program Name:</u>	<u>Federal CFDA Number</u>	<u>Major Programs (X)</u>	<u>Amount</u>
<b><u>U.S. DEPARTMENT OF AGRICULTURE:</u></b>			
Oregon Department of Administrative Services Schools and Roads - Grants to States	10.665		\$ 94,551
<b><u>U.S. GENERAL SERVICES ADMINISTRATION</u></b>			
Donation of Federal Surplus Personal Property	39.003		\$ 9,837
<b><u>U.S. DEPARTMENT OF THE INTERIOR:</u></b>			
Payments in Lieu of Taxes	15.226	X	\$ 1,057,363
Distribution of Receipts to States & Local Governments	15.227		701
Refuge Revenue Sharing	15.659		282
Wolf Livestock Demonstration Project Grant Program	15.666		58,157
			<u>\$ 1,116,503</u>
<b><u>U.S. DEPARTMENT OF HOMELAND SECURITY:</u></b>			
Oregon Military Department Emergency management performance grants	97.042		\$ 67,875
<b><u>U.S. DEPARTMENT OF JUSTICE:</u></b>			
Oregon Department of Justice Crime victim assistance	16.575		\$ 166,905
<b><u>U.S. DEPARTMENT OF DEFENSE</u></b>			
Payments to States in Lieu of Real Estate Taxes	12.112		\$ 1,397
<b><u>U.S. DEPARTMENT OF ENERGY</u></b>			
Oregon Department of Transportation Environmental Remediation and Waste Processing and Disposal	81.104		\$ 5,600
<b><u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:</u></b>			
Oregon Health Authority			
Public Health Emergency Preparedness	93.069		\$ 77,829
Project Grants and Cooperative Agreements for Tuberculosis Control	93.116		45,776
Family Planning Services	93.217		26,744
Title V State Sexual Risk Avoidance Education Program	93.235		7,633
Substance abuse and mental health services	93.243		73,475
National tobacco control program	93.305		223
Affordable Care Act (ACA) Maternal, Infant, and Early Childhood	93.505		10,820
Children's Health Insurance Program	93.767		125
State Targeted Response to the Opioid Crisis Grants	93.788		95,499
Maternal, Infant, Early Childhood Home Visiting Grant Program	93.870		150,217
Block Grants for Community Mental Health Services	93.958		165,811
Block Grants for Prevention and Treatment of Substance Abuse	93.959		305,062
Maternal and Child Health Services Block Grant to the States	93.994		35,533
			<u>994,747</u>
Oregon Department of Justice: Child support enforcement	93.563		83,933
			<u>\$ 1,078,680</u>
			<u>\$ 2,541,348</u>

Total expenditures of federal awards

**UMATILLA COUNTY, OREGON**

**Notes to Schedule of Expenditures of Federal Awards**  
**Year Ended June 30, 2018**

**NOTE A - BASIS OF PRESENTATION:**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Umatilla County, Oregon and is presented on the modified cash basis of accounting as described in note 1 to the basic financial statements. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

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

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

All federal awards received through pass-through agencies with the State of Oregon, with the exception of the Payments in Lieu of Taxes, CFDA #15.226, Donations of Federal Surplus Property, CFDA #39.003. These amounts are direct awards from the federal government.

Umatilla County, Oregon has elected to use the 10% de minimis indirect cost rate.

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

Board of Commissioners  
Umatilla County  
Pendleton, Oregon

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

We have audited Umatilla County, Oregon's compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of Umatilla County, Oregon's major federal programs for the year ended June 30, 2018. Umatilla County, Oregon's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

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

**Auditor's Responsibility**

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

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

Board of Commissioners  
Umatilla County, Oregon  
Page two

**Opinion on Each Major Federal Program**

In our opinion, Umatilla County, Oregon, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018.

**Report on Internal Control Over Compliance**

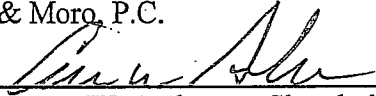
Management of Umatilla County, Oregon, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Umatilla County, Oregon's internal control over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

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

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

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

Barnett & Moro, P.C.

By:   
Cameron W. Anderson, Shareholder  
December 18, 2018

UMATILLA COUNTY, OREGON

Schedule of Findings and Questioned Costs

Year Ended June 30, 2018

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

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**Financial Statements**

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with the modified cash basis of unmodified opinion

Internal control over financial reporting:

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

Noncompliance material to financial statements noted?        yes   X   no

Federal Awards

Internal control over major programs:

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

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

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)?        yes   X   none reported

Identification of major programs:

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

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

Auditee qualified as low-risk auditee?        yes   X   no

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**Section II-Financial Statement Findings**

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There are no financial statement findings for the year ended June 30, 2018.

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

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There are no federal award findings or questioned costs for the year ended June 30, 2018.

UMATILLA COUNTY, OREGON

SUMMARY SCHEDULE OF PRIOR YEAR'S AUDIT FINDINGS

Year Ended June 30, 2018

QUESTIONED COSTS:

There were no questioned costs for the year ended June 30, 2017.

FINDINGS:

There were no findings for the year ended June 30, 2017.