



Audit Committee

Friday, December 8, 2023
12:00 p.m.

Via Zoom: <https://us02web.zoom.us/j/83565958027>

Webinar ID: 835 6595 8027

Deschutes County Administration Services Building,
1st Floor, DeArmond Conference Room

- I. **Call to Order**
- II. **Introductions/Notices**
- III. **Review/Approve minutes from September 2, 2023 meeting**
- IV. **Special Topics**
 - a. [Annual Comprehensive Financial Report \(ACFR\) - Moss Adams](#)
 - b. [Audit Committee 2023 Accomplishments](#)
 - c. **Audit Committee Survey Results**
 - [Presentation](#) and [Details](#)
 - d. [Auditing Standards Presentation](#)
- V. **Internal Audit Report**
 - a. **Facilities and Property Cash Handling**
 - [Report](#) and [Presentation](#)
 - b. **Office of the District Attorney Cash Handling**
 - [Report](#) and [Presentation](#)
 - c. **Follow-Ups**
 - [Sheriff's Office Cash Handling](#)
 - [Vacation and Sick Leave](#)
 - [Elected District Attorney Transition and Cash Handling](#)
 - [Treasurer Transition](#)

- [Presentation](#)

VI. General Follow-up and Department Updates

- [Internal Audit Status Report](#)
- Audit Committee Resources Webpage**
- County Updates**
- [Committee Information](#)

VII. Other Discussion Items

VIII. Closing & Adjourn



Deschutes County encourages persons with disabilities to participate in all programs and activities. To request this information in an alternate format please call (541) 617-4747.



**DESCHUTES COUNTY,
OREGON**



Annual Comprehensive Financial Report

FOR THE FISCAL YEAR ENDED JUNE 30, 2023



Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2023
Deschutes County, Oregon

DESCHUTES COUNTY, OREGON

1300 NW Wall Street, Suite 200
Bend, Oregon 97703

<https://www.deschutes.org>

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2023

Prepared by:

Deschutes County Finance Department

Robert Tintle, MPA
Chief Financial Officer

Jana Cain, CPA
Controller

Deschutes County, Oregon
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Introductory Section
For the Fiscal Year Ended June 30, 2023
Deschutes County, Oregon



November 30, 2023

To the Board of County Commissioners and Citizens of Deschutes County, Oregon:

We are pleased to submit the Annual Comprehensive Financial Report of Deschutes County, Oregon (County) for the fiscal year ended June 30, 2023, together with the opinion of our independent certified public accountants, Moss Adams LLP. This report, required by Oregon Revised Statutes (ORS 297.425), is prepared by the Deschutes County Finance Department. This report is published to provide the Board of County Commissioners, citizens, County staff, and other readers with detailed information about the financial position and results of operations of the County, and to demonstrate fiscal and operational accountability in the use of County resources. Also included are Audit Comments and Disclosures required under the *Minimum Standards for Audits of Oregon Municipal Corporations* Section of the Oregon Administrative Rules (OAR).

The report is prepared in conformance with the guidelines for financial reporting developed by the Government Finance Officers Association of the United States and Canada and the principles established by the Governmental Accounting Standards Board (GASB), including all effective GASB pronouncements. It presents fairly the financial position of the various funds of the County as of June 30, 2023, and the results of operations for the year then ended in conformity with accounting principles generally accepted in the United States of America (US GAAP).

The report consists of management's representations concerning the finances of the County. Consequently, management assumes full responsibility for the completeness and reliability of all information presented in this report. To provide a reasonable basis for making these representations, County management has established a comprehensive internal control framework that is designed both to protect the County's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the County's financial statements. Because the cost of internal control should not outweigh its benefits, the County's comprehensive framework of internal controls has been designed to provide reasonable assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

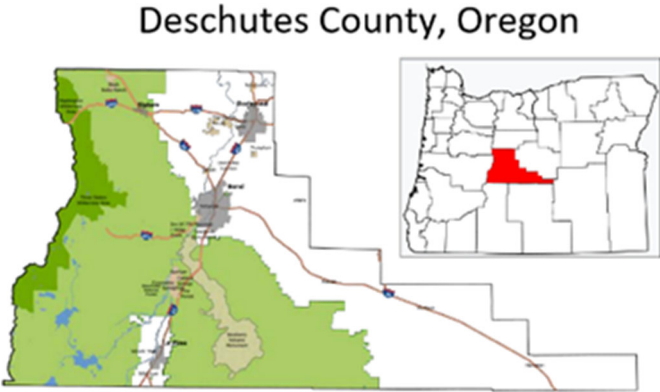
In addition, the County is required to have a comprehensive single audit of its Federal Assistance Programs in accordance with the Single Audit Act, Office of Management and Budget (OMB) Compliance Supplement and the provisions of Government Auditing Standards promulgated by the U.S. Comptroller General as they pertain to the financial and compliance audits. The report on the County's compliance with applicable Federal laws and regulations related to the Single Audit Act, OMB Compliance Supplement is included with this report beginning on page 280.

Accounting principles generally accepted in the United States of America require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management Discussion and Analysis (MD&A).

This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. Deschutes County's MD&A can be found immediately following the independent auditors' report.

Profile of the County

Deschutes County, formed in 1916, is in the heart of Central Oregon, between the towering Cascade Mountain Range to the west and the high desert plateau to the east, and is the outdoor recreation capital of Oregon. The county encompasses 3,055 square miles of scenic beauty, mild climate, diverse recreational opportunities, and a growing economy. From humble beginnings, Deschutes County now experiences the most rapid population growth of any county in Oregon. It has developed into a bustling, exciting destination where progress, growth and unique beauty intertwine.



The County has three full-time commissioners, who are elected at-large to serve four-year terms. Daily administrative duties are overseen by an appointed County Administrator, while the Board of County Commissioners sets policy, adopts the annual budget, and passes ordinances in accordance with state law. The County provides a full range of services including sheriff's patrol, investigative and correction services, construction and maintenance of roads and bridges, property assessment, tax collection, public and behavioral health services, land use planning, building permitting and inspections, prosecution of criminals, veterans services, justice court, parole and probation, election services, records maintenance, and operation of a landfill, a fair and expo center, and an RV park.

Blended component units, although legally separate entities, are, in substance, part of Deschutes County's operations and are included as part of Deschutes County. Accordingly, the Countywide Law Enforcement District, Rural Law Enforcement District, Deschutes County 9-1-1, Deschutes County Extension and 4-H, and Deschutes County Road Agency are reported as special revenue funds of Deschutes County.

The County utilizes a budget committee, consisting of the three elected commissioners and an equal number of citizens-at-large, to review and approve the proposed budget for each fiscal year. The annual budget serves as the foundation for Deschutes County's financial planning and control. The appropriated budget is prepared and adopted for all County funds as required by Oregon Local Budget Law (ORS Chapters 294.305-294.565). The board order adopting the budget establishes appropriations for expenditures within each fund, which cannot legally be exceeded. Budget-to-actual comparisons are provided in this report for each individual governmental and proprietary fund for which an appropriated annual budget has been adopted. For the General Fund and the major special revenue funds, this comparison is presented as part of the required supplementary information. All other funds are presented in a subsection of this report "Combining and Individual Fund Statements and Schedules".

Local Economy

Deschutes County is the outdoor recreation capital of Oregon. With snow-capped peaks dominating the skyline to the west and the wide-open high desert extending to the east, the beauty and uniqueness of Deschutes County captures the awe of locals and visitors alike. Deschutes County is a bustling, exciting place where progress and growth are hallmarks.

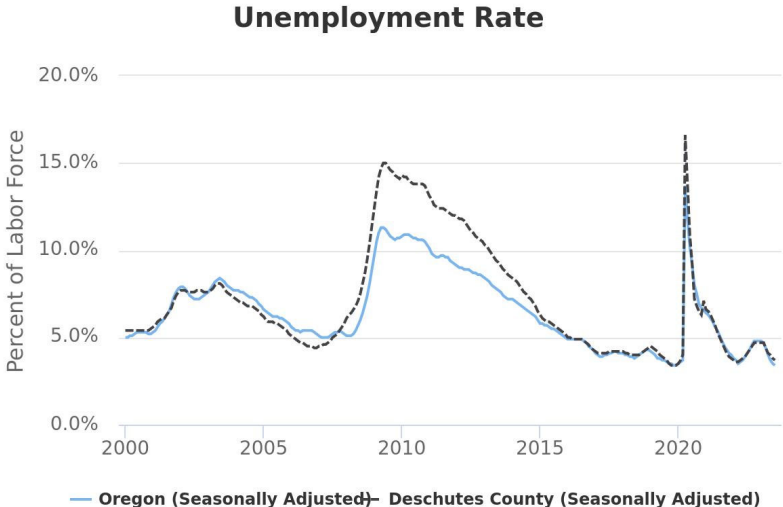
Beginning in the early 1990s, Deschutes County experienced rapid population growth. This growth is believed to be largely due to the area’s invigorating climate and year-round recreation activities. According to the Portland State Population Research Center (Oregon Population Forecast Interpolation Program), the population was estimated to be 211,419, as of July 1, 2023, an increase of approximately 34% since 2010, and is projected to exceed 300,000 before 2050. Recreational activities include downhill and cross-country skiing, snowboarding, fishing, hunting, hiking, trail running, rock-climbing, road and mountain biking, mountain climbing, river floating, whitewater rafting and golfing. Deschutes County is the host of diverse annual events including the Bend Brewfest, Bend Venture Conference, Sunriver Music Festival, Sisters Outdoor Quilt Show, Cascade Children’s Festival/Balloons over Bend, Sisters Rodeo, WinterFest and Bend Film Festival.

Historically, Deschutes County was dominated by wood product manufacturing. However, the local economy has undergone significant changes in the last two decades. Now dominated by retail trade, health care and tourism, Deschutes County attracts visitors and consumers from neighboring counties and around the state. The top ten largest employers in Deschutes County are listed in the table below.

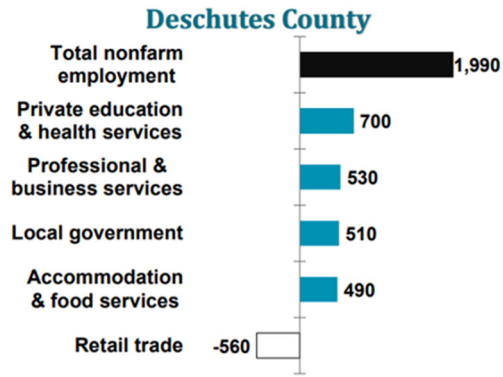
LARGEST EMPLOYERS IN DESCHUTES COUNTY (2023)			
Employer	Number of Employees	Percent Total Employment	Type of Business
St. Charles Medical Center	4,400	32.9%	Health Care
Bend - La Pine School District	2,300	17.2%	Education
Deschutes County	1,284	9.6%	Government
Mt. Bachelor	1,081	8.1%	Accommodation & Recreation
Redmond School District	1,016	7.6%	Education
Sunriver Resort	900	6.7%	Accommodation
City of Bend	717	5.4%	Government
U.S. Forest Service / Deschutes National Forest	615	4.6%	Government
Bend Park and Recreation District	591	4.4%	Government
OSU Cascades	470	3.5%	Education

Source: *Economic Development for Central Oregon*

According to the State of Oregon Employment Department, Deschutes County’s unemployment rate in June 2023 was 3.8 percent, slightly lower from 3.9 percent in June 2022, and higher than the statewide rate of 3.5 percent. The unemployment rate has dropped significantly from the pandemic levels of 16.6 percent in April 2020.



Source: Oregon Employment Department QualityInfo.org



Source: State of Oregon Employment Department

Select industry gains and losses over-the-year for net employment change in Deschutes County indicates total nonfarm employment realized the largest increase while retail trade jobs experienced the greatest loss.

In Fiscal Year 2023, the County's assessed valuation of taxable property increased by 5.6%, approximately \$1.6 billion, to a total of \$30.5 billion. Formerly a region dependent on wood products, Deschutes County has steadily diversified its employment and economic base. For the past two decades, Deschutes County has experienced growth in the technology sector and is home to award winning craft breweries. Numerous companies from the

Silicon Valley, Portland-Vancouver Metro and Puget Sound have relocated or expanded here. Many of these firms are small but extremely innovative, producing niche-market products from semiconductors to software, medical instruments to recreational equipment. Tourism in Deschutes County contributes to the diversified economy due to the abundance of year-round recreational activities. The County is home to a major medical center, Central Oregon's largest employer, designated as a Level II Trauma Center with over 350 active medical staff members.

Financial Policies

The County has established policies which are reviewed and adopted annually by the Board of County Commissioners in conjunction with the budget process. The County recognizes the need to ensure that it is capable of adequately funding and providing County services needed by the community on a sustainable basis.

The Board acknowledges that to maintain a prudent level of financial resources to protect against the need to reduce service levels or raise taxes (voter-approved local option levy) and fees due to temporary revenue shortfalls or unforeseeable one-time expenditures, the County strives to maintain a working capital balance in each fund, based on the function of that fund. For most operating funds, the level is 8.3% (one month) of the fund's operating budget. For funds with property taxes as a significant portion of revenues, the level is one-third (four months) of estimated annual property tax collections.

Long-Term Financial Planning

Deschutes County's focus on long-term financial planning begins with policies to guide both current and future decision making. The policies are intended to support the County's goals and objectives, and provide guidance in day-to-day operations to ensure overall long-term financial stability. Long-term strategic and financial planning is an important part of ensuring excellent service and stewardship of taxpayer resources.

Each fiscal year, the County updates resource and requirement forecasts for major operating funds for the next five years and annually develops a five-year Capital Improvement Program (CIP) for major projects related to the acquisition, expansion or rehabilitation of the County's buildings, equipment, parks, streets and other public infrastructure. These estimates are presented to the Budget Committee to facilitate budget decisions and strategic planning, based on a multi-year perspective. Revenue estimates are established each year in a realistic and prudent manner using objective and analytical approaches. Revenue forecasts assess the full spectrum of resources that can be allocated for public services. The County will not respond to long-term revenue shortfalls with deficit funding or borrowing to support ongoing operations. Once working capital balances have reached policy levels, expenses are reduced to conform to long-term revenue forecasts and/or revenue increases are considered.

Overall, the County's long-term financial planning efforts are focused on maintaining a structurally balanced budget, ensuring that recurring expenditures are at or below recurring revenues which ultimately provides that one-time revenues are available for one-time expenditures or projects.

Major Initiatives

The County continues to focus on implementing a five-year capital improvement plan. Capital spending of \$66 million, including County service districts, is included in the FY 2024 adopted budget. The capital budget includes transportation system improvements, capital equipment additions and replacements for various departments, technology improvements and other routine department level capital expenditures intended to support the delivery of services. Major projects include \$23.6 million in transportation improvements and \$17.4 million in Solid Waste improvements, including the Negus transfer station in Redmond. Total capital budget for FY 2024 is \$22.1 million less than FY 2023 revised budget.

The Board of County Commissioners establishes the goals and objectives to guide department operations each year. Through the following Fiscal Year 2024 Goals and Objectives, the County embraces its mission of "enhancing the lives of citizens by delivering quality services in a cost-effective manner":

SAFE COMMUNITIES: *Protect the community through planning, preparedness and delivery of coordinated services.*

- Provide safe and secure communities through coordinated public safety and crisis management services.
- Reduce crime and recidivism and support victim restoration and well-being through equitable engagement, prevention, reparation of harm, intervention, supervision and enforcement.
- Collaborate with partners to prepare for and respond to emergencies, natural hazards and disasters.

HEALTHY PEOPLE: *Enhance and protect the health and well-being of communities and their residents.*

- Support and advance the health and safety of all Deschutes County's residents.
- Promote well-being through behavioral health and community support programs.
- Help to sustain natural resources and air and water quality in balance with other community needs.
- Continue to support pandemic response and community recovery, examining lessons learned to ensure we are prepared for future events.

A RESILIENT COUNTY: *Promote policies and actions that sustain and stimulate economic resilience and a strong regional workforce.*

- Update County land use plans and policies to promote livability, economic opportunity, disaster preparedness, and a healthy environment.
- Maintain a safe, efficient and economically sustainable transportation system.
- Manage County assets and enhance partnerships that grow and sustain businesses, tourism, and recreation.

HOUSING STABILITY AND SUPPLY: *Support actions to increase housing production and achieve stability.*

- Expand opportunities for residential development on appropriate County-owned properties.
- Support actions to increase housing supply.
- Collaborate with partner organizations to provide an adequate supply of short-term and permanent housing and services to address housing insecurity.

SERVICE DELIVERY: *Provide solution-oriented service that is cost-effective and efficient.*

- Ensure quality service delivery through the use of innovative technology and systems.
- Support and promote Deschutes County Customer Service “Every Time” standards.
- Continue to enhance community participation and proactively welcome residents to engage with County programs, services and policy deliberations.
- Preserve, expand and enhance capital assets, to ensure sufficient space for operational needs.
- Maintain strong fiscal practices to support short and long-term county needs.
- Provide collaborative internal support for County operations with a focus on recruitment and retention initiatives.

In FY 2024, the County will continue to implement the Commissioners' goals and priorities, and support strategic investments, including:

- Expanding access to County services in Redmond with the development of the North County Campus and the Negus transfer station.
- Expanding the Deschutes County Circuit courthouse in downtown Bend to improve security and provide additional courtroom space for the two new judges approved by the legislature in 2021.
- Engaging our residents in updating our Comprehensive Plan, Transportation System Plan, and other community planning efforts to manage growth and natural resources as well as to protect the public health and safety of our residents.
- Identifying a site for a new solid waste management facility.
- Partnering with cities to support the Coordinated Houseless Response Office, which is charged with creating a five-year strategic plan and implementing a high-performance houseless response system.

Tax Abatement Program

The five strategic goals in the Deschutes County 2024 Goals and Objectives support the tax abatement program. The key goals include a resilient county and housing stability and supply. Tax abatement is an agreement whereby a government agrees to forgo tax revenues to which it is otherwise entitled in exchange for a promise by the counterparty to the agreement to take specific future actions that will contribute to the government’s economic development, or which otherwise benefits the government or its citizens. Tax abatements are intended to improve local conditions and spur economic development that otherwise would not occur, and an important tool for redevelopment. Tax abatements are meant to encourage rehabilitation and redevelopment of distressed areas. The potential benefits of abatements include additional short and long-term employment for residents, attracting new businesses or improving existing businesses, luring new residents which in turn can generate additional tax revenue, generating a tax-revenue stream on once vacant or under- developed property, improving safety and commerce, and increasing adjacent property values. In the Notes to Financial Statements, the County provides information related to its five tax abatement programs authorized by Oregon Revised Statutes.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Deschutes County for its annual comprehensive financial report for the fiscal year ended June 30, 2022. This was the 22nd consecutive year that the County has received this prestigious award. To be awarded a Certificate of Achievement, the County published an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

A Certificate of Achievement for Excellence in Financial Reporting is valid for a period of one year only. However, we believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements, and we will submit it to the GFOA to determine its eligibility for another certificate.

The County also received the GFOA's Distinguished Budget Presentation Award for its annual budget document for fiscal year beginning July 1, 2022. This was the 15th consecutive year that the County has received this award. To qualify for this Distinguished Budget Presentation Award, the County's budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

Finally, Deschutes County received GFOA's Popular Annual Financial Report (PAFR) award for the fourth consecutive year for the fiscal year ended June 30, 2022. The PAFR can be found on the County's website, www.Deschutes.org/pafr. Deschutes County received the Triple Crown designation from the GFOA as recognition for having received all three GFOA awards.

The preparation of the annual comprehensive financial report on a timely basis was made possible by the skill, effort, and dedicated service of the entire staff of the Finance Department. We wish to thank all the County's departments for their assistance in providing the data necessary to prepare this report.

Acknowledgment should also be given to the Board of County Commissioners for their interest and support for maintaining the highest standards of professionalism in the management of the County's finances.

Respectfully submitted,



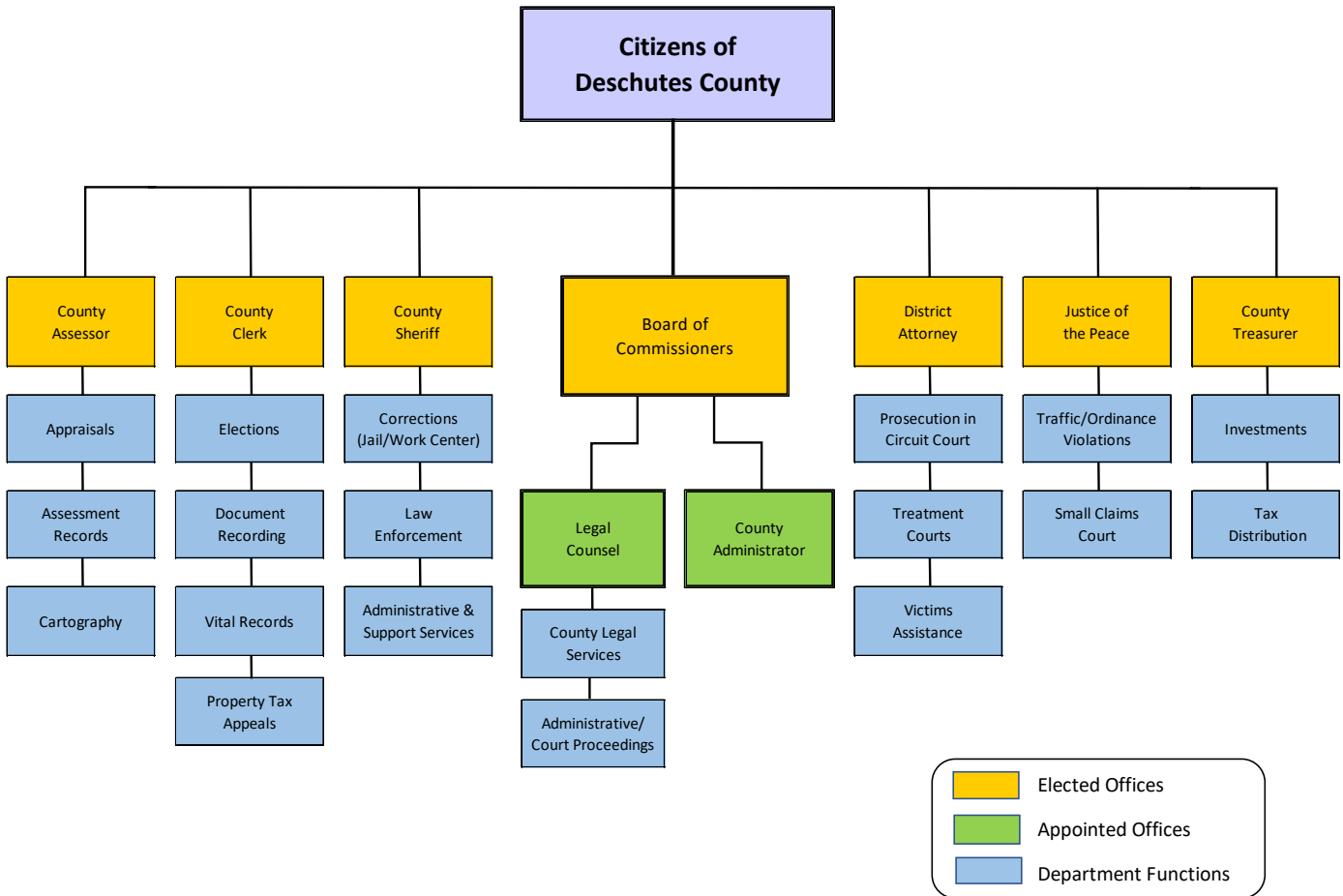
Nick Lelack
County Administrator



Robert Tintle
Chief Financial Officer

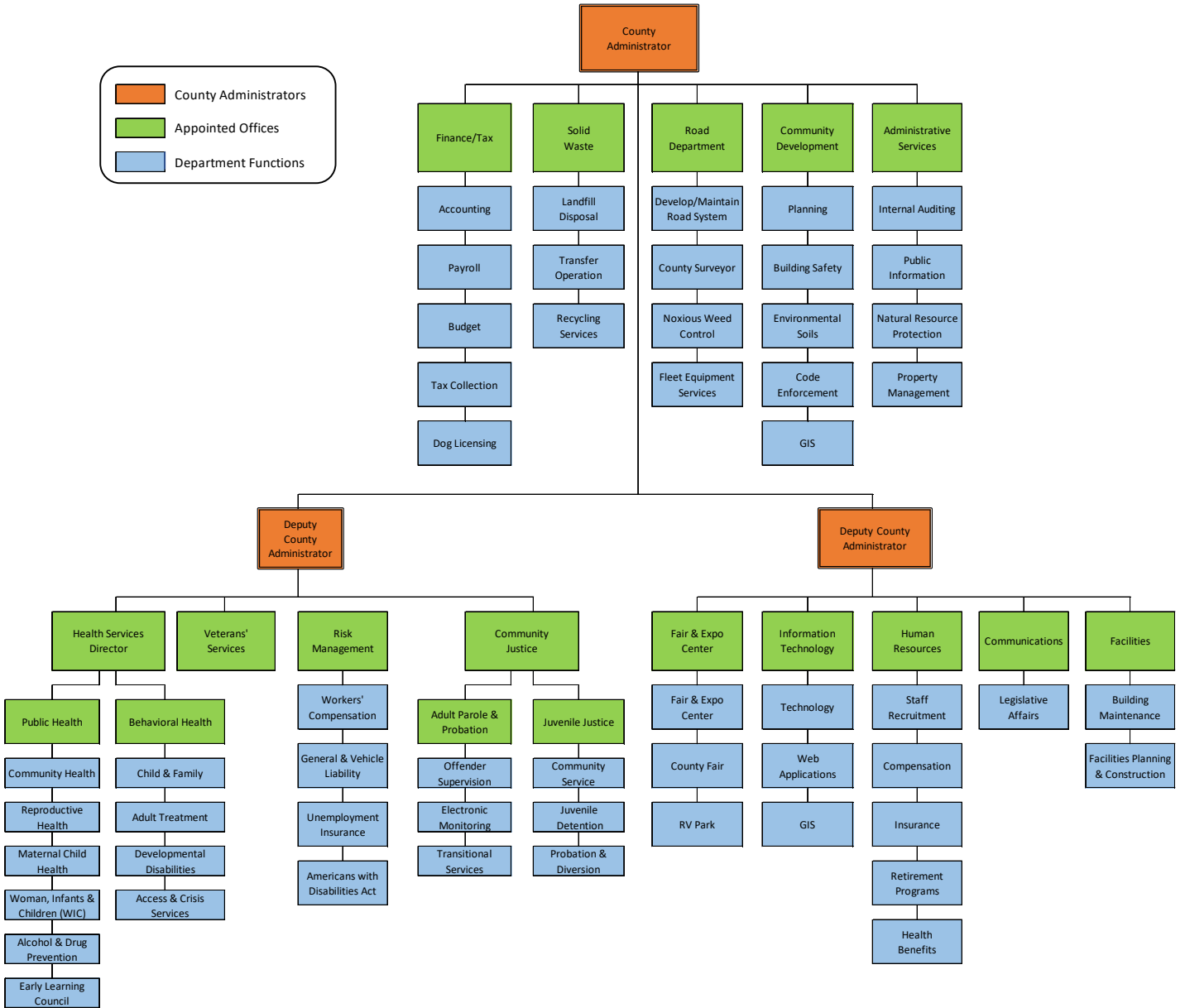
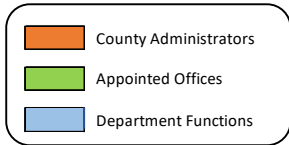


Deschutes County Organizational Chart As of June 30, 2023



Deschutes County Organizational Chart

As of June 30, 2023





Listing of Principal Officials As of June 30, 2023

ELECTED OFFICIALS

Board Of County Commissioners

Name	Position	Term Expiration
Anthony DeBone, Chair	Position 1	January 4, 2027
Patti Adair, Vice Chair	Position 3	January 4, 2027
Philip Chang	Position 2	January 6, 2025

Other Elected Officers

Name	Position	Term Expiration
Scot Langton	County Assessor	January 4, 2027
Steve Dennison	County Clerk	January 4, 2027
Steve Gunnels	County District Attorney	January 4, 2027
Shane Nelson	County Sheriff	January 6, 2025
William Kuhn	County Treasurer	January 4, 2027
Charles Fadeley	Justice of the Peace	January 1, 2029

APPOINTED OFFICIALS

Name	Position
Nick Lelack	County Administrator
David Doyle	County Counsel
Robert Tintle	Chief Financial Officer
David Givans	County Internal Auditor

Deschutes County Administrative Offices
1300 NW Wall Street, Suite 200
Bend, Oregon 97703





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Deschutes County
Oregon**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO



Financial Section
For the Fiscal Year Ended June 30, 2023
Deschutes County, Oregon



Report of Independent Auditors

Deschutes County Board of Commissioners
 Deschutes County, Oregon
 Bend, Oregon

Report on the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Deschutes County, Oregon (the "County") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Schedule of the Proportionate Share of the Net Pension Liability (Asset), the Schedule of Net Pension Plan Liability (Asset) Employer Contributions, the Schedule of Changes in the Total OPEB Liability, the Schedule of Proportionate Share of the Net OPEB Liability (Asset), the Schedule of Net OPEB Liability (Asset) Employer Contributions, and the Notes to Required Supplementary Information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Accounting principles generally accepted in the United States of America require that the Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual for the General Fund, Deschutes County Sheriff's Office, Countywide Law Enforcement County District, Rural Law Enforcement County District, Road Department, Health Services and American Rescue Plan Act (collectively the budgetary comparison information), as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. The required budgetary comparison information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the required budgetary comparison information is fairly stated, in all material respects, in relation to the basic financial statements as whole.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The Schedule of Expenditures of Federal Awards and related notes, as listed in the table of contents in the Single Audit section, 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 the other supplementary information, as listed in the table of contents in the Other Supplementary Information section (collectively, the supplementary information), are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Introductory, Other Financial Schedules, and Statistical sections, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

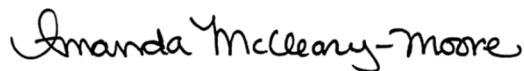
In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2023 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Other Reporting Required by Minimum Standards for Audits of Oregon Municipal Corporations

In accordance with the *Minimum Standards for Audits of Oregon Municipal Corporations*, we have also issued our report dated November 30, 2023, on our consideration of the County's compliance with certain provisions of laws, regulations, contracts, and grant agreements, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-010-0000 through 162-010-0330 of the *Minimum Standards for Audits of Oregon Municipal Corporations*. 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.



Amanda McCleary-Moore, Partner for
Moss Adams LLP
Eugene, Oregon
November 30, 2023

Deschutes County, Oregon
Management's Discussion and Analysis
 June 30, 2023

As management of Deschutes County, we offer readers of Deschutes County's financial statements this narrative overview and analysis of the financial activities of Deschutes County for the fiscal year (FY) ended June 30, 2023. We encourage readers to consider this information in conjunction with additional information that we have furnished in our letter of transmittal.

FINANCIAL HIGHLIGHTS

- On a government-wide basis, total assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$250,254,178 as of June 30, 2023, an increase of \$9,640,409 in net position from June 30, 2022. A contributing factor to the change was the \$13 million decrease in the OPEB County plan liability, mainly as a result of change in census and claims. With additional recognition of federal funding from the American Rescue Plan Act, the continued investment of State dollars into the County Road CIP fund and Special Transportation Fund, as well as County investment made into infrastructure, the County is positioned well for the future. It is anticipated that this buildup of fund balance will be exhausted over time by large capital expenditures and rising pension expenses.
- The County reported a combined fund balance at June 30, 2023, of \$166,456,014 for its governmental funds, a decrease of \$11,877,269 from June 30, 2022. Of this balance, \$39,857,213 is available to meet the County's obligations. The remainder is either nonspendable or restricted.
- County General Fund
 - The General Fund's fund balance, including the sub-funds of the General Fund, was \$28,746,503 as of June 30, 2023, a decrease of \$276,885 from the balance at June 30, 2022.

	June 30, 2023	June 30, 2022
General Fund (Operations)	\$ 13,426,082	\$ 13,398,279
Sub-funds of the General Fund	15,320,421	15,625,109
	\$ 28,746,503	\$ 29,023,388

- Fund balance is 56% percent of the Fund's combined revenues and transfers in. Fund balance is 56% of the Fund's combined expenditures and transfers out.
- The County's Assessed Valuation of Taxable Property increased by 5.6% in FY 2023.
- Total bonded debt was \$51,190,000 as of June 30, 2023, compared to total bonded debt of \$37,396,600 as of June 30, 2022.

Deschutes County, Oregon
Management's Discussion and Analysis
June 30, 2023

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-Wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of Deschutes County's finances, in a manner similar to a private-sector business.

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

The *Statement of Activities* presents information showing how Deschutes County's net position changed during the fiscal year. Changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items, for example, property taxes and accrued compensated leave that will result in cash flows in future fiscal periods.

Each of these government-wide financial statements, *Statement of Net Position* and *Statement of Activities*, distinguish functions of Deschutes County that are supported primarily by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all, or a significant portion of, their costs through user fees and charges (*business-type activities*). The governmental activities of Deschutes County include general government, public safety, county roads and health & welfare. The business-type activities of Deschutes County include Solid Waste, Fair & Expo Center, and RV Park.

The government-wide financial statements include four county service districts and one county agency:

- Countywide Law Enforcement District
- Rural Law Enforcement District
- Deschutes County Road Agency
- Deschutes County 9-1-1 District
- Deschutes County Extension and 4-H Service District

These entities are legally separate but are included as blended component units based on the criteria described in the Notes to Financial Statements (Note 1 – Summary of Significant Accounting Policies). Requests for copies of the separately issued financial statements for the county service districts should be addressed to Deschutes County Finance Department, 1300 NW Wall Street, Suite 200, Bend, OR 97703.

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. Deschutes County, like other state and local government entities, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Each of the funds of Deschutes County is classified in one of three categories: governmental funds, proprietary funds, or fiduciary funds.

Deschutes County, Oregon
Management's Discussion and Analysis
June 30, 2023

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Governmental Funds

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. A reconciliation from the Governmental Funds Balance Sheet to the Government-wide Statement of Net Position and a reconciliation from the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Government-wide Statement of Activities have been included in this report.

Both the governmental fund balance sheet and statements of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. These reconciliations are presented in this report in subsection "Basic Financial Statements".

Deschutes County reported activity in fifty-five (55) individual governmental funds and nine (9) sub-funds during FY 2023. Information is presented separately in the governmental funds Balance Sheet and in the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund and the County's major funds:

- General Fund
- Countywide Law Enforcement District
- Road
- Health Services
- Deschutes County Sheriff's Office (Sheriff)
- Rural Law Enforcement District
- Road Capital Improvement Plan (Road CIP)
- American Rescue Plan Act (ARPA)

Data from all other governmental funds are combined into a single, aggregated presentation. Individual data for each of these non-major governmental funds is provided in the form of combining statements in the "Other Supplementary Information" section of this report and in the budget to actual comparison schedules.

Deschutes County adopts an annual budget for each of its funds and a budgetary comparison statement has been provided for each to demonstrate compliance with its annual budget.

Deschutes County, Oregon
Management's Discussion and Analysis
June 30, 2023

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Proprietary Funds

Deschutes County maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions as *business-type activities* in the government-wide financial statements. Deschutes County uses enterprise funds to account for its Solid Waste, Fair & Expo Center, and RV Park. An internal service fund is an accounting device used to accumulate and allocate costs internally among Deschutes County's various functions. Deschutes County uses *internal service funds* to account for its facilities, administrative, commissioner, finance, legal, personnel, information technology, insurance services, and health benefits. Because these services predominately benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds financial statements provide similar, but more detailed, information compared to the government-wide financial statements. The enterprise fund financial statements provide information separately for Solid Waste, Fair & Expo Center, and RV Park. All three enterprise funds are reported as major funds of Deschutes County. The internal service funds are combined into a single, aggregated presentation in the proprietary funds' financial statements. Individual fund data for the internal service funds is provided in the form of combining statements in the "Other Supplementary Information" section of this report and in the budget to actual comparison schedules.

Fiduciary Funds

Fiduciary funds, all of which are custodial funds, are used to account for resources held for the benefit of third parties. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support Deschutes County's own programs.

Notes to Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents as required supplementary information, the budgetary comparisons for the General Fund and major special revenue funds.

The combining statements referred to above in connection with non-major governmental funds and internal service funds are presented in the "Other Supplementary Information" section of this report.

Deschutes County, Oregon
Management's Discussion and Analysis
June 30, 2023

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Deschutes County Net Position

The County's net position at June 30, 2023, was \$250,254,178. Net position may serve as a useful indicator of an entity's financial strength as it measures the entity's excess of assets and other resources over its obligations on a long-term basis.

Deschutes County Net Position

	Governmental activities		Business-type activities		Total	
	2023	2022	2023	2022	2023	2022
Assets other than capital assets	\$ 240,517,090	\$ 260,639,472	\$ 39,328,081	\$ 24,464,182	\$ 279,845,171	\$ 285,103,654
Capital assets	190,525,113	162,744,418	52,521,524	42,811,637	243,046,637	205,556,055
Total assets	431,042,203	423,383,890	91,849,605	67,275,819	522,891,808	490,659,709
Deferred outflows of resources	62,006,450	60,848,394	1,691,720	1,845,260	63,698,170	62,693,654
Non-current liabilities	163,417,823	145,853,908	42,585,980	21,728,462	206,003,803	167,582,370
Current liabilities	67,380,490	71,290,988	5,165,284	2,390,865	72,545,774	73,681,853
Total liabilities	230,798,313	217,144,896	47,751,264	24,119,327	278,549,577	241,264,223
Deferred inflows of resources	56,435,538	69,585,517	1,350,685	1,889,853	57,786,223	71,475,370
Net position:						
Net investment in capital assets	161,842,824	135,284,761	23,964,066	35,830,576	185,806,890	171,115,337
Restricted	86,626,839	90,450,775	13,974,687	-	100,601,526	90,450,775
Unrestricted	(42,654,861)	(28,233,666)	6,500,623	7,281,323	(36,154,238)	(20,952,343)
Net position	\$ 205,814,802	\$ 197,501,870	\$ 44,439,376	\$ 43,111,899	\$ 250,254,178	\$ 240,613,769

The largest portion (approximately 74%) of Deschutes County's net position represents its net investment in capital assets including land, infrastructure, buildings, roads, equipment and subscriptions. These assets are used to provide core services to Deschutes County citizens and are not available for future spending. The portion of net position restricted for use in its long-term capital projects, debt service requirements, landfill closure and post-closure costs, public safety, roads and health programs totaled \$100,601,526 or 40%. The unrestricted category of net position is negative for governmental activities and positive for business-type activities by a net total of \$36,154,238 due in part to the net pension liability and total Other Post-Employment Benefits' (OPEB) liability's impact on net position.

Deschutes County, Oregon
Management's Discussion and Analysis
 June 30, 2023

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Changes in Net Position

The net position of the County increased by \$9,640,409 during FY 2023. Discussion and analysis of the changes for both governmental activities and business-type activities are included below.

DESCHUTES COUNTY'S Changes in Net Position

	Governmental activities		Business-type activities		Total	
	FY 2023	FY 2022	FY 2023	FY 2022	FY 2023	FY 2022
Program revenues:						
Charges for services	\$ 54,799,894	\$ 53,370,468	\$ 19,493,447	\$ 18,184,217	\$ 74,293,341	\$ 71,554,685
Operating grants and contributions	98,552,785	83,007,298	53,167	53,167	98,605,952	83,060,465
General revenues:						
Property taxes	91,685,722	86,082,449	-	-	91,685,722	86,082,449
Other taxes	12,597,706	13,114,807	-	-	12,597,706	13,114,807
Other	4,612,463	(6,112,053)	172,666	(602,836)	4,785,129	(6,714,889)
Total revenues	262,248,570	229,462,969	19,719,280	17,634,548	281,967,850	247,097,517
Expenses:						
General government	66,921,909	48,556,006	-	-	66,921,909	48,556,006
Public safety	107,370,842	86,849,152	-	-	107,370,842	86,849,152
County roads	10,167,800	22,046,884	-	-	10,167,800	22,046,884
Health and welfare	66,433,425	55,636,443	-	-	66,433,425	55,636,443
Interest on long-term debt	1,296,674	838,401	-	-	1,296,674	838,401
Solid Waste	-	-	13,762,327	13,075,084	13,762,327	13,075,084
Fair & Expo Center	-	-	5,938,023	4,509,320	5,938,023	4,509,320
RV Park	-	-	436,441	368,229	436,441	368,229
Total expenses	252,190,650	213,926,886	20,136,791	17,952,633	272,327,441	231,879,519
Excess (deficiency) before transfers	10,057,920	15,536,083	(417,511)	(318,085)	9,640,409	15,217,998
Transfers	(1,744,988)	(1,789,344)	1,744,988	1,789,344	-	-
Change in net position	8,312,932	13,746,739	1,327,477	1,471,259	9,640,409	15,217,998
Net position, Beginning of year	197,501,870	183,755,131	43,111,899	41,640,640	240,613,769	225,395,771
Net position, End of year	\$ 205,814,802	\$ 197,501,870	\$ 44,439,376	\$ 43,111,899	\$ 250,254,178	\$ 240,613,769

CHANGES DUE TO GOVERNMENTAL ACTIVITIES

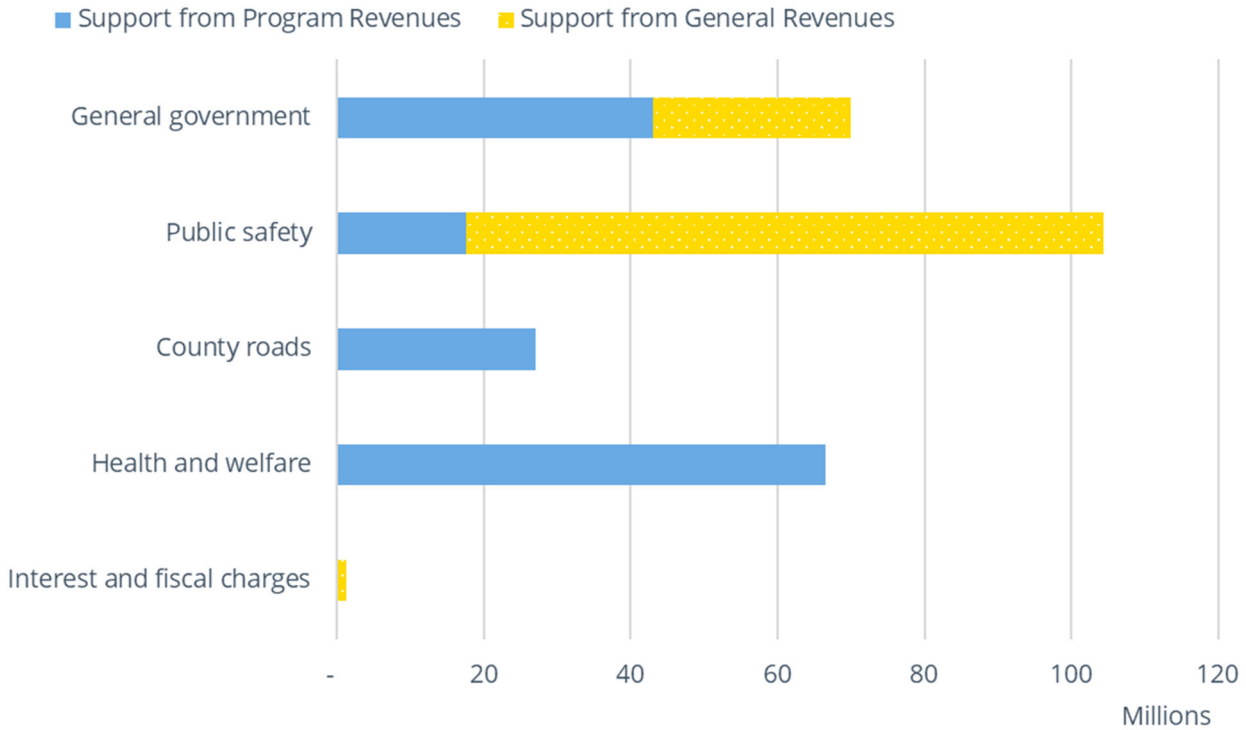
Governmental activities increased net position by \$8,312,932 or 4%. Program expenses increased by 18%, program revenues increased by 12% and taxes increased by 5%.

Governmental activities rely on general revenues to support the function. Property taxes make up the largest share of this support at 35% and are levied for general purposes, law enforcement, 9-1-1 operations and extension/4-H services. Fees, fines and charges provide 21% of governmental activities funding including state gas tax and registration fees, law enforcement related fees and fees for services provided by the Clerk's Office and Community Development. Federal and State operating grants and contributions provide significant resources that are used for public safety and health services.

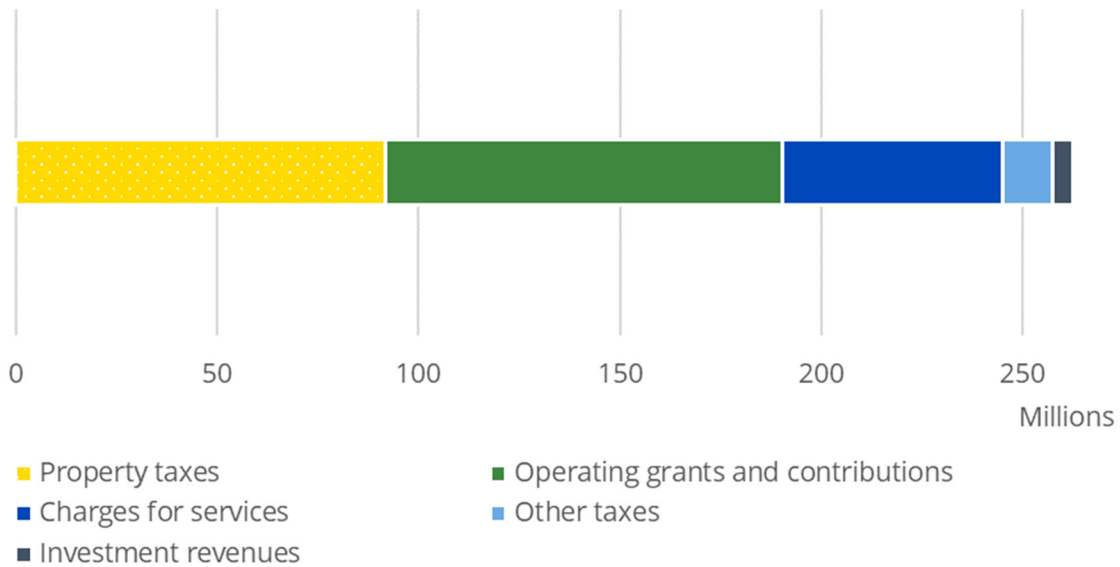
Deschutes County, Oregon
Management's Discussion and Analysis
 June 30, 2023

CHANGES DUE TO GOVERNMENTAL ACTIVITIES (Continued)

Function/Program by Funding Type - Governmental Activities



Revenues by Source - Governmental Activities



Deschutes County, Oregon
Management's Discussion and Analysis
 June 30, 2023

CHANGES DUE TO BUSINESS-TYPE ACTIVITIES

Business-type activities increased net position by \$1,327,477 or 3.1%.

Solid Waste

During FY 2023, the County's solid waste operation experienced an increase in net position of \$441,058. The operating income during FY 2023 was \$1,050,507. The full cost of operations includes depreciation and accrual of landfill closure and post-closure costs.

Fair & Expo Center

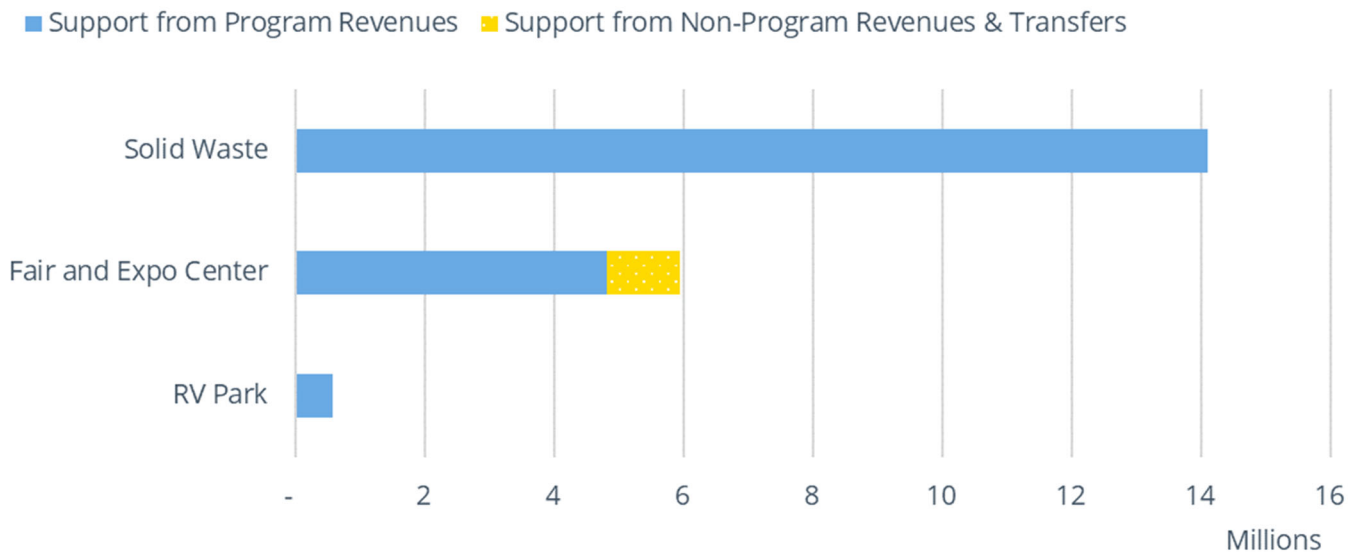
The operating loss from the County's Fair & Expo Center during FY 2023 was \$1,112,308; however, as the Fair & Expo Center is a large contributor to the County's tourism industry, its losses are partially offset by transfers from the Transient Room Tax Funds and the General Fund. During FY 2023, the overall subsidy provided was \$1,589,727. Fair & Expo Center revenues increased to \$4,816,455, an increase of \$1,208,045 (33%) from the prior fiscal year.

RV Park

Operating income for the RV Park was \$154,826, a decrease of \$79,806 (34%) from FY 2022.

With business-type activities, Solid Waste and RV Park activities generated sufficient operating revenues during FY 2023 to cover operating expenses. All of program revenues for business-type activities come from charges for services.

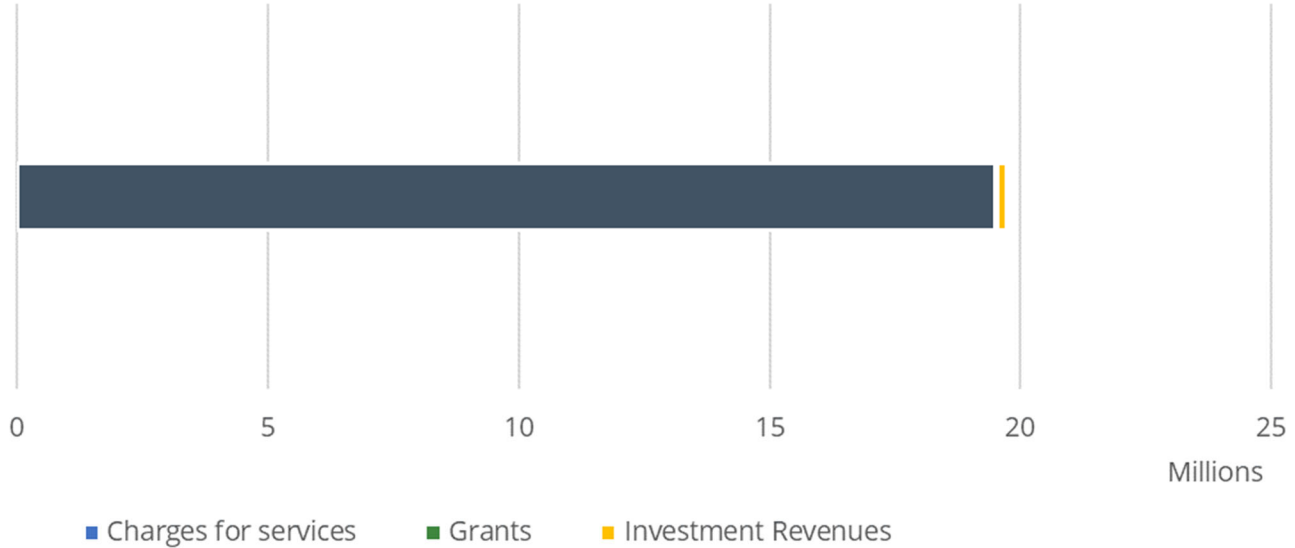
Function/Program by Funding Type - Business-type Activities



Deschutes County, Oregon
Management's Discussion and Analysis
 June 30, 2023

CHANGES DUE TO BUSINESS-TYPE ACTIVITIES (Continued)

Revenues by Source - Business Activities



FINANCIAL ANALYSIS OF COUNTY'S FUNDS

Deschutes County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

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

As of June 30, 2023, \$166,456,014 is the reported combined ending fund balance for Deschutes County's governmental funds, a decrease of \$11,877,269 from June 30, 2022. Changes, amounts and percentages, in the fund balances of the major governmental funds and of the other governmental funds were:

Major Funds

- General Fund (including sub-funds): decrease of \$276,885, -1%
- Sheriff, Countywide Law Enforcement District, and Rural Law Enforcement District (combined): decrease of \$4,183,817, -28%
- Road: decrease of \$458,488, -3%
- Road CIP: decrease of \$3,761,676, -14%
- Health Services: increase of \$5,424,327, 22%
- ARPA: increase of \$699,129, 100%

Deschutes County, Oregon
Management's Discussion and Analysis
June 30, 2023

FINANCIAL ANALYSIS OF COUNTY'S FUNDS (Continued)

Nonmajor Funds

- Nonmajor special revenue: decrease of \$6,847,368, -12%
- Nonmajor capital projects: decrease of \$2,536,592, -30%
- Nonmajor debt service: increase of \$64,101, 17%

Significant Changes in Major Funds

General Fund

As of June 30, 2023, the fund balance of Deschutes County's General Fund was \$28,746,503. Of this fund balance, \$15,320,421 is nonspendable, committed, or assigned for specific use and \$13,426,082 is unassigned. One measure of the General Fund's liquidity is the relationship of the fund balance to the Fund's total expenditures. The ending fund balance as of June 30, 2023, for the General Fund is 56% of total General Fund revenues and transfers in, and 56% of total General Fund combined expenditures and transfers out.

Deschutes County's General Fund balance decreased by \$276,885, or -1%, during FY 2023. Revenues increased by \$6,526,333, 15%, over the prior year due to approximately \$3.6 million of transient room taxes allocated to general county reserves in FY23. Property tax revenues increased by \$1,817,876, 5%, and intergovernmental revenues increased by \$1,747,650, 35%. Expenditures decreased by \$221,084, -1%.

Sheriff, Countywide Law Enforcement District and Rural Law Enforcement District

Sheriff's services are funded through two voter-approved county service district property tax levies. One district levies a tax throughout the County to provide funding for countywide services and the other levies a tax in the unincorporated area to provide funding for Sheriff's services outside city boundaries. In the current fiscal year, these two law enforcement districts collectively contributed \$48,889,912 to the Sheriff's fund, where all expenditures relate to Sheriff's services are recorded. The combined fund balances of these three major funds decreased by \$4,183,817. The increase in property tax revenue by 5% compared to the previous year was largely attributed to the County's assessed valuation of taxable property increasing by 5.6%. This growth was primarily driven by the new construction throughout the County and an average increase of approximately 3% in the taxable property values. Amidst these positive developments, the Sheriff's Office had to contend with uncertain economic conditions and rising inflation, resulting in escalated expenses related to technology and personnel costs. The evolving landscape of technology and the necessity for ongoing maintenance often exceeded the available funds for such investments, causing the Sheriff's Office's current expenditures to surge by 12% over the previous year, an increase of over \$6 million.

Road

The fund balance of the Road fund decreased by \$458,488, -3%, during FY 2023. During FY 2023, \$9,778,721 was transferred from the Road Fund to the Road CIP fund. The Road fund receives the majority of its revenue from the State of Oregon gas tax, vehicle registrations, and the federal Secure Rural Schools Program. The fund balance will be used in the future to maintain county road systems.

Deschutes County, Oregon
Management's Discussion and Analysis
June 30, 2023

FINANCIAL ANALYSIS OF COUNTY'S FUNDS (Continued)

Road Capital Improvement Plan (Road CIP)

The Road CIP fund receives annual transfers from the Road Fund, a major fund, for significant capital improvement projects. Transfers into this fund during FY 2023 were \$9,778,721 from the Road Fund and \$2,459,941 from non-major special revenue funds. Capital outlay expenditures for road projects occurring during FY 2023 totaled \$16,697,188, more than double prior year capital outlay expenditures of \$8,106,117, resulting in an overall decrease to fund balance of \$3,761,676. The decrease in fund balance was due to significant capital projects completed or initiated in FY 2023 including the start of the Hunnell Road Project, \$2.2 million incurred in FY 2023 with an estimated total project cost of \$4 million, the completed Terrebonne Refinement Plan totaling approximately \$2.2 million, and the significant paving overlay projects totaling approximately \$3 million.

Health Services

Fund balance for the Health Services Fund increased by \$5,424,327, or 22%. Revenue within the Health Services fund increased by \$18,319,654, 41%, from the prior year, while expenditures increased by \$11,228,377, 21%, over the prior year. With the future delivery model of health services changing in the future, fund balance is maintained to ensure continuation of services.

American Rescue Plan Act (ARPA)

Fund balance for the ARPA increased by \$699,129, or 100%. The increase in ARPA is due to unrealized investment earnings.

Nonmajor Funds

The combined fund balances of the County's non-major special revenue funds decreased by \$6,847,368, -12%. While the Transient Room Tax fund and Transient Room Tax -1% revenues continued to hold steady at \$12.8 million, the County transferred \$4,983,197 to general county reserves resulting in a decrease of fund balances. The Community Development Department's fund balance increased by \$133,655 due to the continued strength in real estate development. County assesses fees for future transportation requirements which resulted in revenues of \$1,388,182 in the Countywide Transportation SDC Improvement fund during FY 2023. The Countywide Transportation SDC Improvement fund transferred \$2,459,941 to the Road CIP fund resulting in a decrease in fund balance of \$1,071,759, -26%.

The debt service fund increased by \$64,101 during the fiscal year because of the debt issuance of Full Faith & Credit Obligation Series 2023 for the renovation of Negus landfill transfer station.

Proprietary Funds

The information presented in the proprietary funds statement is similar to that in the government-wide financial statements but provides greater detail.

Deschutes County, Oregon
Management's Discussion and Analysis
June 30, 2023

FINANCIAL ANALYSIS OF COUNTY'S FUNDS (Continued)

At June 30, 2023, the net position of the Solid Waste Department was \$23,300,204, an increase of \$441,058 compared to the prior fiscal year. Charges for services increased \$108,258, 1%. Current year expenses for landfill closure and post-closure costs increased \$1,646,260. The estimate for post closure liability at June 30, 2023, was \$13,934,346. Projections show the Solid Waste Department revenues will continue to be adequate to cover the cost of current operations. The operation of the Solid Waste Department provides the resources to be used in future years for the closure and post-closure costs associated with the landfills.

At June 30, 2023, the net position of the Fair and Expo Center was \$18,319,603, an increase of \$551,958. As the Fair & Expo Center is a reason why many people visit Central Oregon, resources from the County's transient room tax are made available to support this activity. Transient room taxes of \$1,559,727 were transferred to Fair & Expo Center during FY 2023. The Fair & Expo Center also received \$30,000 transferred from the Park Acquisition and Development fund.

The County opened its RV Park in July 2007. After an initial near-capacity usage during summer 2007, the effects of the recession impacted the operations through FY 2014. However, with a continued focus on marketing, a robust economy, and increased demand in RV parks through the COVID-19 pandemic, the RV Park is a profitable enterprise. The unrestricted net position at June 30, 2023, was \$1,538,645, an increase of \$223,523, or 17%.

GENERAL FUND BUDGETARY HIGHLIGHTS

There were six budget adjustments to the General Fund's original budget during FY 2023:

- The first adjustment increased state grant revenue and program expense appropriations by \$585,200 for a pass-thru to Neighbor Impact for domestic well assistance.
- The second adjustment increased state grant revenue for Veterans' Services and program expense appropriations by \$32,836.
- The third adjustment increased state grant revenue for the District Attorney by \$935,979 and increased program expenses and transfers out appropriations by \$826,632 and \$109,347.
- The fourth adjustment decreased contingency and increased program expense appropriations by \$100,000, which was necessary to make a loan to the Alfalfa Fire District.
- The fifth adjustment decreased program expenses and increased transfers out appropriations by \$3,710 for Veterans' Services' contribution to the building remodel of 236 and 244 NW Kingwood.
- The sixth adjustment decreased contingency and increased program expense appropriations by \$135,000 for unforeseen expenditures.

The General Fund's actual revenues were \$437,435 less than estimated. The variance is primarily due to lower than estimated filing and recording Fees in the Clerk's office. The variance between appropriations and expenditures was \$2,260,707 less than estimated, approximately 5% of final appropriations. Factors contributing to this variance include unfilled positions and decreased actual expenditures for materials and services, primarily contract staff and professional services. Transfers out were also a contributing factor as the transfer to Health Services was lower than budgeted.

Deschutes County, Oregon
Management's Discussion and Analysis
 June 30, 2023

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

Deschutes County's capital assets for its governmental and business-type activities as of June 30, 2023, was \$243,046,637, net of accumulated depreciation and amortization. The book value of the depreciable assets is 52% of historical cost. Capital assets include land, buildings, equipment, software subscriptions, and infrastructure such as roads and bridges. Additional information on Deschutes County's capital assets is included in Note 3E.

Long-Term Debt

As of June 30, 2023, Deschutes County's outstanding debt was \$51,190,000, all of which is backed by the full faith and credit of the County.

**DESCHUTES COUNTY'S Outstanding Debt
 General Obligation and Other Bonded Debt**

	Governmental activities		Business-type activities		Total	
	2023	2022	2023	2022	2023	2022
Pension Bonds	\$ 5,830,000	\$ 6,870,000	\$ -	\$ -	\$ 5,830,000	\$ 6,870,000
Direct Borrowing	458,600	680,093	2,906,400	3,691,507	3,365,000	4,371,600
Full Faith & Credit	20,831,808	22,940,492	21,163,192	3,214,508	41,995,000	26,155,000
Total	\$ 27,120,408	\$ 30,490,585	\$ 24,069,592	\$ 6,906,015	\$ 51,190,000	\$ 37,396,600

Deschutes County's bonded debt increased by \$13,793,400 during the fiscal year due to the issuance of Full Faith & Credit Series 2022 and decreased by scheduled debt repayments.

Moody's Investors Services upgraded the credit rating of Pension Bonds during June 2021 from Aa2 to Aa1. The rating is based on the weighted average credit quality of the pension-bond participants. Deschutes County is one participant of many in the limited tax bonds issued by the State of Oregon.

Moody's Investors Services has assigned a credit rating of Aa1 to Deschutes County's Full Faith & Credit obligations. This rating was upgraded in FY 2019 through refinancing of the County's 2008 & 2009 Full Faith & Credit obligations and was reaffirmed in November 2023 through the issuance of 2023 Full Faith & Credit Series Obligations. See Note 4J in the Notes to Financial Statements.

State statutes limit the amount of general obligation debt a governmental entity may issue to 2% of its real market value. With real market value of \$73 billion, the current debt limitation for Deschutes County is \$1,463,000,000. The County has no general obligation debt at June 30, 2023.

Additional information on Deschutes County's long-term debt is included in Note 3G.

Deschutes County, Oregon
Management's Discussion and Analysis
June 30, 2023

KEY ECONOMIC FACTORS AND BUDGET INFORMATION FOR THE FUTURE

The most recent actuarial valuation for the State of Oregon Public Employees Retirement System (PERS) was received by employers in September 2023 and included employer rates to be in effect July 1, 2023 through June 30, 2025. The County expects PERS costs to remain steady for several years.

The County established a PERS Reserve fund in 2004. The purpose of the fund is to provide relief to departments as PERS rates increase. The ending fund balance for the PERS Reserve is \$4,527,409 as of June 30, 2023, which the County anticipates will help to offset future PERS increases.

The County's Assessed Value of Taxable Property increased from FY 2022 to FY 2023 by 5.6% to approximately \$30.5 billion and this growth in assessed value is expected to continue. The annual property tax levy is based on the assessed value times the tax rate, not to exceed the permanent rate of \$1.2783 per \$1,000 of assessed valuation. For FY 2024, the County's general levy will be at a rate of \$1.2783 per \$1,000 of assessed value. This represents a \$0.06 per \$1,000 of assessed value increase from the FY 2023 adopted rate.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview to those parties interested in Deschutes County's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Deschutes County Finance Department, Deschutes County Finance Department, 1300 NW Wall Street, Suite 200, Bend, OR 97703.



Basic Financial Statements
For the Fiscal Year Ended June 30, 2023
Deschutes County, Oregon

Deschutes County, Oregon
Statement of Net Position
 June 30, 2023

	Governmental Activities	Business - Type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 28,853,010	\$ 4,997,161	\$ 33,850,171
Investments, at fair value; plus accrued interest	189,538,157	32,757,230	222,295,387
Taxes receivable	2,980,635	-	2,980,635
Accounts receivable, net	10,807,855	1,315,134	12,122,989
Lease receivable, current portion	993,509	-	993,509
Inventory	2,653,108	15,015	2,668,123
Prepaid expenses	1,160,877	203,200	1,364,077
Total current assets	<u>236,987,151</u>	<u>39,287,740</u>	<u>276,274,891</u>
Noncurrent assets:			
Lease receivable	1,399,772	-	1,399,772
Net OPEB RHIA asset	1,616,256	40,341	1,656,597
Capital assets not being depreciated	47,461,408	14,267,219	61,728,627
Capital assets, net of accumulated depreciation/amortization	143,063,705	38,254,305	181,318,010
Notes, contracts, and assessments receivable, net of allowance	513,911	-	513,911
Total noncurrent assets	<u>194,055,052</u>	<u>52,561,865</u>	<u>246,616,917</u>
Total assets	<u>431,042,203</u>	<u>91,849,605</u>	<u>522,891,808</u>
DEFERRED OUTFLOWS OF RESOURCES			
Debt refunding	626,151	159,723	785,874
Pension plan	56,538,058	1,411,138	57,949,196
OPEB County plan	4,689,680	117,051	4,806,731
OPEB RHIA	152,561	3,808	156,369
Total deferred outflows of resources	<u>62,006,450</u>	<u>1,691,720</u>	<u>63,698,170</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>493,048,653</u>	<u>93,541,325</u>	<u>586,589,978</u>

	Governmental Activities	Business - Type Activities	Total
LIABILITIES			
Current liabilities:			
Accounts payable and other current liabilities	12,526,812	2,369,081	14,895,893
Payroll liabilities	6,042,084	129,585	6,171,669
Accrued interest	80,847	82,400	163,247
Unearned revenues	28,578,255	405,798	28,984,053
Current portion of noncurrent liabilities	20,152,492	2,178,420	22,330,912
Total current liabilities	67,380,490	5,165,284	72,545,774
Noncurrent liabilities:			
Compensated leave	12,127,799	398,034	12,525,833
Lease payable	2,835,074	9,570	2,844,644
Subscription liabilities	1,277,982	-	1,277,982
Total OPEB County plan liability	22,472,775	560,899	23,033,674
Net pension plan liability	109,113,045	2,723,358	111,836,403
Bonds and notes payable (net of premiums and discounts)	27,780,104	27,138,193	54,918,297
Accrued claims payable	7,963,536	-	7,963,536
Accrued landfill closure and postclosure costs	-	13,934,346	13,934,346
Less current portion of noncurrent liabilities	(20,152,492)	(2,178,420)	(22,330,912)
Total noncurrent liabilities	163,417,823	42,585,980	206,003,803
Total liabilities	230,798,313	47,751,264	278,549,577
DEFERRED INFLOWS OF RESOURCES			
Lease resources	2,319,529	-	2,319,529
Pension plan	34,086,054	850,757	34,936,811
OPEB County plan	19,809,020	494,414	20,303,434
OPEB RHIA	220,935	5,514	226,449
Total deferred inflows of resources	56,435,538	1,350,685	57,786,223
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	287,233,851	49,101,949	336,335,800
NET POSITION			
Net investment in capital assets	161,842,824	23,964,066	185,806,890
Restricted for:			
Capital projects	28,461,263	-	28,461,263
Debt service	368,219	-	368,219
Public safety	10,539,552	-	10,539,552
County road	15,476,683	-	15,476,683
Health & welfare	30,164,866	-	30,164,866
Landfill closure and postclosure liability	-	13,934,346	13,934,346
Net OPEB RHIA asset	1,616,256	40,341	1,656,597
Unrestricted	(42,654,861)	6,500,623	(36,154,238)
TOTAL NET POSITION	\$ 205,814,802	\$ 44,439,376	\$ 250,254,178

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



Deschutes County, Oregon
Statement of Activities
 For the Fiscal Year Ended June 30, 2023

Function/Program	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Fees, Fines and Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental:						
General government	\$ 66,921,909	\$ 18,320,916	\$ 24,645,650	\$ (23,955,343)	\$ -	\$ (23,955,343)
Public safety	107,370,842	4,952,871	11,861,558	(90,556,413)	-	(90,556,413)
County roads	10,167,800	27,039,616	-	16,871,816	-	16,871,816
Health & welfare	66,433,425	4,486,491	62,045,577	98,643	-	98,643
Interest and fiscal charges	1,296,674	-	-	(1,296,674)	-	(1,296,674)
Total governmental activities	252,190,650	54,799,894	98,552,785	(98,837,971)	-	(98,837,971)
Business-type:						
Solid Waste	13,762,327	14,099,929	-	-	337,602	337,602
Fair and Expo Center	5,938,023	4,816,455	53,167	-	(1,068,401)	(1,068,401)
RV Park	436,441	577,063	-	-	140,622	140,622
Total business-type activities	20,136,791	19,493,447	53,167	-	(590,177)	(590,177)
Total	\$ 272,327,441	\$ 74,293,341	\$ 98,605,952	\$ (98,837,971)	\$ (590,177)	\$ (99,428,148)
General revenues:						
Property taxes, levied for general purposes				\$ 47,364,947	\$ -	\$ 47,364,947
Property taxes, levied for sheriff services				44,320,775	-	44,320,775
Transient room tax				12,597,706	-	12,597,706
Investment earnings				4,612,463	172,666	4,785,129
Transfers				(1,744,988)	1,744,988	-
Total general revenues and transfers				107,150,903	1,917,654	109,068,557
Change in net position				8,312,932	1,327,477	9,640,409
Net position - beginning of year				197,501,870	43,111,899	240,613,769
Net position - end of year				\$ 205,814,802	\$ 44,439,376	\$ 250,254,178

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

Deschutes County, Oregon

Balance Sheet

Governmental Funds

June 30, 2023

	General Fund	Sheriff's Office	Countywide Law Enforcement District	Rural Law Enforcement District
ASSETS				
Cash and cash equivalents	\$ 4,286,664	\$ 348,971	\$ 1,160,710	\$ 177,902
Investments, at fair value; plus accrued interest	28,149,306	1,951,697	7,921,425	1,214,123
Taxes receivable	592,249	-	496,888	213,475
Accounts receivable, net	923,090	445,060	-	-
Notes, contracts, and assessments receivable	390,769	-	-	-
Lease receivable	394,639	-	-	-
Due from other funds	129,811	-	-	-
Inventory	-	-	-	-
Total assets	\$ 34,866,528	\$ 2,745,728	\$ 9,579,023	\$ 1,605,500
LIABILITIES				
Accounts payable and other current liabilities	\$ 1,484,022	\$ 1,469,140	-	-
Payroll liabilities	2,508,851	1,108,680	-	-
Deposits	27,714	-	-	-
Unearned revenue	840,355	124,550	-	-
Total liabilities	4,860,942	2,702,370	-	-
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	536,627	-	451,130	193,841
Unavailable revenue - special assessments	-	-	-	-
Unavailable revenue - services provided	-	43,358	-	-
Unavailable revenue - contracts of sale	343,112	-	-	-
Unavailable revenue - leases	379,344	-	-	-
Total deferred inflows of resources	1,259,083	43,358	451,130	193,841
FUND BALANCES				
Nonspendable	46,213	-	-	-
Restricted	-	-	9,127,893	1,411,659
Committed	5,698,988	-	-	-
Assigned	9,575,220	-	-	-
Unassigned	13,426,082	-	-	-
Total fund balances	28,746,503	-	9,127,893	1,411,659
Total liabilities, deferred inflows of resources and fund balances	\$ 34,866,528	\$ 2,745,728	\$ 9,579,023	\$ 1,605,500

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

Road	Road Capital Improvement Plan	Health Services	American Rescue Plan Act	Other Governmental Funds	Total Governmental Funds
\$ 2,156,260	\$ 3,039,384	\$ 5,107,082	\$ 1,603,682	\$ 8,329,645	\$ 26,210,300
14,165,744	19,968,441	33,552,028	10,536,025	54,717,022	172,175,811
-	-	-	-	1,678,023	2,980,635
128,862	444,966	6,684,173	-	1,301,827	9,927,978
95,575	-	-	-	27,567	513,911
-	-	-	-	1,479,659	1,874,298
-	-	-	-	-	129,811
2,653,108	-	-	-	-	2,653,108
\$ 19,199,549	\$ 23,452,791	\$ 45,343,283	\$ 12,139,707	\$ 67,533,743	\$ 216,465,852
\$ 945,039	\$ 858,262	\$ 1,583,715	\$ 280,233	\$ 4,350,267	\$ 10,970,678
191,260	-	1,258,126	27,712	615,474	5,710,103
-	-	-	-	-	27,714
2,489,629	-	11,255,452	11,828,064	2,012,491	28,550,541
3,625,928	858,262	14,097,293	12,136,009	6,978,232	45,259,036
-	-	-	-	165,330	1,346,928
95,575	-	-	-	-	95,575
1,363	-	1,081,124	-	23,141	1,148,986
-	-	-	-	-	343,112
-	-	-	-	1,436,857	1,816,201
96,938	-	1,081,124	-	1,625,328	4,750,802
2,653,108	-	-	-	-	2,699,321
12,823,575	22,594,529	30,164,866	-	47,776,958	123,899,480
-	-	-	3,698	11,166,229	16,868,915
-	-	-	-	-	9,575,220
-	-	-	-	(13,004)	13,413,078
15,476,683	22,594,529	30,164,866	3,698	58,930,183	166,456,014
\$ 19,199,549	\$ 23,452,791	\$ 45,343,283	\$ 12,139,707	\$ 67,533,743	\$ 216,465,852



Deschutes County, Oregon

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position

June 30, 2023

Total fund balances for governmental funds		\$ 166,456,014
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds:		
Governmental capital assets	359,047,643	
Less accumulated depreciation	<u>(169,919,748)</u>	189,127,895
Prepaid expenses		917,213
OPEB RHIA Plan asset		1,499,656
Deferred outflows of resources related to debt refunding costs and pensions are applicable to future periods and, therefore, are not reported in the governmental funds:		
Deferred outflows of resources - Debt refunding costs	626,151	
Deferred outflows of resources - Pension plan	52,459,302	
Deferred outflows of resources - OPEB County plan	4,351,358	
Deferred outflows of resources - OPEB RHIA	<u>141,555</u>	57,578,366
Noncurrent liabilities applicable to the County's governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities. Interest on bonds and notes payable is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities, current and noncurrent, are reported in the statement of net position:		
Bonds and notes payable	(27,120,407)	
Accrued interest on bonds and notes payable	(80,847)	
Unamortized premium and discount on bonds	(659,697)	
Lease payable	(2,818,976)	
Subscription liabilities	(1,079,798)	
Total OPEB County Plan liability	(20,851,550)	
Net pension liability	<u>(101,241,441)</u>	(153,852,716)
Accrued compensated absences are not due and payable in the current period and, therefore, are not reported in the governmental funds.		(10,904,767)
A portion of the County's receivables will not be collected soon enough to pay for the current year's expenditures and, therefore, are reported as deferred inflows of resources in the governmental funds.		2,934,601
Deferred inflows of resources are applicable to future periods and, therefore, are not reported in the governmental funds:		
Deferred inflows of resources - OPEB County plan	(18,379,964)	
Deferred inflows of resources - OPEB RHIA	(204,997)	
Deferred inflows of resources - Pension plan	<u>(31,627,030)</u>	(50,211,991)
Internal service funds are used by the County to charge the cost of insurance, facilities, administration, finance, legal, human resources and information technology to County funds. The net position of the internal service funds is included in governmental activities in the statement of net position.		<u>2,270,531</u>
Net position of governmental activities		<u>\$ 205,814,802</u>

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

Deschutes County, Oregon

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

For the Fiscal Year Ended June 30, 2023

	General Fund	Sheriff	Countywide Law Enforcement District	Rural Law Enforcement District
REVENUES				
Taxes - property	\$ 36,052,008	\$ -	\$ 30,701,745	\$ 13,519,679
Taxes - other	-	-	-	-
Licenses and permits	36,530	425,263	-	-
Fines, forfeitures and penalties	3,042	203,851	-	-
Special assessments	-	-	-	-
Investment earnings (losses)	556,520	(30,104)	412,961	71,710
Rents	816,531	-	-	-
Intergovernmental	6,689,568	53,441,381	-	-
Charges for services	5,530,449	692,053	-	-
Contributions and donations	123	90,439	-	-
Payments on contracts of sale	846,098	-	-	-
Other	27,656	101,725	-	-
Total revenues	50,558,525	54,924,608	31,114,706	13,591,389
EXPENDITURES				
Current:				
General government	12,465,887	-	-	-
Public safety	18,618,228	55,650,265	35,320,873	13,569,039
County roads	-	-	-	-
Health and welfare	758,902	-	-	-
Debt service:				
Principal payments	-	-	-	-
Interest	-	-	-	-
Trustee fees	-	-	-	-
Capital outlay	1,240,070	2,805,582	-	-
Total expenditures	33,083,087	58,455,847	35,320,873	13,569,039
Excess (deficiency) of revenues over expenditures	17,475,438	(3,531,239)	(4,206,167)	22,350
OTHER FINANCING SOURCES (USES)				
Proceeds from leases	54,838	82,130	-	-
Proceeds from subscriptions	-	-	-	-
Transfers in	802,373	3,721,787	-	-
Transfers out	(18,609,534)	(272,678)	-	-
Total other financing sources (uses)	(17,752,323)	3,531,239	-	-
Net change in fund balances	(276,885)	-	(4,206,167)	22,350
Fund balances - beginning of year	29,023,388	-	13,334,060	1,389,309
Fund balances - end of year	\$ 28,746,503	\$ -	\$ 9,127,893	\$ 1,411,659

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

Road	Road Capital Improvement Plan	Health Services	American Rescue Plan Act	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ 11,243,449	\$ 91,516,881
-	-	-	-	12,597,706	12,597,706
-	-	70,338	-	1,644,867	2,176,998
5,295	-	8,000	-	586,213	806,401
3,924	-	-	-	-	3,924
219,881	451,831	475,653	699,128	1,338,452	4,196,032
1,339	-	4,585	-	1,297,841	2,120,296
23,905,209	127,458	57,625,413	14,662,784	16,041,109	172,492,922
1,578,849	317,508	4,535,971	-	13,289,847	25,944,677
-	-	785,588	-	4,096	880,246
-	-	-	-	-	846,098
-	-	-	-	-	129,381
<u>25,714,497</u>	<u>896,797</u>	<u>63,505,548</u>	<u>15,361,912</u>	<u>58,043,580</u>	<u>313,711,562</u>
-	-	-	14,640,867	26,648,688	53,755,442
-	-	-	-	19,719,128	142,877,533
14,230,557	199,947	-	-	5,159,444	19,589,948
-	-	63,094,407	-	-	63,853,309
-	-	-	-	3,370,177	3,370,177
-	-	-	-	1,107,238	1,107,238
-	-	-	-	1,550	1,550
2,163,707	16,697,188	520,340	21,916	18,765,539	42,214,342
<u>16,394,264</u>	<u>16,897,135</u>	<u>63,614,747</u>	<u>14,662,783</u>	<u>74,771,764</u>	<u>326,769,539</u>
<u>9,320,233</u>	<u>(16,000,338)</u>	<u>(109,199)</u>	<u>699,129</u>	<u>(16,728,184)</u>	<u>(13,057,977)</u>
-	-	28,503	-	1,092,982	1,258,453
-	-	-	-	1,855,136	1,855,136
-	12,238,662	6,067,329	-	13,434,341	36,264,492
(9,778,721)	-	(562,306)	-	(8,974,134)	(38,197,373)
<u>(9,778,721)</u>	<u>12,238,662</u>	<u>5,533,526</u>	<u>-</u>	<u>7,408,325</u>	<u>1,180,708</u>
(458,488)	(3,761,676)	5,424,327	699,129	(9,319,859)	(11,877,269)
15,935,171	26,356,205	24,740,539	(695,431)	68,250,042	178,333,283
<u>\$ 15,476,683</u>	<u>\$ 22,594,529</u>	<u>\$ 30,164,866</u>	<u>\$ 3,698</u>	<u>\$ 58,930,183</u>	<u>\$ 166,456,014</u>



Deschutes County, Oregon

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities

For the Fiscal Year Ended June 30, 2023

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

Net change in fund balances - total governmental funds		\$ (11,877,269)
Financial resources received that are not revenues in the statement of activities		
Payments on land sale contracts		(109,969)
Proceeds from leases and subscriptions		(3,113,589)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds		
Unavailable revenue - services provided		(2,015,534)
Unavailable revenue - special assessments and property taxes		168,841
Repayment of bond and other debt principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the statement of net position		
Repayments on long-term debt		3,370,177
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation and amortization expense.		
Acquisition of capital assets	46,222,551	
Depreciation and amortization expense	(12,576,072)	33,646,479
Net effect of miscellaneous transactions involving capital assets (disposals, sales, trade-ins, transfers, and adjustments)		(4,770,998)
Payment of lease and subscription liabilities is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the statement of net position		2,614,127
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds		
Amortization of deferred debt refunding cost	61,440	
Amortization of bond premium / (discount), net	114,492	
(Increase) / decrease in accrued interest	11,954	
(Increase) / decrease in compensated leave	(541,941)	
Increase / (decrease) in prepaid expense	247,673	
(Increase) / decrease in total OPEB County plan liability	11,556,989	
(Increase) / decrease in deferred outflows - OPEB County plan	(444,083)	
(Increase) / decrease in deferred inflows - OPEB County plan	(12,066,507)	
Increase / (decrease) in net OPEB RHIA asset	(334,913)	
Increase / (decrease) in deferred outflows - OPEB RHIA	(7,880)	
(Increase) / decrease in deferred inflows - OPEB RHIA	(309,950)	
(Increase) / decrease in net Pension plan liability	(29,270,643)	
Increase / (decrease) in deferred outflows - Pension plan	1,646,263	
(Increase) / decrease in deferred inflows - Pension plan	24,744,248	(4,592,858)
Decrease in internal service fund net position		(5,006,475)
Total net adjustments - year ended June 30, 2023		20,190,201
Change in net position of governmental activities - year ended June 30, 2023		\$ 8,312,932

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

Deschutes County, Oregon
Statement of Net Position
 Proprietary Funds
 June 30, 2023

	Business-Type Activities - Enterprise Funds				Governmental
					Activities
	Solid Waste	Fair & Expo Center	RV Park	Total	Internal Service Funds
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 4,242,809	\$ 541,994	\$ 212,358	\$ 4,997,161	\$ 2,642,710
Investments, at fair value, plus accrued interest	27,847,215	3,516,817	1,393,198	32,757,230	17,362,346
Accounts receivable	1,176,878	138,256	-	1,315,134	879,877
Lease receivable, current portion	-	-	-	-	200,532
Inventory	-	15,015	-	15,015	-
Prepaid expenses	-	203,200	-	203,200	243,664
Total current assets	<u>33,266,902</u>	<u>4,415,282</u>	<u>1,605,556</u>	<u>39,287,740</u>	<u>21,329,129</u>
Noncurrent assets:					
Lease receivable	-	-	-	-	318,451
Net OPEB RHIA asset	25,242	14,558	541	40,341	116,600
Capital assets:					
Land	1,791,352	132,685	-	1,924,037	-
Construction in progress	12,009,095	334,087	-	12,343,182	-
Buildings and improvements	9,979,066	21,600,014	916,001	32,495,081	-
Land improvements	37,433,362	8,670,702	2,735,388	48,839,452	195,977
Equipment and vehicles	8,685,161	1,115,042	6,417	9,806,620	1,527,559
Lease equipment	10,712	5,982	1,328	18,022	31,676
Intangible	123,595	-	-	123,595	1,350,098
Subscription assets	-	-	-	-	306,986
Less accumulated depreciation and amortization	(35,484,185)	(15,706,218)	(1,838,062)	(53,028,465)	(2,015,078)
Total noncurrent assets	<u>34,573,400</u>	<u>16,166,852</u>	<u>1,821,613</u>	<u>52,561,865</u>	<u>1,832,269</u>
Total assets	<u>67,840,302</u>	<u>20,582,134</u>	<u>3,427,169</u>	<u>91,849,605</u>	<u>23,161,398</u>
DEFERRED OUTFLOWS OF RESOURCES					
Debt refunding	156,524	3,199	-	159,723	-
Pension plan	882,988	509,239	18,911	1,411,138	4,078,756
OPEB County plan	73,242	42,240	1,569	117,051	338,322
OPEB RHIA	2,383	1,374	51	3,808	11,006
Total deferred outflows of resources	<u>1,115,137</u>	<u>556,052</u>	<u>20,531</u>	<u>1,691,720</u>	<u>4,428,084</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>68,955,439</u>	<u>21,138,186</u>	<u>3,447,700</u>	<u>93,541,325</u>	<u>27,589,482</u>

	Business-Type Activities - Enterprise Funds				Governmental
	Fair & Expo			Total	Internal
	Solid Waste	Center	RV Park		Service Funds
LIABILITIES					
Current liabilities:					
Accounts payable and retainage payable	2,209,664	140,266	19,151	2,369,081	1,556,134
Payroll liabilities	81,192	45,626	2,767	129,585	331,981
Accrued interest	80,823	616	961	82,400	-
Due to other funds	-	-	-	-	129,811
Unearned revenues	-	405,798	-	405,798	-
Current portion of noncurrent liabilities	1,709,593	254,021	214,806	2,178,420	6,010,535
Total current liabilities	4,081,272	846,327	237,685	5,165,284	8,028,461
Noncurrent liabilities:					
Compensated leave	223,203	172,379	2,452	398,034	1,223,032
Lease payable	5,040	4,166	364	9,570	16,098
Subscription liabilities	-	-	-	-	198,184
Net pension liability	1,704,081	982,782	36,495	2,723,358	7,871,604
Total OPEB County plan liability	350,970	202,413	7,516	560,899	1,621,225
Bonds and notes (net of unamortized premiums and discounts)	26,220,755	377,113	540,325	27,138,193	-
Accrued claims payable	-	-	-	-	7,963,536
Accrued landfill closure and postclosure costs	13,934,346	-	-	13,934,346	-
Less current portion of noncurrent liabilities	(1,709,593)	(254,021)	(214,806)	(2,178,420)	(6,010,535)
Total noncurrent liabilities	40,728,802	1,484,832	372,346	42,585,980	12,883,144
Total liabilities	44,810,074	2,331,159	610,031	47,751,264	20,911,605
DEFERRED INFLOWS OF RESOURCES					
Lease resources	-	-	-	-	503,328
Pension plan	532,342	307,014	11,401	850,757	2,459,024
OPEB County plan	309,369	178,420	6,625	494,414	1,429,056
OPEB RHIA	3,450	1,990	74	5,514	15,938
Total deferred inflows of resources	845,161	487,424	18,100	1,350,685	4,407,346
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES					
	45,655,235	2,818,583	628,131	49,101,949	25,318,951
NET POSITION					
Net investment in capital assets	6,909,469	15,774,214	1,280,383	23,964,066	1,182,936
Restricted for:					
Landfill closure and postclosure liability	13,934,346	-	-	13,934,346	-
Net OPEB RHIA asset	25,242	14,558	541	40,341	116,600
Unrestricted	2,431,147	2,530,831	1,538,645	6,500,623	970,995
TOTAL NET POSITION	\$ 23,300,204	\$ 18,319,603	\$ 2,819,569	\$ 44,439,376	\$ 2,270,531

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

Deschutes County, Oregon
Statement of Revenues, Expenses, and Changes in Net Position
 Proprietary Funds
 For the Fiscal Year Ended June 30, 2023

	Business-Type Activities - Enterprise Funds				Governmental
	Solid Waste	Fair & Expo Center	RV Park	Total	Activities Internal Service Funds
OPERATING REVENUES					
Charges for services	\$ 14,099,929	\$ 4,816,455	\$ 577,063	\$ 19,493,447	\$ 44,707,012
Total operating revenues	14,099,929	4,816,455	577,063	19,493,447	44,707,012
OPERATING EXPENSES					
Personnel	2,711,131	1,509,138	124,383	4,344,652	12,372,495
Materials and services	6,303,891	3,770,296	192,618	10,266,805	37,567,765
Landfill closure/postclosure care costs	1,646,260	-	-	1,646,260	-
Depreciation and amortization	2,388,140	649,329	105,236	3,142,705	370,489
Total operating expenses	13,049,422	5,928,763	422,237	19,400,422	50,310,749
Operating income (loss)	1,050,507	(1,112,308)	154,826	93,025	(5,603,737)
NONOPERATING REVENUES (EXPENSES)					
Grants	-	53,167	-	53,167	-
Investment earnings (losses)	117,418	41,409	13,839	172,666	416,431
Interest expense	(719,054)	(9,260)	(14,204)	(742,518)	(113)
Gain (loss) on sale of assets	6,149	-	-	6,149	(6,949)
Total nonoperating revenues (expenses)	(595,487)	85,316	(365)	(510,536)	409,369
Income (loss) before transfers	455,020	(1,026,992)	154,461	(417,511)	(5,194,368)
TRANSFERS					
Transfers in	-	1,589,727	180,000	1,769,727	538,205
Transfers out	(13,962)	(10,777)	-	(24,739)	(350,312)
Net other financing sources (uses)	(13,962)	1,578,950	180,000	1,744,988	187,893
Change in net position	441,058	551,958	334,461	1,327,477	(5,006,475)
Net position - beginning of year	22,859,146	17,767,645	2,485,108	43,111,899	7,277,006
Net position - end of year	\$ 23,300,204	\$ 18,319,603	\$ 2,819,569	\$ 44,439,376	\$ 2,270,531

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

Deschutes County, Oregon
Statement of Cash Flows
 Proprietary Funds
 For the Fiscal Year Ended June 30, 2023

	Business-Type Activities - Enterprise Funds				Governmental
	Solid Waste	Fair & Expo Center	RV Park	Total	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	\$ 13,835,692	\$ 4,729,270	\$ 601,402	\$ 19,166,364	\$ 43,880,350
Payments to employees	(3,058,478)	(1,542,859)	(78,125)	(4,679,462)	(11,841,559)
Payments to suppliers	(4,729,310)	(3,636,239)	(184,477)	(8,550,026)	(39,785,864)
Net cash provided (used) by operating activities	6,047,904	(449,828)	338,800	5,936,876	(7,747,073)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Grants	-	53,167	-	53,167	-
Transfers in	-	1,589,727	180,000	1,769,727	538,205
Transfers out	(13,962)	(10,777)	-	(24,739)	(350,312)
Net cash provided (used) by noncapital financing activities	(13,962)	1,632,117	180,000	1,798,155	187,893
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition and construction of capital assets	(12,513,418)	(383,000)	(6,417)	(12,902,835)	(274,259)
Proceeds from sale of capital assets	10,342	31,741	-	42,083	-
Proceeds from issuance of bonds	21,206,855	-	-	21,206,855	-
Principal paid on capital debt	(755,226)	(92,463)	(208,734)	(1,056,423)	-
Interest paid on capital debt	(770,798)	(8,805)	(14,538)	(794,141)	-
Payments for leases	(2,845)	(1,448)	(483)	(4,776)	(15,300)
Interest paid on leases	(59)	(119)	(5)	(183)	(199)
Proceeds from leases	-	-	-	-	(10,518)
Payments for subscriptions	-	-	-	-	(108,802)
Due to other funds	-	-	-	-	99,319
Net cash provided (used) by capital and related financing activities	7,174,851	(454,094)	(230,177)	6,490,580	(309,759)
CASH FLOWS FROM INVESTING ACTIVITIES					
Sale (purchase) of investments	(14,479,617)	(1,133,079)	(447,031)	(16,059,727)	2,808,473
Interest	491,016	61,998	21,925	574,939	388,467
Net cash provided (used) by investing activities	(13,988,601)	(1,071,081)	(425,106)	(15,484,788)	3,196,940
Net increase (decrease) in cash and cash equivalents	(779,808)	(342,886)	(136,483)	(1,259,177)	(4,671,999)
Balances - beginning of year	5,022,617	884,880	348,841	6,256,338	7,314,709
Balances - end of year	\$ 4,242,809	\$ 541,994	\$ 212,358	\$ 4,997,161	\$ 2,642,710
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	\$ 1,050,507	\$ (1,112,308)	\$ 154,826	\$ 93,025	\$ (5,603,737)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Amortization of deferred lease resources	-	-	-	-	(199,742)
Depreciation and amortization expense	2,388,140	649,329	105,236	3,142,705	370,489
Change in operating accruals:					
Receivables	(264,237)	(78,581)	24,339	(318,479)	(813,600)
Prepaid expenses and inventory	-	(92,495)	-	(92,495)	(13,062)
Accounts payable	1,574,581	134,057	8,141	1,716,779	(3,513,056)
Payroll liabilities	81,192	45,626	2,767	129,585	331,981
Claims payable	-	-	-	-	1,494,699
Unearned revenues	-	83,891	-	83,891	-
Compensated leave	2,496	24,210	2,452	29,158	149,416
Net OPEB RHIA asset	(24,175)	(13,942)	(518)	(38,635)	(111,668)
Net OPEB liability	(302,104)	(58,372)	12,572	(347,904)	(3,111,002)
Net pension liability	(104,756)	(31,243)	28,985	(107,014)	3,272,209
Accrued closure / postclosure	1,646,260	-	-	1,646,260	-
Net cash provided (used) by operating activities	\$ 6,047,904	\$ (449,828)	\$ 338,800	\$ 5,936,876	\$ (7,747,073)
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES					
Change in fair value of investments	\$ (445,128)	\$ (26,737)	\$ (10,514)	\$ (482,379)	\$ (459,476)
Lease receivable for deferred inflow of resources	\$ -	\$ -	\$ -	\$ -	\$ 374,633

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

Deschutes County, Oregon
Statement of Fiduciary Net Position
 Fiduciary Funds
 June 30, 2023

	Custodial Funds
	<hr/>
ASSETS	
Cash and cash equivalents	\$ 887,834
Investments, at fair value; plus accrued interest	5,832,979
Taxes receivable for other governments	6,078,951
Accounts receivable	90,838
Notes receivable	1,048,730
Total assets	<hr/> 13,939,332 <hr/>
LIABILITIES	
Accounts payable	137,425
Deposits	2,753,404
Due to other governments	7,991,893
Total liabilities	<hr/> 10,882,722 <hr/>
DEFERRED INFLOWS OF RESOURCES	
Unavailable revenue - land auction sales	1,048,730
Total deferred inflows of resources	<hr/> 1,048,730 <hr/>
NET POSITION	
Restricted for:	
Individuals, organizations, and other governments	2,159,374
Unrestricted	(151,494)
Total net position	<hr/> \$ 2,007,880 <hr/>

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

Deschutes County, Oregon

Statement of Changes in Fiduciary Net Position

Fiduciary Funds

For the Fiscal Year Ended June 30, 2023

	Custodial Funds
	<hr/>
ADDITIONS	
Investment earnings	
Interest on land sale loans	\$ 52,124
Net increase in fair value of investments	201,697
Property tax collections for other governments	473,331,546
Fines, forfeitures and penalties	1,152,172
Rents	34,500
Collections for services provided to other governments	106,639
Charges for services	3,094,478
Other	287
Total additions	<hr/> 477,973,443 <hr/>
DEDUCTIONS	
Payment of property taxes to other governments	473,420,651
Payment of services to other governments	847,987
Public safety	4,074,942
Total deductions	<hr/> 478,343,580 <hr/>
Change in Fiduciary net position	(370,137)
Net position - beginning of year	<hr/> 2,378,017 <hr/>
Net position - end of year	<hr/> \$ 2,007,880 <hr/>

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Deschutes County is a municipal corporation governed by three Commissioners, elected at-large. The accompanying financial statements present the activities of Deschutes County (the County), and its five component units, entities for which the County is considered to be financially accountable and for which a financial benefit or burden exists. Blended component units, although legally separate entities, are, in substance, part of the County's operations. The Board of County Commissioners is the governing body for each component unit.

Following is a brief description of each blended component unit included within the reporting entity.

- Countywide Law Enforcement District (District #1) – The district contracts with Deschutes County for law enforcement services that are provided to all County residents.
- Rural Law Enforcement District (District #2) – The district contracts with Deschutes County for patrol services in those portions of Deschutes County not serviced by city or special district law enforcement departments.
- Deschutes County 9-1-1 Service District – The district operates the County 9-1-1 call center.
- Deschutes County Extension and 4-H Service District – The district provides resources for support staff and a program coordinator for Oregon State University Extension Service.
- Deschutes County Road Agency – The Agency contracts with Deschutes County to provide road construction services in Deschutes County.

The component units described above have been included in these financial statements. Each component unit's individual audited financial statements are issued and are available in the Deschutes County Finance Department.

There are other districts within the County that have not been included as component units of the County. The Board of County Commissioners appoints the boards of special road districts and vector districts; however, the County Commission does not exercise administrative or financial control and the County does not have a financial benefit or burden due to these districts. These districts are autonomous Oregon municipal corporations and are not considered component units of Deschutes County.

New Accounting Pronouncements

During the fiscal year ended June 30, 2023, the County implemented the following GASB pronouncements:

- GASB Statement No. 91, *Conduit Debt Obligations* – This statement provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This statement achieves those objectives by clarifying the existing definitions of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. This implementation had no material impact to the County. See Note 3G for more information related to this implementation.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* – The requirements of this statement improve financial reporting by establishing definitions of Public-Private or Public-Public Partnerships (PPPs) and Availability Payment Arrangements (APAs) and providing uniform guidance on accounting and financial reporting for transactions that meet those definitions. This statement requires governments to report assets and liabilities related to PPPs consistently and disclose important information about those PPP transactions. There was no financial impact in the current fiscal year as a result of the application of this statement. See Note 4F for more information related to this implementation.

- GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* – This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset, which is an intangible asset, and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. See Note 3G and Note 4I for more information related to this implementation.

- GASB Statement No. 99, *Omnibus 2022* – This statement addresses issues that were identified during implementation and application of certain GASB statements including the extension of the use of LIBOR, accounting for Supplemental Nutrition Assistance Program (SNAP) distributions, disclosure of nonmonetary transactions, pledges of future revenues by pledging governments, as well as clarification of provisions in Statement No. 34 and terminology updates related to Statements No. 53 and 63. These requirements are effective upon issuance and had no material impact on the County.

GASB has issued the following pronouncements that may affect future financial position, results of operations, cash flows, or financial presentation of the County upon implementation. These pronouncements have not yet been implemented by the County:

GASB Statement No.	GASB Accounting Standard	Fiscal Year Effective
100	Accounting Changes and Error Corrections	2024
101	Compensated Absences	2025

B. Government-wide and Fund Financial Statements

The government-wide financial statements, consisting of the Statement of Net Position and the Statement of Activities, report information on all non-fiduciary activities of the County and its component units. The effect of interfund activity has been removed from these statements, except where necessary to account for the cost of a program. Governmental activities, which are supported primarily 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 Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Indirect expenses, as charged by internal service funds, are included as part of the specific function or segment expenses as shown on the Statement of Activities.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds. Fiduciary funds are excluded from the government-wide financial statements. Major individual governmental and enterprise funds are reported in separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in financial statements.

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

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when both measurable and available. Revenues are considered to be available when they are collectible within the fiscal year or soon enough after to pay liabilities of the current fiscal year. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditure-driven grants are recorded as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service, compensated absences, certain post-employment benefits, and claims and judgments expenditures are recorded at the time such payment is due. Capital asset transactions are reported as expenditures in governmental funds. Proceeds of general long-term debt and financing from leases are reported as other financing sources.

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

Fiduciary funds, which are all custodial funds, utilize the accrual accounting method and the economic resources measurement focus.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The accounts of the County are organized on a fund basis. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts recording assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues and expenditures/expenses. Separate statements for each fund category, governmental, proprietary, or fiduciary, are presented.

The County maintains certain additional sub-funds for its management needs. These sub-funds are combined into the appropriate fund for financial statement purposes as required by accounting principles generally accepted in the United States of America.

Major Funds

Governmental Funds – The County reports the following major governmental funds:

General Fund	The financial resources of the general government are accounted for in the General Fund and in sub-funds of the General Fund, except those that are accounted for in another fund. The General Fund's primary revenue sources are property taxes, Federal and State of Oregon payments and fees for services. The major expenditure category is general government services.
Sheriff's Office	The revenues generated by Sheriff's activities and payments received, pursuant to intergovernmental agreements with the Countywide Law Enforcement District and Rural Law Enforcement District, are accounted for in the Deschutes County Sheriff's Fund. Activities of the Sheriff's Office include corrections, patrol, investigations, records, search and rescue activities, court security, and administration.
Countywide Law Enforcement District (District #1)	Property taxes levied by the Countywide Law Enforcement District are accounted for in this fund. The expenditures are limited to payments made to Deschutes County, pursuant to an intergovernmental agreement, for countywide law enforcement services.
Rural Law Enforcement District (District #2)	Property taxes levied by the Rural Law Enforcement District are accounted for in this fund. The expenditures are limited to payments made to Deschutes County, pursuant to an intergovernmental agreement for patrol services in those portions of Deschutes County not served by city or special service district law enforcement departments.
Road	The financial resources, primarily Federal Forest Receipts, Federal Payment in lieu of Taxes and State Motor Vehicle revenue, of the County's Road Department are used for the building, repair and maintenance of the County's roads, bridges, culverts, street lighting and drainage.
Road Capital Improvement Plan (Road CIP)	The financial resources, primarily transfers from the Road fund, are used for CIP projects on the County's roads, bridges, culverts, street lighting and drainage.
Health Services	The financial resources, primarily fees for services and grants from the State of Oregon and federal government, are used to provide public and mental health services and counseling.
American Rescue Plan Act (ARPA)	The financial resources, \$38 million in Federal funding, are used for COVID19 support and other eligible causes.

Enterprise Funds – The County operates three enterprise activities, two of which have been determined to be major.

Solid Waste	Accounts for the operations of the County's landfill and transfer station sites.
Fair & Expo Center	Accounts for the operations of the County's Fair & Expo Center, including the annual county fair.
RV Park	Accounts for the operation and maintenance of the County's recreational vehicle park.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Additionally, the County reports the following fund types:

Internal service funds	Accounts for the facilities, administrative, county commission, finance, legal, personnel, information technology and insurance services provided to other County departments on a cost reimbursement basis.
Custodial funds	Accounts track various activities including the accumulation and distribution of property taxes, escrow for developers, funds prior to adjudication, inter-governmental law enforcement activities, justice court and various other collection and escrow activities.

Amounts reported as program revenues include: (1) charges to customers or applicants for goods, services or privileges provided, (2) operating grants and contributions and (3) capital grants and contributions. General revenues include all taxes and investment earnings (losses).

Operating revenues and expenses are reported separately from non-operating items in the Proprietary Funds. Operating revenues and expenses generally result from providing services in connection with a proprietary fund’s principal on-going operations. The principal operating revenues of the RV Park, Solid Waste and Fair & Expo Center are payments received from third parties for services. Operating expenses for the enterprise funds and internal service funds include the cost of providing services, administrative expenses and depreciation and amortization on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

D. Budget Policy

Budgets are prepared pursuant to Oregon Budget Law as adopted under Oregon Revised Statute Chapter 294. Any deviation between Oregon Budget Law and GAAP are treated as reconciling items on the budget to actual schedules. The County adopts annual budgets for each of its funds and sub-funds, as required by State law. The County does not prepare budgets for its fiduciary funds.

The resolution, authorizing appropriations for each fund, sets the level by which expenditures cannot lawfully exceed appropriations. The levels of control established by the resolution are: program or organizational unit, debt service, transfers out, special payments, contingency and reserve for future expenditure. The County’s published budget contains more specific detailed information for the above-mentioned expenditure categories. Unexpected additional resources may be appropriated through the use of a supplemental budget and appropriation resolution.

Original and supplemental budgets may be modified by the use of appropriation transfers between the levels of control. Such transfers require approval of the Board of County Commissioners. Appropriations lapse at year-end.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

1. Cash and Cash Equivalents

Cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from date of acquisition. The cash balances of all funds, including the custodial funds, are pooled and invested by the County Treasurer for the purpose of increasing earnings through investment activities. Investments are reported at fair value as of June 30, 2023, based on market prices and include accrued interest. Earnings on the pooled monies are apportioned and credited to each fund monthly, based on the average daily balances of each participating fund.

2. Receivables and Payables

All trade and property tax receivables are shown net of an allowance for uncollectible amounts. Notes receivable reported in governmental funds include loans that are not expected, or scheduled, to be collected in the subsequent year.

The County is responsible for the assessment, collection, and apportionment of property taxes for all taxing jurisdictions within the County. Taxes are levied as of July 1 based on assessed values as of January 1. Property tax payments are due in three equal installments on November 15, February 15, and May 15. A discount of 3% is available if taxes are paid in full by November 15, and a discount of 2% on the unpaid balance is available if taxes are paid in full by February 15. Property taxes become a lien on the property on July 1.

3. Lease Receivables

Lease receivables are recognized at the net present value of the lease payments expected to be received at a borrowing rate either explicitly described in the agreement or implicitly determined by the County, reduced by principal payments received.

4. Inventories and Prepaid Expenses

Inventories are valued at cost using the first in/first out (FIFO) method. For governmental funds, purchases of inventory are recorded as expenditures when purchased. Inventories of governmental funds are reported as an asset with a corresponding offset to nonspendable fund balance.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as expenditures in governmental funds and as prepaid items in the government-wide and proprietary fund financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Capital Assets

Capital assets, which include property, plant, equipment, infrastructure (e.g., roads, bridges, sidewalks and similar items) and intangible assets, are reported in the applicable governmental or business-type activities columns in the government-wide statement of net position. Capital assets are those assets with an initial individual cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost.

The County reports infrastructure assets on a network and subsystem basis. The amounts spent for the construction or acquisition of infrastructure assets are capitalized and reported in the government-wide financial statements. General infrastructure assets (i.e., those reported by governmental activities) include all such items acquired or constructed in fiscal years ending after June 30, 1980. Historical cost was estimated by back trending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year).

The cost of repairs, maintenance and remodel that do not add to the value of the asset or materially extend asset lives are not capitalized. As required by Governmental Accounting Standards Board (GASB) 72, donated capital assets are recorded at acquisition value at the date of donation.

Capital assets are depreciated using the straight-line method, using a half-year convention, over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	30-60
Building improvements	10-15
Land improvements	10-30
Equipment and vehicles	2-20
Infrastructure	20-50
Intangibles	3-10

6. Lease Assets

Lease assets are assets which the County leases for a term of more than one year. The value of leases is determined by the net present value of the leases at the County's incremental borrowing rate at the time of the lease agreement, amortized over the term of the agreement.

7. Subscription Assets

Subscription assets are subscription-based information technology arrangements with a term of more than one year. The value of subscription assets is determined by the net present value of the subscription at the County's incremental borrowing rate at the time of the license agreement, amortized over the term of the agreement.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

8. Deferred Outflows/ Inflows of Resources

The statement of net position includes separate sections for deferred outflows of resources and deferred inflows of resources. The separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to future periods and will not be recognized as an outflow of resources (expense/expenditure) until then. The separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to future periods and will not be recognized as an inflow of resources (revenue) until then.

Deferred inflows of resources are reported on the governmental funds balance sheets as a result of reporting using the modified accrual method. The government funds report unavailable revenues from five sources: property taxes, special assessments, services provided, contracts of sale, and leases. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

9. Compensated Absences

It is Deschutes County's policy to permit employees to accumulate earned but unused vacation, time management (a leave-with-pay program, including sick, vacation, and family emergency), compensatory time and sick leave. Except in the two cases noted below, no liability for unpaid accumulated sick leave is recorded because the County does not pay sick leave when employees separate from service with the County. Exceptions to non-payment of sick leave are: (1) non-represented employees receive one-half of any sick leave earned, and (2) employees who are members of the Public Works union receive one-half of any sick leave upon separation, following at least five years of service. A liability for the vested portion of vacation, sick leave and time management is reported in the proprietary funds statement of net position and the government-wide statement of net position.

10. Pension Plan

For purposes of measuring the net pension asset/liability and pension expense, information about the fiduciary net position of the Oregon Public Employee Retirement System cost-sharing multiple-employer defined benefit pension plan (benefit plan) and additions to/deductions from the benefit plan's fiduciary net position have been determined on the same basis as they are reported by the benefit plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

11. Other Post-Employment Benefits Other Than Pensions (OPEB) (Asset)/Liability

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB and the OPEB expense information about the fiduciary net position of the County's Retiree Health Plan (the Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

12. Total OPEB (Asset)/Liability

The total OPEB asset or liability is reported as non-current asset or as non-current liability, as applicable, in the proprietary statement of net position and in the government-wide statement of net position. The asset or liability reflects the present value of expected future payments.

13. Long-Term Obligations

Long-term debt and other long-term obligations are reported as liabilities in the government-wide statement of net position in the applicable governmental activities and business-type activities columns and in the proprietary funds statement of net position. Bond premiums and bond discounts are amortized over the life of the bonds using the straight-line method.

14. Leases and Subscriptions Payable

In the government-wide financial statements, leases and subscriptions payable are reported as liabilities in the Statement of Net Position. In the governmental fund financial statements, the present value of lease and subscription payments are reported as other financing sources.

15. Net Position

Net position represents the difference between assets plus deferred outflows of resources less liabilities and deferred inflows of resources. The County reports the following subcategories of net position:

- Net investment in capital assets – represents the difference between capital assets less accumulated depreciation and amortization, deferred outflows of resources, and the outstanding balance of debt (excluding unexpended proceeds).
- Restricted net positions are reported as restricted when there are limitations imposed on their use either through enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, laws, or regulations of other governments. The following are major classes of restricted net positions:
 - Capital projects – Represents funds legally restricted by debt covenants for the acquisition, construction, or improvement of specified capital assets.
 - Debt service – Represents funds legally restricted by Oregon statute for payment of principal and interest on outstanding general obligation and limited tax bonds.
 - Public safety – Represents funds generated through voter approved property taxes for countywide law enforcement services, patrol services, and emergency call center operations.
 - Road – Represents funds generated by fuel tax and related revenues legally restricted by Oregon statute for road and road related projects.
 - Health & welfare – Represents funds generated by grant revenue restricted to approved activities.
- Unrestricted represents all other net positions that are not restricted and do not meet the definition of net investment in capital assets.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

16. Fund Balance Reporting

The County reports its governmental fund balances in accordance with GASB 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. Under GASB 54, fund balances are required to be reported according to the following classifications:

- Nonspendable fund balance – Includes amounts that cannot be spent because they are either not in spendable form, or, for legal or contractual reasons, must be kept intact. This classification includes inventories, prepaid amounts, assets held for sale and the General Fund's long-term receivables.
- Restricted fund balance – Constraints placed on the use of these resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors or other governments; or are imposed by law (through constitutional provisions or enabling legislation). This classification includes the long-term receivables of the special revenue funds.
- Committed fund balance – Amounts that can be used only for specific purposes because of a resolution approved by the County's highest level of decision-making authority, the Board of County Commissioners. Such constraint remains legally binding unless removed in the same manner.
- Assigned fund balance – Amounts that are constrained by the County's intent to be used for specific purposes, but that do not meet the criteria to be classified as restricted or committed. Intent is stipulated by the Board of County Commissioners or the department head with budgetary responsibility for such fund. This policy is established by the Financial Policies approved by the Board of County Commissioners on December 15, 2014.
- Unassigned fund balance – The residual classification of the General Fund. Only the General Fund reports a positive unassigned fund balance. A negative balance must be reported in this classification for governmental funds, other than the General Fund, as the result of overspending for specific purposes for which amounts had been restricted, committed or assigned.

The County reduces restricted amounts first, if any, when expenditures are incurred for purposes for which restricted and unrestricted (committed, assigned, or unassigned) amounts are available. The County next reduces committed amounts, followed by assigned amounts then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those restricted fund balance classifications could be used. Sometimes the County will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) 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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

17. Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

On an annual basis, County department personnel submit budgets to the Budget Officer for each fund for which they are responsible. The Budget Officer is appointed by the Board of County Commissioners. Based on the budgets submitted by County department personnel, the Budget Officer prepares the proposed budget, by fund, department, program, category and line item. The proposed budget includes information on the prior two years' actual revenues and expenditures, the current year budget and estimated resources and requested appropriations of such resources for the ensuing year.

The proposed budget is presented by the Budget Officer to the Budget Committee for approval. The Budget Committee holds public meetings and may make changes to the proposed budget. The Budget Committee submits the approved budget to the governing body of the County for adoption. The governing body announces a public hearing, and after considering matters discussed, may make changes to the budget prior to its adoption. Such changes cannot exceed 10% of the appropriations of the approved budget or a change in the amount of the ad valorem taxes without re-publication of the budget and another public hearing.

After the budget is adopted, changes to appropriations are sometimes necessary. The governing body may make additional appropriations to (1) expend new grant revenues received during the fiscal year, (2) adopt a supplemental budget for occurrences or needs not foreseen at the time the budget was adopted and (3) approve appropriation transfers. It is, however, unlawful to overspend a category of appropriation.

In accordance with State statutes, appropriations are approved before the beginning of the fiscal year and lapse at June 30 of the year of appropriation. Encumbrances are not reported in the financial statements.

B. Funds with Negative Fund Balances/ Negative Net Position

Negative fund balance is reported in one of the Internal Service Funds and two of the Special Revenue Funds:

- Finance: \$5,253
- Joint Houselessness Task Force: \$12,448
- Justice Court: \$556

Negative net position is reported in seven of the Internal Service Funds:

- Facilities: \$1,295,945
- Board of County Commissioners: \$205,434
- Legal: \$1,007,379
- Information Technology: \$2,195,244
- Administrative Services: \$1,311,154
- Finance: \$353,686
- Human Resources: \$1,189,458

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (Continued)

For each of these funds, the negative net position balances are due to (1) noncurrent liabilities for compensated absences, (2) total OPEB liability and (3) net pension liability and deferred inflows of resources related to the defined benefit plan. It will be necessary to expend future resources to satisfy the noncurrent liabilities. The amortization in future periods of the deferred inflows of resources will increase net position.

NOTE 3 – DETAILED NOTES ON ALL FUNDS

A. Cash and Cash Equivalents

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned. State statutes require that all bank deposits in excess of the FDIC or FSLIC insurance amounts be collateralized through the Oregon State Treasurer's Public Funds Collateralization Program. This program provides a structure for specified depositories to participate in a shared liability collateral pool.

Securities pledged by individual institutions may range from 10% to 110% of public fund deposits depending on the financial institution's level of capitalization as determined by its federal regulatory authority. The securities pledged are designated as subject to the Pledge Agreement between the depository bank, custodian bank and Office of the State Treasurer (OST) and are held for the benefit of OST on behalf of the public depositors. The County's funds were held by financial institutions that participated in the State Treasurer's program and were in compliance with statutory requirements.

At June 30, 2023, the County had the following bank balances:

Insured (FDIC)	\$	250,941
Collateralized by securities held by the pledging financial institution in the financial institution's name		<u>10,791,569</u>
Total	\$	<u>11,042,510</u>

The amounts above include the County's investments in certificates of deposit and money market funds, which are reported as investments on the Statement of Net Position.

NOTE 3 – DETAILED NOTES ON ALL FUNDS (Continued)

B. Investments

As of June 30, 2023, the County had the following investments and maturities:

Investment Type	Fair Value	Weighted Average Maturity (Days)
Federal agency securities	\$ 146,342,929	334
Corporate notes	37,920,230	487
Municipal bonds	41,616,601	494
Certificates of Deposit	1,177,212	401
Total fair value	227,056,972	
Portfolio weighted average maturity		390
Accrued interest	1,071,394	
Investments, at fair value; plus accrued interest	\$ 228,128,366	

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. Oregon Revised Statutes, Chapter 294, authorizes the County to invest in obligations of the United States Treasury and United States Government agencies and instrumentalities, certain bankers' acceptances, repurchase agreements, certain high-grade commercial paper and corporate bonds and obligations of states and municipalities. 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. The County's investments in certain types of securities are required to be rated by nationally recognized statistical rating organizations. Commercial paper and corporate bonds must be rated at least A1/P1/F1 or A2/A/A respectively by at least two nationally recognized statistical rating organizations. State and Municipal securities are required to be rated at least Aa3/AA-/AA-.

As of June 30, 2023, the County's investments in corporate bonds were rated A3 to AAA and its state and municipal securities were rated Aa3 to Aaa. United States Government agencies and instrumentalities that are only implicitly guaranteed by the United States were rated AAA. Certain agency and treasury securities are either principal or interest coupons stripped from otherwise rated securities.

NOTE 3 – DETAILED NOTES ON ALL FUNDS (Continued)

Custodial Credit Risk

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 requires that the custodian provide annual financial statements, provide proof of its employees to act in this capacity and subject itself to the County's annual evaluation of the firm's creditworthiness.

Concentration of Credit Risk

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 total investments, is 100% for US Treasury, 100% for US Government agencies and 33% in any single government sponsored enterprise, \$56,763,000 in the State of Oregon Investment Pool (the maximum imposed by state statute), 50% in Certificates of Deposit, 25% for Bankers' Acceptances, 25% for Commercial paper and Corporate notes and 5% in any one corporation, subsidiaries or affiliates, 25% for State and Local Government Securities. On June 30, 2023, the County did not hold investments with any one issuer that exceeded these limits.

Foreign Currency Risk

The County's investment policy prohibits investments that are not U.S. dollar-denominated; therefore, the County is not exposed to this risk.

Local Government Investment Pool

The Local Government Investment Pool (LGIP) is included in the Oregon Short-Term Fund (OSTF), which was established by the State Treasurer. OSTF is not subject to SEC regulation. OSTF is subject to requirements established in Oregon Revised Statutes, investment policies adopted by the Oregon Investment Council, and portfolio guidelines established by the Oregon Short-Term Fund Board. The Governor appoints the members of the Oregon Investment Council and the Oregon Short-Term Fund Board. The LGIP is an open-ended, no-load diversified portfolio offered to eligible participants who by law are made custodian of, or have control over, any public funds. The OSTF (including LGIP) are not rated by the credit rating agencies; however, it does target a composite rating of AA (S&P) for its holdings. At June 30, 2023, the fair value of the County's position in the pool is the same as the value of the pool shares, which approximates cost; and the composite credit rating of the OSTF's holdings on June 30, 2023, was AA (S&P). The County's participation in LGIP is voluntary. Weighted average maturity is 152 days.

NOTE 3 – DETAILED NOTES ON ALL FUNDS (Continued)

Summary of Carrying Amounts

The carrying amounts of the County's deposits and investments shown above are included in the following financial statements at June 30, 2023, as follows:

Reconciliation of deposits and investments to the Statement of Net Position and Statement of Net Position - Fiduciary Funds	
Total Deposits	\$ 34,738,005
Total Investments, at fair value plus accrued interest	228,128,366
	\$ 262,866,371
Included in the following captions:	
Statement of Net Position	
Total Cash and Cash Equivalents	\$ 33,850,171
Total Investments, at fair value plus accrued interest	222,295,387
Total Statement of Net Position	256,145,558
Statement of Net Position - Fiduciary Funds	
Total Cash and Equivalents	887,834
Total Investments, at fair value plus accrued interest	5,832,979
Total Fiduciary Funds	6,720,813
Total cash and cash equivalents and investments	\$ 262,866,371

GASB 72, *Fair Value Measurement and Application*, specifies a hierarchy of valuation classifications based on whether the inputs to the valuation techniques used in each valuation classification are observable or unobservable. These classifications are summarized in three broad levels listed below:

- Level 1 – Unadjusted quoted prices for identical instruments in active markets.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly or indirectly, including quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as exchange rates, financing terms, interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risk and default rates).
- Level 3 – Valuations derived from valuation techniques in which significant inputs or significant valuation drivers are unobservable.

NOTE 3 – DETAILED NOTES ON ALL FUNDS (Continued)

Federal Agency Securities, Corporate Notes, Municipal Bonds, and Certificates of Deposit are categorized as Level 2 based upon a matrix pricing technique that values securities based on their relationship to benchmark quoted prices.

	Total	Quoted Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
As of June 30, 2023				
Federal Agency Securities	\$ 146,342,929	\$ -	\$ 146,342,929	\$ -
Corporate Notes	37,920,230	-	37,920,230	-
Municipal Bonds	41,616,601	-	41,616,601	-
Certificates of Deposit	1,177,212	-	1,177,212	-
Total assets	\$ 227,056,972	\$ -	\$ 227,056,972	\$ -

C. Receivables

Summary of Receivables

Receivables, as of year-end, for the major funds and the nonmajor funds and internal service funds, in the aggregate, including the applicable allowances for uncollectible accounts are as follows:

	Property Taxes Receivable	Transient Room Taxes Receivable	Accounts Receivable	Lease Receivable	Notes, Contracts, & Assessments Receivable	Total Receivables
General Fund	\$ 592,249	\$ -	\$ 923,090	\$ 394,639	\$ 390,769	\$ 2,300,747
Sheriff's Office	-	-	445,060	-	-	445,060
Countywide LED	496,888	-	-	-	-	496,888
Rural LED	213,475	-	-	-	-	213,475
Road	-	-	128,862	-	95,575	224,437
Road CIP	-	-	444,966	-	-	444,966
Health Services	-	-	6,684,173	-	-	6,684,173
Solid Waste	-	-	1,176,878	-	-	1,176,878
Fair & Expo	-	-	138,256	-	-	138,256
Nonmajor Gov't	181,355	1,496,668	1,301,827	1,479,659	27,567	4,487,076
Internal Service Funds	-	-	879,877	518,983	-	1,398,860
Total	\$ 1,483,967	\$ 1,496,668	\$ 12,122,989	\$ 2,393,281	\$ 513,911	\$ 18,010,816

As of June 30, 2023, \$735,540, net of allowance for uncollectible amounts of \$491,291, is due from unpaid health-services billings provided in the Health Services major fund. Accounts receivable for outstanding traffic fines and violations in the custodial fund have not been accrued and are considered uncollectible.

NOTE 3 – DETAILED NOTES ON ALL FUNDS (Continued)

Notes, Contracts, and Assessments Receivable

The County holds promissory notes as a result of its lending and real estate sale activities. Loans are made to not-for-profit entities and bear interest at rates from 0.0% to 6.5%. Sales of real property have been financed by the County and these interest-bearing notes are amortized over periods ranging from ten to twenty years. Interest rates are fixed at the time of the initial transaction at then prevailing rates. As of June 30, 2023:

- \$242,632 was due from contracts from sales of real property
- \$48,137 was due from economic development loans, net of allowance for uncollectible amounts of \$51,500
- \$127,567 was due from lending activities

Assessments are due from property owners as part of a local improvement district. Each contract calls for semi-annual payments which amortizes the loan over 10 years. Prepayment, without penalty, is allowed. Payment is normally made in full in the event of sale of property or re-financing of the property. As of June 30, 2023, \$95,575 was due from local improvement district assessments.

Lease Receivables

At June 30, 2023, the County has ten lease receivables in which it is acting as lessor. Under GASB 87, an implicit interest rate is calculated for each individual lease using the internal rate of return method. The present value of the leases are aggregated on a fund basis. All funds record lessee receivables on the fund level Statement of Net Position (Balance Sheet for the governmental funds) and are rolled into the government-wide Statement of Net Position.

Deschutes County, Oregon
Notes to Financial Statements
June 30, 2023

NOTE 3 – DETAILED NOTES ON ALL FUNDS (Continued)

	Original Amount	Outstanding June 30, 2022	Increases	Decreases	Outstanding June 30, 2023
<u>Governmental Activities:</u>					
Building lease; interest at 1.451%, principal and interest of 6,763 monthly, due 2029	\$ 611,284	\$ 537,207	\$ -	\$ (75,763)	\$ 461,444
Building lease; interest at 0.893%, principal and interest of 14,306 monthly, due 2026	800,258	632,391	-	(173,214)	459,177
Building lease; interest at 0.893%, principal and interest of 57,244 monthly, due 2025	2,793,042	177,187	1,949,057	(686,369)	1,439,875
Building lease; interest at 0.727%, principal and interest of 2,960 monthly, lease terminated September 2022	36,332	7,395	-	(7,395)	-
Building lease; interest at 0.387%, principal and interest of 18,918 monthly, lease terminated September 2022	132,431	18,989	-	(18,989)	-
Land lease; interest at 0.514%, principal and interest of 731 monthly, due 2023	16,981	8,264	-	(8,264)	-
Land lease; interest at 0.514%, principal and interest of 432 monthly, due 2025	10,476	-	10,476	-	10,476
Building lease; interest at 0.727%, principal and interest of 2,391 monthly, due 2024	73,668	44,947	-	(29,762)	15,185
Building lease; interest at 0.624%, principal and interest of 825 monthly, due 2024	14,752	10,653	-	(7,091)	3,562
Building lease; interest at 0.624%, principal and interest of 825 monthly, due 2024	14,456	10,505	-	(6,943)	3,562
	<u>\$ 4,503,680</u>	<u>\$ 1,447,538</u>	<u>\$ 1,959,533</u>	<u>\$ (1,013,790)</u>	<u>\$ 2,393,281</u>

NOTE 3 – DETAILED NOTES ON ALL FUNDS (Continued)

Future maturities are as follows:

Governmental Activities		
Fiscal Year	Principal	Interest
2024	\$ 993,509	\$ 19,602
2025	1,002,879	10,331
2026	177,314	4,085
2027	84,024	2,629
2028	85,251	1,401
2029	50,304	244
Total	\$ 2,393,281	\$ 38,292

D. Deferred Outflow of Resources

Deferred outflows, Debt refunding – The difference between the carrying value of refunded debt and its reacquisition price was deferred and is amortized on the straight-line basis over the period benefited.

Deferred outflows, Net pension liability – Defined Benefit Pension and OPEB plans contributions made to OPERS during the year ended June 30, 2023, and other items related to the County defined benefit pension plans that have been classified as a deferred outflow of resources.

Deschutes County, Oregon
Notes to Financial Statements
June 30, 2023

NOTE 3 – DETAILED NOTES ON ALL FUNDS (Continued)

Deferred outflows, OPEB RHIA asset and County Plan liability – The contributions made to OPERS for its other post-employment RHIA component during the year ended June 30, 2023, and other items related to the County OPEB RHIA plan that have been classified as a deferred outflow of resources.

Deferred Outflows of Resources	Governmental Activities	Business-Type Activities	Total
Deferred outflows - Refunding:			
County buildings (FF&C 2019 and FF&C 2021)	\$ 626,151	\$ 159,723	\$ 785,874
Total deferred outflows - refunding	626,151	159,723	785,874
Deferred outflows - Defined Benefit Pension Plan:			
Contributions subsequent to the measurement date	16,148,089	403,041	16,551,130
Differences between expected and actual experience	5,296,558	132,197	5,428,755
Changes in proportionate share	12,051,456	300,794	12,352,250
Changes of assumptions	17,120,426	427,310	17,547,736
Differences between employer contribution and employer's proportionate share of system contributions	5,921,529	147,796	6,069,325
Total deferred outflows - pension	56,538,058	1,411,138	57,949,196
Deferred outflows - OPEB County Plan:			
Differences between expected and actual experience	2,370,333	59,162	2,429,495
Changes of assumption or other inputs	2,319,347	57,889	2,377,236
Total deferred outflows - OPEB County Plan	4,689,680	117,051	4,806,731
Deferred outflows - OPEB RHIA:			
Contributions subsequent to the measurement date	10,689	267	10,956
Changes of assumptions or other inputs	12,655	316	12,971
Changes in proportionate share	129,217	3,225	132,442
Total deferred outflows - OPEB RHIA	152,561	3,808	156,369
Total deferred outflows of resources	\$ 62,006,450	\$ 1,691,720	\$ 63,698,170

Deschutes County, Oregon
Notes to Financial Statements
June 30, 2023

NOTE 3 – DETAILED NOTES ON ALL FUNDS (Continued)

E. Capital Assets

Due to the implementation of GASB Statement No. 96, *Subscription Based Information Technology Arrangements (SBITDAs)*, the June 30, 2022 balances of capital assets have been restated to include \$645,601 of subscription assets, \$350,993 related to governmental activities including \$294,608 related to internal service funds. See Note 4I for additional information.

	<u>June 30, 2022</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2023</u>
<u>Governmental Activities:</u>				
Capital assets, not being depreciated or amortized:				
Land	\$ 13,602,544	\$ -	\$ -	\$ 13,602,544
Construction in progress	6,193,442	31,673,631	(4,008,209)	33,858,864
Total capital assets, not being depreciated or amortized	19,795,986	31,673,631	(4,008,209)	47,461,408
Capital assets, being depreciated or amortized:				
Right-to-use lease land	12,908	223,029	-	235,937
Buildings and improvements	102,625,479	608,832	(152,855)	103,081,456
Lease buildings	1,647,572	30,654	-	1,678,226
Land improvements	5,478,633	13,080	-	5,491,713
Equipment	33,899,926	3,777,953	(3,295,728)	34,382,151
Lease equipment	423,171	69,381	(40,718)	451,834
Vehicles	13,671,898	3,439,510	(329,514)	16,781,894
Lease vehicles	-	65,436	-	65,436
Infrastructure	138,930,331	3,860,747	-	142,791,078
Lease infrastructure	476,110	869,953	(22,705)	1,323,358
Intangible assets	6,551,998	9,468	(64,525)	6,496,941
Subscription assets	350,993	1,867,514	-	2,218,507
Total capital assets, being depreciated or amortized	304,069,019	14,835,557	(3,906,045)	314,998,531
Accumulated depreciation and amortization:				
Right-to-use lease land	(527)	(9,508)	-	(10,035)
Buildings and improvements	(41,561,680)	(2,317,563)	152,855	(43,726,388)
Lease buildings	(215,416)	(227,002)	-	(442,418)
Land improvements	(3,786,533)	(181,070)	-	(3,967,603)
Equipment	(22,253,689)	(2,184,647)	3,288,775	(21,149,561)
Lease equipment	(130,007)	(154,185)	40,718	(243,474)
Vehicles	(8,166,315)	(1,624,094)	316,753	(9,473,656)
Lease vehicles	-	(12,760)	-	(12,760)
Infrastructure	(81,784,885)	(5,391,467)	-	(87,176,352)
Lease infrastructure	(108,812)	(129,833)	22,705	(215,940)
Intangible assets	(4,866,732)	(462,907)	64,525	(5,265,114)
Subscription assets	-	(251,525)	-	(251,525)
Total accumulated depreciation and amortization	(162,874,596)	(12,946,561)	3,886,331	(171,934,826)
Total capital assets, being depreciated and amortized, net	141,194,423	1,888,996	(19,714)	143,063,705
Governmental activities capital assets, net	\$ 160,990,409	\$ 33,562,627	\$ (4,027,923)	\$ 190,525,113

Deschutes County, Oregon
Notes to Financial Statements
June 30, 2023

NOTE 3 – DETAILED NOTES ON ALL FUNDS (Continued)

	June 30, 2022	Increases	Decreases	June 30, 2023
<u>Business-type activities:</u>				
Capital assets, not being depreciated or amortized:				
Land	\$ 1,924,037	\$ -	\$ -	\$ 1,924,037
Construction in progress	140,797	12,208,802	(6,417)	12,343,182
Total capital assets, not being depreciated or amortized	2,064,834	12,208,802	(6,417)	14,267,219
Capital assets, being depreciated or amortized:				
Buildings and improvements	32,501,587	5,319	(11,825)	32,495,081
Land improvements	49,011,664	44,694	(216,906)	48,839,452
Equipment	9,190,879	649,551	(623,990)	9,216,440
Lease equipment	18,022	-	-	18,022
Vehicles	609,855	-	(19,675)	590,180
Intangible assets	123,595	-	-	123,595
Total capital assets, being depreciated or amortized	91,455,602	699,564	(872,396)	91,282,770
Accumulated depreciation and amortization:				
Buildings and improvements	(13,781,896)	(722,726)	9,460	(14,495,162)
Land improvements	(30,387,383)	(1,873,987)	215,077	(32,046,293)
Equipment	(6,098,063)	(492,340)	593,135	(5,997,268)
Lease equipment	(3,713)	(4,836)	-	(8,549)
Vehicles	(353,467)	(40,058)	19,674	(373,851)
Intangible assets	(98,584)	(8,758)	-	(107,342)
Total accumulated depreciation and amortization	(50,723,106)	(3,142,705)	837,346	(53,028,465)
Total capital assets, being depreciated and amortized, net	40,732,496	(2,443,141)	(35,050)	38,254,305
Business-type activities capital assets, net	\$ 42,797,330	\$ 9,765,661	\$ (41,467)	\$ 52,521,524

Depreciation and amortization expenses were charged to functions/programs of the primary government. Amortization expense for lease and subscription assets in governmental activities is recognized in the general government function. Amortization expense for lease and subscription assets in business-type activities is recognized in the programs.

Deschutes County, Oregon
Notes to Financial Statements
June 30, 2023

NOTE 3 – DETAILED NOTES ON ALL FUNDS (Continued)

Depreciation and amortization activity for the year ended June 30, 2023, was as follows:

<u>Governmental activities:</u>	
General government	\$ 2,442,867
Public safety	3,571,980
County roads	6,180,238
Health and welfare	<u>380,987</u>
	12,576,072
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	<u>370,489</u>
Total depreciation and amortization expense - governmental activities	<u><u>\$ 12,946,561</u></u>
<u>Business-type activities:</u>	
Solid Waste	\$ 2,388,140
Fair & Expo Center	649,329
RV Park	<u>105,236</u>
Total depreciation and amortization expense - business-type activities	<u><u>\$ 3,142,705</u></u>

F. Interfund Activity

Interfund activity for the year ended June 30, 2023, was as follows:

	Transfers In								Total
	General Fund	Sheriff's Office	Road CIP	Health Services	Nonmajor Gov't	Internal Service	Fair & Expo Center	RV Park	
<u>Transfers Out</u>									
General Fund	\$ -	\$ 70,000	\$ -	\$ 5,648,912	\$ 12,352,417	\$ 538,205	\$ -	\$ -	\$ 18,609,534
Sheriff's Office	-	-	-	-	272,678	-	-	-	272,678
Road	-	-	9,778,721	-	-	-	-	-	9,778,721
Health Services	241,596	-	-	-	320,710	-	-	-	562,306
Solid Waste	13,962	-	-	-	-	-	-	-	13,962
Fair & Expo	10,777	-	-	-	-	-	-	-	10,777
Nonmajor Gov't	190,106	3,651,787	2,459,941	418,417	484,156	-	1,589,727	180,000	8,974,134
Internal Service Funds	<u>345,932</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,380</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>350,312</u>
Total	<u><u>\$ 802,373</u></u>	<u><u>\$ 3,721,787</u></u>	<u><u>\$ 12,238,662</u></u>	<u><u>\$ 6,067,329</u></u>	<u><u>\$ 13,434,341</u></u>	<u><u>\$ 538,205</u></u>	<u><u>\$ 1,589,727</u></u>	<u><u>\$ 180,000</u></u>	<u><u>\$ 38,572,424</u></u>

NOTE 3 – DETAILED NOTES ON ALL FUNDS (Continued)

Interfund transfers are utilized for the following purposes: Certain special revenue funds, the Fair & Expo Center, and Internal Service funds require additional resources from the General Fund to fund operations; certain debt service funds require transfers from operating funds to meet annual debt service requirements; resources are transferred from some operating funds to the vehicle replacement reserve fund (a sub-fund of the General Fund); RV Park requires additional resources from a special revenue fund to meet its debt service requirements; resources are transferred to reserve funds and capital project funds when sufficient resources are available.

G. Noncurrent Liabilities

The County has issued Full Faith & Credit Bonds, Limited Tax Bonds and Notes, for both governmental and business-type activities, to provide funds for the acquisition and construction of major capital facilities, to acquire personal property and to fund the pension liability. The current legal debt limit for the year ended June 30, 2023, is \$1,463,703,000 for general obligation bonds and \$704,529,000 for full faith and credit bonds. Additional information on debt limitations can be found in the Debt Capacity portion of the Statistical Section.

The County's June 30, 2023, balances on direct borrowings related to governmental activities and business-type activities are \$458,600 and \$2,906,400, respectively. The direct borrowings are secured by the full faith and credit and taxing power of the County. Whereas the lender may exercise any remedy in the event of default, the financing agreement is not subject to acceleration. The County has no other direct borrowing arrangements, including no lines of credit.

Full Faith & Credit Obligation and Limited Tax bonds are direct obligations and pledge the full faith and credit of the County. These are serial bonds with original terms ranging from 20 years to 30 years with increasing amounts of principal maturing each year.

Full Faith & Credit Obligation, Limited Tax bonds and Notes currently outstanding are as follows:

Purpose	Interest Rates	Balance at June 30, 2023
Bonds and Notes		
Bonds - Governmental activities	2.00% - 6.85%	\$ 26,661,808
Notes - Governmental activities	1.99% - 2.49%	458,600
Bonds - Business-Type activities	1.68% - 4.00%	21,163,192
Notes - Business-Type activities	1.68% - 2.49%	2,906,400
		\$ 51,190,000

Deschutes County, Oregon
Notes to Financial Statements
June 30, 2023

NOTE 3 – DETAILED NOTES ON ALL FUNDS (Continued)

Debt Service Requirements

Debt service requirements on the County bonds and notes as of June 30, 2023, are as follows:

Fiscal Year	Governmental Activities			
	Bonds		Notes from Direct Borrowings	
	Principal	Interest	Principal	Interest
2024	\$ 3,204,935	\$ 967,670	\$ 225,954	\$ 8,606
2025	2,795,704	830,169	232,646	2,896
2026	3,630,414	722,992	-	-
2027	3,862,240	561,443	-	-
2028	3,144,066	386,267	-	-
2029-2033	7,634,449	985,334	-	-
2034-2038	2,390,000	332,327	-	-
Total	\$ 26,661,808	\$ 4,786,202	\$ 458,600	\$ 11,502

Fiscal Year	Business-Type Activities			
	Bonds		Notes from Direct Borrowings	
	Principal	Interest	Principal	Interest
2024	\$ 825,065	\$ 950,560	\$ 799,246	\$ 50,175
2025	859,296	919,152	814,254	34,998
2026	889,586	886,176	642,700	21,839
2027	927,760	851,891	650,200	10,784
2028	960,934	815,811	-	-
2029-2033	5,415,551	3,477,962	-	-
2034-2038	4,960,000	2,349,250	-	-
2039-2043	6,325,000	979,500	-	-
Total	\$ 21,163,192	\$ 11,230,302	\$ 2,906,400	\$ 117,796

Deschutes County, Oregon
Notes to Financial Statements
June 30, 2023

NOTE 3 – DETAILED NOTES ON ALL FUNDS (Continued)

Debt Issuance

During August 2022, the County entered into Full Faith and Credit Financing Agreement, Series 2022 for the remodel of Negus Transfer Station. Bond proceeds totaled \$21,411,848, par amount of \$18,220,000, true interest costs of 3.3%, and maturity date of June 30, 2043. County contributions included \$95,180 for underwriter's discount and \$116,668 for costs of issuance.

Changes in Non-Current Liabilities

Changes in non-current liabilities, other than those for Other Post-Employment Benefits and Net Pension Liability, for the year ended June 30, 2023, are as follows:

	June 30, 2022	Increases	Decreases	June 30, 2023	Due Within One Year
<u>Governmental activities:</u>					
Claims					
Internal service funds	\$ 6,468,837	\$ 26,751,407	\$ (25,256,708)	\$ 7,963,536	\$ 4,796,077
Lease payable					
Governmental funds	2,095,884	1,258,453	(535,361)	2,818,976	398,779
Internal service funds	31,483	-	(15,385)	16,098	10,201
Subscription liabilities					
Governmental funds	1,303,428	1,855,136	(2,078,766)	1,079,798	165,411
Internal service funds	306,986	3,674	(112,476)	198,184	79,068
Pension obligation bonds	6,870,000	-	(1,040,000)	5,830,000	1,170,000
Full faith & credit obligations	22,940,492	-	(2,108,684)	20,831,808	2,034,935
Unamortized prem / (disc)	774,189	-	(114,493)	659,696	114,492
Direct borrowings	680,093	-	(221,493)	458,600	225,954
Compensated absences					
Governmental funds	10,362,826	12,786,630	(12,244,689)	10,904,767	10,032,386
Internal service funds	1,073,615	1,163,402	(1,013,985)	1,223,032	1,125,189
	\$ 52,907,833	\$ 43,818,702	\$ (44,742,040)	\$ 51,984,495	\$ 20,152,492
 <u>Business-type activities:</u>					
Lease payable	\$ 14,346	\$ -	\$ (4,776)	\$ 9,570	\$ 4,717
Full faith & credit obligations	3,214,508	18,220,000	(271,316)	21,163,192	825,065
Unamortized prem / (disc)	222,123	2,986,855	(140,377)	3,068,601	183,201
Direct borrowings	3,691,507	-	(785,107)	2,906,400	799,246
Compensated absences	368,876	351,683	(322,525)	398,034	366,191
Landfill closure and postclosure	12,288,086	1,646,260	-	13,934,346	-
	\$ 19,799,446	\$ 23,204,798	\$ (1,524,101)	\$ 41,480,143	\$ 2,178,420

NOTE 3 – DETAILED NOTES ON ALL FUNDS (Continued)

During FY 2023, paid compensated leave was as follows:

Health Services	\$	4,167,047
Sheriff's Office		3,395,521
General Fund		1,328,604
Internal Service Funds		1,013,985
Deschutes County 9-1-1		756,122
Road		663,388
Juvenile Community Justice		641,478
Community Development		623,774
Adult Parole & Probation		448,631
Enterprise Funds		322,525
Other Special Revenue Funds		220,124
Total	\$	13,581,199

The claims liability is reported in two of the County's internal service funds, Insurance and Health Benefits. The liability will be liquidated with resources in these funds.

The resources to retire the pension obligation bonds are provided by charges to those operating departments with personnel. In FY 2023, Sheriff, Health Services, General Fund and sub funds, Internal Service Funds, DC 9-1-1 and Road provided 40%, 28%, 13%, 7%, 5% and 4%, respectively. The remaining 3% is provided by other governmental and proprietary funds. The full faith and credit obligations and direct borrowings are liquidated by third party rents, charges to departments occupying various buildings and general fund transfers.

Pension and Other Postemployment Benefits Liabilities

The General Fund, Sheriff, Road, Health Services, ARPA, other governmental funds and internal service funds are typically used to liquidate pension and other postemployment benefits liabilities. See Note 4C – Participation in Public Employees Retirement System and Note 4D – Other Post-Employment Benefits for additional information.

NOTE 3 – DETAILED NOTES ON ALL FUNDS (Continued)

Leases Payable

The County is committed under various leases for buildings, equipment, infrastructure (9-1-1 radio towers) and land. As of June 30, 2023, the County has 82 financing leases in which it is acting as the Lessee. Under GASB 87, an implicit rate is calculated for each individual lease using the internal rate of return method. That method measures cash flow, beginning fair value, and projected ending fair value of the underlying asset. The present value of leases is aggregated on a fund basis. For governmental funds, lessee leases are only presented in the *Government-Wide Statement of Net Position*. For proprietary funds, lessee leases are presented in the *Proprietary Funds Statement of Net Position* and in the *Government-Wide Statement of Net Position*.

The total expended for such leases for the fiscal year ended June 30, 2023, was approximately \$485,000. The future minimum lease payments for these leases are as follows:

Fiscal Year	Governmental Activities		
	Principal	Interest	Total
	Payments	Payments	Payments
2024	\$ 408,980	\$ 51,869	\$ 460,849
2025	349,235	47,454	396,689
2026	319,807	43,551	363,358
2027	260,021	40,104	300,125
2028	231,063	37,429	268,492
2029 - 2033	474,946	155,348	630,294
2034 - 2038	299,912	111,824	411,736
2039 - 2043	277,230	58,755	335,985
2044 - 2048	213,880	15,732	229,612
	\$ 2,835,074	\$ 562,066	\$ 3,397,140

Fiscal Year	Business-Type Activities		
	Principal	Interest	Total
	Payments	Payments	Payments
2024	\$ 4,717	\$ 118	\$ 4,835
2025	3,689	56	3,745
2026	1,164	12	1,176
	\$ 9,570	\$ 186	\$ 9,756

NOTE 3 – DETAILED NOTES ON ALL FUNDS (Continued)

Subscription Liabilities

The County has Subscription-Based Information Technology Arrangements (SBITAs) with the noncancellable right to use software provided by vendors. As of June 30, 2023, the County has nine agreements in which these right-to-use assets are reported. Under GASB 96, an implicit rate is calculated for each individual arrangement using the internal rate of return method. That method measures cash flow, beginning fair value, and projected ending fair value of the underlying asset. The present value of these SBITAs is aggregated on a fund basis. For governmental funds, SBITAs are only presented in the *Government-Wide Statement of Net Position*. For proprietary funds, SBITAs are presented in the *Proprietary Funds Statement of Net Position* and in the *Government-Wide Statement of Net Position*.

The total expended for these software arrangements for the fiscal year ended June 30, 2023, was approximately \$337,000. The future minimum lease payments for these leases are as follows:

Fiscal Year	Governmental Activities		
	Principal	Interest	Total
	Payments	Payments	Payments
2024	\$ 244,479	\$ 41,049	\$ 285,528
2025	229,839	33,587	263,426
2026	236,985	26,441	263,426
2027	182,677	19,069	201,746
2028	188,824	12,922	201,746
2029	195,178	6,568	201,746
	\$ 1,277,982	\$ 139,636	\$ 1,417,618

Hospital Facilities Authority of Deschutes County Conduit Financing

On December 26, 1988, the County created the Hospital Facilities Authority of Deschutes County, Oregon (the Authority). The Authority issues hospital revenue bonds for construction and improvements to health facilities in Deschutes County. The proceeds of these bonds were used by health care facilities to finance various capital projects and refund outstanding bonds.

The debt has not been recognized as a liability of the County or the Authority because the bonds are secured solely by the provisions of the bond indenture and payments are made by the health care facilities. The obligors have pledged the gross receivables of St. Charles Health System, Inc. The bonds shall not be payable from a charge upon any fund or asset, nor shall the County or the Authority be subject to any liability. No holder or holders of the bonds shall ever have the right to exercise the taxing power of the County to pay the bonds or the interest, nor to enforce payment against any property of the County.

Upon completion of the project, the assets constructed or purchased are owned by the respective health care facility. Since neither the County nor the Authority own any assets or assume any liabilities associated with the repayment, there is no balance sheet disclosure or recognition of revenues within the County’s financial statements.

NOTE 3 – DETAILED NOTES ON ALL FUNDS (Continued)

A summary of the Authorities conduit debt is as follows:

Obligor	Debt Issue	June 30, 2023
St. Charles Health System, Inc.	The Authority Hospital Revenue Bonds Series 2016A	\$ 94,210,000
St. Charles Health System, Inc.	The Authority Hospital Revenue Bonds Series 2020A	48,605,000
St. Charles Health System, Inc.	The Authority Hospital Revenue Bonds Series 2022A	37,630,000
St. Charles Health System, Inc.	The Authority Hospital Revenue Bonds Series 2022B	37,630,000
		<u>\$ 218,075,000</u>

H. Deferred Inflow of Resources

On the governmental funds balance sheet, unavailable revenues are reported as deferred inflows of resources. These are revenues which are earned, but not available to liquidate liabilities of the current period. At the end of the current fiscal year, these balances are:

	Deferred Inflows of Resources					Total
	Property Taxes	Special Assessments	Services Provided	Contracts of Sale	Leases	
General Fund	\$ 536,627	\$ -	\$ -	\$ 343,112	\$ 379,344	\$ 1,259,083
Sheriff's Office	-	-	43,358	-	-	43,358
Countywide LED	451,130	-	-	-	-	451,130
Rural LED	193,841	-	-	-	-	193,841
Road	-	95,575	1,363	-	-	96,938
Health Services	-	-	1,081,124	-	-	1,081,124
Nonmajor funds	165,330	-	23,141	-	1,436,857	1,625,328
Total	<u>\$ 1,346,928</u>	<u>\$ 95,575</u>	<u>\$ 1,148,986</u>	<u>\$ 343,112</u>	<u>\$ 1,816,201</u>	<u>\$ 4,750,802</u>

NOTE 3 – DETAILED NOTES ON ALL FUNDS (Continued)

On the Statement of Net Position, an acquisition of net assets applicable to a future reporting period, is reported as deferred inflows of resources. At the end of the current fiscal year, these balances related to the County’s defined benefit pension, other post-employment benefits (OPEB) plans, and leases:

<u>Deferred Inflows of Resources</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Deferred inflows - Pension Plan:			
Differences between expected and actual experience	\$ 680,448	\$ 16,984	\$ 697,432
Changes in assumptions	156,412	3,904	160,316
Changes in proportionate share	1,351,571	33,734	1,385,305
Net difference between projected and actual earnings on investments	19,507,302	486,884	19,994,186
Differences between employer contributions and employer's proportionate share of system contributions	<u>12,390,321</u>	<u>309,251</u>	<u>12,699,572</u>
Total deferred inflows - Pension Plan	<u>34,086,054</u>	<u>850,757</u>	<u>34,936,811</u>
Deferred inflows - OPEB County Plan:			
Differences between expected and actual experience	11,667,097	291,200	11,958,297
Changes of assumption or other inputs	<u>8,141,923</u>	<u>203,214</u>	<u>8,345,137</u>
Total deferred inflows - OPEB County Plan	<u>19,809,020</u>	<u>494,414</u>	<u>20,303,434</u>
Deferred inflows - OPEB RHIA:			
Differences between expected and actual experience	43,799	1,094	44,893
Changes of assumptions or other inputs	53,875	1,344	55,219
Net difference between projected and actual earnings on investments	<u>123,261</u>	<u>3,076</u>	<u>126,337</u>
Total deferred inflows - OPEB RHIA	<u>220,935</u>	<u>5,514</u>	<u>226,449</u>
Deferred inflows - Lease resources	<u>2,319,529</u>	<u>-</u>	<u>2,319,529</u>
Total deferred inflows of resources	<u>\$ 56,435,538</u>	<u>\$ 1,350,685</u>	<u>\$ 57,786,223</u>

Deschutes County, Oregon
Notes to Financial Statements
June 30, 2023

NOTE 3 – DETAILED NOTES ON ALL FUNDS (Continued)

I. Fund Balance Policies

Fund balance of 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).

	Major Special Revenue Funds						Major Capital Projects Fund		Total
	General Fund	Countywide		Rural		Road CIP	Other Funds		
		LED	LED	Road	Health Services			ARPA	
Fund Balances:									
Nonspendable:									
Long-term notes receivable	\$ 46,213	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 46,213
Inventory	-	-	-	2,653,108	-	-	-	-	2,653,108
Total Nonspendable	46,213	-	-	2,653,108	-	-	-	-	2,699,321
Restricted to:									
Public safety	-	9,127,893	1,411,659	-	-	-	-	15,885,211	26,424,763
Economic development	-	-	-	-	-	-	-	6,650,975	6,650,975
Health services	-	-	-	-	30,164,866	-	-	5,153,967	35,318,833
General government	-	-	-	-	-	-	-	12,231,023	12,231,023
Marketing & promotion	-	-	-	-	-	-	-	192,513	192,513
Law library	-	-	-	-	-	-	-	106,508	106,508
Park development and rangeland	-	-	-	-	-	-	-	2,479,175	2,479,175
Technology improvements	-	-	-	-	-	-	-	448,675	448,675
Road improvement/maintenance	-	-	-	12,823,575	-	-	22,594,529	4,628,911	40,047,015
Total Restricted	-	9,127,893	1,411,659	12,823,575	30,164,866	-	22,594,529	47,776,958	123,899,480
Committed to:									
Economic development	325,336	-	-	-	-	-	-	4,527,409	4,852,745
County reserves	-	-	-	-	-	3,698	-	-	3,698
Health services	-	-	-	-	-	-	-	55,384	55,384
Debt service	-	-	-	-	-	-	-	449,066	449,066
Communication systems	-	-	-	-	-	-	-	267,636	267,636
Expansion of facilities	5,373,652	-	-	-	-	-	-	5,866,734	11,240,386
Total Committed	5,698,988	-	-	-	-	3,698	-	11,166,229	16,868,915
Assigned to:									
Public safety	1,475,483	-	-	-	-	-	-	-	1,475,483
General government	4,129,734	-	-	-	-	-	-	-	4,129,734
Technology improvements	1,820,307	-	-	-	-	-	-	-	1,820,307
Fleet repair & replacement	2,149,696	-	-	-	-	-	-	-	2,149,696
Total Assigned	9,575,220	-	-	-	-	-	-	-	9,575,220
Unassigned:	13,426,082	-	-	-	-	-	-	(13,004)	13,413,078
Total Fund Balance	\$ 28,746,503	\$ 9,127,893	\$ 1,411,659	\$ 15,476,683	\$ 30,164,866	\$ 3,698	\$ 22,594,529	\$ 58,930,183	\$ 166,456,014

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the County's highest level of decision-making authority. The Board of County Commissioners is the highest level of decision-making authority for Deschutes County which can, by adoption of a resolution prior to the end of the fiscal year, commit a fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) or to remove or revise the limitation.

NOTE 3 – DETAILED NOTES ON ALL FUNDS (Continued)

Countywide Law Enforcement District (District #1), Rural Law Enforcement District (District #2) and Deschutes County 9-1-1 County Service District are each special revenue funds funded through voter approved property taxes for their specific purposes. Fund balances, restricted in District #1 and District #2, are not restricted for specific purposes but rather exist for liquidity purposes due to the seasonal nature of property tax collections. Fund balances of Deschutes County 9-1-1 are restricted to provide liquidity. Road and Road CIP fund balances are restricted to provide funding for the road improvement plan over the next five years. Health Services fund balance is restricted to meet the growing population of eligible clients expected in fiscal year 2024 and beyond.

Amounts in the assigned fund balance classification are intended to be used by the County for specific purposes but do not meet the criteria to be classified as committed. The Board of County Commissioners has, by resolution, assigned fund balance as it does when appropriating fund balance for the difference between estimated revenues and appropriations in the subsequent year's adopted budget. Unlike commitments, assignments generally exist only temporarily. Additional action does not have to be taken to remove an assignment.

Fund balances, as listed in aggregate in the Statement of Revenues, Expenditures and Changes in Fund Balance, are constrained to the balance classification and activities of the funds. Constraints are at the level of which the fund was originally established.

The County has activity between funds for various purposes. Any balances outstanding at year end are reported as due from/ to other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in the governmental activities, the governmental and internal service funds, are eliminated so that only the net amount is included as internal balances in the governmental activities' column on the Statement of Net Position. Similarly, balances between the funds included in the business-type activities, the enterprise funds, are eliminated so that only the net amount is included as internal balances in the business-type activities column on the Statement of Net Position.

Certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as Transfers In/ Out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide Statement of Activities. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities' column. Transfer between the funds in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

J. Segment Information

The County has three enterprise activities:

- The Solid Waste fund is used to account for the operations of the County's landfill at Knott Road and 27th Street, and four transfer and recycle stations located throughout the County. The accumulation of resources that will be required for the closure and post-closure costs associated with the sanitary landfill are also accounted for in the Solid Waste Fund.
- The Fair & Expo Center fund is used to account for operations of the County's Fair & Expo Center, including the annual county fair.
- The RV Park fund is used to account for the operations of the County's Recreational Vehicle Park, located in Redmond, Oregon.

NOTE 4 - OTHER INFORMATION

A. Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County purchases commercial insurance for property coverage, fidelity bonding, excess workers' compensation claims, excess general liability claims and stop loss on its medical/dental risks. It self-insures against losses for general liability (for claims up to \$1 million), workers' compensation, medical and dental benefits, unemployment benefits and other risks.

All operations of the County participate in the County's self-insurance program, with the exception of Deschutes County 9-1-1 County Service District. That District is covered under only the medical/dental plan and unemployment insurance. Settled claims have not exceeded insurance coverage in any of the past three fiscal years.

The County estimates liabilities for incurred losses on both reported and unreported claims for general and vehicle/fleet liability, workers' compensation, and employee medical coverage. Workers' compensation, general and vehicle/fleet liability estimates are based primarily on individual case estimates for reported claims and through historical data for unreported claims as determined by the County's Risk Management department. Liabilities are based on estimated total cost of settling claims. Liabilities include an amount for claims for that have been incurred but not reported (IBNR). The result of the process to estimate the claims is not an exact amount and accordingly claims are reevaluated periodically to consider the effects of inflation, recent claims settlement trends and other economic and social factors.

Payments, from the funds whose activities are covered, are made to internal service insurance funds, based on the estimated need to pay prior and current claims and to accumulate resources for future losses. The Insurance fund, which accounts for all insurance programs other than medical and dental, is reporting a net position as of June 30, 2023, of \$2,398,489. The Health Benefits fund, which accounts for medical and dental insurance programs, is reporting a net position of \$5,852,182 as of June 30, 2023, and represents 24% of FY 2023 claims expense.

Changes in the claim liabilities are as follows:

	Insurance Fund	Health Benefits Fund	Total
Claims payable, June 30, 2021	\$ 8,240,559	\$ 528,149	\$ 8,768,708
FY 2022 claims expense	534,591	23,365,426	23,900,017
FY 2022 claims paid	(3,335,359)	(22,864,529)	(26,199,888)
Claims payable, June 30, 2022	5,439,791	1,029,046	6,468,837
FY 2023 claims expense	2,674,265	24,077,142	26,751,407
FY 2023 claims paid	(1,779,138)	(23,477,570)	(25,256,708)
Claims payable, June 30, 2023	\$ 6,334,918	\$ 1,628,618	\$ 7,963,536

NOTE 4 – OTHER INFORMATION (Continued)

B. Contingent Liabilities and Commitments

The County is contingently liable with respect to lawsuits and other claims incidental to the ordinary course of its operations. Claims covered by the County's self-insurance are reviewed and losses are accrued based on the judgment of County management. According to County management, based on advice of legal counsel with respect to such litigation and claims, ultimate disposition of these matters will not have a material adverse effect on the financial position or results of County operations.

Additional contingent liabilities may exist in relation to operational services provided by the Health Services Department. The Department is subject to numerous laws and regulations of federal, state, and local governments surrounding its clinical billing practices (i.e., Medicare, Medicaid, prospective payments, etc.). As it stands, the County is unable to determine if its billing practices will be reviewed for compliance and if any liability may result from such a review. The County's current practice is to adjust revenue in the year of settlement for any claims of this type.

As of June 30, 2023, the County had no material commitments outstanding.

C. Participation in Public Employees Retirement System

Plan descriptions

Employees of the County are provided with pensions through the Oregon Public Employees Retirement System, (OPERS), which is a cost-sharing, multiple-employer defined benefit plan. All the benefits of OPERS are established by the Oregon legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A. The ORS Chapter 238 Defined Benefit Pension Plan, known as Tier 1/Tier 2 is closed to new members hired on or after August 29, 2003. A second program, the Chapter 238A-OPERS Pension Program (OPSRP-DB), is described in the second portion of this note. Membership in the programs is delineated based on date of hire.

OPERS issues a publicly available financial report which can be obtained at:
<https://www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx>.

NOTE 4 – OTHER INFORMATION (Continued)

Benefits Provided Under the Programs

	Chapter 238-Tier One and Tier Two	Chapter 238A-OPSRP-DB
<i>Pension Benefits</i>	<p>The OPERS retirement allowance is payable monthly for life. The allowance may be selected from 13 retirement benefit options that are actuarially equivalent to the base benefit.</p> <p>These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.0 percent for Police and Fire employees, 1.67 percent for General Service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under a formula plus an annuity (for members who were contributing before August 21, 1981,) or a money match computation if a greater benefit results. Monthly payments must be a minimum of \$200 per month or the member will receive a lump-sum payment of the actuarial equivalent of benefits to which he or she is entitled.</p> <p>Under Senate Bill 1049, passed during the 2019 legislative session, the salary included in the determination of final average salary will be limited for all members beginning in 2021. The limit will be equal to \$197,730 in 2021, and will be indexed with inflation in later years.</p>	<p>The ORS 238A Defined Benefit Pension Program provides benefits to members hired on or after August 29, 2003. This portion of the OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:</p> <p>Police and fire: 1.8 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit. To be classified as a police or fire member, the individual must have been employed continuously as a police or fire member for at least five years immediately preceding retirement.</p> <p>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 65, or age 58 with 30 years of retirement credit.</p> <p>Under Senate Bill 1049, passed during the 2019 legislative session, the salary included in the determination of final average salary will be limited for all members beginning in 2021. The limit will be equal to \$197,730 in 2021, and will be indexed with inflation each year.</p> <p>A member of the pension program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which termination becomes effective.</p>
<i>Disability Benefits</i>	<p>A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including OPERS judge members) for disability benefits regardless of the length of OPERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for Police and Fire members) when determining the monthly benefit.</p>	<p>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 the last full month of employment before the disability occurred.</p>

NOTE 4 – OTHER INFORMATION (Continued)

	Chapter 238-Tier One and Tier Two	Chapter 238A-OPSRP-DB
<i>Benefit Changes after Retirement</i>	Members may choose to continue participation in a variable account after retiring and may experience annual benefit fluctuations due to changes in the fair value of the underlying global equity investments of that account.	No ability to change.
<i>Cost of Living Adjustments</i>	Under ORS 238.360, monthly benefits are adjusted annually through cost-of-living changes (COLA). The COLA is capped at 2.0 percent.	Under ORS 238.360, monthly benefits are adjusted annually through cost-of-living changes (COLA). The COLA is capped at 2.0 percent.

Contributions

OPERS 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. This funding policy applies to the OPERS Defined Benefit Plan and the Other Post-Employment Benefit Plans. Ultimate authority for setting and changing the laws governing contributions rests with the Oregon legislature.

Employer contribution rates during the period were based on the December 31, 2019, actuarial valuation, which became effective July 1, 2021. The state of Oregon and certain schools, community colleges, and political subdivisions have made unfunded actuarial liability payments, and their rates have been reduced. Employer contributions for the year ended June 30, 2023, were \$16,551,130, excluding amounts to fund employer specific liabilities, or employer specific side-accounts.

The rates, presented as a percentage of covered payroll, for the County in effect for the fiscal year ended June 30, 2023, were:

	Chapter 238 - Tier One and Tier Two	Chapter 238A - OPSRP-DB
General Service	20.03%	17.00%
Police and Fire	27.16%	21.79%

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

As of June 30, 2023, the County reported a liability of \$111,836,403 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020. The County's proportion of the net pension liability was based on the County's projected long-term contribution effort as compared to the total projected long-term contribution effort of all employers.

NOTE 4 - OTHER INFORMATION (Continued)

Rates of every employer have at least two major components:

Normal Costs: The economic value, stated as a percent of payroll, for the portion of each active member's total projected retirement benefit that is allocated to the upcoming year of service. The rate is in effect for as long as each member continues in OPERS-covered employment. The current value of all projected future Normal Cost Rate contributions is the Present Value of Future Normal Costs (PVFNC). The PVFNC represents the portion of the projected long-term contribution effort related to future service.

Unfunded Actuarial Liability Rate (UAL): If system assets are less than the actuarial liability, a UAL exists. UAL can arise in a biennium when an event such as experience differing from the assumptions used in the actuarial valuation occurs. An amortization schedule is established to eliminate the UAL that arises in a given biennium over a fixed period of time if future experience follows assumptions. The UAL Rate is the upcoming year's fixed component of the cumulative amortization schedules, stated as a percent of payroll.

The employer's PVFNC depends on both the normal cost rates charged on the employer's payrolls, and on the underlying demographics of the respective payrolls. For OPERS funding, employers have up to three different payrolls, each with a different normal cost rate: (1) Tier 1/Tier 2 payroll, (2) OPSRP general service payroll, and (3) OPSRP police and fire payroll.

Since many governments in Oregon have sold pension obligation bonds and deposited the proceeds with OPERS (referred to as side accounts or transitional liability or surplus), adjustments are required. After each employer's projected long-term contribution effort is calculated, that amount is reduced by the value of the employer's side account, transitional liability/surplus, and the pre-SLGRP liability/surplus (if any). This is done as those balances increase/decrease the employer's projected long-term contribution effort because side accounts are effectively pre-paid contributions.

Looking at both rate components, the projected long-term contribution effort is the sum of the PVFNC and UAL. The PVFNC part of the contribution effort pays for the value of future service while the UAL part of the contribution effort pays for the value of past service not already funded by accumulated contributions and investment earnings. Each of the two contribution effort components are calculated at the employer-specific level. The sum of these components across all employers is the total projected long-term contribution effort.

As presented, on June 30, 2023 (measurement date of June 30, 2022), the County's proportion was 0.73038373 percent, which was an increase of 9.55% from its proportion presented on June 30, 2022 (measurement date of June 30, 2021).

NOTE 4 - OTHER INFORMATION (Continued)

For the year ended June 30, 2023, the County recognized a pension expense of \$19,349,690. At June 30, 2023, the County reports deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 5,428,755	\$ 697,432
Changes of assumptions	17,547,736	160,316
Net difference between projected and actual earnings on investments	-	19,994,186
Changes in proportionate share	12,352,250	1,385,305
Contributions made to the plan subsequent to measurement date	16,551,130	-
Differences between employer contribution and employer's proportionate share of system contributions	6,069,325	12,699,572
	\$ 57,949,196	\$ 34,936,811
 Net Deferred Inflow of Resources	 \$ 23,012,385	
Less: Contributions Made Subsequent to Measurement Date	16,551,130	
	\$ 6,461,255	

The County's contributions made subsequent to the measurement date will be recognized in the County's pension expense in the following year. The net amount of the County's remaining deferred outflows of resources and deferred inflows of resources that will be recognized in the County's pension expense in the subsequent five years in the aggregate are shown in the table below.

1st Fiscal Year - Fiscal Year 2024	\$ 3,788,749
2nd Fiscal Year - Fiscal Year 2025	706,658
3rd Fiscal Year - Fiscal Year 2026	(7,235,180)
4th Fiscal Year - Fiscal Year 2027	9,318,149
5th Fiscal Year - Fiscal Year 2028	(117,121)
 Total	 \$ 6,461,255

Actuarial Assumptions

The employer contribution rates, effective July 1, 2021, through June 30, 2023, were set using the entry age normal actuarial cost method. For the Tier One/ Tier Two component of the OPERS 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), and (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 22 years.

NOTE 4 - OTHER INFORMATION (Continued)

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 the normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (b) an actuarially determined amount for funding a disability benefit component, and (c) an amount for the amortization of unfunded actuarially accrued liabilities, which are being amortized over a fixed period with new unfunded actuarially accrued liabilities being amortized over 16 years.

A summary of the economic assumptions used for the December 31, 2020, actuarial valuation are shown below:

Valuation Date	December 31, 2020
Measurement Date	June 30, 2022
Experience Study	2020, published July 20, 2021
Actuarial assumptions:	
Actuarial cost method	Entry Age Normal
Inflation rate	2.40 percent
Long-term expected rate of return	6.90 percent
Discount rate	6.90 percent
Projected salary increases	3.40 percent
Cost-of-living adjustments (COLA)	Blend of 2.00% COLA and graded COLA (1.25%/0.15%) in accordance with <i>Moro</i> Decision; blend based on service.
Mortality	<p>Healthy retirees and beneficiaries: Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Active members: Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Disabled retirees: Pub-2010 Disable Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p>

Actuarial valuations of an on-going plan involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31st of even numbered years. The economic assumptions and estimates shown above are based on the experience study which reviewed experience for the four-year period ended December 31, 2020.

NOTE 4 - OTHER INFORMATION (Continued)

The long-term expected rate of return on plan investments was developed based on the forward-looking capital market economic model. The table below presents the assumptions related to asset allocation and expected rates of return by major asset class. The target allocation and best estimates of arithmetic real rates of return for each major class are summarized in the following table:

Asset Class	Target Allocation	20-Year Annualized Geometric Mean
Global Equity	30.62%	5.85%
Private Equity	25.50%	7.71%
Core Fixed Income	23.75%	2.73%
Real Estate	12.25%	5.66%
Master Limited Partnerships	0.75%	5.71%
Infrastructure	1.50%	6.26%
Commodities	0.63%	3.10%
Hedge Fund of Funds - Multistrategy	1.25%	5.11%
Hedge Fund Equity - Hedge	0.63%	5.31%
Hedge Fund - Macro	5.62%	5.06%
US Cash	-2.50%	1.76%
Portfolio, net of investment expenses	100.00%	6.31%
Assumed Inflation, mean		2.40%

* Based on the OIC Statement of Investment Objectives and Policy Framework for the Oregon Public Employees Retirement Fund, revised as of June 2, 2021.

Discount Rate

The discount rate used to measure the total pension liability was 6.90 percent for the Defined Benefit 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.

NOTE 4 – OTHER INFORMATION (Continued)

Sensitivity of the County's Proportionate share of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the County's proportionate share of the Net Pension Liability calculated using the discount rate of 6.90 percent, as well as what the County's proportionate share of the Net Pension Liability would be if it were calculated using a discount rate that is 1-percentage point lower (5.90 percent) or 1-percentage point higher (7.90 percent) than the current rate:

	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
Proportionate share of Net Pension Liability	\$ 198,332,187	\$ 111,836,403	\$ 39,443,426

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued OPERS financial report that can be found at <http://www.oregon.gov/pers>.

OPSRP Individual Account Program

The defined contribution pension plan (called the Individual Account Program or IAP) is provided to all members or their beneficiaries who are OPERS or OPSRP eligible. State statutes require covered employees to contribute 6 percent of their annual covered salary to the IAP plan effective January 1, 2004. Deschutes County has elected to pay all of the employees' required IAP contributions. Although OPERS members retain their existing OPERS account, all current member contributions are deposited into the member's IAP account. The liability outstanding at June 30, 2023 was \$467,466 for the amount associated with the final year-end payroll and is included in the net pension liability in the Statement of Net Position.

The IAP member becomes vested on the date the employee account is established or on the date when 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.

D. Other Post-Employment Benefits (OPEB)

The other post-employment benefits for the County includes two separate plans to provide certain healthcare benefits to retirees. The first is a multi-employer, cost-sharing, defined benefit, other postemployment benefit plan administered by the Oregon Public Employees Retirement System (OPERS) known as the Retirement Health Insurance Account (RHIA). The second is a single-employer, defined benefit, post-employment healthcare plan administered by the County known as the County Plan. The RHIA plan reports a net OPEB asset, while the County Plan reports a total OPEB liability on the Statement of Net Position.

NOTE 4 - OTHER INFORMATION (Continued)

OPEB Activity and Balances for the Year Ended June 30, 2023 (RHIA & County Plan)

Category	RHIA	County Plan	Total
Total OPEB Liability	\$ -	\$ 23,033,674	\$ 23,033,674
Net OPEB Asset	1,656,597	-	1,656,597
Deferred Outflows			
Contributions subsequent to the measurement date	10,956	-	10,956
Changes in proportionate share	132,442	-	132,442
Differences between expected and actual experience	-	2,429,495	2,429,495
Changes of assumption or other inputs	12,971	2,377,236	2,390,207
Deferred Outflows - Total	156,369	4,806,731	4,963,100
Deferred Inflows			
Net difference between projected and actual earnings on investments	126,337	-	126,337
Differences between expected and actual experience	44,893	11,958,297	12,003,190
Changes of assumption or other inputs	55,219	8,345,137	8,400,356
Deferred Inflows - Total	226,449	20,303,434	20,529,883
OPEB (Income) Expenses	(106,532)	1,742,744	1,636,212

Oregon Public Employees Retirement System – Retirement Health Insurance Account (RHIA)

Plan Description

Retirement Health Insurance Account (RHIA) is a cost-sharing, multiple-employer, defined benefit, other postemployment benefit plan administered by OPERS. As a member of OPERS, the County contributes to RHIA for each of its eligible employees. RHIA pays a monthly contribution (currently \$60 per month) toward the cost of Medicare companion health insurance premiums of eligible retirees. Oregon Revised Statute (ORS) 238.420 established this trust fund. Authority to establish and amend the benefit provisions of RHIA reside with the Oregon Legislature. The Plan is closed to new entrants hired on or after August 29, 2003. OPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Oregon Public Employees Retirement System, PO Box 23700, Tigard, OR 97281-3700. The reports and other related schedules including plan assumptions, methods and plan provisions may also be found on the PERS website at <https://www.oregon.gov/pers/EMP/Pages/GASB.aspx>.

NOTE 4 – OTHER INFORMATION (Continued)

Contributions

Participating public employers are contractually required to contribute to RHIA at a rate assessed each biennium by OPERS. For fiscal year 2023, the rate is 0.06% of annual covered payroll for Tier 1/Tier 2 employees and 0.00% for OPSRP employees. The OPERS sets the net-retiree healthcare rate based on the estimated OPEB expense of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The OPEB expense represents the annual cost allocated to the current year (service cost) and the amortization of any unfunded accrued liability of the plan. The unfunded accrued liabilities are amortized over a closed period equal to the average of the expected remaining lives of all employees that are provided with OPEB through the OPEB plan (active employees and inactive employees). The County's contributions to RHIA were consistent with the net-retiree healthcare rate as charged by OPERS. The County paid \$10,956 for RHIA during fiscal year 2023.

Actuarial methods and assumptions for the RHIA plan mirror those of the PERS retirement system itself and can be found in Note 4C – Participation in Public Employees Retirement System. Healthcare cost trends are not applicable to this plan as the benefits are a fixed dollar amount per month. As presented, on June 30, 2023 (measurement date of June 30, 2022), the County's proportionate share of the RHIA plan was .46620678%. The proportionate share for each employer participating in the Plan was determined by the actuaries based upon each employer's contribution to the RHIA program during the measurement period. The County's proportionate share declined from .53423581% in the prior measurement period.

The following presents the County's proportionate share of the net OPEB liability (asset) for the RHIA calculated using the discount rate of 6.90 percent, as well as what the County's proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage point lower (5.90 percent) or 1-percentage point higher (7.90 percent) than the current rate:

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Proportionate share of net RHIA OPEB liability (asset)	\$ (1,493,060)	\$ (1,656,597)	\$ (1,796,785)

The RHIA plan assets are included in the PERS retirement system cash management efforts. Information related to the PERS Plan assets investment allocations are included in Note 4C – Participation in Public Employees Retirement System included in these financial statements.

NOTE 4 – OTHER INFORMATION (Continued)

The County’s contributions made subsequent to the measurement date will be recognized in the County’s OPEB expense in the following year. The net amount of the County’s share of the RHIA remaining deferred outflows of resources and deferred inflows of resources that will be recognized in the County’s OPEB expense in the subsequent four years in the aggregate are shown in the table below:

Subsequent Fiscal Years	Deferred Outflow/ (Inflow) of Resources (prior to post-measurement date contributions)
FY 2024	\$ 594
FY 2025	(42,367)
FY 2026	(79,724)
FY 2027	40,461
Total	\$ (81,036)

Other Post-Employment Benefits – Deschutes County Plan

Plan Description

The Deschutes County Retiree Health Plan is a single-employer defined benefit post-employment healthcare plan that provides medical benefits to eligible retired employees of Deschutes County and Deschutes County 9-1-1 Service District and their beneficiaries.

Benefits Provided

Eligibility for subsidized retiree health benefits requires retirement from the County with more than 15 years of service. Retirees with more than 15 years of service but less than 30 years of service receive a monthly County contribution towards their monthly insurance premiums until they are 65 years of age or until eligible for Medicare, in accordance with a schedule recommended by the Employee Benefit Advisory Committee (EBAC) and approved by the Board of County Commissioners. Retirees with 30 or more years of service contribute \$85 per month towards their medical insurance and \$5 per month towards their dental insurance while the County covers the remainder of the premiums. Retirees with less than 15 years of service can continue their medical coverage but must pay 100% of the premium amount.

Employees Covered by Benefit Terms

At the time of most recent valuation, June 30, 2023, there were 1,063 active employees that could be eligible for the plan. As of that date, 72 retirees and surviving spouses were insured through the County Plan. The County pays benefits as they come due. As a result, there are no assets being accumulated by the County to pay for future benefits. Resources received in excess of paying benefits as they come due are set aside for the payment of future benefits.

NOTE 4 – OTHER INFORMATION (Continued)

Actuarial Assumptions and Other Inputs

The Total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Measurement date	June 30, 2023
Valuation date	June 30, 2023
Report date	June 30, 2023
Actuarial cost method	Entry age normal
Discount rate	3.86%
Inflation	2.40%
Salary increases	3.40%
Mortality Rates	Based on SOA Mortality Tables
Healthcare cost trend rate	7.4% Trending down to 4.14% over 52 years. Applies to calendar years.

The discount rate used to measure the total OPEB liability is 3.86 percent. The County’s OPEB Plan is an unfunded plan; therefore, the discount rate was set to the rate of the tax-exempt, high-quality 20-year municipal bonds, as of the valuation date.

The actuarial cost method used in the valuation of this plan is the Entry Age Normal Method. Under this method, the actuarial present value of the projected benefits of each active employee included in the valuation is allocated on a level dollar basis over the service of the active employee between assumed Entry Age (date of hire) and assumed Exit Age(s). The portion of this actuarial present value allocated to the valuation year is called the service cost for that active employee. The sum of these individual service costs is the Plan’s Service Cost for the valuation year. The present value of benefits for current retirees plus the accumulated value of all prior service costs is the Total OPEB Liability. Under this method, the actuarial gains (losses), as they occur, reduce (increase) the Total OPEB Liability. The Deschutes County Retiree Health Plan is deemed “unfunded” in accordance with the relevant GASB statements.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the Total OPEB Liability of the plan and the annual OPEB expense of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of changes in the County’s Total OPEB Liability, presented as required supplementary information, presents trend information about whether the Total OPEB Liability is increasing or decreasing over time relative to the covered-employee payroll. The measurement date of the actuarial results presented is June 30, 2023.

NOTE 4 - OTHER INFORMATION (Continued)

Changes in Total OPEB Liability

Category	County Plan
Balance at 6/30/2022	\$ 36,176,304
Changes for the year:	
Service cost	2,517,527
Interest	824,089
Changes of benefit terms	747,321
Change in assumptions or other inputs	(5,435,049)
Differences between expected and actual experience	(10,713,350)
Benefit payments	(457,726)
Implicit subsidy credit	(625,442)
Net changes	(13,142,630)
Balance at 6/30/2023	\$ 23,033,674

Sensitivity of the Liability to Changes in the Discount Rate and Healthcare Cost Trend Rate

Changes in the discount rate affect the measurement of the total OPEB liability. Lower discount rates produce a higher total OPEB liability and higher discount rates produce a lower total OPEB liability. The following presents the total OPEB liability of the plan calculated using the discount rate of 3.86%, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.86%) or one percentage point higher (4.86%) than the current rate:

	1% Decrease (2.86%)	Current Discount Rate (3.86%)	1% Increase (4.86%)
Total OPEB Liability on June 30, 2023	\$ 24,956,254	\$ 23,033,674	\$ 21,223,469

Changes in healthcare trends also affect the measurement of the total OPEB liability. Lower healthcare trends produce a lower total OPEB liability and higher healthcare trends produce a higher total OPEB liability. The following presents the total OPEB liability of the plan, calculated using the healthcare cost trend rate of 7.40% and decreased to 4.14% over 52 years, as well as what the County's total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower (6.40%) or one percentage point higher (8.40%) than current healthcare cost trend rate:

	1% Decrease (6.40%)	Current Health Care Trend Rates (7.40%)	1% Increase (8.40%)
Total OPEB Liability on June 30, 2023	\$ 20,193,335	\$ 23,033,674	\$ 26,414,551

NOTE 4 – OTHER INFORMATION (Continued)

The County’s contributions made subsequent to the measurement date will be recognized in the County’s OPEB expense in the following year. The net amount of the County’s deferred outflows of resources and deferred inflows of resources that will be recognized in the County’s OPEB expense in the subsequent five years, and in the aggregate, are shown in the table below:

Subsequent Fiscal Years	Deferred Outflow/ (Inflow) of Resources (prior to post-measurement date contributions)
FY 2024	\$ (2,346,193)
FY 2025	(2,346,193)
FY 2026	(2,346,193)
FY 2027	(2,346,193)
FY 2028	(2,346,193)
Remaining	(3,765,738)
Total	\$ (15,496,703)

Expected Average Remaining Service Lives (EARSL)

The effects on the total pension liability of (1) changes of economic and demographic assumptions or of other inputs and (2) differences between expected and actual experience are required to be included in pension expense in a systematic and rational manner over a closed period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees), beginning in the current period. The expected average remaining service lives (EARSL) for the current period is 8.5 years.

E. Landfill Closure and Postclosure Care Costs

State and Federal laws and regulations require that the County place a final cover on its landfill sites and perform certain maintenance and monitoring functions at the sites for a minimum of 30 years after closure. In addition to operating expenses related to current activities of the landfill site, an expense provision and related liability are recognized based on the estimated future closure and postclosure care costs that will be incurred near or after the date the landfill no longer accepts waste. The recognition of the closure and postclosure care costs for Knott Landfill is based on remaining capacity of the landfill. It is estimated that the total cost for the closure and postclosure of Knott Landfill is \$26,506,641 which includes the current cost of equipment, facilities and services required to close, monitor and maintain the landfill. The postclosure costs estimated for the County’s Demo and Southwest sites are estimated at \$1,413,720 and \$1,042,965, respectively.

The amount of closure and postclosure costs to recognize each year is based on engineering estimates of capacity remaining at the landfill. By estimating the *capacity remaining* at the landfill instead of calculating the *capacity used*, based on the cubic feet of material added during the year, the County is better able to recognize the benefit of natural compression occurring within the solid waste cells.

NOTE 4 – OTHER INFORMATION (Continued)

Through June 30, 2023, \$16,171,459 has been recognized as expense and \$2,739,715 has been paid, resulting in a Closure/ Post-Closure liability of \$13,934,346 at June 30, 2023. Based on current estimated costs, an additional \$10,834,878 will be recognized as closure and postclosure expense through 2029, the date the landfill is currently projected to be filled to capacity.

For the past several years, the County has designated resources for future closure and postclosure care and it anticipates continuing to do so. The County meets the “Local Government Financial Test” which provides financial assurance as to the County’s ability to meet its financial obligations for closure and postclosure.

F. Public-Private Partnership

In April of 2023, the County entered a Public-Private Partnership (PPP) arrangement with Cascade Natural Gas Corporation (CNGC). The County currently owns and operates an active gas collection system at Knott Landfill, a solid waste facility. The Landfill Gas Sales Agreement allows for CNGC to expand the active gas collection system and connect the system to a renewable natural gas production facility in exchange for monthly payments based on the value of extracted gas. Some improvement cost made to the active gas collection system will be paid by CNGC and will be retained by the County at the end of the PPP term. No costs related to the collection system expansion were incurred as of June 30, 2023. The initial term of the agreement is 10 years from the “Commissioning Date” of the renewable natural gas production facility with the option to extend for 5-year increments.

G. Tax Abatement

As of June 30, 2023, five property tax abatement programs are administered as authorized by Oregon Revised Statutes:

Nonprofit Low-Income Rental Housing	307.541
Property for Low-income Rental	307.517 & 307.537
Enterprise Zone Businesses	285C.175
Construction in Process in an Enterprise Zone	285C.170
Solar Projects	2015 laws c. 571 (Note 3 following ORS 307.175)

Nonprofit Low-Income Rental Housing (307.541)

The Nonprofit Low-Income Rental Housing program is to encourage nonprofit organizations to help fill the need for low-income housing. The property must currently be in use as housing or may be land being held for that purpose. Qualifying nonprofit corporations must be exempt from federal income tax [Section 501(c)(3) or (4) of the Internal Revenue Code] and upon liquidation distribute remaining assets to other tax-exempt charitable organizations or the state of Oregon. When applying for the exemption, the nonprofit corporation must certify that the income level of each renter is at or below 60 percent of area median income which is determined by the State Housing Stability Council based on information from the U.S. Department of Housing and Urban Development. HB 3082 in 2015 amended the law to allow alternative definitions of low-income, up to 80 percent of area median income, for the purpose of renewing an existing application.

NOTE 4 - OTHER INFORMATION (Continued)

Property for Low-income Rental (307.517)

The intent of the Property for Low-income Rental program is to assist in providing housing equity throughout the state and reduce homelessness. Newly constructed rental housing occupied by low-income persons or property held for a reasonably short period of time for future development as low-income rental housing is exempt from property taxes for 20 years if the property is:

- Located in a city or county that adopts standards and guidelines to be used in administering applications for exemption.
- Built after the city or county adopts the state statutes.
- Approved by the city or county upon application.
- For projects requesting an exemption after October 5, 2015, any additional criteria established by the city or county prior to the application.
- Rented only to persons with income at or below 60 percent of area median income based on U.S. Department of Housing and Urban Development criteria.
- Rented at rates that reflect the full property tax reduction.

Legislation in 2015 (HB 2130) amended the law to allow cities or counties to establish reasonable maximum holding times for land designated for low-income housing development. The legislation also permitted cities or counties to elect additional qualifying criteria before granting the exemption. Legislation in 2019 (HB 2130) extended the sunset to June 30, 2029.

Enterprise Zone Businesses (285C.175)

The purpose of the Enterprise Zone Business program is to stimulate and protect economic success by providing tax incentives for employment, business, industry and commerce and by providing adequate levels of complementary assistance to community strategies for such interrelated goals as environmental protection, growth management and efficient infrastructure. Qualified real and personal property owned or leased and newly placed into service by a qualified business firm in an enterprise zone is exempt from property tax for three to five consecutive years.

A new or expanding business can qualify if the business meets all of the conditions outlined in ORS 285C.135 and 285C.200, such as applying locally for authorization prior to construction, engaging in eligible business operations, entering into a "first source" hiring agreement with local publicly funded job training providers, and increasing the number of jobs in the enterprise zone by the greater of one additional job or 10 percent. To be exempt, the property owned or leased by the business must satisfy applicable timing, location, minimum cost, and other requirements described in ORS 285C.180. Property is disqualified if used for an ineligible activity, such as retail operations, or if the business firm substantially curtails operations or closes during the exemption period. When property becomes disqualified, previously exempt taxes must be repaid.

NOTE 4 – OTHER INFORMATION (Continued)

Construction in Process in an Enterprise Zone (285C.170)

The purpose of the Construction in Process in an Enterprise Zone program is to stimulate and protect economic success by providing tax incentives for employment, business, industry, and commerce and by providing adequate levels of complementary assistance to community strategies for such interrelated goals as environmental protection, growth management and efficient infrastructure (ORS 285C.055). Property undergoing construction, addition, modification, or installation is exempt from property taxation for up to two consecutive years provided that the property satisfies all the program requirements. This exemption is effectively an extension of expenditure 2.011, Commercial Buildings Under Construction, specifically to properties that are expected to qualify for a standard enterprise zone exemption when they are completed. If a property is exempt under both 2.011 and this expenditure, the combined duration of the exemptions cannot exceed two consecutive years.

Solar Projects (2015 laws c. 571)

The intent of the Solar Projects program is to provide tax relief and tax stability to utility scale solar production property owners and developers, which subsequently encourages the development of utility scale solar production (Note 3 following ORS 307.175). Property constituting a solar project located in an unincorporated county area is exempt from property taxes when an agreement has been made between the governing body of the county and the owner of the solar project. The agreement is limited to 20 consecutive years. The last day an agreement could be made was January 1, 2022.

Tax Abatement

For the fiscal year ended June 30, 2023, the County's property tax revenues, including service districts, were abated by an estimated \$455,598 under the following programs:

Tax Abatement Program	Deschutes County	Countywide Law Enforcement District	Rual Law Enforcement District	Extension and 4-H Service District	9-1-1 County Service District	Taxes Abated
						Fiscal Year Ended June 30, 2023
Nonprofit Low-Income Rental Housing	\$ 20,032	\$ 17,265	\$ 1,601	\$ 373	\$ 5,950	\$ 45,221
Property for Low-income Rental	21,822	18,808	4,059	405	6,482	51,576
Enterprise Zone Businesses	146,233	126,035	-	2,716	43,436	318,420
Construction in Process in an Enterprise Zone	1,378	1,187	-	26	409	3,000
Solar Projects	11,155	9,614	13,094	205	3,313	37,381
Total property tax abated	<u>\$ 200,620</u>	<u>\$ 172,909</u>	<u>\$ 18,754</u>	<u>\$ 3,725</u>	<u>\$ 59,590</u>	<u>\$ 455,598</u>

For the fiscal year ended June 30, 2023, the County's property tax revenues were not impacted by tax abatement programs administered by other governments.

NOTE 4 – OTHER INFORMATION (Continued)

H. Fund Structure

The County maintains certain additional sub-funds for specific management needs. These sub-funds are consolidated into the appropriate fund for financial reporting purposes as required by generally accepted accounting principles.

Major Funds – Governmental

General Fund	Accounts for the financial operations of the County which are not accounted for in any other fund. Principal sources of revenues are property taxes and revenues from the State of Oregon and Federal government. Expenditures are primarily for general government activities including assessment, taxation, district attorney, and county clerk.
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Sub-funds of the General Fund include:

Economic Development	Loan repayment and interest revenues for loans and grants to business and not-for-profit entities.
Court Technology Reserve	Transfers in and available resources for upgrades to video arraignment equipment.
Assessor, Clerk & Tax Reserve	Transfers in and available resources for the upgrade or replacement of the assessment and taxation system for the County’s property tax activities and for Clerk’s election equipment.
Project Development	Transfers in, proceeds from sale of County lands and inter-fund rents. Resources are transferred to debt service funds and used to acquire real property for use by the County.
General County Projects	Property taxes and inter-fund charges for upgrades, remodels and major maintenance projects of existing County real property.
General Capital Reserve	Transfers in and available resources designated for construction or remodel of County-owned real property.
Community Justice, Juvenile	State grants and fees for juvenile delinquency programs within the County.
Code Abatement	Available resources for enforcement of County solid waste and sanitation codes.
Vehicle Maintenance and Replacement	Transfers from participating County funds and departments to be used for vehicle replacement and repair.

Sheriff’s Office	Revenues from Sheriff’s services and payments from Countywide and Rural Law Enforcement Districts, pursuant to intergovernmental agreements, used for public safety, including the operation of the adult jail.
Countywide Law Enforcement District (District #1)	Property taxes used to fund Sheriff’s Office countywide public safety activities, including the operation of the adult jail.
Rural Law Enforcement District (District #2)	Property taxes used to fund Sheriff’s Office public safety in rural areas.
Road	State gas tax apportionment and Federal payments for building and maintaining public roads and highways.
Road CIP	Resources from inter-fund transfers for Road’s Capital Improvement Plan.
Health Services	Fees for services, Federal and State grants for community wide health care, mental health services and counseling.
American Rescue Plan Act (ARPA)	Federal funds to be appropriated by the Board of County Commissioners in support of COVID-19 recovery.

NOTE 4 – OTHER INFORMATION (Continued)

Major Funds – Proprietary – Enterprise

Solid Waste	Fees and charges for services for the operation, maintenance, closure and postclosure monitoring of the County's sanitary landfill and transfer and recycle stations.
Fair & Expo Center	Fees and inter-fund transfers for the operation of a fair and expo center including the annual county fair.
RV Park	Charges for space rental and transfers for the operation and maintenance of the County's recreational vehicle park and debt service.

Nonmajor Governmental Funds

Special Revenue Funds

Justice Court	Fines, fees and General Fund transfers for operating a justice court.
Park Acquisition and Development	Apportionment from the State of Oregon from recreational vehicle fees.
Park Development Fees	Fees paid by developers in lieu of land donation for park development.
County School	Local taxes and Federal Forest receipts for education.
Special Transportation	Federal and State grants for public transit services.
Taylor Grazing	Federal funds administered by State for rangeland improvement.
Transient Room Tax	Lodging tax for promotion of tourism and County services.
Video Lottery	State's video lottery apportionment for grants promoting economic development.
Transient Room Tax-1%	Lodging taxes for marketing of recreational facilities.
Foreclosed Land Sales	Land sale proceeds to reimburse costs of supervision and maintenance of properties acquired through tax foreclosure.
Victims' Assistance	Grants and General Fund transfers for providing assistance to crime victims.
Law Library	State shared revenues for supporting law library services.
County Clerk Records	Fees for upgrading storage and retrieval systems.
Court Facilities	Fines and fees to provide security in the court building.
Communications System Reserve	Accumulated resources which will be used for replacement of the countywide communication system.
Community Development	Fees and charges for services for planning, building safety, education and public services.
CDD - Groundwater Partnership	Transfers for maintenance of water quality and open space and fees from developers for the protection of groundwater, including rebates for replacement of septic systems.
Newberry Neighborhood	Proceeds from land sales and grants for maintenance of water quality and open space.
GIS (Geographic Information Systems) Dedicated	Recording fees and sales for map data system.
Natural Resource Protection	Grants for the control of noxious weeds and promotion of healthy forests.
Federal Forest Title III	Federal monies for grants related to National Forest activities in Deschutes County.
Surveyor	Fees for survey measurements, plat reviews and document filing.
Public Land Corner Preservation	Fees for maintaining permanent monuments of survey corner positions.
Countywide Transportation SDC	Fees from developers and builders for upgrades and expansion of county road infrastructure.

NOTE 4 – OTHER INFORMATION (Continued)

Dog Control	Licenses, fees and donations for animal control.
Adult Parole and	Charges for services and State Department of Corrections grant for County justice program.
Statewide Transportation Improvement	State grants for public transit services.
Joint Houselessness	Revenue from State for coordinated homeless response systems.
PERS Reserve	Charges to County's operating funds and General Fund transfers to maintain a reserve to off-set increases in the cost of retirement benefits as a result of an increase in the PERS rate.
Deschutes County Road Agency	U.S Forest Service Secure Rural School funds for road construction.
Deschutes County 9-1-1 County Service District	Property taxes, charges for services and grants for operations of countywide emergency call center.
Deschutes County Extension and 4-H Service District	Property taxes for Oregon State University's Extension Service programs.

Capital Projects Fund

Campus Public Safety	Resources from inter-fund transfers for public safety campus improvements.
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Debt Service Fund

Full Faith and Credit Debt Service Fund	Long-term operating lease payments and inter-fund transfers for debt service payments on bonds and notes issued for remodel and acquisition of real property, purchase of long-lived personal property and funding of pension liability.
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Nonmajor Proprietary Funds – Internal Service Funds

Internal Service Funds

Facilities	Interfund charges for custodial, repairs and maintenance for County facilities.
Administrative Services	Interfund charges for services provided by County administration.
Board of County Commissioners	Interfund charges for services provided by the County's commissioners.
Finance	Interfund charges for services provided by Finance Department.
Finance Reserve	Interfund charges for purchase of financial software.
Legal	Interfund charges for services provided by Legal Department.
Human Resources	Interfund charges for services provided by the Human Resources Department.
Information Technology	Interfund charges for services provided by IT Department.
Information Technology Reserve	Interfund charges for future technology improvements.
Insurance	Interfund charges for general liability, property, vehicle, workers' compensation and unemployment insurance.
Health Benefits	Interfund charges for medical and dental insurance.

NOTE 4 – OTHER INFORMATION (Continued)

I. Adoption of New Standards

GASB 96 – Subscription Based Information Technology Arrangements

As of July 1, 2022, the County adopted GASB Statement No. 96, *Subscription Based Information Technology Arrangements* (SBITAs). GASB 96 requires recognition of subscription assets and liabilities for certain software licensing agreements that previously were recorded as expenditures in the fiscal year the subscriptions licensure benefits were available. As a result of implementing GASB 96, the County has increased beginning balances for subscription assets and liabilities as of July 1, 2022. The beginning balance of subscription assets, included in capital assets, was \$350,993 for Governmental Activities on the Statement of Net Position and includes \$294,608 for internal service funds. The beginning balance for subscription liabilities was \$350,993 for Governmental Activities on the Statement of Net Position and includes \$294,608 for internal service funds. There was no impact to beginning fund balance with the implementation of GASB 96.

J. Subsequent Event

Lease Agreement

On November 1, 2023, the County entered into a 118-month lease as lessee for the Health Services department’s use of a building at 2100 NE Wyatt Court in Bend, Oregon. An initial lease asset and lease payable is \$2,755,107. The County is required to make monthly fixed payments of \$21,625. Additionally, there are monthly lease payments of \$4,400 which are reasonably certain. The lease has an interest rate of 3.828% based on the County’s incremental borrowing rate. The County has two extension options for this lease, each for 60 months.

Issuance of Full Faith & Credit and Refunding Obligations

On November 16, 2023, the County entered into Full Faith & Credit and Refunding Obligations, Series 2023 for the expansion of the Deschutes County Courthouse and refunding of Full Faith and Credit, Series 2013. Bond proceeds total \$26,592,687, par amount of \$24,095,000 (\$18,700,000 for expansion and \$5,395,000 for refunding), aggregate true interest costs of 3.86%, and maturity date of June 30, 2044. Cost of issuance is \$126,286, underwriter’s discount is \$42,431 and other uses of funds is \$4,052. Future debt service requirements for Full Faith & Credit and Refunding Obligations, Series 2023 are as follows:

<u>Year of Maturity</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 275,000	\$ 588,989
2025	825,000	1,191,000
2026	870,000	1,149,750
2027	915,000	1,106,250
2028	955,000	1,060,500
2029-2033	5,555,000	4,535,250
2034-2038	7,085,000	3,001,000
2039-2043	6,185,000	1,315,250
2044	<u>1,430,000</u>	<u>71,500</u>
Total	<u>\$ 24,095,000</u>	<u>\$ 14,019,489</u>

Required Supplementary Information
For the Fiscal Year Ended June 30, 2023
Deschutes County, Oregon

Deschutes County, Oregon

Schedule of Proportionate Share of the Net Pension Liability (Asset)

Oregon Public Employees Retirement System

Last Nine Fiscal Years*

	Fiscal Year			
	2015	2016	2017	2018
Proportion of the net pension liability (asset)	0.61%	0.64%	0.62%	0.62%
Proportionate share of the net pension liability (asset)	\$ (13,913,943)	\$ 36,983,685	\$ 93,391,575	\$ 83,905,406
Covered payroll	\$ 54,795,204	\$ 57,047,593	\$ 59,420,146	\$ 62,715,717
Proportionate share of the net pension liability (asset) as a percentage of covered payroll	-25.39%	64.83%	157.17%	133.79%
Plan fiduciary net position as a percentage of the total pension liability	103.59%	91.88%	80.53%	83.12%

*The schedule is required to show information for 10 years. However, until a full 10-year trend is compiled, the information presented is for those years which information is available. The amounts presented for each fiscal year were determined as of June 30 of the previous year.

Fiscal Year

2019	2020	2021	2022	2023
0.63%	0.66%	0.64%	0.67%	0.73%
\$ 95,837,777	\$ 114,720,172	\$ 139,927,482	\$ 79,782,076	\$ 111,836,403
\$ 67,091,346	\$ 72,086,900	\$ 77,809,516	\$ 85,677,368	\$ 89,691,054
142.85%	159.14%	179.83%	93.12%	124.69%
82.07%	80.23%	75.79%	87.57%	84.55%

Deschutes County, Oregon

Schedule of Net Pension Liability (Asset) Employer Contributions

Oregon Public Employees Retirement System

Last Nine Fiscal Years*

	Fiscal Year			
	2015	2016	2017	2018
Contractually required contributions	\$ 5,258,200	\$ 5,785,558	\$ 5,971,466	\$ 8,534,158
Contributions in relation to the contractually required contribution	\$ 5,258,200	\$ 5,785,558	\$ 5,971,466	\$ 8,534,158
County's covered payroll	\$ 57,047,593	\$ 59,420,146	\$ 62,715,717	\$ 67,091,346
Contributions as a percentage of covered payroll	9.22%	9.74%	9.52%	12.72%

* The schedule is required to show information for 10 years. However, until a full 10-year trend is compiled, the information presented is for those years which information is available. The amounts presented for each fiscal year were determined as of June 30 of the previous year.

Fiscal Year

2019	2020	2021	2022	2023
\$ 9,182,373	\$ 14,075,061	\$ 13,817,681	\$ 14,841,836	\$ 16,551,130
\$ 9,182,373	\$ 14,075,061	\$ 13,817,681	\$ 14,841,836	\$ 16,551,130
\$ 72,086,900	\$ 77,809,516	\$ 85,677,368	\$ 89,691,054	\$ 100,826,363
12.74%	18.09%	16.13%	16.55%	16.42%

Deschutes County, Oregon
Schedule of Changes in the County's Total OPEB Liability
 Deschutes County Plan
 Last Six Fiscal Years*

	Fiscal Year					
	2018	2019	2020	2021	2022	2023
Service cost	\$ 1,756,755	\$ 1,339,312	\$ 1,386,188	\$ 2,350,138	\$ 2,432,393	\$ 2,517,527
Interest	1,152,108	1,184,266	849,681	549,528	726,383	824,089
Changes of assumptions and other inputs	-	(11,017,853)	-	6,445,394	-	(15,401,078)
Benefit payments	<u>(1,428,996)</u>	<u>(1,079,974)</u>	<u>(1,050,615)</u>	<u>(1,092,103)</u>	<u>(1,222,595)</u>	<u>(1,083,168)</u>
Net change in OPEB liability	1,479,867	(9,574,249)	1,185,254	8,252,957	1,936,181	(13,142,630)
Total OPEB liability - beginning	<u>32,896,294</u>	<u>34,376,161</u>	<u>24,801,912</u>	<u>25,987,166</u>	<u>34,240,123</u>	<u>36,176,304</u>
Total OPEB liability - ending	<u>\$ 34,376,161</u>	<u>\$ 24,801,912</u>	<u>\$ 25,987,166</u>	<u>\$ 34,240,123</u>	<u>\$ 36,176,304</u>	<u>\$ 23,033,674</u>
Covered-employee payroll	\$ 65,409,667	\$ 69,941,231	\$ 72,389,174	\$ 85,677,368	\$ 89,691,054	\$ 100,826,363
Total OPEB liability as a percentage of payroll	52.6%	35.5%	35.9%	40.0%	40.3%	22.8%

* The schedule is required to show information for 10 years. However, until a full 10-year trend is compiled, the information presented is for those years which information is available.

Deschutes County, Oregon

Schedule of the Proportionate Share of the Net OPEB Liability (Asset)

Oregon Public Employees Retirement System (OPEB-RHIA Component)

Last Seven Fiscal Years*

	Fiscal Year						
	2017	2018	2019	2020	2021	2022	2023
Proportion of the net OPEB liability (asset)	0.62%	0.61%	0.63%	0.66%	0.59%	0.53%	0.47%
Proportionate share of the net OPEB liability (asset)	\$ 167,543	\$ (252,752)	\$ (707,109)	\$ (1,270,129)	\$ (1,204,828)	\$ (1,834,569)	\$ (1,656,597)
Covered payroll	\$ 59,447,651	\$ 62,728,445	\$ 67,106,755	\$ 72,086,900	\$ 77,809,516	\$ 85,677,368	\$ 89,691,054
Proportionate share of the net OPEB liability (asset) as a percentage of covered payroll	0.28%	-0.40%	-1.05%	-1.76%	-1.55%	-2.14%	-1.85%
Plan fiduciary net position as a percentage of the total OPEB liability	94.15%	108.88%	123.99%	144.36%	150.07%	183.86%	194.66%

* Schedule is intended to show information for 10 years. Additional years will be displayed as they become available. The amounts presented for each fiscal year were determined as of June 30 of the previous year.

Deschutes County, Oregon

Schedule of Net OPEB Liability (Asset) Employer Contributions

Oregon Public Employees Retirement System (OPEB-RHIA Component)

Last Seven Fiscal Years*

	Fiscal Year						
	2017	2018	2019	2020	2021	2022	2023
Contractually required contribution	\$ 301,513	\$ 304,046	\$ 325,768	\$ 42,226	\$ 14,294	\$ 11,491	\$ 10,956
Contributions in relation to the contractually required contribution	\$ 301,513	\$ 304,046	\$ 325,768	\$ 42,226	\$ 14,294	\$ 11,491	\$ 10,956
County's covered payroll	\$ 62,728,445	\$ 67,106,755	\$ 72,086,900	\$ 77,809,516	\$ 85,677,368	\$ 89,691,054	\$ 100,826,363
Contributions as a percentage of covered payroll	0.48%	0.45%	0.45%	0.05%	0.02%	0.01%	0.01%

* Schedule is intended to show information for 10 years. Additional years will be displayed as they become available. The amounts presented for each fiscal year were determined as of June 30 of the current year.

Deschutes County, Oregon

General FundSchedule of Revenues, Expenditures and Changes In Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ 2,612,190	\$ 2,612,190	\$ 1,783,004	\$ (829,186)
Intergovernmental	4,363,380	5,917,395	5,900,050	(17,345)
Investment earnings	109,175	109,175	354,100	244,925
Licenses and permits	33,775	33,775	36,530	2,755
Taxes - property	34,800,173	34,800,173	34,961,150	160,977
Transfers in	<u>260,000</u>	<u>260,000</u>	<u>260,439</u>	<u>439</u>
Total revenues	<u>42,178,693</u>	<u>43,732,708</u>	<u>43,295,273</u>	<u>(437,435)</u>
EXPENDITURES				
Current:				
General Government Assessor	5,910,478	5,910,478	5,399,843	510,635
General Government Board of Property Tax Appeal	87,177	92,179	82,489	9,690
General Government Clerk and Elections	2,432,710	2,432,710	2,098,659	334,051
General Government Non-Departmental	1,445,256	2,260,456	2,237,744	22,712
General Government Property Management	508,359	508,359	418,432	89,927
General Government Tax Office	905,262	905,262	834,177	71,085
Health and Welfare Veterans' Services	780,264	809,389	758,902	50,487
Public Safety District Attorney	10,153,207	10,979,838	10,906,690	73,148
Public Safety Medical Examiner	438,702	438,702	320,659	118,043
Not allocated to organizational units:				
Contingency	11,474,637	11,239,637	-	11,239,637
Transfers out	<u>21,018,359</u>	<u>21,131,416</u>	<u>20,150,477</u>	<u>980,939</u>
Total expenditures	<u>55,154,411</u>	<u>56,708,426</u>	<u>43,208,072</u>	<u>13,500,354</u>
Net change in fund balances	(12,975,718)	(12,975,718)	87,201	13,062,919
Fund balances, budget basis - beginning of year	<u>12,975,718</u>	<u>12,975,718</u>	<u>13,897,134</u>	<u>921,416</u>
Fund balances, budget basis - end of year	<u>\$ -</u>	<u>\$ -</u>	13,984,335	<u>\$ 13,984,335</u>
Unrealized gain (loss) on investments			(558,253)	
Economic Development			371,549	
Court Technology Reserve			184,746	
Assessment, Taxation & Clerk Reserve			1,635,561	
Project Development			2,598,398	
General County Projects			1,413,163	
General Capital Reserve			5,373,652	
Community Justice Juvenile			1,475,483	
Code Abatement			118,173	
Vehicle Maintenance & Replacement			<u>2,149,696</u>	
Fund balances, GAAP basis - end of year			<u>\$ 28,746,503</u>	

The notes to the required supplementary information are an integral part of this schedule.

Deschutes County, Oregon

Sheriff's OfficeSchedule of Revenues, Expenditures And Changes In Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Charges for services	\$ 447,332	\$ 447,332	\$ 637,354	\$ 190,022
Contributions and donations	48,115	48,115	90,439	42,324
Fines, forfeitures and penalties	154,500	154,500	203,851	49,351
Intergovernmental	55,277,473	56,064,473	53,441,381	(2,623,092)
Investment earnings	1,526	1,526	24,596	23,070
Licenses and permits	250,000	250,000	425,263	175,263
Other	1,000	1,000	101,725	100,725
Transfers in	3,721,787	3,721,787	3,721,787	-
Total revenues	<u>59,901,733</u>	<u>60,688,733</u>	<u>58,646,396</u>	<u>(2,042,337)</u>
EXPENDITURES				
Current:				
Public safety	59,628,533	60,415,533	58,373,718	2,041,815
Not allocated to organizational units:				
Transfers out	<u>273,200</u>	<u>273,200</u>	<u>272,678</u>	<u>522</u>
Total expenditures	<u>59,901,733</u>	<u>60,688,733</u>	<u>58,646,396</u>	<u>2,042,337</u>
Net change in fund balances	-	-	-	-
Fund balances, budget basis - beginning of year	-	-	-	-
Fund balances, budget basis - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Unrealized gain (loss) on investments			(71,571)	
Revenue recognized on GAAP basis, not budgetary basis			114,929	
Unavailable revenue - services provided			<u>(43,358)</u>	
Fund balances, GAAP basis - end of year			<u>\$ -</u>	

The notes to the required supplementary information are an integral part of this schedule.

Deschutes County, Oregon

Countywide Law Enforcement County DistrictSchedule of Revenues, Expenditures And Changes In Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investment earnings	\$ 89,119	\$ 89,119	\$ 283,971	\$ 194,852
Taxes - property	30,612,049	30,612,049	30,701,745	89,696
Total revenues	<u>30,701,168</u>	<u>30,701,168</u>	<u>30,985,716</u>	<u>284,548</u>
EXPENDITURES				
Current:				
Public safety	37,363,328	37,363,328	35,271,648	2,091,680
Not allocated to organizational units:				
Contingency	<u>6,516,361</u>	<u>6,516,361</u>	-	<u>6,516,361</u>
Total expenditures	<u>43,879,689</u>	<u>43,879,689</u>	<u>35,271,648</u>	<u>8,608,041</u>
Net change in fund balances	(13,178,521)	(13,178,521)	(4,285,932)	8,892,589
Fund balances, budget basis - beginning of year	<u>13,178,521</u>	<u>13,178,521</u>	<u>13,814,132</u>	<u>635,611</u>
Fund balances, budget basis - end of year	<u>\$ -</u>	<u>\$ -</u>	9,528,200	<u>\$ 9,528,200</u>
Unrealized gain (loss) on investments			(300,652)	
Expenditure recognized on GAAP basis, not budgetary basis			<u>(99,655)</u>	
Fund balances, GAAP basis - end of year			<u>\$ 9,127,893</u>	

The notes to the required supplementary information are an integral part of this schedule.

Deschutes County, Oregon

Rural Law Enforcement County DistrictSchedule of Revenues, Expenditures And Changes In Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investment earnings	\$ 22,716	\$ 22,716	\$ 73,353	\$ 50,637
Taxes - property	13,545,541	13,545,541	13,519,679	(25,862)
Total revenues	<u>13,568,257</u>	<u>13,568,257</u>	<u>13,593,032</u>	<u>24,775</u>
EXPENDITURES				
Current:				
Public safety	14,295,988	14,295,988	13,558,980	737,008
Not allocated to organizational units:				
Contingency	<u>508,289</u>	<u>508,289</u>	-	508,289
Total expenditures	<u>14,804,277</u>	<u>14,804,277</u>	<u>13,558,980</u>	<u>1,245,297</u>
Net change in fund balances	(1,236,020)	(1,236,020)	34,052	1,270,072
Fund balances, budget basis - beginning of year	<u>1,236,020</u>	<u>1,236,020</u>	<u>1,438,962</u>	<u>202,942</u>
Fund balances, budget basis - end of year	<u>\$ -</u>	<u>\$ -</u>	1,473,014	<u>\$ 1,473,014</u>
Unrealized gain (loss) on investments			(46,081)	
Expenditure recognized on GAAP basis, not budgetary basis			<u>(15,274)</u>	
Fund balances, GAAP basis - end of year			<u>\$ 1,411,659</u>	

The notes to the required supplementary information are an integral part of this schedule.

Deschutes County, Oregon

RoadSchedule of Revenues, Expenditures And Changes In Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ 1,809,300	\$ 1,809,300	\$ 1,675,788	\$ (133,512)
Fines, forfeitures and penalties	5,000	5,000	5,295	295
Intergovernmental	23,019,380	23,019,380	23,905,209	885,829
Investment earnings	89,697	89,697	223,038	133,341
Loan repayments	-	-	3,924	3,924
Rentals	1,210	1,210	1,339	129
Transfers in	2,551,415	2,551,415	2,551,415	-
Total revenues	<u>27,476,002</u>	<u>27,476,002</u>	<u>28,366,008</u>	<u>890,006</u>
EXPENDITURES				
Current:				
County roads	19,852,284	19,852,284	16,005,897	3,846,387
Not allocated to organizational units:				
Contingency	6,594,162	6,594,162	-	6,594,162
Transfers out	12,330,136	12,330,136	12,330,136	-
Total expenditures	<u>38,776,582</u>	<u>38,776,582</u>	<u>28,336,033</u>	<u>10,440,549</u>
Net change in fund balances	(11,300,580)	(11,300,580)	29,975	11,330,555
Fund balances, budget basis - beginning of year	<u>11,300,580</u>	<u>11,300,580</u>	<u>13,424,989</u>	<u>2,124,409</u>
Fund balances, budget basis - end of year	<u>\$ -</u>	<u>\$ -</u>	13,454,964	<u>\$ 13,454,964</u>
Unrealized gain (loss) on investments			(534,451)	
Inventory			2,653,108	
Unavailable revenue - services provided			<u>(96,938)</u>	
Fund balances, GAAP basis - end of year			<u>\$ 15,476,683</u>	

The notes to the required supplementary information are an integral part of this schedule.

Deschutes County, Oregon

Health ServicesSchedule of Revenues, Expenditures And Changes In Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ 3,402,165	\$ 3,402,165	\$ 4,613,612	\$ 1,211,447
Contributions and donations	693,214	840,809	785,589	(55,220)
Fines, forfeitures and penalties	-	-	8,000	8,000
Intergovernmental	43,033,454	53,693,144	55,533,705	1,840,561
Investment earnings	183,774	183,774	636,687	452,913
Licenses and permits	180,130	180,130	70,338	(109,792)
Rentals	8,000	8,000	4,585	(3,415)
Transfers in	8,500,248	8,500,248	6,412,771	(2,087,477)
Total revenues	<u>56,000,985</u>	<u>66,808,270</u>	<u>68,065,287</u>	<u>1,257,017</u>
EXPENDITURES				
Current:				
Health and welfare	61,823,257	71,703,733	63,586,244	8,117,489
Not allocated to organizational units:				
Contingency	5,329,416	6,005,519	-	6,005,519
Transfers out	<u>1,715,182</u>	<u>2,892,467</u>	<u>907,748</u>	<u>1,984,719</u>
Total expenditures	<u>68,867,855</u>	<u>80,601,719</u>	<u>64,493,992</u>	<u>16,107,727</u>
Net change in fund balances	(12,866,870)	(13,793,449)	3,571,295	17,364,744
Fund balances, budget basis - beginning of year	<u>25,668,617</u>	<u>25,668,617</u>	<u>28,696,311</u>	<u>3,027,694</u>
Fund balances, budget basis - end of year	<u>\$ 12,801,747</u>	<u>\$ 11,875,168</u>	32,267,606	<u>\$ 20,392,438</u>
Receivables not recognized on budgetary basis			244,249	
Unrealized gain (loss) on investments			(1,265,865)	
Unavailable revenue - services provided			<u>(1,081,124)</u>	
Fund balances, GAAP basis - end of year			<u>\$ 30,164,866</u>	

The notes to the required supplementary information are an integral part of this schedule.

Deschutes County, Oregon

American Rescue Plan ActSchedule of Revenues, Expenditures And Changes In Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 14,662,784	\$ 14,662,784
Investment earnings	105,186	105,186	293,106	187,920
Total revenues	<u>105,186</u>	<u>105,186</u>	<u>14,955,890</u>	<u>14,850,704</u>
EXPENDITURES				
Current:				
General government	<u>23,129,361</u>	<u>23,129,361</u>	<u>14,662,782</u>	<u>8,466,579</u>
Total expenditures	<u>23,129,361</u>	<u>23,129,361</u>	<u>14,662,782</u>	<u>8,466,579</u>
Net change in fund balances	(23,024,175)	(23,024,175)	293,108	23,317,283
Fund balances, budget basis - beginning of year	<u>23,024,175</u>	<u>23,024,175</u>	<u>108,098</u>	<u>(22,916,077)</u>
Fund balances, budget basis - end of year	<u>\$ -</u>	<u>\$ -</u>	401,206	<u>\$ 401,206</u>
Unrealized gain (loss) on investments			<u>(397,508)</u>	
Fund balances, GAAP basis - end of year			<u>\$ 3,698</u>	

The notes to the required supplementary information are an integral part of this schedule.

Deschutes County, Oregon
Notes to Required Supplementary Information
June 30, 2023

NOTE 1 – ADJUSTMENTS FROM BUDGETARY BASIS OF ACCOUNTING TO GAAP

The County has certain governmental funds maintained for budgetary purposes that do not meet the definition of Special Revenue Funds for GAAP reporting purposes. At year-end, the ending fund balances for each of these funds are combined with the General Fund.

Additional adjustments made from the Budgetary Basis of Accounting to GAAP include the recognition of unrealized gain/loss on investments, recognition of receivables on GAAP basis (i.e. collections on short-term receivables, not shown in budget basis), exclusion of receivables from budgetary basis (i.e. grant revenue excluded by GAAP due to timing of the award), recognition of unavailable revenue on GAAP basis (i.e. revenue included in budget basis, not collected in 60 days), and the consumption of inventories.

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

The Board of County Commissioners adopts a resolution authorizing appropriations, which establishes the level by which expenditures cannot lawfully exceed appropriations. Within the General Fund, legal appropriations are established at the department-level for programmatic appropriation (i.e. personnel services, materials & services, and capital outlay) with the remaining appropriation allocated against the fund, in its entirety, as debt service, transfers to other funds, and contingency. Remaining County funds are not appropriated by department-level, instead each fund is legally authorized appropriations against programmatic, debt service, special payments, transfers to other funds, and contingency.

NOTE 3 – PENSION PLAN SEPARATELY ISSUED REPORT – OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM

Information concerning the State of Oregon Public Employee Retirement System's fiduciary performance can be found at www.oregon.gov/pers.

NOTE 4 – OTHER POST EMPLOYMENT BENEFIT SEPARATELY ISSUED REPORT – RHIA

Information concerning the State of Oregon Public Employee Retirement System Retiree Health Insurance Account's (RHIA's) fiduciary performance can be found at www.oregon.gov/pers.

Other Supplementary Information
For the Fiscal Year Ended June 30, 2023
Deschutes County, Oregon



Combining and Individual Funds Statements
and Schedules – Major Governmental Funds
and Sub-Funds – General Fund
For the Fiscal Year Ended June 30, 2023
Deschutes County, Oregon

Deschutes County, Oregon
Combining Balance Sheet
 General Fund and Sub-Funds of General Fund
 June 30, 2023

	General Fund Operations	Economic Development	Court Technology Reserve	Assessor, Clerk and Tax Reserve	Project Development
ASSETS					
Cash and cash equivalents	\$ 2,236,996	\$ 42,724	\$ 24,405	\$ 216,061	\$ 341,889
Investments, at fair value; plus accrued interest	14,683,852	280,688	160,341	1,419,500	2,246,174
Taxes receivable	574,538	-	-	-	-
Accounts receivable	802,995	-	-	-	480
Notes and contracts receivable	100,000	48,137	-	-	242,632
Lease receivable	-	-	-	-	394,639
Due from other funds	129,811	-	-	-	-
Total assets	\$ 18,528,192	\$ 371,549	\$ 184,746	\$ 1,635,561	\$ 3,225,814
LIABILITIES					
Accounts payable and other current liabilities	\$ 1,262,253	\$ -	\$ -	\$ -	\$ 400
Payroll liabilities	2,355,812	-	-	-	-
Deposits	23,154	-	-	-	4,560
Unearned revenue	840,355	-	-	-	-
Total liabilities	4,481,574	-	-	-	4,960
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	520,536	-	-	-	-
Unavailable revenue - contracts of sale	100,000	-	-	-	243,112
Unavailable revenue - leases	-	-	-	-	379,344
Total deferred inflows of resources	620,536	-	-	-	622,456
FUND BALANCES					
Nonspendable	-	46,213	-	-	-
Committed	-	325,336	-	-	-
Assigned	-	-	184,746	1,635,561	2,598,398
Unassigned	13,426,082	-	-	-	-
Total fund balances	13,426,082	371,549	184,746	1,635,561	2,598,398
Total liabilities, deferred inflows of resources and fund balances	\$ 18,528,192	\$ 371,549	\$ 184,746	\$ 1,635,561	\$ 3,225,814

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

General County Projects	General County Reserve	Community Justice Juvenile	Code Abatement	Vehicle Maintenance & Replacement	Total
\$ 199,725	\$ 709,871	\$ 214,745	\$ 15,611	\$ 284,637	\$ 4,286,664
1,312,177	4,663,781	1,410,193	102,562	1,870,038	28,149,306
17,711	-	-	-	-	592,249
-	-	119,615	-	-	923,090
-	-	-	-	-	390,769
-	-	-	-	-	394,639
-	-	-	-	-	129,811
<u>\$ 1,529,613</u>	<u>\$ 5,373,652</u>	<u>\$ 1,744,553</u>	<u>\$ 118,173</u>	<u>\$ 2,154,675</u>	<u>\$ 34,866,528</u>
\$ 100,359	\$ -	\$ 116,031	\$ -	\$ 4,979	\$ 1,484,022
-	-	153,039	-	-	2,508,851
-	-	-	-	-	27,714
-	-	-	-	-	840,355
<u>100,359</u>	<u>-</u>	<u>269,070</u>	<u>-</u>	<u>4,979</u>	<u>4,860,942</u>
16,091	-	-	-	-	536,627
-	-	-	-	-	343,112
-	-	-	-	-	379,344
<u>16,091</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,259,083</u>
-	-	-	-	-	46,213
-	5,373,652	-	-	-	5,698,988
1,413,163	-	1,475,483	118,173	2,149,696	9,575,220
-	-	-	-	-	13,426,082
<u>1,413,163</u>	<u>5,373,652</u>	<u>1,475,483</u>	<u>118,173</u>	<u>2,149,696</u>	<u>28,746,503</u>
<u>\$ 1,529,613</u>	<u>\$ 5,373,652</u>	<u>\$ 1,744,553</u>	<u>\$ 118,173</u>	<u>\$ 2,154,675</u>	<u>\$ 34,866,528</u>

Deschutes County, Oregon

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances

General Fund and Sub-Funds of General Fund

For the Fiscal Year Ended June 30, 2023

	General Fund Operations	Economic Development	Court Technology Reserve	Assessment, Clerk & Tax Reserve	Project Development
REVENUES					
Taxes - property	\$ 34,961,150	\$ -	\$ -	\$ -	\$ -
Licenses and permits	36,530	-	-	-	-
Fines, forfeitures and penalties	-	-	-	-	-
Investment earnings (losses)	294,703	10,289	1,815	20,682	36,244
Rents	-	-	-	-	726,303
Intergovernmental	5,900,050	1,925	-	-	-
Charges for services	1,783,004	-	-	-	16,219
Contributions and donations	-	-	-	-	-
Payments on contracts of sale	-	-	-	-	846,098
Other	-	-	-	-	-
Total revenues	42,975,437	12,214	1,815	20,682	1,624,864
EXPENDITURES					
Current:					
General government	11,049,164	20,500	4,605	-	173,586
Public safety	11,227,350	-	-	-	-
Health and welfare	758,902	-	-	-	-
Capital outlay	77,018	-	-	-	574,495
Total expenditures	23,112,434	20,500	4,605	-	748,081
Excess (deficiency) of revenues over expenditures	19,863,003	(8,286)	(2,790)	20,682	876,783
OTHER FINANCING SOURCES (USES)					
Proceeds from leases	54,838	-	-	-	-
Inter-fund:					
Transfers in	260,439	-	-	-	-
Transfers out	(8,440,119)	-	-	-	(718,971)
Intra-fund:					
Transfers in	-	-	32,000	120,000	-
Transfers out	(11,710,358)	-	-	-	-
Total other financing sources (uses)	(19,835,200)	-	32,000	120,000	(718,971)
Net change in fund balances	27,803	(8,286)	29,210	140,682	157,812
Fund balances - beginning of year	13,398,279	379,835	155,536	1,494,879	2,440,586
Fund balances - end of year	\$ 13,426,082	\$ 371,549	\$ 184,746	\$ 1,635,561	\$ 2,598,398

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

General County Projects	General County Reserve	Community Justice Juvenile	Code Abatement	Vehicle Maintenance & Replacement	Total
\$ 1,090,858	\$ -	\$ -	\$ -	\$ -	\$ 36,052,008
-	-	-	-	-	36,530
-	-	-	3,042	-	3,042
779	137,475	18,325	1,684	34,524	556,520
-	-	90,228	-	-	816,531
-	-	787,593	-	-	6,689,568
65,695	3,521,986	143,545	-	-	5,530,449
-	-	123	-	-	123
-	-	-	-	-	846,098
-	-	-	-	27,656	27,656
<u>1,157,332</u>	<u>3,659,461</u>	<u>1,039,814</u>	<u>4,726</u>	<u>62,180</u>	<u>50,558,525</u>
1,010,241	-	-	-	207,791	12,465,887
-	-	7,390,878	-	-	18,618,228
-	-	-	-	-	758,902
13,080	-	106,487	-	468,990	1,240,070
<u>1,023,321</u>	<u>-</u>	<u>7,497,365</u>	<u>-</u>	<u>676,781</u>	<u>33,083,087</u>
<u>134,011</u>	<u>3,659,461</u>	<u>(6,457,551)</u>	<u>4,726</u>	<u>(614,601)</u>	<u>17,475,438</u>
-	-	-	-	-	54,838
-	-	-	-	541,934	802,373
-	(9,450,444)	-	-	-	(18,609,534)
500,000	4,983,197	6,529,064	-	122,164	12,286,425
-	(500,000)	(76,067)	-	-	(12,286,425)
<u>500,000</u>	<u>(4,967,247)</u>	<u>6,452,997</u>	<u>-</u>	<u>664,098</u>	<u>(17,752,323)</u>
634,011	(1,307,786)	(4,554)	4,726	49,497	(276,885)
779,152	6,681,438	1,480,037	113,447	2,100,199	29,023,388
<u>\$ 1,413,163</u>	<u>\$ 5,373,652</u>	<u>\$ 1,475,483</u>	<u>\$ 118,173</u>	<u>\$ 2,149,696</u>	<u>\$ 28,746,503</u>

Deschutes County, Oregon

Economic Development (Sub-Fund of General Fund)Schedule of Revenues, Expenditures And Changes In Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investment earnings	\$ 1,065	\$ 1,065	\$ 11,224	\$ 10,159
Loan repayments	26,109	26,109	34,479	8,370
Total revenues	<u>27,174</u>	<u>27,174</u>	<u>45,703</u>	<u>18,529</u>
EXPENDITURES				
Current:				
General government	<u>282,648</u>	<u>282,648</u>	<u>20,500</u>	<u>262,148</u>
Total expenditures	<u>282,648</u>	<u>282,648</u>	<u>20,500</u>	<u>262,148</u>
Net change in fund balances	(255,474)	(255,474)	25,203	280,677
Fund balances, budget basis - beginning of year	<u>255,474</u>	<u>255,474</u>	<u>308,799</u>	<u>53,325</u>
Fund balances, budget basis - end of year	<u>\$ -</u>	<u>\$ -</u>	334,002	<u>\$ 334,002</u>
Notes and contracts receivable recognized under GAAP			48,137	
Unrealized gain (loss) on investments			<u>(10,590)</u>	
Fund balances, GAAP basis - end of year			<u>\$ 371,549</u>	

Deschutes County, Oregon

Court Technology Reserve (Sub-Fund of General Fund)Schedule of Revenues, Expenditures And Changes In Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investment earnings	\$ 809	\$ 809	\$ 2,844	\$ 2,035
Transfers in	32,000	32,000	32,000	-
Total revenues	<u>32,809</u>	<u>32,809</u>	<u>34,844</u>	<u>2,035</u>
EXPENDITURES				
Current:				
General government	<u>158,352</u>	<u>158,352</u>	<u>4,605</u>	<u>153,747</u>
Total expenditures	<u>158,352</u>	<u>158,352</u>	<u>4,605</u>	<u>153,747</u>
Net change in fund balances	(125,543)	(125,543)	30,239	155,782
Fund balances, budget basis - beginning of year	<u>125,543</u>	<u>125,543</u>	<u>160,556</u>	<u>35,013</u>
Fund balances, budget basis - end of year	<u>\$ -</u>	<u>\$ -</u>	190,795	<u>\$ 190,795</u>
Unrealized gain (loss) on investments			<u>(6,049)</u>	
Fund balances, GAAP basis - end of year			<u>\$ 184,746</u>	

Deschutes County, Oregon

Assessor, Clerk and Tax Reserve (Sub-Fund of General Fund)Schedule of Revenues, Expenditures And Changes In Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investment earnings	\$ 8,441	\$ 8,441	\$ 25,988	\$ 17,547
Transfers in	120,000	120,000	120,000	-
Total revenues	<u>128,441</u>	<u>128,441</u>	<u>145,988</u>	<u>17,547</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	128,441	128,441	145,988	17,547
Fund balances, budget basis - beginning of year	<u>1,542,204</u>	<u>1,542,204</u>	<u>1,543,128</u>	<u>924</u>
Fund balances, budget basis - end of year	<u>\$ 1,670,645</u>	<u>\$ 1,670,645</u>	\$ 1,689,116	<u>\$ 18,471</u>
Unrealized gain (loss) on investments			<u>(53,555)</u>	
Fund balances, GAAP basis - end of year			<u>\$ 1,635,561</u>	

Deschutes County, Oregon

Project Development (Sub-Fund of General Fund)Schedule of Revenues, Expenditures And Changes In Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ 12,000	\$ 12,000	\$ 16,218	\$ 4,218
Investment earnings	12,845	12,845	41,757	28,912
Payments on contracts of sale	959,063	959,063	846,098	(112,965)
Rentals	745,403	745,403	723,262	(22,141)
Total revenues	<u>1,729,311</u>	<u>1,729,311</u>	<u>1,627,335</u>	<u>(101,976)</u>
EXPENDITURES				
Current:				
General government	3,312,916	3,312,916	748,081	2,564,835
Not allocated to organizational units:				
Transfers out	<u>1,021,496</u>	<u>1,021,496</u>	<u>718,971</u>	<u>302,525</u>
Total expenditures	<u>4,334,412</u>	<u>4,334,412</u>	<u>1,467,052</u>	<u>2,867,360</u>
Net change in fund balances	(2,605,101)	(2,605,101)	160,283	2,765,384
Fund balances, budget basis - beginning of year	<u>2,605,101</u>	<u>2,605,101</u>	<u>2,507,565</u>	<u>(97,536)</u>
Fund balances, budget basis - end of year	<u>\$ -</u>	<u>\$ -</u>	2,667,848	<u>\$ 2,667,848</u>
Unrealized gain (loss) on investments			(84,745)	
Lease receivable			394,639	
Unavailable lease revenue			<u>(379,344)</u>	
Fund balances, GAAP basis - end of year			<u>\$ 2,598,398</u>	

Deschutes County, Oregon

General County Projects (Sub-Fund of General Fund)Schedule of Revenues, Expenditures And Changes In Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ 58,000	\$ 58,000	\$ 65,696	\$ 7,696
Investment earnings	5,695	5,695	22,390	16,695
Taxes - property	1,074,995	1,074,995	1,090,858	15,863
Transfers in	500,000	500,000	500,000	-
Total revenues	<u>1,638,690</u>	<u>1,638,690</u>	<u>1,678,944</u>	<u>40,254</u>
EXPENDITURES				
Current:				
General government	2,064,369	2,064,369	1,023,321	1,041,048
Not allocated to organizational units:				
Contingency	<u>208,167</u>	<u>208,167</u>	-	<u>208,167</u>
Total expenditures	<u>2,272,536</u>	<u>2,272,536</u>	<u>1,023,321</u>	<u>1,249,215</u>
Net change in fund balances	(633,846)	(633,846)	655,623	1,289,469
Fund balances, budget basis - beginning of year	<u>633,846</u>	<u>633,846</u>	<u>807,046</u>	<u>173,200</u>
Fund balances, budget basis - end of year	<u>\$ -</u>	<u>\$ -</u>	1,462,669	<u>\$ 1,462,669</u>
Unrealized gain (loss) on investments			<u>(49,506)</u>	
Fund balances, GAAP basis - end of year			<u>\$ 1,413,163</u>	

Deschutes County, Oregon

General County Reserve (Sub-Fund of General Fund)Schedule of Revenues, Expenditures And Changes In Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ 3,521,987	\$ 3,521,987	\$ 3,521,987	\$ -
Investment earnings	51,195	51,195	97,781	46,586
Transfers in	4,983,197	4,983,197	4,983,197	-
Total revenues	<u>8,556,379</u>	<u>8,556,379</u>	<u>8,602,965</u>	<u>46,586</u>
EXPENDITURES				
Current:				
General government	5,506,783	5,506,783	-	5,506,783
Not allocated to organizational units:				
Transfers out	<u>9,950,444</u>	<u>9,950,444</u>	<u>9,950,444</u>	<u>-</u>
Total expenditures	<u>15,457,227</u>	<u>15,457,227</u>	<u>9,950,444</u>	<u>5,506,783</u>
Net change in fund balances	(6,900,848)	(6,900,848)	(1,347,479)	5,553,369
Fund balances, budget basis - beginning of year	<u>6,900,848</u>	<u>6,900,848</u>	<u>6,897,088</u>	<u>(3,760)</u>
Fund balances, budget basis - end of year	<u>\$ -</u>	<u>\$ -</u>	5,549,609	<u>\$ 5,549,609</u>
Unrealized gain (loss) on investments			<u>(175,957)</u>	
Fund balances, GAAP basis - end of year			<u>\$ 5,373,652</u>	

Deschutes County, Oregon

Community Justice - Juvenile (Sub-Fund of General Fund)Schedule of Revenues, Expenditures And Changes In Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ 64,000	\$ 64,000	\$ 143,545	\$ 79,545
Contributions and donations	6,500	6,500	123	(6,377)
Intergovernmental	846,888	846,888	787,593	(59,295)
Investment earnings	6,815	6,815	29,441	22,626
Rentals	86,000	86,000	90,228	4,228
Transfers in	6,529,064	6,529,064	6,529,064	-
Total revenues	<u>7,539,267</u>	<u>7,539,267</u>	<u>7,579,994</u>	<u>40,727</u>
EXPENDITURES				
Current:				
Public safety	7,928,538	7,928,538	7,497,365	431,173
Not allocated to organizational units:				
Contingency	634,663	634,663	-	634,663
Transfers out	<u>76,067</u>	<u>76,067</u>	<u>76,067</u>	<u>-</u>
Total expenditures	<u>8,639,268</u>	<u>8,639,268</u>	<u>7,573,432</u>	<u>1,065,836</u>
Net change in fund balances	(1,100,001)	(1,100,001)	6,562	1,106,563
Fund balances, budget basis - beginning of year	<u>1,100,001</u>	<u>1,100,001</u>	<u>1,522,125</u>	<u>422,124</u>
Fund balances, budget basis - end of year	<u>\$ -</u>	<u>\$ -</u>	1,528,687	<u>\$ 1,528,687</u>
Unrealized gain (loss) on investments			<u>(53,204)</u>	
Fund balances, GAAP basis - end of year			<u>\$ 1,475,483</u>	

Deschutes County, Oregon

Code Abatement (Sub-Fund of General Fund)Schedule of Revenues, Expenditures And Changes In Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Fines, forfeitures and penalties	\$ -	\$ -	\$ 3,042	\$ 3,042
Investment earnings	699	699	1,891	1,192
Total revenues	<u>699</u>	<u>699</u>	<u>4,933</u>	<u>4,234</u>
EXPENDITURES				
Current:				
General government	<u>122,381</u>	<u>122,381</u>	-	<u>122,381</u>
Total expenditures	<u>122,381</u>	<u>122,381</u>	-	<u>122,381</u>
Net change in fund balances	(121,682)	(121,682)	4,933	126,615
Fund balances, budget basis - beginning of year	<u>121,682</u>	<u>121,682</u>	<u>117,109</u>	<u>(4,573)</u>
Fund balances, budget basis - end of year	<u>\$ -</u>	<u>\$ -</u>	122,042	<u>\$ 122,042</u>
Unrealized gain (loss) on investments			<u>(3,869)</u>	
Fund balances, GAAP basis - end of year			<u>\$ 118,173</u>	

Deschutes County, Oregon

Vehicle Maintenance and Replacement (Sub-Fund of General Fund)Schedule of Revenues, Expenditures And Changes In Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investment earnings	\$ 11,042	\$ 11,042	\$ 37,292	\$ 26,250
Other	35,000	35,000	27,655	(7,345)
Transfers in	664,098	664,098	664,098	-
Total revenues	<u>710,140</u>	<u>710,140</u>	<u>729,045</u>	<u>18,905</u>
EXPENDITURES				
Current:				
General government	817,000	817,000	676,781	140,219
Not allocated to organizational units:				
Contingency	<u>1,657,879</u>	<u>1,657,879</u>	-	<u>1,657,879</u>
Total expenditures	<u>2,474,879</u>	<u>2,474,879</u>	<u>676,781</u>	<u>1,798,098</u>
Net change in fund balances	(1,764,739)	(1,764,739)	52,264	1,817,003
Fund balances, budget basis - beginning of year	<u>1,764,739</u>	<u>1,764,739</u>	<u>2,167,986</u>	<u>403,247</u>
Fund balances, budget basis - end of year	<u>\$ -</u>	<u>\$ -</u>	2,220,250	<u>\$ 2,220,250</u>
Unrealized gain (loss) on investments			<u>(70,554)</u>	
Fund balances, GAAP basis - end of year			<u>\$ 2,149,696</u>	

Combining and Individual Funds Statements
and Schedules – Major Governmental Funds –
Capital Project Funds
For the Fiscal Year Ended June 30, 2023
Deschutes County, Oregon

Deschutes County, Oregon

Road Capital Improvement PlanSchedule of Revenues, Expenditures And Changes In Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ -	\$ -	\$ 317,508	\$ 317,508
Intergovernmental	1,818,500	1,818,500	127,458	(1,691,042)
Investment earnings	124,563	124,563	337,583	213,020
Transfers in	14,230,313	14,230,313	12,238,662	(1,991,651)
Total revenues	<u>16,173,376</u>	<u>16,173,376</u>	<u>13,021,211</u>	<u>(3,152,165)</u>
EXPENDITURES				
Current:				
County roads	28,387,166	28,387,166	16,897,136	11,490,030
Not allocated to organizational units:				
Contingency	<u>12,334,484</u>	<u>12,334,484</u>	-	<u>12,334,484</u>
Total expenditures	<u>40,721,650</u>	<u>40,721,650</u>	<u>16,897,136</u>	<u>23,824,514</u>
Net change in fund balances	(24,548,274)	(24,548,274)	(3,875,925)	20,672,349
Fund balances, budget basis - beginning of year	<u>24,548,274</u>	<u>24,548,274</u>	<u>27,223,832</u>	<u>2,675,558</u>
Fund balances, budget basis - end of year	<u>\$ -</u>	<u>\$ -</u>	23,347,907	<u>\$ 23,347,907</u>
Unrealized gain (loss) on investments			<u>(753,378)</u>	
Fund balances, GAAP basis - end of year			<u>\$ 22,594,529</u>	

Combining and Individual Funds Statements
and Schedules – Major Proprietary Funds –
Enterprise Funds
For the Fiscal Year Ended June 30, 2023
Deschutes County, Oregon

Deschutes County, Oregon

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Solid Waste

For the Fiscal Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Bond proceeds	\$ 21,200,000	\$ 21,200,000	\$ 21,411,848	\$ 211,848
Charges for services	14,451,001	14,451,001	14,088,675	(362,326)
Investment earnings	97,215	97,215	562,546	465,331
Other	22,000	22,000	17,403	(4,597)
Transfers in	5,285,703	5,285,703	3,440,000	(1,845,703)
Total revenues	<u>41,055,919</u>	<u>41,055,919</u>	<u>39,520,472</u>	<u>(1,535,447)</u>
EXPENDITURES				
Current:				
County services	40,245,232	40,245,232	21,455,993	18,789,239
Not allocated to organizational units:				
Contingency	11,523,054	11,110,424	-	11,110,424
Debt service	1,327,000	1,739,630	1,731,017	8,613
Transfers out	5,299,665	5,299,665	3,453,962	1,845,703
Total expenditures	<u>58,394,951</u>	<u>58,394,951</u>	<u>26,640,972</u>	<u>31,753,979</u>
Net change in fund balances	(17,339,032)	(17,339,032)	12,879,500	30,218,532
Fund balances, budget basis - beginning of year	<u>18,853,845</u>	<u>18,853,845</u>	<u>19,646,875</u>	<u>793,030</u>
Fund balances, budget basis - end of year	<u>\$ 1,514,813</u>	<u>\$ 1,514,813</u>	<u>32,526,375</u>	<u>\$ 31,011,562</u>
Unrealized gain (loss) on investments			(1,050,632)	
Capital assets (net of accumulated depreciation and amortization)			34,548,158	
Deferred charge on refunding			156,524	
Deferred outflows of resources - OPEB RHIA			2,383	
Deferred outflows of resources - OPEB			73,242	
Deferred outflows of resources - pension			882,988	
Accrued interest			(80,823)	
Accrued compensated leave			(223,203)	
Retainage payable			(499,697)	
Lease payable			(5,040)	
Other postemployment benefits - RHIA			25,242	
Other postemployment benefits			(350,970)	
Net pension liability			(1,704,081)	
Bonds (net of unamortized premiums/discounts)			(26,220,755)	
Accrued landfill closure and postclosure costs			(13,934,346)	
Deferred inflows of resources - OPEB RHIA			(3,450)	
Deferred inflows of resources - OPEB			(309,369)	
Deferred inflows of resources - pension			<u>(532,342)</u>	
Net position, GAAP basis - end of year			<u>\$ 23,300,204</u>	

Deschutes County, Oregon

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Fair & Expo Center

For the Fiscal Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Charges for services	\$ 3,193,313	\$ 3,643,313	\$ 4,813,209	\$ 1,169,896
Intergovernmental	53,167	53,167	53,167	-
Investment earnings	15,348	15,348	68,146	52,798
Other	3,500	3,500	3,245	(255)
Transfers in	2,356,168	2,356,168	2,237,871	(118,297)
Total revenues	<u>5,621,496</u>	<u>6,071,496</u>	<u>7,175,638</u>	<u>1,104,142</u>
EXPENDITURES				
Current:				
County services	5,388,815	5,838,815	5,779,831	58,984
Not allocated to organizational units:				
Contingency	590,088	541,318	-	541,318
Debt service	52,500	101,270	101,268	2
Transfers out	658,921	658,921	658,921	-
Total expenditures	<u>6,690,324</u>	<u>7,140,324</u>	<u>6,540,020</u>	<u>600,304</u>
Net change in fund balances	(1,068,828)	(1,068,828)	635,618	1,704,446
Fund balances, budget basis - beginning of year	<u>2,656,009</u>	<u>2,656,009</u>	<u>3,190,813</u>	<u>534,804</u>
Fund balances, budget basis - end of year	<u>\$ 1,587,181</u>	<u>\$ 1,587,181</u>	3,826,431	<u>\$ 2,239,250</u>
Unrealized gain (loss) on investments			(132,684)	
Prepaid expenses			145,100	
Capital assets (net of accumulated depreciation and amortization)			16,152,294	
Deferred charge on refunding			3,199	
Deferred outflows of resources - OPEB RHIA			1,374	
Deferred outflows of resources - OPEB			42,240	
Deferred outflows of resources - pension			509,239	
Accrued interest			(616)	
Unearned revenues			(15,255)	
Compensated leave			(172,379)	
Lease payable			(4,166)	
Other postemployment benefits - RHIA			14,558	
Other postemployment benefits			(202,413)	
Net pension liability			(982,782)	
Bonds (net of unamortized premiums/discounts)			(377,113)	
Deferred inflows of resources - OPEB RHIA			(1,990)	
Deferred inflows of resources - OPEB			(178,420)	
Deferred inflows of resources - pension			<u>(307,014)</u>	
Net position, GAAP basis - end of year			<u>\$ 18,319,603</u>	

Deschutes County, Oregon

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

RV Park

For the Fiscal Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ 641,700	\$ 641,700	\$ 577,063	\$ (64,637)
Investment earnings	6,850	6,850	24,353	17,503
Transfers in	441,750	441,750	441,566	(184)
Total revenues	<u>1,090,300</u>	<u>1,090,300</u>	<u>1,042,982</u>	<u>(47,318)</u>
EXPENDITURES				
Current:				
County services	470,908	470,908	280,416	190,492
Not allocated to organizational units:				
Contingency	138,593	82,920	-	82,920
Debt service	167,600	223,273	223,272	1
Transfers out	261,566	261,566	261,566	-
Total expenditures	<u>1,038,667</u>	<u>1,038,667</u>	<u>765,254</u>	<u>273,413</u>
Net change in fund balances	51,633	51,633	277,728	226,095
Fund balances, budget basis - beginning of year	<u>1,289,133</u>	<u>1,289,133</u>	<u>1,358,473</u>	<u>69,340</u>
Fund balances, budget basis - end of year	<u>\$ 1,340,766</u>	<u>\$ 1,340,766</u>	1,636,201	<u>\$ 295,435</u>
Unrealized gain (loss) on investments			(52,563)	
Capital assets (net of accumulated depreciation and amortization)			1,821,072	
Deferred outflows of resources - OPEB RHIA			51	
Deferred outflows of resources - OPEB			1,569	
Deferred outflows of resources - pension			18,911	
Accrued interest			(961)	
Accrued compensated leave			(2,452)	
Lease payable			(364)	
Other postemployment benefits - RHIA			541	
Other postemployment benefits			(7,516)	
Net pension liability			(36,495)	
Bonds (net of unamortized premiums/discounts)			(540,325)	
Deferred inflows of resources - OPEB RHIA			(74)	
Deferred inflows of resources - OPEB			(6,625)	
Deferred inflows of resources - pension			(11,401)	
Net position, GAAP basis - end of year			<u>\$ 2,819,569</u>	

Combining and Individual Funds Statements
and Schedules – Nonmajor Governmental Funds
and Sub-Funds
For the Fiscal Year Ended June 30, 2023
Deschutes County, Oregon

Deschutes County, Oregon
Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2023

	Special Revenue Funds	Capital Projects Fund	Debt Service Fund	Total Nonmajor Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 7,185,588	\$ 1,090,339	\$ 53,718	\$ 8,329,645
Investments, at fair value; plus accrued interest	47,200,689	7,163,414	352,919	54,717,022
Taxes receivable	1,678,023	-	-	1,678,023
Accounts receivable	1,301,827	-	-	1,301,827
Lease receivable	-	-	1,479,659	1,479,659
Notes and contracts receivable	27,567	-	-	27,567
Total assets	\$ 57,393,694	\$ 8,253,753	\$ 1,886,296	\$ 67,533,743
LIABILITIES				
Accounts payable and other current liabilities	\$ 1,962,875	\$ 2,387,019	\$ 373	\$ 4,350,267
Payroll liabilities	615,474	-	-	615,474
Unearned revenues	2,012,491	-	-	2,012,491
Total liabilities	4,590,840	2,387,019	373	6,978,232
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	165,330	-	-	165,330
Unavailable revenue - services performed	23,141	-	-	23,141
Unavailable revenue - leases	-	-	1,436,857	1,436,857
Total deferred inflows of resources	188,471	-	1,436,857	1,625,328
FUND BALANCES				
Restricted	47,776,958	-	-	47,776,958
Committed	4,850,429	5,866,734	449,066	11,166,229
Unassigned	(13,004)	-	-	(13,004)
Total fund balances	52,614,383	5,866,734	449,066	58,930,183
Total liabilities, deferred inflows of resources and fund balances	\$ 57,393,694	\$ 8,253,753	\$ 1,886,296	\$ 67,533,743

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

Deschutes County, Oregon

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the Fiscal Year Ended June 30, 2023

	Special Revenue Funds	Capital Projects Fund	Debt Service Fund	Total Nonmajor Governmental Funds
REVENUES				
Taxes - property	\$ 11,243,449	\$ -	\$ -	\$ 11,243,449
Taxes - other	12,597,706	-	-	12,597,706
Licenses and permits	1,644,867	-	-	1,644,867
Fines, forfeitures and penalties	586,213	-	-	586,213
Investment earnings (losses)	1,127,637	195,072	15,743	1,338,452
Rents	-	-	1,297,841	1,297,841
Charges for services	10,888,215	967,272	1,434,360	13,289,847
Contributions and donations	4,096	-	-	4,096
Intergovernmental	15,731,564	-	309,545	16,041,109
Total revenues	<u>53,823,747</u>	<u>1,162,344</u>	<u>3,057,489</u>	<u>58,043,580</u>
EXPENDITURES				
Current:				
General government	26,372,473	276,215	-	26,648,688
Public safety	19,719,128	-	-	19,719,128
County roads	5,159,444	-	-	5,159,444
Debt service:				
Principal	-	-	3,370,177	3,370,177
Interest	-	-	1,107,238	1,107,238
Trustee fees	-	-	1,550	1,550
Capital outlay	5,304,114	13,461,425	-	18,765,539
Total expenditures	<u>56,555,159</u>	<u>13,737,640</u>	<u>4,478,965</u>	<u>74,771,764</u>
Excess (deficiency) of revenues over expenditures	<u>(2,731,412)</u>	<u>(12,575,296)</u>	<u>(1,421,476)</u>	<u>(16,728,184)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from leases	1,092,982	-	-	1,092,982
Proceeds from subscriptions	1,855,136	-	-	1,855,136
Transfers in	1,910,060	10,038,704	1,485,577	13,434,341
Transfers out	(8,974,134)	-	-	(8,974,134)
Total other financing sources (uses)	<u>(4,115,956)</u>	<u>10,038,704</u>	<u>1,485,577</u>	<u>7,408,325</u>
Net change in fund balances	(6,847,368)	(2,536,592)	64,101	(9,319,859)
Fund balances - beginning of year	59,461,751	8,403,326	384,965	68,250,042
Fund balances - end of year	<u>\$ 52,614,383</u>	<u>\$ 5,866,734</u>	<u>\$ 449,066</u>	<u>\$ 58,930,183</u>

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

Deschutes County, Oregon
Combining Balance Sheet
 Nonmajor Special Revenue Funds
 June 30, 2023

	Justice Court	Park Acquisition & Development	Park Development Fees	County School	Special Transportation	Taylor Grazing
ASSETS						
Cash and cash equivalents	\$ 3,040	\$ 120,701	\$ 9,739	\$ 73	\$ 18,257	\$ 5,197
Investments, at fair value; plus accrued interest	14,715	792,994	63,981	476	119,944	34,144
Taxes receivable	-	-	-	-	-	-
Accounts receivable	-	51,122	-	-	12,042	-
Notes and contracts receivable	-	-	-	-	-	-
Total assets	\$ 17,755	\$ 964,817	\$ 73,720	\$ 549	\$ 150,243	\$ 39,341
LIABILITIES						
Accounts payable and other current liabilities	\$ 2,523	\$ 29,711	\$ -	\$ -	\$ 123,600	\$ -
Payroll liabilities	15,788	-	-	-	-	-
Unearned revenues	-	-	-	-	-	-
Total liabilities	18,311	29,711	-	-	123,600	-
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue-property taxes	-	-	-	-	-	-
Unavailable revenue-services performed	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-
FUND BALANCES						
Restricted	-	935,106	73,720	549	26,643	39,341
Committed	-	-	-	-	-	-
Unassigned	(556)	-	-	-	-	-
Total fund balances	(556)	935,106	73,720	549	26,643	39,341
Total liabilities, deferred inflow of resources and fund balances	\$ 17,755	\$ 964,817	\$ 73,720	\$ 549	\$ 150,243	\$ 39,341

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

<u>Transient Room Tax</u>	<u>Video Lottery</u>	<u>Transient Room Tax-1%</u>	<u>Foreclosed Land Sales</u>	<u>Victims' Assistance</u>	<u>Law Library</u>	<u>County Clerk Records</u>
\$ 605,826	\$ 106,611	\$ 93	\$ 19,775	\$ 26,684	\$ 14,070	\$ 44,535
3,980,219	700,427	613	129,921	175,312	92,438	292,585
1,304,132	-	192,536	-	-	-	-
744	306,872	-	-	182,164	-	-
-	-	-	-	-	-	-
<u>\$ 5,890,921</u>	<u>\$ 1,113,910</u>	<u>\$ 193,242</u>	<u>\$ 149,696</u>	<u>\$ 384,160</u>	<u>\$ 106,508</u>	<u>\$ 337,120</u>
\$ 202,871	\$ 99,525	\$ -	\$ 1,131	\$ 597	\$ -	\$ 107
5,178	-	729	-	25,276	-	-
23,141	-	-	-	-	-	-
<u>231,190</u>	<u>99,525</u>	<u>729</u>	<u>1,131</u>	<u>25,873</u>	<u>-</u>	<u>107</u>
-	-	-	-	-	-	-
23,141	-	-	-	-	-	-
<u>23,141</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
5,636,590	1,014,385	192,513	148,565	358,287	106,508	337,013
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>5,636,590</u>	<u>1,014,385</u>	<u>192,513</u>	<u>148,565</u>	<u>358,287</u>	<u>106,508</u>	<u>337,013</u>
\$ 5,890,921	\$ 1,113,910	\$ 193,242	\$ 149,696	\$ 384,160	\$ 106,508	\$ 337,120

Deschutes County, Oregon
Combining Balance Sheet (Continued)
 Nonmajor Special Revenue Funds
 June 30, 2023

	Court Facilities	Deschutes County Communication System Reserve	Community Development	CDD Groundwater Partnership	Newberry Neighborhood	GIS Dedicated
ASSETS						
Cash and cash equivalents	\$ 67	\$ 35,355	\$ 1,539,018	\$ 7,208	\$ 17,417	\$ 59,987
Investments, at fair value; plus accrued interest	438	232,281	10,108,566	47,352	114,428	394,110
Taxes receivable	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	2,033
Notes and contracts receivable	-	-	-	-	-	-
Total assets	\$ 505	\$ 267,636	\$ 11,647,584	\$ 54,560	\$ 131,845	\$ 456,130
LIABILITIES						
Accounts payable and other current liabilities	\$ -	\$ -	\$ 132,728	\$ -	\$ -	\$ -
Payroll liabilities	-	-	191,592	-	-	7,455
Unearned revenues	-	-	132,153	-	-	-
Total liabilities	-	-	456,473	-	-	7,455
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue-property taxes	-	-	-	-	-	-
Unavailable revenue-services performed	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-
FUND BALANCES						
Restricted	505	-	11,191,111	54,560	131,845	448,675
Committed	-	267,636	-	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balances	505	267,636	11,191,111	54,560	131,845	448,675
Total liabilities, deferred inflow of resources and fund balances	\$ 505	\$ 267,636	\$ 11,647,584	\$ 54,560	\$ 131,845	\$ 456,130

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

Natural Resource Protection	Federal Forest Title III	Surveyor	Public Land Corner Preservation	Countywide Transportation SDC Imp	Dog Control	Adult Parole & Probation
\$ 300,010	\$ 13,958	\$ 32,732	\$ 174,020	\$ 404,738	\$ 11,957	\$ 408,962
1,971,039	91,705	215,048	1,143,291	2,659,082	78,554	2,686,843
-	-	-	-	-	-	-
127,528	-	-	-	1,403	-	34,002
-	-	-	-	27,567	-	-
<u>\$ 2,398,577</u>	<u>\$ 105,663</u>	<u>\$ 247,780</u>	<u>\$ 1,317,311</u>	<u>\$ 3,092,790</u>	<u>\$ 90,511</u>	<u>\$ 3,129,807</u>
\$ 37,232	\$ -	\$ -	\$ -	\$ -	\$ 33,529	\$ 76,625
7,857	-	-	-	-	1,598	143,617
922,480	98,452	-	-	28,970	-	-
<u>967,569</u>	<u>98,452</u>	<u>-</u>	<u>-</u>	<u>28,970</u>	<u>35,127</u>	<u>220,242</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,431,008	7,211	247,780	1,317,311	3,063,820	-	2,909,565
-	-	-	-	-	55,384	-
-	-	-	-	-	-	-
<u>1,431,008</u>	<u>7,211</u>	<u>247,780</u>	<u>1,317,311</u>	<u>3,063,820</u>	<u>55,384</u>	<u>2,909,565</u>
\$ 2,398,577	\$ 105,663	\$ 247,780	\$ 1,317,311	\$ 3,092,790	\$ 90,511	\$ 3,129,807

Deschutes County, Oregon
Combining Balance Sheet (Continued)
 Nonmajor Special Revenue Funds
 June 30, 2023

	Statewide Transportation Improvement	PERS Reserve	Joint Houselessness Task Force	Deschutes County 9-1-1 Service District	Deschutes County Extension & 4-H Service District	Total Nonmajor Special Revenue Funds
ASSETS						
Cash and cash equivalents	\$ 752,122	\$ 598,081	\$ 104,024	\$ 1,689,631	\$ 61,700	\$ 7,185,588
Investments, at fair value; plus accrued interest	4,941,366	3,929,328	683,426	11,100,697	405,366	47,200,689
Taxes receivable	-	-	-	170,701	10,654	1,678,023
Accounts receivable	-	-	10,633	573,284	-	1,301,827
Notes and contracts receivable	-	-	-	-	-	27,567
Total assets	\$ 5,693,488	\$ 4,527,409	\$ 798,083	\$ 13,534,313	\$ 477,720	\$ 57,393,694
LIABILITIES						
Accounts payable and other current liabilities	\$ 925,000	\$ -	\$ -	\$ 190,409	\$ 107,287	\$ 1,962,875
Payroll liabilities	-	-	3,236	213,148	-	615,474
Unearned revenues	-	-	807,295	-	-	2,012,491
Total liabilities	925,000	-	810,531	403,557	107,287	4,590,840
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue-property taxes	-	-	-	155,615	9,715	165,330
Unavailable revenue-services performed	-	-	-	-	-	23,141
Total deferred inflows of resources	-	-	-	155,615	9,715	188,471
FUND BALANCES						
Restricted	4,768,488	-	-	12,975,141	360,718	47,776,958
Committed	-	4,527,409	-	-	-	4,850,429
Unassigned	-	-	(12,448)	-	-	(13,004)
Total fund balances	4,768,488	4,527,409	(12,448)	12,975,141	360,718	52,614,383
Total liabilities, deferred inflow of resources and fund balances	\$ 5,693,488	\$ 4,527,409	\$ 798,083	\$ 13,534,313	\$ 477,720	\$ 57,393,694

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



Deschutes County, Oregon
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Nonmajor Special Revenue Funds
 For the Fiscal Year Ended June 30, 2023

	Justice Court	Park Acquisition & Development	Park Development Fees	County School
REVENUES				
Taxes - property	\$ -	\$ -	\$ -	\$ -
Taxes - other	-	-	-	-
Licenses and permits	-	-	35,000	-
Fines, forfeitures and penalties	517,489	-	-	-
Investment earnings	69	7,673	(85)	1,278
Charges for services	-	-	-	-
Contributions and donations	-	-	-	-
Intergovernmental	-	348,165	-	602,329
Total revenues	<u>517,558</u>	<u>355,838</u>	<u>34,915</u>	<u>603,607</u>
EXPENDITURES				
Current:				
General government	-	51,096	188	603,058
Public safety	742,699	-	-	-
County roads	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>742,699</u>	<u>51,096</u>	<u>188</u>	<u>603,058</u>
Excess (deficiency) of revenues over expenditures	<u>(225,141)</u>	<u>304,742</u>	<u>34,727</u>	<u>549</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from leases	-	-	-	-
Proceeds from subscriptions	-	-	-	-
Transfers in	224,696	-	-	-
Transfers out	-	(190,000)	-	-
Total other financing sources (uses)	<u>224,696</u>	<u>(190,000)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(445)	114,742	34,727	549
Fund balances - beginning of year	(111)	820,364	38,993	-
Fund balances - end of year	<u>\$ (556)</u>	<u>\$ 935,106</u>	<u>\$ 73,720</u>	<u>\$ 549</u>

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

Special Transportation	Taylor Grazing	Transient Room Tax	Video Lottery
\$ -	\$ -	\$ -	\$ -
-	-	11,016,097	-
-	-	-	-
-	-	-	-
2,120	239	246,877	17,278
-	-	161	-
-	-	-	-
496,396	8,610	-	1,137,185
<u>498,516</u>	<u>8,849</u>	<u>11,263,135</u>	<u>1,154,463</u>
-	-	11,793,100	1,287,186
-	-	-	-
494,395	-	-	-
-	-	-	-
<u>494,395</u>	<u>-</u>	<u>11,793,100</u>	<u>1,287,186</u>
4,121	8,849	(529,965)	(132,723)
-	-	-	-
-	-	-	-
-	-	-	-
-	-	(4,320,644)	-
-	-	(4,320,644)	-
4,121	8,849	(4,850,609)	(132,723)
22,522	30,492	10,487,199	1,147,108
<u>\$ 26,643</u>	<u>\$ 39,341</u>	<u>\$ 5,636,590</u>	<u>\$ 1,014,385</u>

Deschutes County, Oregon

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)

Nonmajor Special Revenue Funds

For the Fiscal Year Ended June 30, 2023

	Transient Room Tax-1%	Foreclosed Land Sales	Victims' Assistance	Law Library
REVENUES				
Taxes - property	\$ -	\$ -	\$ -	\$ -
Taxes - other	1,581,609	-	-	-
Licenses and permits	-	-	-	-
Fines, forfeitures and penalties	-	-	-	-
Investment earnings	1,483	2,169	(7,165)	3,610
Charges for services	-	54,025	-	-
Contributions and donations	-	-	-	-
Intergovernmental	-	-	615,090	86,823
Total revenues	<u>1,583,092</u>	<u>56,194</u>	<u>607,925</u>	<u>90,433</u>
EXPENDITURES				
Current:				
General government	29,132	58,336	-	155,046
Public safety	-	-	1,088,396	-
County roads	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>29,132</u>	<u>58,336</u>	<u>1,088,396</u>	<u>155,046</u>
Excess (deficiency) of revenues over expenditures	<u>1,553,960</u>	<u>(2,142)</u>	<u>(480,471)</u>	<u>(64,613)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from leases	-	-	-	-
Proceeds from subscriptions	-	-	-	-
Transfers in	-	-	826,913	-
Transfers out	(1,553,983)	-	-	-
Total other financing sources (uses)	<u>(1,553,983)</u>	<u>-</u>	<u>826,913</u>	<u>-</u>
Net change in fund balances	(23)	(2,142)	346,442	(64,613)
Fund balances - beginning of year	<u>192,536</u>	<u>150,707</u>	<u>11,845</u>	<u>171,121</u>
Fund balances - end of year	<u>\$ 192,513</u>	<u>\$ 148,565</u>	<u>\$ 358,287</u>	<u>\$ 106,508</u>

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

Deschutes County			
County Clerk Records	Court Facilities	Communication System Reserve	Community Development
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	63,694	-	4,141
6,579	(52)	4,124	177,100
75,200	-	-	9,358,863
-	-	-	-
-	-	-	57,210
<u>81,779</u>	<u>63,642</u>	<u>4,124</u>	<u>9,597,314</u>
122,693	-	-	9,490,956
-	63,137	-	-
-	-	-	-
-	-	-	-
<u>122,693</u>	<u>63,137</u>	<u>-</u>	<u>9,490,956</u>
<u>(40,914)</u>	<u>505</u>	<u>4,124</u>	<u>106,358</u>
-	-	-	-
-	-	-	-
-	-	-	139,916
-	-	-	(112,619)
<u>-</u>	<u>-</u>	<u>-</u>	<u>27,297</u>
<u>(40,914)</u>	<u>505</u>	<u>4,124</u>	<u>133,655</u>
<u>377,927</u>	<u>-</u>	<u>263,512</u>	<u>11,057,456</u>
<u>\$ 337,013</u>	<u>\$ 505</u>	<u>\$ 267,636</u>	<u>\$ 11,191,111</u>

Deschutes County, Oregon

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)

Nonmajor Special Revenue Funds

For the Fiscal Year Ended June 30, 2023

	CDD			
	Groundwater Partnership	Newberry Neighborhood	GIS Dedicated	Natural Resource Protection
REVENUES				
Taxes - property	\$ -	\$ -	\$ -	\$ -
Taxes - other	-	-	-	-
Licenses and permits	-	-	-	-
Fines, forfeitures and penalties	-	-	-	-
Investment earnings	2,395	2,032	13,026	(8,722)
Charges for services	10,500	-	211,643	121,361
Contributions and donations	-	-	-	-
Intergovernmental	-	-	7,076	707,198
Total revenues	12,895	2,032	231,745	819,837
EXPENDITURES				
Current:				
General government	48,750	-	376,681	796,256
Public safety	-	-	-	-
County roads	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	48,750	-	376,681	796,256
Excess (deficiency) of revenues over expenditures	(35,855)	2,032	(144,936)	23,581
OTHER FINANCING SOURCES (USES)				
Proceeds from leases	-	-	-	-
Proceeds from subscriptions	-	-	-	-
Transfers in	-	-	-	35,000
Transfers out	-	-	-	(8,210)
Total other financing sources (uses)	-	-	-	26,790
Net change in fund balances	(35,855)	2,032	(144,936)	50,371
Fund balances - beginning of year	90,415	129,813	593,611	1,380,637
Fund balances - end of year	\$ 54,560	\$ 131,845	\$ 448,675	\$ 1,431,008

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

Federal Forest Title III	Surveyor	Public Land Corner Preservation	Countywide Transportation SDC Imp
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	137,762	-	1,273,419
-	-	-	-
2,050	8,627	27,417	114,763
-	46,899	297,264	-
-	-	-	-
78,156	-	-	-
<u>80,206</u>	<u>193,288</u>	<u>324,681</u>	<u>1,388,182</u>
80,247	251,599	-	-
-	-	-	-
-	-	393,318	-
-	-	-	-
<u>80,247</u>	<u>251,599</u>	<u>393,318</u>	<u>-</u>
(41)	(58,311)	(68,637)	1,388,182
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	(2,459,941)
-	-	-	(2,459,941)
(41)	(58,311)	(68,637)	(1,071,759)
7,252	306,091	1,385,948	4,135,579
<u>\$ 7,211</u>	<u>\$ 247,780</u>	<u>\$ 1,317,311</u>	<u>\$ 3,063,820</u>

Deschutes County, Oregon

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)

Nonmajor Special Revenue Funds

For the Fiscal Year Ended June 30, 2023

	Dog Control	Adult Parole & Probation	Statewide Transportation Improvement	PERS Reserve
REVENUES				
Taxes - property	\$ -	\$ -	\$ -	\$ -
Taxes - other	-	-	-	-
Licenses and permits	198,686	-	-	-
Fines, forfeitures and penalties	-	889	-	-
Investment earnings	1,310	64,651	169,815	69,840
Charges for services	311	102,099	-	-
Contributions and donations	4,096	-	-	-
Intergovernmental	-	6,128,760	1,870,942	-
Total revenues	<u>204,403</u>	<u>6,296,399</u>	<u>2,040,757</u>	<u>69,840</u>
EXPENDITURES				
Current:				
General government	344,318	-	-	1,700
Public safety	-	6,782,399	-	-
County roads	-	-	3,576,695	-
Capital outlay	-	8,475	-	-
Total expenditures	<u>344,318</u>	<u>6,790,874</u>	<u>3,576,695</u>	<u>1,700</u>
Excess (deficiency) of revenues over expenditures	<u>(139,915)</u>	<u>(494,475)</u>	<u>(1,535,938)</u>	<u>68,140</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from leases	-	-	-	-
Proceeds from subscriptions	-	-	-	-
Transfers in	147,167	536,368	-	-
Transfers out	-	(268,837)	-	-
Total other financing sources (uses)	<u>147,167</u>	<u>267,531</u>	<u>-</u>	<u>-</u>
Net change in fund balances	7,252	(226,944)	(1,535,938)	68,140
Fund balances - beginning of year	<u>48,132</u>	<u>3,136,509</u>	<u>6,304,426</u>	<u>4,459,269</u>
Fund balances - end of year	<u>\$ 55,384</u>	<u>\$ 2,909,565</u>	<u>\$ 4,768,488</u>	<u>\$ 4,527,409</u>

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

Joint Houselessness Task Force	Deschutes County 9-1-1 Service District	Deschutes County Extension & 4-H Service District	Deschutes County Road Agency	Total Nonmajor Special Revenue Funds
\$ -	\$ 10,584,002	\$ 659,447	\$ -	\$ 11,243,449
-	-	-	-	12,597,706
-	-	-	-	1,644,867
-	-	-	-	586,213
(12,448)	203,759	5,825	-	1,127,637
10,633	599,256	-	-	10,888,215
-	-	-	-	4,096
192,705	2,699,883	-	695,036	15,731,564
190,890	14,086,900	665,272	695,036	53,823,747
203,338	-	678,793	-	26,372,473
-	11,042,497	-	-	19,719,128
-	-	-	695,036	5,159,444
-	5,295,639	-	-	5,304,114
203,338	16,338,136	678,793	695,036	56,555,159
(12,448)	(2,251,236)	(13,521)	-	(2,731,412)
-	1,092,982	-	-	1,092,982
-	1,855,136	-	-	1,855,136
-	-	-	-	1,910,060
-	(59,900)	-	-	(8,974,134)
-	2,888,218	-	-	(4,115,956)
(12,448)	636,982	(13,521)	-	(6,847,368)
-	12,338,159	374,239	-	59,461,751
\$ (12,448)	\$ 12,975,141	\$ 360,718	\$ -	\$ 52,614,383

Deschutes County, Oregon

Justice Court

Schedule of Revenues, Expenditures And Changes In Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Fines, forfeitures and penalties	\$ 525,000	\$ 525,000	\$ 517,489	\$ (7,511)
Investment earnings	32	32	513	481
Transfers in	263,217	263,217	224,696	(38,521)
Total revenues	<u>788,249</u>	<u>788,249</u>	<u>742,698</u>	<u>(45,551)</u>
EXPENDITURES				
Current:				
Public safety	731,183	766,183	742,698	23,485
Not allocated to organizational units:				
Contingency	<u>57,066</u>	<u>22,066</u>	-	22,066
Total expenditures	<u>788,249</u>	<u>788,249</u>	<u>742,698</u>	<u>45,551</u>
Net change in fund balances	-	-	-	-
Fund balances, budget basis - beginning of year	-	-	-	-
Fund balances, budget basis - end of year	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Unrealized gain (loss) on investments			<u>(556)</u>	
Fund balances, GAAP basis - end of year			<u>\$ (556)</u>	

Deschutes County, Oregon

Park Acquisition and DevelopmentSchedule of Revenues, Expenditures And Changes In Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 350,000	\$ 350,000	\$ 348,165	\$ (1,835)
Investment earnings	3,977	3,977	13,453	9,476
Total revenues	<u>353,977</u>	<u>353,977</u>	<u>361,618</u>	<u>7,641</u>
EXPENDITURES				
Current:				
General government	412,500	412,500	51,096	361,404
Not allocated to organizational units:				
Contingency	423,964	423,964	-	423,964
Transfers out	<u>190,000</u>	<u>190,000</u>	<u>190,000</u>	<u>-</u>
Total expenditures	<u>1,026,464</u>	<u>1,026,464</u>	<u>241,096</u>	<u>785,368</u>
Net change in fund balances	(672,487)	(672,487)	120,522	793,009
Fund balances, budget basis - beginning of year	<u>672,487</u>	<u>672,487</u>	<u>844,502</u>	<u>172,015</u>
Fund balances, budget basis - end of year	<u>\$ -</u>	<u>\$ -</u>	965,024	<u>\$ 965,024</u>
Unrealized gain (loss) on investments			<u>(29,918)</u>	
Fund balances, GAAP basis - end of year			<u>\$ 935,106</u>	

Deschutes County, Oregon

Park Development FeesSchedule of Revenues, Expenditures And Changes In Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investment earnings	\$ 104	\$ 104	\$ 1,070	\$ 966
Licenses and permits	57,000	57,000	35,000	(22,000)
Total revenues	<u>57,104</u>	<u>57,104</u>	<u>36,070</u>	<u>(21,034)</u>
EXPENDITURES				
Current:				
General government	<u>97,082</u>	<u>97,082</u>	<u>187</u>	<u>96,895</u>
Total expenditures	<u>97,082</u>	<u>97,082</u>	<u>187</u>	<u>96,895</u>
Net change in fund balances	(39,978)	(39,978)	35,883	75,861
Fund balances, budget basis - beginning of year	<u>39,978</u>	<u>39,978</u>	<u>40,251</u>	<u>273</u>
Fund balances, budget basis - end of year	<u>\$ -</u>	<u>\$ -</u>	76,134	<u>\$ 76,134</u>
Unrealized gain (loss) on investments			<u>(2,414)</u>	
Fund balances, GAAP basis - end of year			<u>\$ 73,720</u>	

Deschutes County, Oregon

County School FundSchedule of Revenues, Expenditures And Changes In Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 658,000	\$ 658,000	\$ 602,329	\$ (55,671)
Investment earnings	782	782	1,296	514
Total revenues	<u>658,782</u>	<u>658,782</u>	<u>603,625</u>	<u>(55,157)</u>
EXPENDITURES				
Current:				
General government	<u>658,782</u>	<u>658,782</u>	<u>603,058</u>	<u>55,724</u>
Total expenditures	<u>658,782</u>	<u>658,782</u>	<u>603,058</u>	<u>55,724</u>
Net change in fund balances	-	-	567	567
Fund balances, budget basis - beginning of year	-	-	-	-
Fund balances, budget basis - end of year	<u>\$ -</u>	<u>\$ -</u>	567	<u>\$ 567</u>
Unrealized gain (loss) on investments			<u>(18)</u>	
Fund balances, GAAP basis - end of year			<u>\$ 549</u>	

Deschutes County, Oregon

Special Transportation FundSchedule of Revenues, Expenditures And Changes In Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 494,096	\$ 494,096	\$ 496,396	\$ 2,300
Investment earnings	1,124	1,124	2,317	1,193
Total revenues	<u>495,220</u>	<u>495,220</u>	<u>498,713</u>	<u>3,493</u>
EXPENDITURES				
Current:				
County roads	<u>509,191</u>	<u>509,191</u>	<u>494,395</u>	<u>14,796</u>
Total expenditures	<u>509,191</u>	<u>509,191</u>	<u>494,395</u>	<u>14,796</u>
Net change in fund balances	(13,971)	(13,971)	4,318	18,289
Fund balances, budget basis - beginning of year	<u>13,971</u>	<u>13,971</u>	<u>26,850</u>	<u>12,879</u>
Fund balances, budget basis - end of year	<u>\$ -</u>	<u>\$ -</u>	31,168	<u>\$ 31,168</u>
Unrealized gain (loss) on investments			<u>(4,525)</u>	
Fund balances, GAAP basis - end of year			<u>\$ 26,643</u>	

Deschutes County, Oregon

Taylor GrazingSchedule of Revenues, Expenditures And Changes In Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 6,000	\$ 6,000	\$ 8,609	\$ 2,609
Investment earnings	266	266	543	277
Total revenues	<u>6,266</u>	<u>6,266</u>	<u>9,152</u>	<u>2,886</u>
EXPENDITURES				
Current:				
General government	29,131	29,131	-	29,131
Not allocated to organizational units:				
Transfers out	<u>30,000</u>	<u>30,000</u>	-	<u>30,000</u>
Total expenditures	<u>59,131</u>	<u>59,131</u>	-	<u>59,131</u>
Net change in fund balances	(52,865)	(52,865)	9,152	62,017
Fund balances, budget basis - beginning of year	<u>52,865</u>	<u>52,865</u>	<u>31,477</u>	<u>(21,388)</u>
Fund balances, budget basis - end of year	<u>\$ -</u>	<u>\$ -</u>	40,629	<u>\$ 40,629</u>
Unrealized gain (loss) on investments			<u>(1,288)</u>	
Fund balances, GAAP basis - end of year			<u>\$ 39,341</u>	

Deschutes County, Oregon

Transient Room TaxSchedule of Revenues, Expenditures And Changes In Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ -	\$ -	\$ 161	\$ 161
Investment earnings	49,100	49,100	94,150	45,050
Taxes - other	11,883,265	11,883,265	11,071,262	(812,003)
Total revenues	<u>11,932,365</u>	<u>11,932,365</u>	<u>11,165,573</u>	<u>(766,792)</u>
EXPENDITURES				
Current:				
General government	13,086,582	13,086,582	11,793,100	1,293,482
Not allocated to organizational units:				
Transfers out	<u>4,359,165</u>	<u>4,359,165</u>	<u>4,320,644</u>	<u>38,521</u>
Total expenditures	<u>17,445,747</u>	<u>17,445,747</u>	<u>16,113,744</u>	<u>1,332,003</u>
Net change in fund balances	(5,513,382)	(5,513,382)	(4,948,171)	565,211
Fund balances, budget basis - beginning of year	<u>9,513,382</u>	<u>9,513,382</u>	<u>9,475,532</u>	<u>(37,850)</u>
Fund balances, budget basis - end of year	<u>\$ 4,000,000</u>	<u>\$ 4,000,000</u>	4,527,361	<u>\$ 527,361</u>
Unavailable revenue - services provided			(23,141)	
Unrealized gain (loss) on investments			(150,167)	
Accrued taxes			<u>1,282,537</u>	
Fund balances, GAAP basis - end of year			<u>\$ 5,636,590</u>	

Deschutes County, Oregon

Video LotterySchedule of Revenues, Expenditures And Changes In Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 1,080,000	\$ 1,080,000	\$ 1,137,185	\$ 57,185
Investment earnings	5,138	5,138	13,301	8,163
Total revenues	<u>1,085,138</u>	<u>1,085,138</u>	<u>1,150,486</u>	<u>65,348</u>
EXPENDITURES				
Current:				
General government	1,164,056	1,296,681	1,287,186	9,495
Not allocated to organizational units:				
Contingency	<u>1,030,007</u>	<u>897,382</u>	-	<u>897,382</u>
Total expenditures	<u>2,194,063</u>	<u>2,194,063</u>	<u>1,287,186</u>	<u>906,877</u>
Net change in fund balances	(1,108,925)	(1,108,925)	(136,700)	972,225
Fund balances, budget basis - beginning of year	<u>1,108,925</u>	<u>1,108,925</u>	<u>1,177,511</u>	<u>68,586</u>
Fund balances, budget basis - end of year	<u>\$ -</u>	<u>\$ -</u>	1,040,811	<u>\$ 1,040,811</u>
Unrealized gain (loss) on investments			<u>(26,426)</u>	
Fund balances, GAAP basis - end of year			<u>\$ 1,014,385</u>	

Deschutes County, Oregon

Transient Room Tax - 1%Schedule of Revenues, Expenditures And Changes In Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investment earnings	\$ 1,308	\$ 1,308	\$ 1,506	\$ 198
Taxes - other	1,697,609	1,697,609	1,581,609	(116,000)
Total revenues	<u>1,698,917</u>	<u>1,698,917</u>	<u>1,583,115</u>	<u>(115,802)</u>
EXPENDITURES				
Current:				
General government	26,636	36,636	29,132	7,504
Not allocated to organizational units:				
Transfers out	<u>1,672,281</u>	<u>1,662,281</u>	<u>1,553,983</u>	<u>108,298</u>
Total expenditures	<u>1,698,917</u>	<u>1,698,917</u>	<u>1,583,115</u>	<u>115,802</u>
Net change in fund balances	-	-	-	-
Fund balances, budget basis - beginning of year	-	-	-	-
Fund balances, budget basis - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Unrealized gain (loss) on investments			(23)	
Accrued taxes			<u>192,536</u>	
Fund balances, GAAP basis - end of year			<u>\$ 192,513</u>	

Deschutes County, Oregon

Foreclosed Land SalesSchedule of Revenues, Expenditures And Changes In Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ 143,718	\$ 143,718	\$ 54,025	\$ (89,693)
Investment earnings	778	778	1,952	1,174
Total revenues	<u>144,496</u>	<u>144,496</u>	<u>55,977</u>	<u>(88,519)</u>
Expenditures				
Current:				
General government	143,142	143,142	58,336	84,806
Not allocated to organizational units:				
Contingency	<u>156,715</u>	<u>156,715</u>	-	<u>156,715</u>
Total expenditures	<u>299,857</u>	<u>299,857</u>	<u>58,336</u>	<u>241,521</u>
Net change in fund balances	(155,361)	(155,361)	(2,359)	153,002
Fund balances, budget basis - beginning of year	<u>155,361</u>	<u>155,361</u>	<u>155,826</u>	<u>465</u>
Fund balances, budget basis - end of year	<u>\$ -</u>	<u>\$ -</u>	153,467	<u>\$ 153,467</u>
Unrealized gain (loss) on investments			<u>(4,902)</u>	
Fund balances, GAAP basis - end of year			<u>\$ 148,565</u>	

Deschutes County, Oregon

Victims' AssistanceSchedule of Revenues, Expenditures And Changes In Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Contributions and donations	\$ -	\$ 128,850	\$ -	\$ (128,850)
Intergovernmental	377,109	426,653	615,090	188,437
Investment earnings	-	-	2,079	2,079
Transfers in	717,566	826,913	826,913	-
Total revenues	<u>1,094,675</u>	<u>1,382,416</u>	<u>1,444,082</u>	<u>61,666</u>
EXPENDITURES				
Current:				
Public safety	<u>1,094,675</u>	<u>1,382,416</u>	<u>1,088,396</u>	<u>294,020</u>
Total expenditures	<u>1,094,675</u>	<u>1,382,416</u>	<u>1,088,396</u>	<u>294,020</u>
Net change in fund balances	-	-	355,686	355,686
Fund balances, budget basis - beginning of year	-	-	9,215	9,215
Fund balances, budget basis - end of year	<u>\$ -</u>	<u>\$ -</u>	364,901	<u>\$ 364,901</u>
Unrealized gain (loss) on investments			<u>(6,614)</u>	
Fund balances, GAAP basis - end of year			<u>\$ 358,287</u>	

Deschutes County, Oregon

Law LibrarySchedule of Revenues, Expenditures And Changes In Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 121,792	\$ 121,792	\$ 86,823	\$ (34,969)
Investment earnings	1,367	1,367	1,575	208
Total revenues	<u>123,159</u>	<u>123,159</u>	<u>88,398</u>	<u>(34,761)</u>
EXPENDITURES				
Current:				
General government	205,046	205,046	155,046	50,000
Not allocated to organizational units:				
Contingency	<u>88,113</u>	<u>88,113</u>	-	<u>88,113</u>
Total expenditures	<u>293,159</u>	<u>293,159</u>	<u>155,046</u>	<u>138,113</u>
Net change in fund balances	(170,000)	(170,000)	(66,648)	103,352
Fund balances, budget basis - beginning of year	<u>170,000</u>	<u>170,000</u>	<u>176,644</u>	<u>6,644</u>
Fund balances, budget basis - end of year	<u>\$ -</u>	<u>\$ -</u>	109,996	<u>\$ 109,996</u>
Unrealized gain (loss) on investments			<u>(3,488)</u>	
Fund balances, GAAP basis - end of year			<u>\$ 106,508</u>	

Deschutes County, Oregon

County Clerk RecordsSchedule of Revenues, Expenditures And Changes In Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ 131,566	\$ 131,566	\$ 75,200	\$ (56,366)
Investment earnings	2,003	2,003	5,415	3,412
Total revenues	<u>133,569</u>	<u>133,569</u>	<u>80,615</u>	<u>(52,954)</u>
EXPENDITURES				
Current:				
General government	130,457	130,457	122,693	7,764
Not allocated to organizational units:				
Contingency	<u>360,501</u>	<u>360,501</u>	-	<u>360,501</u>
Total expenditures	<u>490,958</u>	<u>490,958</u>	<u>122,693</u>	<u>368,265</u>
Net change in fund balances	(357,389)	(357,389)	(42,078)	315,311
Fund balances, budget basis - beginning of year	<u>357,389</u>	<u>357,389</u>	<u>390,130</u>	<u>32,741</u>
Fund balances, budget basis - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 348,052</u>	<u>\$ 348,052</u>
Unrealized gain (loss) on investments			<u>(11,039)</u>	
Fund balances, GAAP basis - end of year			<u>\$ 337,013</u>	

Deschutes County, Oregon

Court Facilities

Schedule of Revenues, Expenditures And Changes In Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Fines, forfeitures and penalties	\$ 63,000	\$ 63,000	\$ 63,694	\$ 694
Investment earnings	137	137	(36)	(173)
Total revenues	<u>63,137</u>	<u>63,137</u>	<u>63,658</u>	<u>521</u>
EXPENDITURES				
Current:				
Public safety	<u>63,137</u>	<u>63,137</u>	<u>63,137</u>	<u>-</u>
Total expenditures	<u>63,137</u>	<u>63,137</u>	<u>63,137</u>	<u>-</u>
Net change in fund balances	-	-	521	521
Fund balances, budget basis - beginning of year	-	-	-	-
Fund balances, budget basis - end of year	<u>\$ -</u>	<u>\$ -</u>	521	<u>\$ 521</u>
Unrealized gain (loss) on investments			<u>(16)</u>	
Fund balances, GAAP basis - end of year			<u>\$ 505</u>	

Deschutes County, Oregon

Deschutes County Communication System Reserve

Schedule of Revenues, Expenditures And Changes In Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 50,000	\$ 50,000	\$ -	\$ (50,000)
Investment earnings	1,569	1,569	4,383	2,814
Total revenues	<u>51,569</u>	<u>51,569</u>	<u>4,383</u>	<u>(47,186)</u>
EXPENDITURES				
Current:				
Public safety	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	51,569	51,569	4,383	(47,186)
Fund balances, budget basis - beginning of year	<u>321,634</u>	<u>321,634</u>	<u>272,017</u>	<u>(49,617)</u>
Fund balances, budget basis - end of year	<u>\$ 373,203</u>	<u>\$ 373,203</u>	276,400	<u>\$ (96,803)</u>
Unrealized gain (loss) on investments			<u>(8,764)</u>	
Total fund balance, GAAP basis - End of Year			<u>\$ 267,636</u>	

Deschutes County, Oregon

Community DevelopmentSchedule of Revenues, Expenditures And Changes In Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ 11,603,024	\$ 11,603,024	\$ 9,358,863	\$ (2,244,161)
Fines, forfeitures and penalties	28,000	28,000	4,142	(23,858)
Intergovernmental	30,000	30,000	57,210	27,210
Investment earnings	62,354	62,354	193,053	130,699
Transfers in	1,118,966	1,118,966	139,916	(979,050)
Total revenues	<u>12,842,344</u>	<u>12,842,344</u>	<u>9,753,184</u>	<u>(3,089,160)</u>
EXPENDITURES				
Current:				
General government	11,283,301	11,283,301	9,490,956	1,792,345
Not allocated to organizational units:				
Contingency	1,627,134	1,627,134	-	1,627,134
Transfers out	<u>1,071,585</u>	<u>1,071,585</u>	<u>112,619</u>	<u>958,966</u>
Total expenditures	<u>13,982,020</u>	<u>13,982,020</u>	<u>9,603,575</u>	<u>4,378,445</u>
Net change in fund balances	(1,139,676)	(1,139,676)	149,609	1,289,285
Fund balances, budget basis - beginning of year	<u>11,208,573</u>	<u>11,208,573</u>	<u>11,422,882</u>	<u>214,309</u>
Fund balances, budget basis - end of year	<u>\$ 10,068,897</u>	<u>\$ 10,068,897</u>	11,572,491	<u>\$ 1,503,594</u>
Unrealized gain (loss) on investments			<u>(381,380)</u>	
Fund balances, GAAP basis - end of year			<u>\$ 11,191,111</u>	

Deschutes County, Oregon

CDD Groundwater Partnership

Schedule of Revenues, Expenditures And Changes In Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ 45,000	\$ 45,000	\$ 10,500	\$ (34,500)
Investment earnings	516	516	1,264	748
Total revenues	<u>45,516</u>	<u>45,516</u>	<u>11,764</u>	<u>(33,752)</u>
EXPENDITURES				
Current:				
General government	<u>123,693</u>	<u>123,693</u>	<u>48,750</u>	<u>74,943</u>
Total expenditures	<u>123,693</u>	<u>123,693</u>	<u>48,750</u>	<u>74,943</u>
Net change in fund balances	(78,177)	(78,177)	(36,986)	41,191
Fund balances, budget basis - beginning of year	<u>78,177</u>	<u>78,177</u>	<u>93,333</u>	<u>15,156</u>
Fund balances, budget basis - end of year	<u>\$ -</u>	<u>\$ -</u>	56,347	<u>\$ 56,347</u>
Unrealized gain (loss) on investments			<u>(1,787)</u>	
Fund balances, GAAP basis - end of year			<u>\$ 54,560</u>	

Deschutes County, Oregon

Newberry Neighborhood

Schedule of Revenues, Expenditures And Changes In Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investment earnings	\$ 1,213	\$ 1,213	\$ 2,159	\$ 946
Loan repayments	58,000	58,000	-	(58,000)
Total revenues	<u>59,213</u>	<u>59,213</u>	<u>2,159</u>	<u>(57,054)</u>
Expenditures				
Not allocated to organizational units:				
Contingency	<u>134,913</u>	<u>134,913</u>	-	<u>134,913</u>
Total expenditures	<u>134,913</u>	<u>134,913</u>	-	<u>134,913</u>
Net change in fund balances	(75,700)	(75,700)	2,159	77,859
Fund balances, budget basis - beginning of year	<u>75,700</u>	<u>75,700</u>	<u>134,003</u>	<u>58,303</u>
Fund balances, budget basis - end of year	<u>\$ -</u>	<u>\$ -</u>	136,162	<u>\$ 136,162</u>
Unrealized gain (loss) on investments			<u>(4,317)</u>	
Fund balances, GAAP basis - end of year			<u>\$ 131,845</u>	

Deschutes County, Oregon

GIS DedicatedSchedule of Revenues, Expenditures And Changes In Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ 320,000	\$ 320,000	\$ 211,643	\$ (108,357)
Intergovernmental	12,029	12,029	7,076	(4,953)
Investment earnings	3,627	3,627	8,832	5,205
Total revenues	<u>335,656</u>	<u>335,656</u>	<u>227,551</u>	<u>(108,105)</u>
EXPENDITURES				
Current:				
General government	506,754	506,754	376,681	130,073
Not allocated to organizational units:				
Contingency	<u>439,581</u>	<u>439,581</u>	-	<u>439,581</u>
Total expenditures	<u>946,335</u>	<u>946,335</u>	<u>376,681</u>	<u>569,654</u>
Net change in fund balances	(610,679)	(610,679)	(149,130)	461,549
Fund balances, budget basis - beginning of year	<u>610,679</u>	<u>610,679</u>	<u>612,674</u>	<u>1,995</u>
Fund balances, budget basis - end of year	<u>\$ -</u>	<u>\$ -</u>	463,544	<u>\$ 463,544</u>
Unrealized gain (loss) on investments			<u>(14,869)</u>	
Fund balances, GAAP basis - end of year			<u>\$ 448,675</u>	

Deschutes County, Oregon

Natural Resource ProtectionSchedule of Revenues, Expenditures And Changes In Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ 160,000	\$ 160,000	\$ 121,361	\$ (38,639)
Intergovernmental	862,515	862,515	707,198	(155,317)
Investment earnings	8,786	8,786	25,776	16,990
Transfers in	65,000	65,000	35,000	(30,000)
Total revenues	<u>1,096,301</u>	<u>1,096,301</u>	<u>889,335</u>	<u>(206,966)</u>
EXPENDITURES				
Current:				
General government	1,072,220	1,072,220	796,256	275,964
Not allocated to organizational units:				
Contingency	1,325,668	1,325,668	-	1,325,668
Transfers out	8,210	8,210	8,210	-
Total expenditures	<u>2,406,098</u>	<u>2,406,098</u>	<u>804,466</u>	<u>1,601,632</u>
Net change in fund balances	(1,309,797)	(1,309,797)	84,869	1,394,666
Fund balances, budget basis - beginning of year	<u>1,309,797</u>	<u>1,309,797</u>	<u>1,420,503</u>	<u>110,706</u>
Fund balances, budget basis - end of year	<u>\$ -</u>	<u>\$ -</u>	1,505,372	<u>\$ 1,505,372</u>
Unrealized gain (loss) on investments			<u>(74,364)</u>	
Fund balances, GAAP basis - end of year			<u>\$ 1,431,008</u>	

Deschutes County, Oregon

Federal Forest Title IIISchedule of Revenues, Expenditures And Changes In Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 90,000	\$ 90,000	\$ 78,157	\$ (11,843)
Investment earnings	821	821	2,090	1,269
Total revenues	<u>90,821</u>	<u>90,821</u>	<u>80,247</u>	<u>(10,574)</u>
EXPENDITURES				
Current:				
General government	120,000	120,000	80,490	39,510
Not allocated to organizational units:				
Contingency	<u>64,822</u>	<u>64,822</u>	-	<u>64,822</u>
Total expenditures	<u>184,822</u>	<u>184,822</u>	<u>80,490</u>	<u>104,332</u>
Net change in fund balances	(94,001)	(94,001)	(243)	93,758
Fund balances, budget basis - beginning of year	<u>94,001</u>	<u>94,001</u>	<u>109,366</u>	<u>15,365</u>
Fund balances, budget basis - end of year	<u>\$ -</u>	<u>\$ -</u>	109,123	<u>\$ 109,123</u>
Advanced payments			(98,452)	
Unrealized gain (loss) on investments			<u>(3,460)</u>	
Fund balances, GAAP basis - end of year			<u>\$ 7,211</u>	

Deschutes County, Oregon

SurveyorSchedule of Revenues, Expenditures And Changes In Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ 53,084	\$ 53,084	\$ 46,899	\$ (6,185)
Investment earnings	1,975	1,975	6,861	4,886
Licenses and permits	168,347	168,347	137,762	(30,585)
Total revenues	<u>223,406</u>	<u>223,406</u>	<u>191,522</u>	<u>(31,884)</u>
EXPENDITURES				
Current:				
General government	251,758	251,758	251,599	159
Not allocated to organizational units:				
Contingency	<u>286,989</u>	<u>286,989</u>	<u>-</u>	<u>286,989</u>
Total expenditures	<u>538,747</u>	<u>538,747</u>	<u>251,599</u>	<u>287,148</u>
Net change in fund balances	(315,341)	(315,341)	(60,077)	255,264
Fund balances, budget basis - beginning of year	<u>315,341</u>	<u>315,341</u>	<u>315,970</u>	<u>629</u>
Fund balances, budget basis - end of year	<u>\$ -</u>	<u>\$ -</u>	255,893	<u>\$ 255,893</u>
Unrealized gain (loss) on investments			<u>(8,113)</u>	
Fund balances, GAAP basis - end of year			<u>\$ 247,780</u>	

Deschutes County, Oregon

Public Land Corner PreservationSchedule of Revenues, Expenditures And Changes In Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ -	\$ -	\$ 297,264	\$ 297,264
Investment earnings	9,151	9,151	25,819	16,668
Total revenues	<u>9,151</u>	<u>9,151</u>	<u>323,083</u>	<u>313,932</u>
EXPENDITURES				
Current:				
County roads	471,566	471,566	393,318	78,248
Not allocated to organizational units:				
Contingency	<u>1,199,595</u>	<u>1,199,595</u>	-	1,199,595
Total expenditures	<u>1,671,161</u>	<u>1,671,161</u>	<u>393,318</u>	<u>1,277,843</u>
Net change in fund balances	(1,662,010)	(1,662,010)	(70,235)	1,591,775
Fund balances, budget basis - beginning of year	<u>1,662,010</u>	<u>1,662,010</u>	<u>1,430,681</u>	<u>(231,329)</u>
Fund balances, budget basis - end of year	<u>\$ -</u>	<u>\$ -</u>	1,360,446	<u>\$ 1,360,446</u>
Unrealized gain (loss) on investments			<u>(43,135)</u>	
Fund balances, GAAP basis - end of year			<u>\$ 1,317,311</u>	

Deschutes County, Oregon

Countywide Transportation SDC Improvement FeeSchedule of Revenues, Expenditures And Changes In Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investment earnings	\$ 27,217	\$ 27,217	\$ 81,605	\$ 54,388
Licenses and permits	1,806,000	1,806,000	1,273,419	(532,581)
Total revenues	<u>1,833,217</u>	<u>1,833,217</u>	<u>1,355,024</u>	<u>(478,193)</u>
EXPENDITURES				
Not allocated to organizational units:				
Contingency	1,393,767	1,393,767	-	1,393,767
Transfers out	<u>4,451,592</u>	<u>4,451,592</u>	<u>2,459,941</u>	<u>1,991,651</u>
Total expenditures	<u>5,845,359</u>	<u>5,845,359</u>	<u>2,459,941</u>	<u>3,385,418</u>
Net change in fund balances	(4,012,142)	(4,012,142)	(1,104,917)	2,907,225
Fund balances, budget basis - beginning of year	<u>4,012,142</u>	<u>4,012,142</u>	<u>4,269,060</u>	<u>256,918</u>
Fund balances, budget basis - end of year	<u>\$ -</u>	<u>\$ -</u>	3,164,143	<u>\$ 3,164,143</u>
Unrealized gain (loss) on investments			<u>(100,323)</u>	
Fund balances, GAAP basis - end of year			<u>\$ 3,063,820</u>	

Deschutes County, Oregon

Dog ControlSchedule of Revenues, Expenditures And Changes In Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ -	\$ -	\$ 311	\$ 311
Contributions and donations	5,500	5,500	4,096	(1,404)
Investment earnings	545	545	1,265	720
Licenses and permits	229,750	229,750	198,686	(31,064)
Transfers in	147,166	147,166	147,166	-
Total revenues	<u>382,961</u>	<u>382,961</u>	<u>351,524</u>	<u>(31,437)</u>
EXPENDITURES				
Current:				
General government	402,165	402,165	344,316	57,849
Not allocated to organizational units:				
Contingency	<u>31,838</u>	<u>31,838</u>	-	<u>31,838</u>
Total expenditures	<u>434,003</u>	<u>434,003</u>	<u>344,316</u>	<u>89,687</u>
Net change in fund balances	(51,042)	(51,042)	7,208	58,250
Fund balances, budget basis - beginning of year	<u>51,042</u>	<u>51,042</u>	<u>51,140</u>	<u>98</u>
Fund balances, budget basis - end of year	<u>\$ -</u>	<u>\$ -</u>	58,348	<u>\$ 58,348</u>
Unrealized gain (loss) on investments			<u>(2,964)</u>	
Fund balances, GAAP basis - end of year			<u>\$ 55,384</u>	

Deschutes County, Oregon

Adult Parole & ProbationSchedule of Revenues, Expenditures And Changes In Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ 100,500	\$ 100,500	\$ 102,099	\$ 1,599
Fines, forfeitures and penalties	500	500	889	389
Intergovernmental	6,014,868	6,014,868	6,128,760	113,892
Investment earnings	18,151	18,151	63,625	45,474
Transfers in	536,368	536,368	536,368	-
Total revenues	<u>6,670,387</u>	<u>6,670,387</u>	<u>6,831,741</u>	<u>161,354</u>
EXPENDITURES				
Current:				
Public safety	7,575,910	7,575,910	6,790,874	785,036
Not allocated to organizational units:				
Contingency	605,877	406,317	-	406,317
Transfers out	69,277	268,837	268,837	-
Total expenditures	<u>8,251,064</u>	<u>8,251,064</u>	<u>7,059,711</u>	<u>1,191,353</u>
Net change in fund balances	(1,580,677)	(1,580,677)	(227,970)	1,352,707
Fund balances, budget basis - beginning of year	<u>3,100,000</u>	<u>3,100,000</u>	<u>3,238,905</u>	<u>138,905</u>
Fund balances, budget basis - end of year	<u>\$ 1,519,323</u>	<u>\$ 1,519,323</u>	3,010,935	<u>\$ 1,491,612</u>
Unrealized gain (loss) on investments			<u>(101,370)</u>	
Fund balances, GAAP basis - end of year			<u>\$ 2,909,565</u>	

Deschutes County, Oregon

Statewide Transportation Improvement Fund

Schedule of Revenues, Expenditures And Changes In Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 4,294,819	\$ 4,294,819	\$ 1,870,942	\$ (2,423,877)
Investment earnings	41,918	41,918	113,843	71,925
Total revenues	<u>4,336,737</u>	<u>4,336,737</u>	<u>1,984,785</u>	<u>(2,351,952)</u>
EXPENDITURES				
Current:				
County roads	<u>10,301,495</u>	<u>10,301,495</u>	<u>3,576,695</u>	<u>6,724,800</u>
Total expenditures	<u>10,301,495</u>	<u>10,301,495</u>	<u>3,576,695</u>	<u>6,724,800</u>
Net change in fund balances	(5,964,758)	(5,964,758)	(1,591,910)	4,372,848
Fund balances, budget basis - beginning of year	<u>5,964,758</u>	<u>5,964,758</u>	<u>6,546,828</u>	<u>582,070</u>
Fund balances, budget basis - end of year	<u>\$ -</u>	<u>\$ -</u>	4,954,918	<u>\$ 4,954,918</u>
Unrealized gain (loss) on investments			<u>(186,430)</u>	
Fund balances, GAAP basis - end of year			<u>\$ 4,768,488</u>	

Deschutes County, Oregon

PERS ReserveSchedule of Revenues, Expenditures And Changes In Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investment earnings	\$ 26,539	\$ 26,539	\$ 74,159	\$ 47,620
Total revenues	<u>26,539</u>	<u>26,539</u>	<u>74,159</u>	<u>47,620</u>
EXPENDITURES				
Current:				
General government	<u>101,100</u>	<u>101,100</u>	<u>1,700</u>	<u>99,400</u>
Total expenditures	<u>101,100</u>	<u>101,100</u>	<u>1,700</u>	<u>99,400</u>
Net change in fund balances	(74,561)	(74,561)	72,459	147,020
Fund balances, budget basis - beginning of year	<u>4,603,610</u>	<u>4,603,610</u>	<u>4,603,197</u>	<u>(413)</u>
Fund balances, budget basis - end of year	<u>\$ 4,529,049</u>	<u>\$ 4,529,049</u>	4,675,656	<u>\$ 146,607</u>
Unrealized gain (loss) on investments			<u>(148,247)</u>	
Fund balances, GAAP basis - end of year			<u>\$ 4,527,409</u>	

Deschutes County, Oregon

Joint Houselessness Task ForceSchedule of Revenues, Expenditures And Changes In Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ -	\$ -	\$ 10,633	\$ 10,633
Intergovernmental	1,000,000	1,000,000	192,705	(807,295)
Investment earnings	-	-	13,337	13,337
Total revenues	<u>1,000,000</u>	<u>1,000,000</u>	<u>216,675</u>	<u>(783,325)</u>
EXPENDITURES				
Current:				
General government	<u>500,000</u>	<u>500,000</u>	<u>203,338</u>	<u>296,662</u>
Total expenditures	<u>500,000</u>	<u>500,000</u>	<u>203,338</u>	<u>296,662</u>
Net change in fund balances	500,000	500,000	13,337	(486,663)
Fund balances, budget basis - beginning of year	-	-	-	-
Fund balances, budget basis - end of year	<u>\$ 500,000</u>	<u>\$ 500,000</u>	13,337	<u>\$ (486,663)</u>
Unrealized gain (loss) on investments			<u>(25,785)</u>	
Fund balances, GAAP basis - end of year			<u>\$ (12,448)</u>	

Deschutes County, Oregon

Deschutes County 9-1-1 County Service DistrictSchedule of Revenues, Expenditures And Changes In Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ 555,958	\$ 555,958	\$ 599,255	\$ 43,297
Intergovernmental	2,638,371	2,638,371	2,699,883	61,512
Investment earnings	67,515	67,515	237,841	170,326
Taxes - property	10,482,834	10,482,834	10,584,002	101,168
Transfers in	1,750,000	1,750,000	1,750,000	-
Total revenues	<u>15,494,678</u>	<u>15,494,678</u>	<u>15,870,981</u>	<u>376,303</u>
EXPENDITURES				
Current:				
Public safety	17,769,397	17,709,497	13,390,018	4,319,479
Not allocated to organizational units:				
Contingency	4,633,120	4,633,120	-	4,633,120
Transfers out	1,750,000	1,809,900	1,809,900	-
Total expenditures	<u>24,152,517</u>	<u>24,152,517</u>	<u>15,199,918</u>	<u>8,952,599</u>
Net change in fund balances	(8,657,839)	(8,657,839)	671,063	9,328,902
Fund balances, budget basis - beginning of year	<u>12,950,799</u>	<u>12,950,799</u>	<u>12,722,890</u>	<u>(227,909)</u>
Fund balances, budget basis - end of year	<u>\$ 4,292,960</u>	<u>\$ 4,292,960</u>	13,393,953	<u>\$ 9,100,993</u>
Unrealized gain (loss) on investments			<u>(418,812)</u>	
Fund balances, GAAP basis - end of year			<u>\$ 12,975,141</u>	

Deschutes County, Oregon

Extension and 4-H Service DistrictSchedule of Revenues, Expenditures And Changes In Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investment earnings	\$ 2,671	\$ 2,671	\$ 9,067	\$ 6,396
Taxes - property	653,684	653,684	659,447	5,763
Total revenues	<u>656,355</u>	<u>656,355</u>	<u>668,514</u>	<u>12,159</u>
EXPENDITURES				
Current:				
General government	681,758	681,758	634,854	46,904
Not allocated to organizational units:				
Contingency	272,559	272,559	-	272,559
Debt service	<u>60,276</u>	<u>60,276</u>	<u>60,275</u>	<u>1</u>
Total expenditures	<u>1,014,593</u>	<u>1,014,593</u>	<u>695,129</u>	<u>319,464</u>
Net change in fund balances	(358,238)	(358,238)	(26,615)	331,623
Fund balances, budget basis - beginning of year	<u>358,238</u>	<u>358,238</u>	<u>402,627</u>	<u>44,389</u>
Fund balances, budget basis - end of year	<u>\$ -</u>	<u>\$ -</u>	376,012	<u>\$ 376,012</u>
Unrealized gain (loss) on investments			<u>(15,294)</u>	
Fund balances, GAAP basis - end of year			<u>\$ 360,718</u>	

Deschutes County, Oregon

Deschutes County Road Agency

Schedule of Revenues, Expenditures And Changes In Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ -	\$ 800,000	\$ 695,036	\$ (104,964)
Total revenues	-	800,000	695,036	(104,964)
EXPENDITURES				
Current:				
County roads	-	800,000	695,036	104,964
Total expenditures	-	800,000	695,036	104,964
Net change in fund balances	-	-	-	-
Fund balances, budget basis - beginning of year	-	-	-	-
Fund balances, budget basis - end of year	\$ -	\$ -	-	\$ -
Unrealized gain (loss) on investments			-	
Fund balances, GAAP basis - end of year			\$ -	

Deschutes County, Oregon

Campus Public Safety - Nonmajor Capital Projects FundSchedule of Revenues, Expenditures And Changes In Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ 560,000	\$ 775,000	\$ 967,272	\$ 192,272
Investment earnings	37,206	37,206	161,956	124,750
Transfers in	9,450,444	9,968,704	10,038,704	70,000
Total revenues	<u>10,047,650</u>	<u>10,780,910</u>	<u>11,167,932</u>	<u>387,022</u>
EXPENDITURES				
Current:				
General government	<u>18,225,000</u>	<u>18,958,260</u>	<u>13,246,869</u>	<u>5,711,391</u>
Total expenditures	<u>18,225,000</u>	<u>18,958,260</u>	<u>13,246,869</u>	<u>5,711,391</u>
Net change in fund balances	(8,177,350)	(8,177,350)	(2,078,937)	6,098,413
Fund balances, budget basis - beginning of year	<u>8,177,350</u>	<u>8,177,350</u>	<u>8,706,706</u>	<u>529,356</u>
Fund balances, budget basis - end of year	<u>\$ -</u>	<u>\$ -</u>	6,627,769	<u>\$ 6,627,769</u>
Unrealized gain (loss) on investments			(270,264)	
Retainage payable			<u>(490,771)</u>	
Fund balances, GAAP basis - end of year			<u>\$ 5,866,734</u>	

Deschutes County, Oregon

Full Faith & Credit Debt Service - Nonmajor Debt Service FundSchedule of Revenues, Expenditures And Changes In Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Charges for services	\$ 1,489,265	\$ 1,489,265	\$ 1,434,360	\$ (54,905)
Intergovernmental	309,745	309,745	309,545	(200)
Investment earnings	5,025	5,025	16,839	11,814
Rentals	1,251,542	1,251,542	1,261,687	10,145
Transfers in	1,790,146	1,790,146	1,485,577	(304,569)
Total revenues	<u>4,845,723</u>	<u>4,845,723</u>	<u>4,508,008</u>	<u>(337,715)</u>
EXPENDITURES				
Not allocated to organizational units:				
Debt service	<u>4,796,154</u>	<u>4,796,154</u>	<u>4,478,965</u>	<u>317,189</u>
Total expenditures	<u>4,796,154</u>	<u>4,796,154</u>	<u>4,478,965</u>	<u>317,189</u>
Net change in fund balances	49,569	49,569	29,043	(20,526)
Fund balances, budget basis - beginning of year	<u>400,458</u>	<u>400,458</u>	<u>390,537</u>	<u>(9,921)</u>
Fund balances, budget basis - end of year	<u>\$ 450,027</u>	<u>\$ 450,027</u>	419,580	<u>\$ (30,447)</u>
Unrealized gain (loss) on investments			(13,316)	
Lease receivable			1,479,659	
Unavailable lease revenue			<u>(1,436,857)</u>	
Fund balances, GAAP basis - end of year			<u>\$ 449,066</u>	



Combining and Individual Funds Statements
and Schedules – Proprietary Funds –
Internal Service Funds – Fiduciary Funds
For the Fiscal Year Ended June 30, 2023
Deschutes County, Oregon

Deschutes County, Oregon
Combining Statement of Net Position
Internal Service Funds
June 30, 2023

	Facilities	Administrative Services	Board of County Commissioners	Finance	Finance Reserve
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 99,077	\$ 28,450	\$ 10,653	\$ -	\$ 6,562
Investments, at fair value, plus accrued interest	650,923	186,917	69,992	-	43,107
Accounts receivable	-	-	-	-	-
Prepaid expenses	15,688	-	-	180,334	-
Lease receivable, current portion	200,532	-	-	-	-
Total current assets	966,220	215,367	80,645	180,334	49,669
Noncurrent assets:					
Lease receivable	318,451	-	-	-	-
Net OPEB RHIA asset	23,691	16,656	3,642	11,946	-
Capital assets:					
Land improvements	155,977	-	-	-	-
Equipment	115,416	-	21,729	39,350	-
Lease equipment	4,055	-	-	12,682	-
Vehicles	168,414	-	-	-	-
Intangible	12,834	-	-	1,283,572	-
Subscription assets	-	-	9,354	247,889	-
Less accumulated depreciation and amortization	(380,134)	-	(20,091)	(786,602)	-
Total noncurrent assets	418,704	16,656	14,634	808,837	-
Total assets	1,384,924	232,023	95,279	989,171	49,669
DEFERRED OUTFLOWS OF RESOURCES					
Pension plan	828,739	582,624	127,396	417,889	-
OPEB County plan	68,742	48,327	10,567	34,663	-
OPEB RHIA	2,237	1,572	344	1,128	-
Total deferred outflows of resources	899,718	632,523	138,307	453,680	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 2,284,642	\$ 864,546	\$ 233,586	\$ 1,442,851	\$ 49,669
LIABILITIES					
Current liabilities:					
Accounts payable	\$ 59,701	\$ 2,819	\$ 7,137	\$ 13,043	\$ -
Payroll liabilities	73,516	40,718	13,448	38,482	-
Due to other funds	-	-	-	129,811	-
Current portion of noncurrent liabilities	203,426	201,026	-	117,215	-
Total current liabilities	336,643	244,563	20,585	298,551	-
Noncurrent liabilities:					
Compensated leave	219,454	218,507	-	53,133	-
Lease payable	2,555	-	-	6,635	-
Net pension liability	1,599,388	1,124,410	245,861	806,485	-
Total OPEB County plan liability	329,408	231,582	50,637	166,103	-
Subscription liability	-	-	-	182,859	-
Accrued claims payable	-	-	-	-	-
Less current portion noncurrent liabilities	(203,426)	(201,026)	-	(117,215)	-
Total noncurrent liabilities	1,947,379	1,373,473	296,498	1,098,000	-
Total liabilities	2,284,022	1,618,036	317,083	1,396,551	-
DEFERRED INFLOWS OF RESOURCES					
Lease resources	503,328	-	-	-	-
Pension plan	499,636	351,257	76,804	251,939	-
OPEB County plan	290,362	204,131	44,635	146,414	-
OPEB RHIA	3,239	2,276	498	1,633	-
Total deferred inflows of resources	1,296,565	557,664	121,937	399,986	-
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	3,580,587	2,175,700	439,020	1,796,537	-
NET POSITION					
Net investment in capital assets	74,007	-	10,992	607,397	-
Restricted for:					
Net OPEB RHIA asset	23,691	16,656	3,642	11,946	-
Unrestricted	(1,393,643)	(1,327,810)	(220,068)	(973,029)	49,669
TOTAL NET POSITION	\$ (1,295,945)	\$ (1,311,154)	\$ (205,434)	\$ (353,686)	\$ 49,669

Legal	Human Resources	Information Technology	Information Tech Reserve	Insurance	Health Benefits	Total
\$ 24,826	\$ 27,695	\$ 63,419	\$ 144,354	\$ 1,205,628	\$ 1,032,046	\$ 2,642,710
163,105	181,960	416,656	948,392	7,920,856	6,780,438	17,362,346
-	45,257	-	-	-	834,620	879,877
-	1,308	8,913	-	37,421	-	243,664
-	-	-	-	-	-	200,532
<u>187,931</u>	<u>256,220</u>	<u>488,988</u>	<u>1,092,746</u>	<u>9,163,905</u>	<u>8,647,104</u>	<u>21,329,129</u>
-	-	-	-	-	-	318,451
12,884	15,189	28,874	-	3,718	-	116,600
-	-	-	-	40,000	-	195,977
-	-	-	1,119,559	36,300	-	1,332,354
8,681	2,813	3,445	-	-	-	31,676
-	-	-	26,791	-	-	195,205
-	-	-	53,692	-	-	1,350,098
49,743	-	-	-	-	-	306,986
(20,798)	(2,813)	(2,175)	(744,165)	(58,300)	-	(2,015,078)
<u>50,510</u>	<u>15,189</u>	<u>30,144</u>	<u>455,877</u>	<u>21,718</u>	<u>-</u>	<u>1,832,269</u>
<u>238,441</u>	<u>271,409</u>	<u>519,132</u>	<u>1,548,623</u>	<u>9,185,623</u>	<u>8,647,104</u>	<u>23,161,398</u>
450,696	531,308	1,010,036	-	130,068	-	4,078,756
37,384	44,071	83,779	-	10,789	-	338,322
1,216	1,433	2,725	-	351	-	11,006
<u>489,296</u>	<u>576,812</u>	<u>1,096,540</u>	<u>-</u>	<u>141,208</u>	<u>-</u>	<u>4,428,084</u>
<u>\$ 727,737</u>	<u>\$ 848,221</u>	<u>\$ 1,615,672</u>	<u>\$ 1,548,623</u>	<u>\$ 9,326,831</u>	<u>\$ 8,647,104</u>	<u>\$ 27,589,482</u>
\$ 1,740	\$ 110,793	\$ 46,361	\$ 20,132	\$ 128,104	\$ 1,166,304	\$ 1,556,134
38,469	38,093	77,918	-	11,337	-	331,981
-	-	-	-	-	-	129,811
196,263	132,196	339,702	-	3,192,089	1,628,618	6,010,535
<u>236,472</u>	<u>281,082</u>	<u>463,981</u>	<u>20,132</u>	<u>3,331,530</u>	<u>2,794,922</u>	<u>8,028,461</u>
193,623	143,691	367,852	-	26,772	-	1,223,032
5,631	-	1,277	-	-	-	16,098
869,798	1,025,372	1,949,273	-	251,017	-	7,871,604
179,142	211,184	401,470	-	51,699	-	1,621,225
15,325	-	-	-	-	-	198,184
-	-	-	-	-	-	7,963,536
(196,263)	(132,196)	(339,702)	-	(3,192,089)	(1,628,618)	(6,010,535)
<u>1,067,256</u>	<u>1,248,051</u>	<u>2,380,170</u>	<u>-</u>	<u>3,472,317</u>	<u>-</u>	<u>12,883,144</u>
<u>1,303,728</u>	<u>1,529,133</u>	<u>2,844,151</u>	<u>20,132</u>	<u>6,803,847</u>	<u>2,794,922</u>	<u>20,911,605</u>
-	-	-	-	-	-	503,328
271,718	320,318	608,937	-	78,415	-	2,459,024
157,909	186,152	353,882	-	45,571	-	1,429,056
1,761	2,076	3,946	-	509	-	15,938
<u>431,388</u>	<u>508,546</u>	<u>966,765</u>	<u>-</u>	<u>124,495</u>	<u>-</u>	<u>4,407,346</u>
<u>1,735,116</u>	<u>2,037,679</u>	<u>3,810,916</u>	<u>20,132</u>	<u>6,928,342</u>	<u>2,794,922</u>	<u>25,318,951</u>
16,670	-	(7)	455,877	18,000	-	1,182,936
12,884	15,189	28,874	-	3,718	-	116,600
(1,036,933)	(1,204,647)	(2,224,111)	1,072,614	2,376,771	5,852,182	970,995
<u>\$ (1,007,379)</u>	<u>\$ (1,189,458)</u>	<u>\$ (2,195,244)</u>	<u>\$ 1,528,491</u>	<u>\$ 2,398,489</u>	<u>\$ 5,852,182</u>	<u>\$ 2,270,531</u>

Deschutes County, Oregon

Combining Statement of Revenues, Expenses and Changes in Fund Net Position

Internal Service Funds

For the Fiscal Year Ended June 30, 2023

	Facilities	Administrative Services	Board of County Commissioners	Finance	Finance Reserve
OPERATING REVENUES					
Charges for services	\$ 4,631,616	\$ 1,737,058	\$ 398,217	\$ 2,178,937	\$ 261,257
Total operating revenues	4,631,616	1,737,058	398,217	2,178,937	261,257
OPERATING EXPENSES					
Personnel	2,378,243	1,936,917	482,511	1,252,703	59,443
Materials and services	1,604,213	280,445	252,471	880,283	-
Depreciation and amortization	12,972	-	9,226	192,908	-
Total operating expenses	3,995,428	2,217,362	744,208	2,325,894	59,443
Operating income (loss)	636,188	(480,304)	(345,991)	(146,957)	201,814
NONOPERATING REVENUES (EXPENSES)					
Interest expense	(30)	-	-	(83)	-
Investment earnings (losses)	(188,735)	7,300	3,782	787	5,820
Gain (loss) on sale of assets	-	-	-	-	-
Total nonoperating revenues (expenses)	(188,765)	7,300	3,782	704	5,820
Income (loss) before transfers	447,423	(473,004)	(342,209)	(146,253)	207,634
TRANSFERS					
Transfers in	-	236,579	301,626	-	-
Transfers out	(71,810)	-	(3,715)	-	(260,439)
Net other financing sources (uses)	(71,810)	236,579	297,911	-	(260,439)
Change in net position	375,613	(236,425)	(44,298)	(146,253)	(52,805)
Net position - beginning of year	(1,671,558)	(1,074,729)	(161,136)	(207,433)	102,474
Net position - end of year	\$ (1,295,945)	\$ (1,311,154)	\$ (205,434)	\$ (353,686)	\$ 49,669

Legal	Human Resources	Information Technology	Information Tech Reserve	Insurance	Health Benefits	Total
\$ 1,549,533	\$ 1,777,330	\$ 3,483,804	\$ 223,908	\$ 3,149,082	\$ 25,316,270	\$ 44,707,012
1,549,533	1,777,330	3,483,804	223,908	3,149,082	25,316,270	44,707,012
1,498,727	1,577,383	2,772,090	-	414,478	-	12,372,495
133,940	402,760	848,426	66,090	3,439,648	29,659,489	37,567,765
20,798	2,813	2,175	128,264	1,333	-	370,489
1,653,465	1,982,956	3,622,691	194,354	3,855,459	29,659,489	50,310,749
(103,932)	(205,626)	(138,887)	29,554	(706,377)	(4,343,219)	(5,603,737)
-	-	-	-	-	-	(113)
3,816	3,060	8,751	19,240	145,874	406,736	416,431
-	-	-	(6,949)	-	-	(6,949)
3,816	3,060	8,751	12,291	145,874	406,736	409,369
(100,116)	(202,566)	(130,136)	41,845	(560,503)	(3,936,483)	(5,194,368)
-	-	-	-	-	-	538,205
-	-	(10,848)	-	(3,500)	-	(350,312)
-	-	(10,848)	-	(3,500)	-	187,893
(100,116)	(202,566)	(140,984)	41,845	(564,003)	(3,936,483)	(5,006,475)
(907,263)	(986,892)	(2,054,260)	1,486,646	2,962,492	9,788,665	7,277,006
\$ (1,007,379)	\$ (1,189,458)	\$ (2,195,244)	\$ 1,528,491	\$ 2,398,489	\$ 5,852,182	\$ 2,270,531

Deschutes County, Oregon
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2023

	Facilities	Administrative Services	Board of County Commissioners	Finance	Finance Reserve
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	\$ 4,647,315	\$ 1,737,058	\$ 398,217	\$ 2,172,338	\$ 261,257
Payments to employees	(2,588,647)	(1,737,089)	(486,841)	(1,216,462)	(131,526)
Payments to suppliers	(1,867,397)	(279,649)	(248,508)	(901,296)	-
Net cash provided (used) by operating activities	191,271	(279,680)	(337,132)	54,580	129,731
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers in	-	236,579	301,626	-	-
Transfers out	(71,810)	-	(3,715)	-	(260,439)
Net cash provided (used) by noncapital financing activities	(71,810)	236,579	297,911	-	(260,439)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition of capital assets	(12,182)	-	-	-	-
Payments for leases	(1,515)	-	-	(6,091)	-
Interest paid on leases	(30)	-	-	(83)	-
Proceeds from leases	(10,518)	-	-	-	-
Payments for subscriptions	-	-	(9,354)	(65,030)	-
Due to other funds	-	-	-	99,319	-
Net cash provided (used) by capital and related financing activities	(24,245)	-	(9,354)	28,115	-
CASH FLOWS FROM INVESTING ACTIVITIES					
Sale (purchase) of investments	(182,133)	(1,805)	23,228	(83,079)	88,409
Interest	13,762	6,160	2,441	384	2,161
Net cash provided (used) by investing activities	(168,371)	4,355	25,669	(82,695)	90,570
Net increase (decrease) in cash & cash equivalents	(73,155)	(38,746)	(22,906)	-	(40,138)
Balances - beginning of year	172,232	67,196	33,559	-	46,700
Balances - end of year	\$ 99,077	\$ 28,450	\$ 10,653	\$ -	\$ 6,562
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	\$ 636,188	\$ (480,304)	\$ (345,991)	\$ (146,957)	\$ 201,814
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Amortization of deferred lease resources	(199,742)	-	-	-	-
Depreciation and amortization expense	12,972	-	9,226	192,908	-
Change in operating accruals:					
Receivables	15,699	-	-	-	-
Prepaid expenses	-	-	-	(6,599)	-
Accounts payable	(63,442)	796	3,963	(21,013)	-
Payroll liabilities	73,516	40,718	13,448	38,482	-
Claims payable	-	-	-	-	-
Compensated leave	24,133	27,725	-	32,181	(2,714)
Net OPEB RHIA asset	(22,689)	(15,952)	(3,488)	(11,441)	-
Net OPEB liability	(703,128)	(390,891)	(104,284)	(287,372)	(36,336)
Net pension liability	417,764	538,228	89,994	264,391	(33,033)
Net cash provided (used) by operating activities	\$ 191,271	\$ (279,680)	\$ (337,132)	\$ 54,580	\$ 129,731
NONCASH INVESTING ACTIVITIES					
Change in fair value of investments	\$ (4,540)	\$ (407,427)	\$ (8,942)	\$ 7,672	\$ (4,423)
Lease receivable for deferred inflow of resources	\$ 374,633	\$ -	\$ -	\$ -	\$ -

Legal	Human Resources	Information Technology	IT Reserve	Insurance	Health Benefits	Total
\$ 1,549,533	\$ 1,782,565	\$ 3,480,778	\$ 257,978	\$ 3,111,661	\$ 24,481,650	\$ 43,880,350
(1,356,524)	(1,355,572)	(2,609,027)	-	(359,871)	-	(11,841,559)
(133,242)	(383,409)	(810,819)	(68,420)	(2,944,782)	(32,148,342)	(39,785,864)
59,767	43,584	60,932	189,558	(192,992)	(7,666,692)	(7,747,073)
-	-	-	-	-	-	538,205
-	-	(10,848)	-	(3,500)	-	(350,312)
-	-	(10,848)	-	(3,500)	-	187,893
-	-	-	(262,077)	-	-	(274,259)
(2,718)	(2,814)	(2,161)	(1)	-	-	(15,300)
(65)	(4)	(17)	-	-	-	(199)
-	-	-	-	-	-	(10,518)
(34,418)	-	-	-	-	-	(108,802)
-	-	-	-	-	-	99,319
(37,201)	(2,818)	(2,178)	(262,078)	-	-	(309,759)
(45,460)	(61,678)	(103,253)	(106,924)	(1,193,359)	4,474,527	2,808,473
4,500	4,242	5,488	17,198	140,299	191,832	388,467
(40,960)	(57,436)	(97,765)	(89,726)	(1,053,060)	4,666,359	3,196,940
(18,394)	(16,670)	(49,859)	(162,246)	(1,249,552)	(3,000,333)	(4,671,999)
43,220	44,365	113,278	306,600	2,455,180	4,032,379	7,314,709
\$ 24,826	\$ 27,695	\$ 63,419	\$ 144,354	\$ 1,205,628	\$ 1,032,046	\$ 2,642,710
\$ (103,932)	\$ (205,626)	\$ (138,887)	\$ 29,554	\$ (706,377)	\$ (4,343,219)	\$ (5,603,737)
-	-	-	-	-	-	(199,742)
20,798	2,813	2,175	128,264	1,333	-	370,489
-	5,321	-	-	-	(834,620)	(813,600)
-	(86)	(3,026)	34,070	(37,421)	-	(13,062)
698	19,351	37,607	(2,330)	(400,261)	(3,088,425)	(3,513,056)
38,469	38,093	77,918	-	11,337	-	331,981
-	-	-	-	895,127	599,572	1,494,699
51,969	7,074	(1,829)	-	10,877	-	149,416
(12,339)	(14,546)	(27,653)	-	(3,560)	-	(111,668)
(363,885)	(300,652)	(842,092)	-	(82,362)	-	(3,111,002)
427,989	491,842	956,719	-	118,315	-	3,272,209
\$ 59,767	\$ 43,584	\$ 60,932	\$ 189,558	\$ (192,992)	\$ (7,666,692)	\$ (7,747,073)
\$ (29,986)	\$ (1,188)	\$ (9,326)	\$ (3,779)	\$ 1,055	\$ 1,408	\$ (459,476)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 374,633

Deschutes County, Oregon

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Facilities

For the Fiscal Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ 4,418,482	\$ 4,418,482	\$ 4,436,765	\$ 18,283
Investment earnings	5,364	5,364	14,786	9,422
Total revenues	<u>4,423,846</u>	<u>4,423,846</u>	<u>4,451,551</u>	<u>27,705</u>
EXPENDITURES				
Current:				
County services	4,792,675	4,792,675	4,295,511	497,164
Not allocated to organizational units:				
Contingency	176,723	176,723	-	176,723
Transfers out	<u>71,810</u>	<u>71,810</u>	<u>71,810</u>	<u>-</u>
Total expenditures	<u>5,041,208</u>	<u>5,041,208</u>	<u>4,367,321</u>	<u>673,887</u>
Net change in fund balances	(617,362)	(617,362)	84,230	701,592
Fund balances, budget basis - beginning of year	<u>617,362</u>	<u>617,362</u>	<u>572,799</u>	<u>(44,563)</u>
Fund balances, budget basis - end of year	<u>\$ -</u>	<u>\$ -</u>	657,029	<u>\$ 657,029</u>
Unrealized gain (loss) on investments			(24,558)	
Lease receivable			518,983	
Capital assets (net of accumulated depreciation and amortization)			76,562	
Deferred outflows of resources - OPEB RHIA			2,237	
Deferred outflows of resources - OPEB			68,742	
Deferred outflows of resources - pension			828,739	
Accrued compensated leave			(219,454)	
Lease payable			(2,555)	
Other postemployment benefits - RHIA			23,691	
Other postemployment benefits			(329,408)	
Net pension liability			(1,599,388)	
Deferred inflows of resources - leases			(503,328)	
Deferred inflows of resources - OPEB RHIA			(3,239)	
Deferred inflows of resources - OPEB			(290,362)	
Deferred inflows of resources - pension			<u>(499,636)</u>	
Net position, GAAP basis - end of year			<u>\$ (1,295,945)</u>	

Deschutes County, Oregon

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Administrative Services

For the Fiscal Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ 1,746,559	\$ 1,746,559	\$ 1,737,058	\$ (9,501)
Investment earnings	2,261	2,261	6,245	3,984
Transfers in	236,579	236,579	236,579	-
Total revenues	<u>1,985,399</u>	<u>1,985,399</u>	<u>1,979,882</u>	<u>(5,517)</u>
EXPENDITURES				
Current:				
County services	2,171,634	2,171,634	2,058,251	113,383
Not allocated to organizational units:				
Contingency	<u>63,157</u>	<u>63,157</u>	<u>-</u>	<u>63,157</u>
Total expenditures	<u>2,234,791</u>	<u>2,234,791</u>	<u>2,058,251</u>	<u>176,540</u>
Net change in fund balances	(249,392)	(249,392)	(78,369)	171,023
Fund balances, budget basis - beginning of year	<u>249,392</u>	<u>249,392</u>	<u>257,251</u>	<u>7,859</u>
Fund balances, budget basis - end of year	<u>\$ -</u>	<u>\$ -</u>	178,882	<u>\$ 178,882</u>
Unrealized gain (loss) on investments			(7,052)	
Deferred outflows of resources - OPEB RHIA			1,572	
Deferred outflows of resources - OPEB			48,327	
Deferred outflows of resources - pension			582,624	
Accrued compensated leave			(218,507)	
Other postemployment benefits - RHIA			16,656	
Other postemployment benefits			(231,582)	
Net pension liability			(1,124,410)	
Deferred inflows of resources - OPEB RHIA			(2,276)	
Deferred inflows of resources - OPEB			(204,131)	
Deferred inflows of resources - pension			<u>(351,257)</u>	
Net position, GAAP basis - end of year			<u>\$ (1,311,154)</u>	

Deschutes County, Oregon

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Board of County Commissioners

For the Fiscal Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ 398,218	\$ 398,218	\$ 398,217	\$ (1)
Investment earnings	821	821	2,374	1,553
Transfers in	301,626	301,626	301,626	-
Total revenues	<u>700,665</u>	<u>700,665</u>	<u>702,217</u>	<u>1,552</u>
EXPENDITURES				
Current:				
County services	782,440	782,440	762,113	20,327
Not allocated to organizational units:				
Contingency	23,764	23,764	-	23,764
Transfers out	<u>3,715</u>	<u>3,715</u>	<u>3,715</u>	<u>-</u>
Total expenditures	<u>809,919</u>	<u>809,919</u>	<u>765,828</u>	<u>44,091</u>
Net change in fund balances	(109,254)	(109,254)	(63,611)	45,643
Fund balances, budget basis - beginning of year	<u>109,254</u>	<u>109,254</u>	<u>126,312</u>	<u>17,058</u>
Fund balances, budget basis - end of year	<u>\$ -</u>	<u>\$ -</u>	62,701	<u>\$ 62,701</u>
Unrealized gain (loss) on investments			(2,641)	
Capital assets (net of accumulated depreciation and amortization)			10,992	
Deferred outflows of resources - OPEB RHIA			344	
Deferred outflows of resources - OPEB			10,567	
Deferred outflows of resources - pension			127,396	
Other postemployment benefits - RHIA			3,642	
Other postemployment benefits			(50,637)	
Net pension liability			(245,861)	
Deferred inflows of resources - OPEB RHIA			(498)	
Deferred inflows of resources - OPEB			(44,635)	
Deferred inflows of resources - pension			<u>(76,804)</u>	
Net position, GAAP basis - end of year			<u>\$ (205,434)</u>	

Deschutes County, Oregon

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Finance

For the Fiscal Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ 2,209,383	\$ 2,209,383	\$ 2,178,937	\$ (30,446)
Investment earnings	260	260	215	(45)
Total revenues	<u>2,209,643</u>	<u>2,209,643</u>	<u>2,179,152</u>	<u>(30,491)</u>
EXPENDITURES				
Current:				
County services	2,255,009	2,295,009	2,206,431	88,578
Not allocated to organizational units:				
Contingency	<u>67,373</u>	<u>27,373</u>	-	<u>27,373</u>
Total expenditures	<u>2,322,382</u>	<u>2,322,382</u>	<u>2,206,431</u>	<u>115,951</u>
Net change in fund balances	(112,739)	(112,739)	(27,279)	85,460
Fund balances, budget basis - beginning of year	<u>112,739</u>	<u>112,739</u>	<u>22,026</u>	<u>(90,713)</u>
Fund balances, budget basis - end of year	<u>\$ -</u>	<u>\$ -</u>	(5,253)	<u>\$ (5,253)</u>
Unrealized gain (loss) on investments			4,251	
Capital assets (net of accumulated depreciation and amortization)			796,891	
Deferred outflows of resources - OPEB RHIA			1,128	
Deferred outflows of resources - OPEB			34,663	
Deferred outflows of resources - pension			417,889	
Accrued compensated leave			(53,133)	
Lease payable			(6,635)	
Subscription liabilities			(182,859)	
Other postemployment benefits - RHIA			11,946	
Other postemployment benefits			(166,103)	
Net pension liability			(806,485)	
Deferred inflows of resources - OPEB RHIA			(1,633)	
Deferred inflows of resources - OPEB			(146,414)	
Deferred inflows of resources - pension			<u>(251,939)</u>	
Net position, GAAP basis - end of year			<u>\$ (353,686)</u>	

Deschutes County, Oregon

Schedule of Revenues, Expenditures and Changes In Fund Balances - Budget and Actual

Finance Reserve

For the Fiscal Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ 261,257	\$ 261,257	\$ 261,257	\$ -
Investment earnings	1,439	1,439	1,812	373
Total revenues	<u>262,696</u>	<u>262,696</u>	<u>263,069</u>	<u>373</u>
EXPENDITURES				
Current:				
County services	177,155	177,155	131,526	45,629
Not allocated to organizational units:				
Transfers out	<u>260,439</u>	<u>260,439</u>	<u>260,439</u>	<u>-</u>
Total expenditures	<u>437,594</u>	<u>437,594</u>	<u>391,965</u>	<u>45,629</u>
Net change in fund balances	(174,898)	(174,898)	(128,896)	46,002
Fund balances, budget basis - beginning of year	<u>174,898</u>	<u>174,898</u>	<u>180,191</u>	<u>5,293</u>
Fund balances, budget basis - end of year	<u>\$ -</u>	<u>\$ -</u>	51,295	<u>\$ 51,295</u>
Unrealized gain (loss) on investments			<u>(1,626)</u>	
Net position, GAAP basis - end of year			<u>\$ 49,669</u>	

Deschutes County, Oregon

Schedule of Revenues, Expenditures and Changes In Fund Balances - Budget and Actual

Legal

For the Fiscal Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ 1,547,532	\$ 1,547,532	\$ 1,549,533	\$ 2,001
Investment earnings	860	860	4,756	3,896
Total revenues	<u>1,548,392</u>	<u>1,548,392</u>	<u>1,554,289</u>	<u>5,897</u>
EXPENDITURES				
Current:				
County services	1,620,105	1,620,105	1,566,134	53,971
Not allocated to organizational units:				
Contingency	<u>48,540</u>	<u>48,540</u>	-	<u>48,540</u>
Total expenditures	<u>1,668,645</u>	<u>1,668,645</u>	<u>1,566,134</u>	<u>102,511</u>
Net change in fund balances	(120,253)	(120,253)	(11,845)	108,408
Fund balances, budget basis - beginning of year	<u>120,253</u>	<u>120,253</u>	<u>165,721</u>	<u>45,468</u>
Fund balances, budget basis - end of year	<u>\$ -</u>	<u>\$ -</u>	153,876	<u>\$ 153,876</u>
Unrealized gain (loss) on investments			(6,154)	
Capital assets (net of accumulated depreciation and amortization)			37,626	
Deferred outflows of resources - OPEB RHIA			1,216	
Deferred outflows of resources - OPEB			37,384	
Deferred outflows of resources - pension			450,696	
Accrued compensated leave			(193,623)	
Lease payable			(5,631)	
Subscription liabilities			(15,325)	
Other postemployment benefits - RHIA			12,884	
Other postemployment benefits			(179,142)	
Net pension liability			(869,798)	
Deferred inflows of resources - OPEB RHIA			(1,761)	
Deferred inflows of resources - OPEB			(157,909)	
Deferred inflows of resources - pension			<u>(271,718)</u>	
Net position, GAAP basis - end of year			<u>\$ (1,007,379)</u>	

Deschutes County, Oregon

Schedule of Revenues, Expenditures and Changes In Fund Balances - Budget and Actual

Human Resources

For the Fiscal Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ 1,777,416	\$ 1,777,416	\$ 1,777,330	\$ (86)
Investment earnings	946	946	4,573	3,627
Total revenues	<u>1,778,362</u>	<u>1,778,362</u>	<u>1,781,903</u>	<u>3,541</u>
EXPENDITURES				
Current:				
County services	1,865,947	1,865,947	1,799,244	66,703
Not allocated to organizational units:				
Contingency	<u>74,728</u>	<u>74,728</u>	-	<u>74,728</u>
Total expenditures	<u>1,940,675</u>	<u>1,940,675</u>	<u>1,799,244</u>	<u>141,431</u>
Net change in fund balances	(162,313)	(162,313)	(17,341)	144,972
Fund balances, budget basis - beginning of year	<u>162,313</u>	<u>162,313</u>	<u>131,540</u>	<u>(30,773)</u>
Fund balances, budget basis - end of year	<u>\$ -</u>	<u>\$ -</u>	114,199	<u>\$ 114,199</u>
Unrealized gain (loss) on investments			(6,865)	
Deferred outflows of resources - OPEB RHIA			1,433	
Deferred outflows of resources - OPEB			44,071	
Deferred outflows of resources - pension			531,308	
Accrued compensated leave			(143,691)	
Other postemployment benefits - RHIA			15,189	
Other postemployment benefits			(211,184)	
Net pension liability			(1,025,372)	
Deferred inflows of resources - RHIA			(2,076)	
Deferred inflows of resources - OPEB			(186,152)	
Deferred inflows of resources - pension			<u>(320,318)</u>	
Net position, GAAP basis - end of year			<u>\$ (1,189,458)</u>	

Deschutes County, Oregon

Schedule of Revenues, Expenditures and Changes In Fund Balances - Budget and Actual

Information Technology

For the Fiscal Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ 3,484,354	\$ 3,484,354	\$ 3,483,804	\$ (550)
Investment earnings	2,520	2,520	10,805	8,285
Total revenues	<u>3,486,874</u>	<u>3,486,874</u>	<u>3,494,609</u>	<u>7,735</u>
EXPENDITURES				
Current:				
County services	3,709,086	3,709,086	3,537,550	171,536
Not allocated to organizational units:				
Contingency	111,163	106,783	-	106,783
Transfers out	<u>6,468</u>	<u>10,848</u>	<u>10,848</u>	<u>-</u>
Total expenditures	<u>3,826,717</u>	<u>3,826,717</u>	<u>3,548,398</u>	<u>278,319</u>
Net change in fund balances	(339,843)	(339,843)	(53,789)	286,054
Fund balances, budget basis - beginning of year	<u>339,843</u>	<u>339,843</u>	<u>434,218</u>	<u>94,375</u>
Fund balances, budget basis - end of year	<u>\$ -</u>	<u>\$ -</u>	380,429	<u>\$ 380,429</u>
Unrealized gain (loss) on investments			(15,720)	
Capital assets (net of accumulated depreciation and amortization)			1,270	
Deferred outflows of resources - OPEB RHIA			2,725	
Deferred outflows of resources - OPEB			83,779	
Deferred outflows of resources - pension			1,010,036	
Accrued compensated leave			(367,852)	
Lease payable			(1,277)	
Other postemployment benefits - RHIA			28,874	
Other postemployment benefits			(401,470)	
Net pension liability			(1,949,273)	
Deferred inflows of resources - OPEB RHIA			(3,946)	
Deferred inflows of resources - OPEB			(353,882)	
Deferred inflows of resources - pension			<u>(608,937)</u>	
Net position, GAAP basis - end of year			<u>\$ (2,195,244)</u>	

Deschutes County, Oregon

Schedule of Revenues, Expenditures and Changes In Fund Balances - Budget and Actual

Information Technology Reserve

For the Fiscal Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ 164,002	\$ 164,002	\$ 223,908	\$ 59,906
Investment earnings	6,301	6,301	18,032	11,731
Total revenues	<u>170,303</u>	<u>170,303</u>	<u>241,940</u>	<u>71,637</u>
EXPENDITURES				
Current:				
County services	<u>513,500</u>	<u>513,500</u>	<u>328,168</u>	<u>185,332</u>
Total expenditures	<u>513,500</u>	<u>513,500</u>	<u>328,168</u>	<u>185,332</u>
Net change in fund balances	(343,197)	(343,197)	(86,228)	256,969
Fund balances, budget basis - beginning of year	<u>722,507</u>	<u>722,507</u>	<u>1,194,623</u>	<u>472,116</u>
Fund balances, budget basis - end of year	<u>\$ 379,310</u>	<u>\$ 379,310</u>	1,108,395	<u>\$ 729,085</u>
Unrealized gain (loss) on investments			(35,781)	
Capital assets (net of accumulated depreciation and amortization)			<u>455,877</u>	
Net position, GAAP basis - end of year			<u>\$ 1,528,491</u>	

Deschutes County, Oregon

Schedule of Revenues, Expenditures and Changes In Fund Balances - Budget and Actual

Insurance

For the Fiscal Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ 3,262,131	\$ 3,262,131	\$ 3,149,082	\$ (113,049)
Investment earnings	49,346	49,346	148,514	99,168
Total revenues	<u>3,311,477</u>	<u>3,311,477</u>	<u>3,297,596</u>	<u>(13,881)</u>
EXPENDITURES				
Current:				
County services	5,887,806	5,887,806	2,915,729	2,972,077
Not allocated to organizational units:				
Contingency	5,107,351	5,107,351	-	5,107,351
Transfers out	<u>3,500</u>	<u>3,500</u>	<u>3,500</u>	<u>-</u>
Total expenditures	<u>10,998,657</u>	<u>10,998,657</u>	<u>2,919,229</u>	<u>8,079,428</u>
Net change in fund balances	(7,687,180)	(7,687,180)	378,367	8,065,547
Fund balances, budget basis - beginning of year	<u>7,687,180</u>	<u>7,687,180</u>	<u>8,944,938</u>	<u>1,257,758</u>
Fund balances, budget basis - end of year	<u>\$ -</u>	<u>\$ -</u>	9,323,305	<u>\$ 9,323,305</u>
Unrealized gain (loss) on investments			(298,841)	
Capital assets (net of accumulated depreciation and amortization)			18,000	
Deferred outflows of resources - OPEB RHIA			351	
Deferred outflows of resources - OPEB			10,789	
Deferred outflows of resources - pension			130,068	
Accrued compensated leave			(26,772)	
Other postemployment benefits - RHIA			3,718	
Other postemployment benefits			(51,699)	
Net pension liability			(251,017)	
Accrued claims payable			(6,334,918)	
Deferred inflows of resources - OPEB RHIA			(509)	
Deferred inflows of resources - OPEB			(45,571)	
Deferred inflows of resources - pension			<u>(78,415)</u>	
Net position, GAAP basis - end of year			<u>\$ 2,398,489</u>	

Deschutes County, Oregon

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Health Benefits

For the Fiscal Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ 23,563,014	\$ 23,563,014	\$ 25,316,270	\$ 1,753,256
Investment earnings	95,686	95,686	176,071	80,385
Total revenues	<u>23,658,700</u>	<u>23,658,700</u>	<u>25,492,341</u>	<u>1,833,641</u>
EXPENDITURES				
Current:				
County services	26,769,217	31,769,217	30,688,535	1,080,682
Not allocated to organizational units:				
Contingency	<u>8,815,139</u>	<u>3,815,139</u>	-	<u>3,815,139</u>
Total expenditures	<u>35,584,356</u>	<u>35,584,356</u>	<u>30,688,535</u>	<u>4,895,821</u>
Net change in fund balances	(11,925,656)	(11,925,656)	(5,196,194)	6,729,462
Fund balances, budget basis - beginning of year	<u>11,925,656</u>	<u>11,925,656</u>	<u>11,304,191</u>	<u>(621,465)</u>
Fund balances, budget basis - end of year	<u>\$ -</u>	<u>\$ -</u>	6,107,997	<u>\$ 6,107,997</u>
Unrealized gain (loss) on investments			<u>(255,815)</u>	
Net position, GAAP basis - end of year			<u>\$ 5,852,182</u>	



Deschutes County, Oregon

Combining Statement of Fiduciary Net Position

Fiduciary Funds

June 30, 2023

	Taxes and Fees	Miscellaneous Custodial Funds	Total Custodial Funds
ASSETS			
Cash and cash equivalents	\$ 426,011	\$ 461,823	\$ 887,834
Investments, at fair value; plus accrued interest	2,798,843	3,034,136	5,832,979
Taxes receivable for other governments	6,078,951	-	6,078,951
Accounts receivable	90,838	-	90,838
Notes receivable	1,048,730	-	1,048,730
Total assets	<u>10,443,373</u>	<u>3,495,959</u>	<u>13,939,332</u>
LIABILITIES			
Accounts payable	25,681	111,744	137,425
Deposits	395,419	2,357,985	2,753,404
Due to other governments	6,896,425	1,095,468	7,991,893
Total liabilities	<u>7,317,525</u>	<u>3,565,197</u>	<u>10,882,722</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - land auction sales	1,048,730	-	1,048,730
Total deferred inflows of resources	<u>1,048,730</u>	<u>-</u>	<u>1,048,730</u>
NET POSITION			
Restricted for:			
Individuals, organizations, and other governments	2,115,573	43,801	2,159,374
Unrestricted	(38,455)	(113,039)	(151,494)
Total net position	<u>\$ 2,077,118</u>	<u>\$ (69,238)</u>	<u>\$ 2,007,880</u>

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

Deschutes County, Oregon

Combining Statement of Changes in Fiduciary Net Position

Fiduciary Funds

Fiscal Year Ended June 30, 2023

	Taxes and Fees	Miscellaneous Custodial Funds	Total Custodial Funds
ADDITIONS			
Investment earnings			
Interest on land sale loans	\$ 52,124	\$ -	\$ 52,124
Net increase in fair value of investments	149,208	52,489	201,697
Property tax collections for other governments	473,331,546	-	473,331,546
Fines, forfeitures and penalties	289,414	862,758	1,152,172
Rents	34,500	-	34,500
Collections for services provided to other governments	106,639	-	106,639
Charges for services	3,094,478	-	3,094,478
Other	287	-	287
Total additions	477,058,196	915,247	477,973,443
DEDUCTIONS			
Payment of property taxes to other governments	473,420,651	-	473,420,651
Payment of services to other governments	-	847,987	847,987
Public safety	4,074,942	-	4,074,942
Total deductions	477,495,593	847,987	478,343,580
Change in Fiduciary net position	(437,397)	67,260	(370,137)
Net position - beginning of year	2,514,515	(136,498)	2,378,017
Net position - end of year	\$ 2,077,118	\$ (69,238)	\$ 2,007,880

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



Other Financial Schedules
For the Fiscal Year Ended June 30, 2023
Deschutes County, Oregon

Deschutes County, Oregon
Schedule of Property Tax Transactions - All County Taxes
 June 30, 2023

<u>Tax Year</u>	<u>Beginning Balance and FY 2023 Levy</u>	<u>Adjustments</u>	<u>Interest (Discount)</u>	<u>Turnovers from County Treasurer</u>	<u>Taxes Receivable June 30, 2023</u>
FY 2013 & Prior	\$ 79,249	\$ 1,519	\$ 2,021	\$ 5,267	\$ 77,522
FY 2014	12,295	-	1,058	2,265	11,088
FY 2015	24,506	(579)	1,185	3,153	21,959
FY 2016	(27,560)	(575)	2,356	6,183	(31,962)
FY 2017	33,813	(807)	7,011	17,887	22,130
FY 2018	82,177	(16,744)	15,383	41,117	39,699
FY 2019	240,628	(72,741)	110,424	205,878	72,433
FY 2020	838,165	(53,395)	196,029	677,987	302,812
FY 2021	1,479,008	(124,510)	224,147	696,465	882,180
FY 2022	3,988,133	(133,249)	52,864	2,131,928	1,775,820
FY 2023	484,010,620	(252,493)	(12,770,539)	466,598,351	4,389,237
TOTALS	\$ 490,761,034	\$ (653,574)	\$ (12,158,061)	470,386,481	\$ 7,562,918

Other Distributions:

Interest earned on unsegregated taxes	146,991
Other tax distribution and credits	1,574,654

TOTAL CASH COLLECTIONS \$ 472,108,126

Summary of Taxes Receivable at June 30, 2023:

Deschutes County	
General Fund	\$ 592,249
Special Revenue Funds	891,718
Other Taxing Jurisdictions	<u>6,078,951</u>
	<u>\$ 7,562,918</u>

Deschutes County, Oregon
Schedule of Long-Term Debt Principal Transactions
 Year Ended June 30, 2023

Series	Date of Issue	Final Maturity Date	Amount of Original Issue	Outstanding July 1, 2022	Bonds Issued	Bonds Called and Matured	Outstanding June 30, 2023
Pension Bonds							
Series 2002	03/28/2002	06/01/2028	\$ 5,429,586	\$ 2,870,000	\$ -	\$ 480,000	\$ 2,390,000
Series 2004	05/27/2004	06/01/2028	7,090,000	4,000,000	-	560,000	3,440,000
Total Pension Bonds			12,519,586	6,870,000	-	1,040,000	5,830,000
Bonds							
Series 2013	08/08/2013	06/01/2038	8,405,000	6,220,000	-	285,000	5,935,000
Refunding Series 2019	03/12/2019	06/01/2028	6,455,000	4,610,000	-	680,000	3,930,000
Refunding Series 2021	09/02/2021	12/01/2032	-	15,325,000	-	1,415,000	13,910,000
Series 2022	08/30/2022	06/01/2043	18,220,000	-	18,220,000	-	18,220,000
Total Bonds			33,080,000	26,155,000	18,220,000	2,380,000	41,995,000
Notes from Direct Borrowings							
Refunding Series 2015	12/08/2015	12/01/2026	3,775,000	1,371,600	-	426,600	945,000
Refunding Series 2016	05/25/2016	06/01/2027	6,277,000	3,000,000	-	580,000	2,420,000
Total Notes			10,052,000	4,371,600	-	1,006,600	3,365,000
Total Long-Term Debt			\$ 55,651,586	\$ 37,396,600	\$ 18,220,000	\$ 4,426,600	\$ 51,190,000

Deschutes County, Oregon

Schedule of Long-Term Debt Interest Transactions

Year Ended June 30, 2023

Series	Interest Rates on Outstanding Balances	Outstanding June 30, 2022	Bonds Issued	Coupons Called and Matured	Outstanding June 30, 2023
Pension Bonds					
Series 2002	6.85%	\$ 720,620	\$ -	\$ 196,595	\$ 524,025
Series 2004	5.35% - 6.095%	861,995	-	243,352	618,643
Total Pension Bonds		1,582,615	-	439,947	1,142,668
Bonds					
Series 2013	3.25 - 4.5%	2,504,387	-	260,356	2,244,031
Refunding Series 2019	5.00%	838,000	-	230,500	607,500
Refunding Series 2021	1.41%	1,210,662	-	206,107	1,004,555
Series 2022	3.30%	-	11,703,531	685,781	11,017,750
Total Bonds		4,553,049	11,703,531	1,382,744	14,873,836
Notes from Direct Borrowings					
Refunding Series 2015	1.99-2.49%	55,744	-	28,842	26,902
Refunding Series 2016	1.68%	152,796	-	50,400	102,396
Total Notes		208,540	-	79,242	129,298
Total Long-Term Debt		\$ 6,344,204	\$ 11,703,531	\$ 1,901,933	\$ 16,145,802

Deschutes County, Oregon

Schedule of Future Debt Service Requirements of Pension Obligation Bonds

June 30, 2023

Year of Maturity	Total Requirements			Series 2002		Series 2004	
	Principal	Interest	Total	Principal	Interest	Principal	Interest
2024	\$ 1,170,000	\$ 373,383	\$ 1,543,383	\$ 540,000	\$ 163,715	\$ 630,000	\$ 209,668
2025	700,000	297,995	997,995	-	126,725	700,000	171,270
2026	1,465,000	255,330	1,720,330	685,000	126,725	780,000	128,605
2027	1,640,000	160,867	1,800,867	770,000	79,803	870,000	81,064
2028	855,000	55,093	910,093	395,000	27,057	460,000	28,036
	<u>\$ 5,830,000</u>	<u>\$ 1,142,668</u>	<u>\$ 6,972,668</u>	<u>\$ 2,390,000</u>	<u>\$ 524,025</u>	<u>\$ 3,440,000</u>	<u>\$ 618,643</u>

Deschutes County, Oregon

Schedule of Future Debt Service Requirements of Full Faith and Credit and Direct Borrowings

Governmental Activities

June 30, 2023

Year of Maturity	Total Requirements			Series 2013	
	Principal	Interest	Total	Principal	Interest
2024	\$ 2,260,889	\$ 602,893	\$ 2,863,782	\$ 295,000	\$ 250,381
2025	2,328,350	535,070	2,863,420	305,000	238,581
2026	2,165,414	467,662	2,633,076	320,000	226,381
2027	2,222,240	400,576	2,622,816	330,000	213,581
2028	2,289,066	331,174	2,620,240	345,000	200,381
2029	1,459,834	258,978	1,718,812	360,000	186,581
2030	1,494,545	228,931	1,723,476	375,000	172,181
2031	1,525,313	198,035	1,723,348	390,000	157,181
2032	1,563,965	166,260	1,730,225	405,000	141,581
2033	1,590,792	133,130	1,723,922	420,000	124,875
2034	435,000	107,550	542,550	435,000	107,550
2035	455,000	87,975	542,975	455,000	87,975
2036	480,000	67,500	547,500	480,000	67,500
2037	500,000	45,900	545,900	500,000	45,900
2038	520,000	23,402	543,402	520,000	23,402
	<u>\$ 21,290,408</u>	<u>\$ 3,655,036</u>	<u>\$ 24,945,444</u>	<u>\$ 5,935,000</u>	<u>\$ 2,244,031</u>

Direct Borrowing-2015		Series 2019		Ref Series 2021	
Principal	Interest	Principal	Interest	Principal	Interest
\$ 225,954	\$ 8,606	\$ 715,000	\$ 196,500	\$ 1,024,935	\$ 147,406
232,646	2,896	750,000	160,750	1,040,704	132,843
-	-	785,000	123,250	1,060,414	118,031
-	-	820,000	84,000	1,072,240	102,995
-	-	860,000	43,000	1,084,066	87,793
-	-	-	-	1,099,834	72,397
-	-	-	-	1,119,545	56,750
-	-	-	-	1,135,313	40,854
-	-	-	-	1,158,965	24,679
-	-	-	-	1,170,792	8,255
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
\$ 458,600	\$ 11,502	\$ 3,930,000	\$ 607,500	\$ 10,966,808	\$ 792,003

Deschutes County, Oregon

Schedule of Future Debt Service Requirements of Full Faith and Credit and Direct Borrowings

Business Type Activities

June 30, 2023

Year of Maturity	Total Requirements			Direct Borrowing - 2015	
	Principal	Interest	Total	Principal	Interest
2024	\$ 1,624,311	\$ 1,000,735	\$ 2,625,046	\$ 208,246	\$ 9,519
2025	1,673,550	954,150	2,627,700	213,254	4,271
2026	1,532,286	908,015	2,440,301	32,700	1,209
2027	1,577,960	862,675	2,440,635	32,200	401
2028	960,934	815,811	1,776,745	-	-
2029	1,000,166	778,179	1,778,345	-	-
2030	1,040,455	738,730	1,779,185	-	-
2031	1,079,687	697,464	1,777,151	-	-
2032	1,126,035	654,373	1,780,408	-	-
2033	1,169,208	609,216	1,778,424	-	-
2034	900,000	564,250	1,464,250	-	-
2035	940,000	519,250	1,459,250	-	-
2036	990,000	472,250	1,462,250	-	-
2037	1,040,000	422,750	1,462,750	-	-
2038	1,090,000	370,750	1,460,750	-	-
2039	1,145,000	316,250	1,461,250	-	-
2040	1,200,000	259,000	1,459,000	-	-
2041	1,265,000	199,000	1,464,000	-	-
2042	1,325,000	135,750	1,460,750	-	-
2043	1,390,000	69,500	1,459,500	-	-
	<u>\$ 24,069,592</u>	<u>\$ 11,348,098</u>	<u>\$ 35,417,690</u>	<u>\$ 486,400</u>	<u>\$ 15,400</u>

Direct Borrowing - 2016		Refunding Series 2021		Series 2022	
Principal	Interest	Principal	Interest	Principal	Interest
\$ 591,000	\$ 40,656	\$ 275,065	\$ 39,560	\$ 550,000	\$ 911,000
601,000	30,727	279,296	35,652	580,000	883,500
610,000	20,630	284,586	31,676	605,000	854,500
618,000	10,383	287,760	27,641	640,000	824,250
-	-	290,934	23,561	670,000	792,250
-	-	295,166	19,429	705,000	758,750
-	-	300,455	15,230	740,000	723,500
-	-	304,687	10,964	775,000	686,500
-	-	311,035	6,623	815,000	647,750
-	-	314,208	2,216	855,000	607,000
-	-	-	-	900,000	564,250
-	-	-	-	940,000	519,250
-	-	-	-	990,000	472,250
-	-	-	-	1,040,000	422,750
-	-	-	-	1,090,000	370,750
-	-	-	-	1,145,000	316,250
-	-	-	-	1,200,000	259,000
-	-	-	-	1,265,000	199,000
-	-	-	-	1,325,000	135,750
-	-	-	-	1,390,000	69,500
<u>\$ 2,420,000</u>	<u>\$ 102,396</u>	<u>\$ 2,943,192</u>	<u>\$ 212,552</u>	<u>\$ 18,220,000</u>	<u>\$ 11,017,750</u>



Statistical Section
For the Fiscal Year Ended June 30, 2023
Deschutes County, Oregon



Deschutes County, Oregon
Statistical Section Contents
 June 30, 2023

This is part of the Deschutes County's statistical annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall health.

Pages

Financial Trends

245 - 254

These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.

Revenue Capacity

255 - 260

These schedules contain information to help the reader assess the County's most significant local revenue source, property taxes.

Debt Capacity

261 - 269

These schedules present information to help the reader assess the affordability of the County's current level of outstanding debt and the County's ability to issue additional debt in the future.

Demographic and Economic Information

270 - 271

These schedules offer demographic and economic indicators to help the reader understand the environment in which the County's financial activities take place.

Operating Information

272 - 275

These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the published annual comprehensive financial reports for the relevant year. The County implemented GASB Statement No. 65 in fiscal year 2014. Schedules containing information for years prior to fiscal year 2014 have not been restated in accordance with GASB 65, unless otherwise noted.

Deschutes County, Oregon
Net Position by Component - Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year			
	2014	2015	2016	2017
Governmental activities				
Net investment in capital assets	\$ 90,528,453	\$ 91,385,492	\$ 101,724,105	\$ 108,576,334
Restricted	899,558	57,774,179	60,999,381	60,223,775
Unrestricted	85,864,467	13,564,091	(9,004,273)	(10,585,809)
Total governmental activities net position	<u>\$ 177,292,478</u>	<u>\$ 162,723,762</u>	<u>\$ 153,719,213</u>	<u>\$ 158,214,300</u>
Business-type activities				
Net investment in capital assets	\$ 27,996,595	\$ 31,628,810	\$ 33,549,044	\$ 35,249,434
Restricted	326,767	416,356	257,743	-
Unrestricted	(1,578,435)	(3,620,616)	(4,431,920)	(3,895,146)
Total business-type activities net position	<u>\$ 26,744,927</u>	<u>\$ 28,424,550</u>	<u>\$ 29,374,867</u>	<u>\$ 31,354,288</u>
Primary government				
Net investment in capital assets	\$ 118,525,048	\$ 123,014,302	\$ 135,273,150	\$ 143,825,768
Restricted	1,226,325	58,190,535	61,257,124	60,223,775
Unrestricted	84,286,032	9,943,475	(13,436,194)	(14,480,955)
Total primary government net position	<u>\$ 204,037,405</u>	<u>\$ 191,148,312</u>	<u>\$ 183,094,080</u>	<u>\$ 189,568,588</u>

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 113,719,602	\$ 115,293,413	\$ 121,372,936	\$ 126,591,425	\$ 135,284,761	\$ 161,842,824
51,604,150	66,660,268	75,890,142	86,559,219	90,450,775	86,626,839
(13,117,584)	(11,495,168)	(14,936,196)	(29,395,513)	(28,233,666)	(42,654,861)
<u>\$ 152,206,168</u>	<u>\$ 170,458,513</u>	<u>\$ 182,326,882</u>	<u>\$ 183,755,131</u>	<u>\$ 197,501,870</u>	<u>\$ 205,814,802</u>
\$ 37,025,828	\$ 35,942,205	\$ 38,733,640	\$ 37,856,359	\$ 35,830,576	\$ 23,964,066
-	-	-	-	-	13,974,687
(2,045,078)	1,559,167	(1,509,993)	3,784,281	7,281,323	6,500,623
<u>\$ 34,980,750</u>	<u>\$ 37,501,372</u>	<u>\$ 37,223,647</u>	<u>\$ 41,640,640</u>	<u>\$ 43,111,899</u>	<u>\$ 44,439,376</u>
\$ 150,745,430	\$ 151,235,618	\$ 160,106,576	\$ 164,447,785	\$ 171,115,338	\$ 185,806,890
51,604,150	66,660,268	75,890,142	86,559,219	90,450,775	100,601,526
(15,162,662)	(9,936,001)	(16,446,189)	(25,611,232)	(20,952,344)	(36,154,238)
<u>\$ 187,186,918</u>	<u>\$ 207,959,885</u>	<u>\$ 219,550,529</u>	<u>\$ 225,395,771</u>	<u>\$ 240,613,769</u>	<u>\$ 250,254,178</u>

Deschutes County, Oregon
Changes in Net Position - Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year			
	2014	2015	2016	2017
Expenses				
Governmental activities:				
General government	\$ 26,487,066	\$ 25,448,635	\$ 35,463,814	\$ 30,011,545
Public safety	57,786,656	46,351,357	74,941,547	65,276,283
County roads	15,441,429	16,818,974	18,269,586	17,627,051
Health and welfare	35,154,506	31,944,749	43,850,703	39,370,403
Interest and fiscal charges	2,556,364	2,385,397	2,284,295	2,175,774
Total governmental activities expenses	<u>137,426,021</u>	<u>122,949,112</u>	<u>174,809,945</u>	<u>154,461,056</u>
Business-type activities:				
Solid waste	6,327,028	7,614,444	9,272,404	10,028,102
Fair & expo center	3,368,464	3,466,338	4,290,630	4,173,908
RV park	355,752	473,792	477,924	407,928
Total business-type activities expenses	<u>10,051,244</u>	<u>11,554,574</u>	<u>14,040,958</u>	<u>14,609,937</u>
Total primary government expenses	<u>\$ 147,477,265</u>	<u>\$ 134,503,686</u>	<u>\$ 188,850,903</u>	<u>\$ 169,070,993</u>
Program Revenues				
Governmental activities:				
Charges for services:				
General government	\$ 11,593,147	\$ 14,463,863	\$ 18,675,554	\$ 16,435,374
Public safety	6,252,467	6,051,487	5,620,314	6,765,336
County roads	16,933,084	17,690,071	19,168,851	19,082,452
Health and welfare	5,222,623	1,836,516	2,021,579	1,940,978
Operating grants and contributions	40,070,038	40,911,962	42,990,874	40,087,120
Capital grants and contributions	437,240	193,226	7,003,178	1,084,073
Total governmental program revenues	<u>80,508,599</u>	<u>81,147,125</u>	<u>95,480,350</u>	<u>85,395,333</u>
Business-type activities:				
Charges for services:				
Solid waste	7,364,322	8,088,089	8,865,019	9,791,844
Fair & expo center	1,783,377	2,257,064	2,500,139	2,710,373
RV park	217,036	346,987	408,513	384,279
Operating grants and contributions	50,964	51,244	53,667	570,037
Capital grants and contributions	176,289	-	-	-
Total business-type program revenues	<u>9,591,988</u>	<u>10,743,384</u>	<u>11,827,338</u>	<u>13,456,534</u>
Total primary government program revenues	<u>\$ 90,100,587</u>	<u>\$ 91,890,509</u>	<u>\$ 107,307,688</u>	<u>\$ 98,851,866</u>
Net (Expense)/Revenue				
Governmental activities	\$ (56,917,421)	\$ (41,801,988)	\$ (79,329,594)	\$ (69,065,723)
Business-type activities	<u>(459,254)</u>	<u>(811,190)</u>	<u>(2,213,620)</u>	<u>(1,153,403)</u>
Total primary government net expense	<u>\$ (57,376,677)</u>	<u>\$ (42,613,178)</u>	<u>\$ (81,543,214)</u>	<u>\$ (70,219,127)</u>

Prior year totals may not foot due to rounding.

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 36,105,776	\$ 32,523,927	\$ 50,607,355	\$ 49,428,669	\$ 48,556,006	\$ 66,921,909
64,258,765	70,253,604	70,086,827	85,546,513	86,849,152	107,370,842
18,122,984	17,645,717	17,743,525	25,488,902	22,046,884	10,167,800
50,068,445	45,086,737	45,728,065	62,685,989	55,636,443	66,433,425
2,104,761	2,024,851	1,808,997	1,497,982	838,400	1,296,674
<u>170,660,730</u>	<u>167,534,837</u>	<u>185,974,769</u>	<u>224,648,055</u>	<u>213,926,886</u>	<u>252,190,650</u>
10,131,364	9,047,200	12,526,176	9,911,481	13,075,084	13,762,327
4,504,592	5,085,859	4,759,772	3,018,117	4,509,320	5,938,023
411,993	409,672	420,191	420,836	368,229	436,441
<u>15,047,948</u>	<u>14,542,731</u>	<u>17,706,139</u>	<u>13,350,434</u>	<u>17,952,633</u>	<u>20,136,791</u>
<u>\$ 185,708,679</u>	<u>\$ 182,077,568</u>	<u>\$ 203,680,908</u>	<u>\$ 237,998,489</u>	<u>\$ 231,879,518</u>	<u>\$ 272,327,441</u>
\$ 16,271,509	\$ 15,487,329	\$ 16,303,016	\$ 18,863,342	\$ 20,031,444	\$ 18,320,916
4,653,489	3,870,888	2,981,327	3,968,606	2,822,080	4,952,871
21,577,005	24,081,955	25,465,962	28,723,520	27,343,594	27,039,616
2,683,447	2,892,082	3,161,716	3,994,244	3,173,349	4,486,491
52,587,330	53,767,845	59,658,417	77,638,551	83,007,298	98,552,785
1,918,307	30,000	145,584	93,134	-	-
<u>99,691,086</u>	<u>100,130,099</u>	<u>107,716,021</u>	<u>133,281,397</u>	<u>136,377,766</u>	<u>153,352,679</u>
11,187,151	11,421,763	13,486,467	13,486,467	13,991,671	14,099,929
2,511,127	3,085,338	1,790,111	1,790,111	3,608,410	4,816,455
438,716	476,365	652,568	652,568	584,135	577,063
786,895	107,740	57,496	57,496	53,167	53,167
-	-	-	-	-	-
<u>14,923,889</u>	<u>15,091,206</u>	<u>15,986,642</u>	<u>15,986,642</u>	<u>18,237,383</u>	<u>19,546,614</u>
<u>\$ 114,614,975</u>	<u>\$ 115,221,305</u>	<u>\$ 123,702,663</u>	<u>\$ 149,268,038</u>	<u>\$ 154,615,150</u>	<u>\$ 172,899,293</u>
\$ (70,969,644)	\$ (67,404,738)	\$ (78,258,747)	\$ (91,366,658)	\$ (77,549,119)	\$ (98,837,971)
(124,060)	548,475	(2,260,820)	2,636,207	284,751	(590,177)
<u>\$ (71,093,704)</u>	<u>\$ (66,856,263)</u>	<u>\$ (80,519,567)</u>	<u>\$ (88,730,451)</u>	<u>\$ (77,264,369)</u>	<u>\$ (99,428,148)</u>

Deschutes County, Oregon

Changes in Net Position - Last Ten Fiscal Years

(accrual basis of accounting)

	Fiscal Year			
	2014	2015	2016	2017
General Revenues and Other				
Changes in Net Position				
Governmental activities:				
Taxes				
Property taxes, general purpose levy	\$ 35,079,263	\$ 31,747,666	\$ 33,533,883	\$ 35,363,260
Property taxes, sheriff services levy	25,284,848	26,640,494	29,508,509	31,128,138
Property taxes, bonded debt levy	1,982,347	97,428	84,233	-
Transient room tax	4,340,159	5,248,199	6,068,098	6,408,477
Investment earnings	986,444	1,188,209	1,643,757	1,351,378
Transfers	(539,938)	(559,305)	(513,431)	(690,447)
Total governmental activities	67,133,123	64,362,691	70,325,049	73,560,806
Business-type activities:				
Taxes				
Property taxes, bonded debt levy	2,086,179	2,623,509	2,555,831	2,368,281
Investment earnings	52,612	71,740	94,674	74,094
Special item	-	-	-	-
Transfers	539,938	559,305	513,431	690,447
Total business-type activities	2,678,729	3,254,554	3,163,935	3,132,822
Total primary government	\$ 69,811,852	\$ 67,617,246	\$ 73,488,985	\$ 76,693,630
Change in Net Position				
Governmental activities	\$ 10,215,702	\$ 22,560,704	\$ (9,004,545)	\$ 4,495,083
Business-type activities	2,219,473	2,443,364	950,315	1,979,419
Total primary government	\$ 12,435,175	\$ 25,004,068	\$ (8,054,229)	\$ 6,474,504

Prior year totals may not foot due to rounding.

		Fiscal Year					
		2018	2019	2020	2021	2022	2023
	\$	36,746,058	\$ 38,353,835	\$ 40,987,718	\$ 42,614,194	\$ 44,873,558	\$ 47,364,947
		33,028,808	35,960,629	38,315,278	39,843,081	41,208,892	44,320,775
		-	-	-	-	-	-
		7,011,471	7,829,489	7,560,467	11,431,704	13,114,807	12,597,706
		1,940,860	5,151,181	4,888,442	648,532	(6,112,054)	4,612,463
		(631,722)	(1,638,051)	(1,624,789)	(1,742,604)	(1,789,344)	(1,744,988)
		<u>78,095,475</u>	<u>85,657,083</u>	<u>90,127,116</u>	<u>92,794,907</u>	<u>91,295,859</u>	<u>107,150,903</u>
		-	-	-	-	-	-
		129,837	334,098	358,306	38,182	(602,836)	172,666
		3,369,910	-	-	-	-	-
		631,722	1,638,050	1,624,789	1,742,604	1,789,344	1,744,988
		<u>4,131,469</u>	<u>1,972,148</u>	<u>1,983,094</u>	<u>1,780,786</u>	<u>1,186,508</u>	<u>1,917,654</u>
	\$	<u>82,226,944</u>	<u>\$ 87,629,231</u>	<u>\$ 92,110,210</u>	<u>\$ 94,575,692</u>	<u>\$ 92,482,367</u>	<u>\$ 109,068,557</u>
	\$	7,125,831	\$ 18,252,345	\$ 11,868,368	\$ 1,428,248	\$ 13,746,739	\$ 8,312,932
		4,007,409	2,520,623	(277,725)	4,416,993	1,471,259	1,327,477
	\$	<u>11,133,240</u>	<u>\$ 20,772,968</u>	<u>\$ 11,590,643</u>	<u>\$ 5,845,242</u>	<u>\$ 15,217,998</u>	<u>\$ 9,640,409</u>

Deschutes County, Oregon

Fund Balances - Governmental Funds - Last Ten Fiscal Years

(modified accrual basis of accounting)

	Fiscal Year			
	2014	2015	2016	2017
General Fund				
Nonspendable	\$ -	\$ 516,523	\$ 498,337	\$ 469,020
Committed	-	1,782,674	3,944,405	7,505,074
Assigned	8,031,837	6,222,698	6,311,144	5,369,619
Unassigned	7,649,760	9,183,941	10,620,333	10,483,020
Total General Fund	\$ 15,681,597	\$ 17,705,836	\$ 21,374,220	\$ 23,826,733
All Other Governmental Funds				
Nonspendable	\$ 1,418,998	\$ 2,542,621	\$ 2,663,703	\$ 2,859,789
Restricted, reported in:				
Special revenue funds	64,710,171	62,650,077	71,847,628	65,125,286
Capital projects funds	-	-	-	7,809,685
Debt service funds	7,631	10,970	-	-
Total Restricted	64,717,802	62,661,047	71,847,628	72,934,971
Committed, reported in:				
Special revenue funds	13,456,033	13,566,455	11,491,305	13,469,571
Capital projects funds	606,292	394,405	-	-
Debt service funds	480,416	482,736	472,561	558,106
Total Committed	14,542,741	14,443,596	11,963,866	14,027,677
Unassigned, reported in:				
Special revenue funds	-	-	-	-
Capital projects funds	(1,791,930)	-	-	-
Total Unassigned	(1,791,930)	-	-	-
Total all other governmental funds	\$ 78,887,611	\$ 79,647,264	\$ 86,475,197	\$ 89,822,437

Prior year totals may not foot due to rounding.

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 445,442	\$ 144,473	\$ 148,609	\$ 35,563	\$ 80,692	\$ 46,213
10,670,276	13,048,013	7,557,563	9,963,834	6,980,581	5,698,988
6,598,027	6,743,043	7,362,270	8,243,592	8,563,836	9,575,220
11,461,766	12,458,530	13,620,704	15,023,889	13,398,279	13,426,082
<u>\$ 29,175,511</u>	<u>\$ 32,394,059</u>	<u>\$ 28,689,146</u>	<u>\$ 33,266,878</u>	<u>\$ 29,023,388</u>	<u>\$ 28,746,503</u>
\$ 1,786,302	\$ 2,475,033	\$ 2,690,983	\$ 2,671,413	\$ 3,041,475	\$ 2,653,108
67,996,477	76,263,618	81,399,756	103,846,578	107,048,554	101,304,951
9,542,598	17,794,245	25,086,097	23,497,961	26,356,205	22,594,529
-	-	-	-	-	-
<u>77,539,075</u>	<u>94,057,863</u>	<u>106,485,853</u>	<u>127,344,538</u>	<u>133,404,759</u>	<u>123,899,480</u>
14,715,465	16,713,561	2,867,188	4,900,652	4,770,913	4,854,127
-	-	4,928,892	4,380,450	8,403,325	5,866,734
661,151	837,063	959,032	466,933	384,965	449,066
<u>15,376,615</u>	<u>17,550,624</u>	<u>8,755,111</u>	<u>9,748,035</u>	<u>13,559,203</u>	<u>11,169,927</u>
-	-	(39,033)	-	(695,542)	(13,004)
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>(39,033)</u>	<u>-</u>	<u>(695,542)</u>	<u>(13,004)</u>
<u>\$ 94,701,992</u>	<u>\$ 114,083,519</u>	<u>\$ 117,892,914</u>	<u>\$ 139,763,986</u>	<u>\$ 149,309,895</u>	<u>\$ 137,709,511</u>

Deschutes County, Oregon

Changes in Fund Balances - Governmental Funds - Last Ten Fiscal Years

(modified accrual basis of accounting)

	Fiscal Year			
	2014	2015	2016	2017
Revenues				
Taxes	\$ 67,157,527	\$ 64,043,653	\$ 69,254,662	\$ 72,725,317
Licenses and permits	1,285,225	1,395,229	1,513,320	1,804,402
Fines, forfeitures and penalties	1,563,725	1,713,279	1,666,944	1,600,649
Special assessments	125,999	116,946	85,439	70,655
Interest and rents	2,616,264	2,801,165	3,191,867	3,042,808
Intergovernmental	95,464,165	97,854,728	102,449,003	92,313,282
Charges for services	21,137,727	24,577,248	16,657,205	18,295,208
Other	681,354	1,867,249	1,268,489	1,073,927
Total revenues	190,031,985	194,369,496	196,086,929	190,926,249
Expenditures				
General government	24,185,783	25,028,450	26,813,546	26,361,777
Public safety	87,910,026	89,007,502	91,353,457	86,897,612
County roads	14,252,333	15,038,232	15,351,922	16,195,155
Health and welfare	39,671,077	46,096,095	36,778,966	38,856,976
Education	685,916	656,218	610,125	263,106
Debt service				
Principal	5,387,017	3,270,413	3,015,338	2,895,157
Interest	2,438,429	2,354,101	2,259,334	2,151,095
Trustee fees	27,810	-	-	2,500
Debt issuance costs	219,610	-	-	-
Capital outlay	12,563,515	6,906,759	7,675,279	10,376,297
Total expenditures	187,341,516	188,357,770	183,857,968	183,999,674
Excess of revenues over (under) expenditures	2,690,469	6,011,726	12,228,961	6,926,574
Other Financing Sources (Uses)				
Proceeds from leases	-	-	-	-
Proceeds from subscriptions	-	-	-	-
Transfers in	11,233,103	14,542,905	10,564,827	23,284,540
Transfers out	(11,831,461)	(15,350,629)	(12,403,247)	(24,593,177)
Debt issuance	8,555,000	-	1,911,626	-
Bond premium/discount	218,092	-	-	-
Payments to escrow agent	-	-	(1,904,328)	-
Increase/(decrease) in inventory	146,749	242,641	98,478	181,815
Total other financing sources (uses)	8,321,483	(565,083)	(1,732,643)	(1,126,822)
Net change in fund balances	\$ 11,011,952	\$ 5,446,643	\$ 10,496,318	\$ 5,799,752
Debt service as a percentage of noncapital expenditures	4.5%	3.1%	3.0%	2.9%

Prior year totals may not foot due to rounding.

Fiscal Year						
2018	2019	2020	2021	2022	2023	
\$ 76,915,410	\$ 82,039,791	\$ 86,964,729	\$ 94,124,509	\$ 99,264,276	\$ 104,114,587	
1,658,904	1,846,647	1,827,973	2,208,566	2,488,528	2,176,998	
1,466,676	1,525,703	1,315,245	1,312,788	794,023	806,401	
66,830	60,172	24,635	7,403	9,883	3,924	
3,555,878	6,254,855	6,127,824	2,547,298	(3,256,047)	6,316,328	
105,988,087	111,616,358	116,778,213	149,475,326	148,713,344	172,492,922	
19,115,410	17,409,307	19,549,186	22,925,825	21,902,984	25,944,677	
875,507	1,577,098	2,240,573	826,662	2,322,915	1,855,725	
<u>209,642,702</u>	<u>222,329,931</u>	<u>234,828,378</u>	<u>273,428,375</u>	<u>272,239,905</u>	<u>313,711,562</u>	
29,061,175	30,624,676	51,467,588	41,583,698	43,069,730	53,755,442	
93,072,384	97,971,830	105,095,862	112,852,658	126,981,617	142,877,533	
14,241,574	13,601,142	13,934,215	14,026,795	17,933,913	19,589,948	
46,636,552	41,929,068	44,960,663	53,777,680	53,038,068	63,853,309	
-	-	-	-	-	-	
3,013,331	9,963,729	2,619,154	3,728,510	3,633,793	3,370,177	
2,079,976	2,021,171	1,909,000	1,590,121	1,316,978	1,107,238	
2,375	106,325	1,600	1,200	850	1,550	
-	-	-	-	-	-	
<u>7,506,798</u>	<u>10,105,264</u>	<u>12,913,134</u>	<u>17,541,502</u>	<u>19,055,501</u>	<u>42,214,342</u>	
<u>195,614,166</u>	<u>206,323,204</u>	<u>232,901,216</u>	<u>245,102,163</u>	<u>265,030,448</u>	<u>326,769,539</u>	
14,028,536	16,006,728	1,927,163	28,326,212	7,209,457	(13,057,977)	
-	-	-	-	-	1,258,453	
-	-	-	-	-	1,855,136	
18,339,320	28,268,112	33,312,721	21,904,660	32,384,479	36,264,492	
(19,240,045)	(29,876,180)	(35,135,401)	(23,782,068)	(34,291,517)	(38,197,373)	
-	7,512,685	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
<u>(155,630)</u>	<u>688,731</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
<u>(1,056,355)</u>	<u>6,593,348</u>	<u>(1,822,681)</u>	<u>(1,877,408)</u>	<u>(1,907,038)</u>	<u>1,180,708</u>	
<u>\$ 12,972,180</u>	<u>\$ 22,600,076</u>	<u>\$ 104,482</u>	<u>\$ 26,448,804</u>	<u>\$ 5,302,419</u>	<u>\$ (11,877,269)</u>	
2.7%	2.7%	2.1%	2.3%	2.0%	1.6%	

Deschutes County, Oregon

Assessed Value and Estimated Actual Value of Taxable Property - Last Ten Fiscal Years

(in thousands of dollars)

Fiscal Year Ended June 30,	Real Property		Personal Property		Manufactured Homes	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
2014	17,812,786	21,290,547	372,149	372,149	47,241	50,377
2015	18,803,090	24,417,972	393,213	393,227	53,660	58,261
2016	19,847,234	27,721,055	415,663	415,679	60,520	70,526
2017	20,943,309	31,302,357	451,004	451,007	65,759	79,422
2018	22,107,667	35,571,219	482,975	482,975	74,665	103,958
2019	23,380,812	39,872,595	508,792	508,792	78,186	112,682
2020	24,642,529	43,452,591	524,739	527,739	81,184	131,478
2021	25,896,554	46,294,856	586,141	586,165	84,899	147,202
2022	27,365,201	54,432,055	627,551	627,551	90,106	173,790
2023	28,853,678	71,303,510	735,632	735,632	92,994	207,887

Sources: Deschutes County Assessor's Department and Deschutes County Tax Office.

(1) Includes tax-exempt property.

Public Utilities		Exemptions	Total		Range of Total Direct Tax Rates Paid	Assessed Value (1) as a Percentage of Estimated Actual Value
Assessed Value	Estimated Actual Value	Assessed Value	Taxable Assessed Value	Estimated Actual Value		
441,711	455,806	36,566	18,637,321	22,168,879	2.8159 - 6.1734	84.235%
475,914	492,477	39,534	19,686,343	25,361,937	2.7502 - 6.1111	77.777%
652,906	677,075	43,033	20,933,290	28,884,335	2.7398 - 6.0936	72.622%
560,616	582,833	45,078	21,975,610	32,415,618	2.7311 - 6.0411	67.932%
600,475	628,510	47,457	23,218,325	36,786,661	2.6125 - 6.0411	63.245%
668,084	736,374	51,211	24,584,663	41,230,443	2.5225 - 5.9725	59.752%
710,117	784,443	54,658	25,903,911	44,896,251	2.6825 - 5.9925	57.819%
803,586	887,767	57,287	27,313,892	47,915,990	2.6825 - 5.9925	57.123%
834,257	910,502	58,720	28,858,395	56,143,898	2.6825 - 5.9925	51.505%
853,781	938,116	59,462	30,476,624	73,185,145	2.6525 - 6.4325	41.724%

Deschutes County, Oregon

Direct and Overlapping Property Tax Rates - Last Ten Fiscal Years

(rate per 1,000 of assessed value)

	Fiscal Year Taxes are Payable			
	2014	2015	2016	2017
County direct rates				
Rates levied to all taxable County properties:				
General	1.2783	1.2783	1.2783	1.2783
Jail Bond	0.0673	-	-	-
Fairgrounds Bond	0.1121	0.1377	0.1273	0.1186
Sheriff (Countywide)	0.9500	0.9500	1.0200	1.0200
County Extension/4H CSD	0.0224	0.0224	0.0224	0.0224
911 CSD	0.1618	0.1618	0.1618	0.1618
911 Local Option	0.2240	0.2000	0.2000	0.2000
County districts paid by all properties	2.8159	2.7502	2.8098	2.8011
Rates levied to taxable rural County properties:				
Sheriff (Rural)	1.4000	1.4000	1.4000	1.4000
Certain County properties are subject to one of the following rates:				
Bend Library Bond	0.0723	-	-	-
Sunriver Library Bond	0.0475	0.5090	0.0438	-
Paid by Black Butte properties only:				
Black Butte Ranch CSD	1.0499	1.0499	1.0499	1.0499
Black Butte Ranch CSD Local Opt	0.5500	0.5500	0.5500	0.5500
Paid by Sunriver properties only:				
Sunriver Service District	3.3100	3.3100	3.3100	3.3100
Sunriver Service District Local Opt	-	-	-	-
Range of County Direct Rates Paid	2.8159 - 6.1734	2.7502 - 6.1111	2.8098 - 6.1198	2.8011 - 6.1111
City and town rates				
Bend	2.8035	2.8035	2.8035	2.8035
Redmond	4.4101	4.4101	4.4101	4.4101
Sisters	2.6417	2.6417	2.6417	2.6417
La Pine	1.9300	1.9800	1.9800	1.9800
City of Bend Bond 2021	-	-	-	-
City of Bend Bond 2011	0.2256	0.2120	0.2120	0.1895
City of Bend Local Option	-	-	-	0.2000
City of Redmond Bond	0.0886	0.0809	0.0809	0.0710
City of Redmond Bond 2022	-	-	-	-
Library district rates	0.5500	0.5500	0.5500	0.5500
Fire district rates	1.0924 - 3.0691	1.0924 - 3.0691	1.0924 - 3.0691	1.0924 - 2.7317
Parks and recreation district rates	0.2200 - 1.6673	0.2200 - 1.6566	0.2200 - 1.4610	0.2200 - 1.4610
School district rates	6.5526 - 8.4699	6.2181 - 8.4979	6.4033 - 8.4012	6.5893 - 8.4320
Road district rates	0.9005 - 3.6500	0.7831 - 3.0000	0.8140 - 3.0000	0.8140 - 3.0000
Other special district rates	0.2895	0.2895	0.2895	0.2895

Sources: Deschutes County Assessor's Office and Deschutes County Finance Department.

Fiscal Year Taxes are Payable

2018	2019	2020	2021	2022	2023
1.2483	1.2183	1.2183	1.2183	1.2183	1.2183
-	-	-	-	-	-
-	-	-	-	-	-
1.0200	1.0800	1.0800	1.0800	1.0800	1.0500
0.0224	0.0224	0.0224	0.0224	0.0224	0.0224
0.3618	0.3618	0.3618	0.3618	0.3618	0.3618
-	-	-	-	-	-
2.6525	2.6825	2.6825	2.6825	2.6825	2.6525
1.4000	1.3400	1.3400	1.3400	1.3400	1.3400
-	-	-	-	-	-
-	-	-	-	-	-
1.0499	1.0499	1.0499	1.0499	1.0499	1.0499
0.5500	0.5500	0.5500	0.5500	0.6500	0.6500
3.3100	3.3100	3.3100	3.3100	3.3100	3.3100
-	-	-	-	-	0.4700
2.6525 - 5.9625	2.6825 - 5.9925	2.6825 - 5.9925	2.6825 - 5.9925	2.6825 - 5.9925	2.6525 - 6.4325
2.8035	2.8035	2.8035	2.8035	2.8035	2.8035
4.4101	4.4101	4.4101	4.4101	4.4101	4.4101
2.6417	2.6417	2.6417	2.6417	2.6417	2.6417
1.9800	1.9800	1.9800	1.9800	1.9800	1.9800
-	-	-	-	-	0.1713
0.1789	0.1685	0.1600	0.1600	0.1520	0.1292
0.2000	0.2000	0.2000	0.2000	0.2000	0.2000
0.0547	0.0547	-	-	-	-
-	-	-	-	-	0.7232
0.5500	0.5500	0.5500	0.5500	0.5500	0.5500
1.0924 - 2.7317	1.0924 - 2.7317	1.0924 - 2.7317	1.0924 - 2.7317	1.0924 - 2.7317	1.0924 - 2.7317
0.2200 - 1.4610	0.2200 - 1.4610	0.2200 - 1.4610	0.2200 - 1.4610	0.2200 - 1.4610	0.2200 - 1.4610
6.5893 - 8.4320	6.4912 - 8.2372	6.4554 - 8.1593	6.5337 - 8.1626	5.7044 - 7.2439	5.3871 - 7.2955
0.8140 - 3.0000	0.8140 - 3.0000	0.8140 - 3.0000	0.5882 - 3.0000	0.8140 - 3.0000	0.8140 - 3.0000
0.2895	0.2895	0.2895	0.2895	0.2895	0.2895

Deschutes County, Oregon

Principal Property Taxpayers - Current Fiscal and Nine Years Ago

Taxpayer	2023			2014		
	Taxable	Rank	% of Total	Taxable	Rank	% of Total
	Assessed Value		County TAV	Assessed Value		County TAV
	(TAV)	(1)	(2)	(TAV)	(1)	(2)
Pacificorp (PP&L)	\$ 156,726,000	1	0.51%	\$ 84,889,000	1	0.46%
TDS Baja Broadband LLC (Prev Bend Cable)	127,032,000	2	0.42%			
Cascade Natural Gas Corporation	90,647,000	3	0.30%	49,790,800	3	0.27%
Gas Transmission Northwest Corporation	86,597,879	4	0.28%	70,935,300	2	0.38%
Bend Research Inc.	68,906,330	5	0.23%			
Deschutes Brewery Inc	60,528,250	6	0.20%	33,262,940	9	0.18%
Crowdstrike Inc.	58,664,740	7	0.19%			
Lumen Technologies, Inc.	60,128,000	8	0.20%			
Touchmark at Mount Bachelor Village LLC	54,687,760	9	0.18%	37,623,690	5	0.20%
PCC Structurals, Inc.	46,635,930	10	0.15%			
Bend Cable Communications, LLC	-	-	0.00%	49,126,000	4	0.26%
CSVS LLC	-	-	0.00%	35,345,300	6	0.19%
Suterra LLC	-	-	0.00%	33,784,850	7	0.18%
Centurylink (Formerly Qwest)	-	-	0.00%	33,294,300	8	0.18%
Wal-Mart Stores Inc.	-	-	0.00%	25,766,970	10	0.14%
Total	\$ 810,553,889		2.66%	\$ 453,819,150		2.44%

(1) Ranking of Principal Taxpayers is based on property taxes assessed, not the taxable assessed value.

(2) Taxpayer's attributable share of total assessed value in the County.

Deschutes County, Oregon

Property Taxes, Levies and Collections - Last Ten Fiscal Years

(dollars expressed in thousands)

Fiscal Year Ended June 30,	Total Tax Levy for Fiscal Year (1)	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount Collected	Percentage of Levy		Amount Collected	Percentage of Levy
2014	59,380	58,195	98.005%	1,182	59,377	99.995%
2015	62,247	61,220	98.349%	1,023	62,243	99.991%
2016	65,737	64,747	98.494%	997	65,744	100.010%
2017	68,956	67,895	98.461%	1,056	68,951	99.989%
2018	69,929	69,013	98.689%	908	69,921	99.975%
2019	74,425	73,442	98.678%	968	74,410	99.931%
2020	78,369	77,350	98.700%	954	78,304	99.773%
2021	82,470	81,661	99.019%	621	82,282	99.619%
2022	86,354	85,577	99.101%	436	86,013	99.605%
2023	91,736	90,881	99.068%	-	90,881	99.068%

Source: Deschutes County Finance Department.

(1) Net of discounts and adjustments.

Deschutes County, Oregon
Ratios of Outstanding Debt by Type - Last Ten Fiscal Years
 (dollars in thousands, except per capita)

Fiscal Year	Governmental Activities							
	General Obligation Bonds	Limited Tax Bonds			Notes from Direct Borrowings	Loans	Leases Payable	Subscriptions Payable
		Pension Obligation Bonds	Full Faith and Credit Obligations					
2014	175	10,799	45,773	-	149	-	-	
2015	90	10,536	42,957	-	-	-	-	
2016	-	10,235	38,387	1,926	-	-	-	
2017	-	9,899	35,985	1,726	-	-	-	
2018	-	9,522	33,507	1,525	-	-	-	
2019	-	9,099	31,516	1,317	-	-	-	
2020	-	8,595	29,464	1,108	-	-	-	
2021	-	7,790	26,611	894	-	-	-	
2022	-	6,870	23,715	680	-	2,127	-	
2023	-	5,830	21,492	459	-	2,835	1,278	

(1) See page 270 for personal income and population data.

n/a - Not available.

Business-Type Activities					Total		
General Obligation Bonds	Full Faith and Credit Obligations	Notes from Direct Borrowings	Loans	Leases Payable	Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
7,669	13,960	-	362	-	78,887	1.07%	485.38
5,247	13,200	-	343	-	72,373	0.87%	434.93
2,595	4,666	8,127	-	-	65,936	0.73%	386.18
-	4,451	7,420	-	-	59,481	0.61%	336.75
-	4,200	6,699	-	-	55,453	0.52%	303.14
-	3,976	5,965	-	-	51,873	0.46%	274.49
-	3,744	5,220	-	-	48,131	0.41%	249.38
-	3,507	4,459	-	-	43,261	0.32%	219.58
-	3,437	3,692	-	14	40,534	n/a	199.29
-	24,232	2,906	-	10	59,041	n/a	284.45

Deschutes County, Oregon

Ratios of General Bonded Debt Outstanding - Last Ten Fiscal Years

(dollars in thousands, except per capita)

General Bonded/Gross Direct Debt	Fiscal Year			
	2014	2015	2016	2017
General Obligation Bonds (1)	7,844	5,337	2,595	-
Limited Tax Bonds	70,532	66,693	53,288	50,335
Notes from Direct Borrowings	-	-	10,053	9,146
Loans	149	-	-	-
Less: Amounts available in debt service fund (2)	(186)	(358)	(264)	-
	<u>78,339</u>	<u>71,672</u>	<u>65,672</u>	<u>59,481</u>
Debt as a percentage of estimated actual taxable value of property (3)	0.35%	0.28%	0.23%	0.18%
General Bonded/ Gross Direct Debt per Capita (4)	482	431	385	337

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements.

(1) This is the general bonded debt of both governmental and business-type activities.

(2) This is the amount restricted for debt service principal payments.

(3) See the Schedule of Assessed Value and the Estimated Actual Value of Taxable Property (pages 255-256)

(4) Population data can be found in the Schedule of Demographic and Economic Statistics (page 270).

Fiscal Year					
2018	2019	2020	2021	2022	2023
-	-	-	-	-	-
47,229	44,591	41,803	37,908	34,021	51,553
8,224	7,282	6,328	5,353	4,372	3,365
-	-	-	-	-	-
-	-	-	-	-	-
<u>55,453</u>	<u>51,873</u>	<u>48,131</u>	<u>43,261</u>	<u>38,393</u>	<u>54,918</u>
0.15%	0.13%	0.11%	0.09%	0.07%	0.10%
303	274	249	220	189	265

Deschutes County, Oregon

Direct and Overlapping Governmental Activities Debt

June 30, 2023

(dollars in thousands)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Amount Applicable to Primary Government
Debt repaid with property taxes			
Alfalfa RFPD	\$ 213	94.3700%	\$ 201
Bend Metro Park & Rec District	19,985	100.0000%	19,985
Central Oregon Community College	39,020	85.3500%	33,305
Central Oregon Regional Housing Authority	1,650	100.0000%	1,650
City Of Bend	153,347	100.0000%	153,347
City Of La Pine	275	100.0000%	275
City Of Redmond	38,494	100.0000%	38,494
Cloverdale RFPD	1,925	100.0000%	1,925
Crook Cty School District	44,306	0.7300%	325
Crooked River Ranch RFPD	1,908	8.9200%	170
Deschutes Cty RFPD 2 (Bend)	8,470	100.0000%	8,470
Deschutes Cty SD 1 (Bend-La Pine)	465,235	100.0000%	465,235
Deschutes Cty SD 2J (Redmond)	198,787	93.8700%	186,604
Deschutes Cty SD 6 (Sisters)	43,302	99.9800%	43,291
Deschutes Public Library District	189,200	100.0000%	189,200
High Desert ESD	2,310	91.3900%	2,111
Howell Hilltop Acres Spec Rd District	178	100.0000%	178
Lapine Parks & Recreation District	275	100.0000%	275
Lazy River Special Road District	19	100.0000%	19
Redmond Area Park & Recreation District	147	100.0000%	147
Redmond Fire & Rescue	2,696	99.8700%	2,692
Sisters RFPD (Camp Sherman)	865	89.0900%	771
Terrebonne Water District	370	100.0000%	370
Subtotal, overlapping debt			1,149,040
Deschutes County direct debt			31,893
Total direct and overlapping debt			\$ 1,180,933

Sources: Oregon State Treasury, Debt Management Information System.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the County. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Deschutes County. This process recognizes that, when considering the County's ability to issue and repay long-term debt, the entire debt burden borne by the property taxpayers should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore, responsible for repaying the debt, of each overlapping government. Net property-tax backed debt was used as the Debt Outstanding which is derived from the gross property-tax backed debt less self-supporting unlimited general obligations and self supporting limited tax general obligation debt. The direct debt is the total amount of the governmental activities from the "Ratios of Outstanding Debt by Type" Schedule.

Deschutes County, Oregon

Legal Debt Margin Information - Last Ten Fiscal Years

(dollars in thousands)

Legal Debt Margin Calculation for Fiscal Year 2023

Estimated actual value	\$ 73,185,145	Estimated actual value	\$ 73,185,145
Debt limit (2% of estimated actual value) (1)	1,463,703	Debt limit (1% of estimated actual value) (2)	731,851
Debt applicable to limit:		Debt applicable to limit:	
General obligation bonds	\$ -	Limited tax bonds	\$ 27,322
Less: Amount held for repayment of debt	-	Less: Amount held for repayment of debt	-
Total net debt applicable to limit	<u>\$ -</u>	Total net debt applicable to limit	<u>\$ 27,322</u>
Legal debt margin	<u>\$ 1,463,703</u>	Legal debt margin	<u>\$ 704,529</u>

(1) ORS 287A.100 provides a debt limit on general obligation bonds of 2% of the real market value of all taxable property within the County's boundaries. This became effective January 1, 2008 superseding ORS 287.054.

(2) ORS 287A.105 provides a debt limit on full faith and credit bonds of 1% of the real market value of all taxable property within the County's boundaries. This became effective January 1, 2008 superseding ORS 287.053.

Deschutes County, Oregon

Legal Debt Margin Information - Last Ten Fiscal Years

(dollars in thousands)

	Fiscal Year				
	2014	2015	2016	2017	2018
Debt Limit (2%) (1)	\$ 443,378	\$ 507,239	\$ 577,687	\$ 648,312	\$ 735,733
Total net debt applicable to limit	7,844	5,337	2,595	-	-
Legal debt margin	<u>\$ 435,534</u>	<u>\$ 501,902</u>	<u>\$ 575,092</u>	<u>\$ 648,312</u>	<u>\$ 735,733</u>
Total net debt applicable to the limit as a percentage of debt limit	1.77%	1.05%	0.45%	0.00%	0.00%
Debt Limit (1%) (2)	\$ 221,689	\$ 253,619	\$ 288,843	\$ 324,156	\$ 367,867
Total net debt applicable to limit	56,121	53,231	50,357	47,610	42,350
Legal debt margin	<u>\$ 165,568</u>	<u>\$ 200,388</u>	<u>\$ 238,486</u>	<u>\$ 276,546</u>	<u>\$ 325,517</u>
Total net debt applicable to the limit as a percentage of debt limit	25.32%	20.99%	17.43%	14.69%	11.51%

(1) ORS 287A.100 provides a debt limit on general obligation bonds of 2% of the real market value of all taxable property within the County's boundaries. This became effective January 1, 2008 superseding ORS 287.054.

(2) ORS 287A.105 provides a debt limit on full faith and credit bonds of 1% of the real market value of all taxable property within the County's boundaries. This became effective January 1, 2008 superseding ORS 287.053.

Fiscal Year				
2019	2020	2021	2022	2023
\$ 824,609	\$ 897,925	\$ 958,320	\$ 1,122,878	\$ 1,463,703
-	-	-	-	-
<u>\$ 824,609</u>	<u>\$ 897,925</u>	<u>\$ 958,320</u>	<u>\$ 1,122,878</u>	<u>\$ 1,463,703</u>
0.00%	0.00%	0.00%	0.00%	0.00%
\$ 412,304	\$ 448,963	\$ 479,160	\$ 561,439	\$ 731,851
<u>39,049</u>	<u>36,639</u>	<u>33,124</u>	<u>30,585</u>	<u>27,322</u>
<u>\$ 373,255</u>	<u>\$ 412,324</u>	<u>\$ 446,036</u>	<u>\$ 530,854</u>	<u>\$ 704,529</u>
9.47%	8.16%	6.91%	5.45%	3.73%

Deschutes County, Oregon

Pledged-Revenue Coverage - Last Ten Fiscal Years

(dollars in thousands)

**Full Faith and Credit Obligations
(Series 2003, 2005, 2007, 2009)**

Fiscal Year	Special Assessment Collections	Debt Service		Coverage
		Principal	Interest	
		2014	151	
2015	-	-	-	-
2016	-	-	-	-
2017	-	-	-	-
2018	-	-	-	-
2019	-	-	-	-
2020	-	-	-	-
2021	-	-	-	-
2022	-	-	-	-
2023	-	-	-	-

Note: Details regarding the County's outstanding debt can be found in the notes to financial statements.

Deschutes County, Oregon

Demographic and Economic Statistics - Last Ten Calendar Years

Year	Population	Personal Income <i>(thousands of dollars)</i>	Per Capita Personal Income	Median Age	Public School Enrollment	Unemployment Rate
2014	162,525	7,343,291	43,320	40.63	24,790	7.7%
2015	166,400	8,275,134	47,491	40.82	25,302	5.9%
2016	170,740	8,985,844	49,737	40.96	25,598	4.9%
2017	176,635	9,812,799	52,547	41.13	26,446	4.2%
2018	182,930	10,672,155	55,612	41.33	26,868	4.1%
2019	188,980	11,159,204	56,447	41.50	27,008	3.9%
2020	193,000	11,814,688	61,216	41.63	27,237	9.1%
2021	197,015	13,346,387	67,743	41.82	25,687	6.0%
2022	203,390	n/a	n/a	42.64	25,576	4.2%
2023	207,561	n/a	n/a	43.28	25,593	4.4%

Sources: Population, personal income and per capita personal income information provided by Portland State University, Population Research Center and the Bureau of Economic Analysis. Median age based on data obtained from Portland State University. School enrollment provided by the Oregon Department of Education. Unemployment provided by Oregon Employment Department, Oregon Labor Market Information System.

Note: Population information are Census Bureau midyear population estimates. Estimates for July 1, 2022, reflect county population estimates available as of April 2023. Median age figures for 2014-2023 are based on mid-year data tables. School enrollment is based on the census at the start of the 2022-23 school year. Unemployment rate information, reported as an annual average, is not seasonally adjusted. Unemployment rate for 2022 is an average of July 2022 through June 2023.

n/a - Not available.

Deschutes County, Oregon

Principal Employers - Current Year and Nine Years Ago

Employer	2023			2014		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
St. Charles Health System	3,506	1	3.58%	2,419	1	3.57%
Bend/La Pine School District	2,567	2	2.62%	1,690	2	2.49%
Deschutes County	1,284	3	1.31%	1,051	3	1.55%
Mt. Bachelor	1,081	4	1.10%	756	5	1.12%
Redmond School District	1,016	5	1.04%	754	6	1.11%
Sunriver Resort	900	6	0.92%	900	4	1.33%
City of Bend	717	7	0.73%			
U.S. Forest Service	695	8	0.71%			
Safeway	609	9	0.62%			
Bend Park and Recreation District	591	10	0.60%			
Central Oregon Community College				661	9	0.98%
Wal-Mart				686	8	1.01%
IBEX (formerly TRG Solutions & ISKY)				700	7	1.03%
Bend Memorial Clinic				639	10	0.94%
Total Employees of Principal Employers	12,966		13.23%	10,256		15.13%
Total County Nonfarm Employment	98,019		100.00%	67,760		100.00%

Sources: Deschutes County Finance Department, Economic Development for Central Oregon, and the Oregon Employment Department.

Deschutes County, Oregon

Full-Time Equivalent County Government Employees by Function/Program - Last Ten Fiscal Years

Function/Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General government										
Executive	9.40	9.75	9.75	9.75	9.75	9.75	10.75	10.75	10.75	11.75
General services										
Judicial	51.45	52.05	54.05	54.55	57.30	59.50	65.60	63.30	69.00	71.10
Financial	38.48	38.53	39.53	39.73	39.73	40.23	40.23	41.23	41.23	46.23
Assessment	31.00	31.00	33.00	33.00	34.26	35.26	33.26	33.26	31.00	32.26
Community development	17.30	19.30	20.30	25.10	27.50	30.50	29.50	30.50	32.50	32.10
Building services	23.80	23.80	25.20	25.00	25.00	26.00	18.60	21.60	21.75	23.75
Information technology	16.70	16.30	16.00	15.70	15.70	15.70	15.70	15.70	16.70	15.70
Other	5.27	4.47	4.32	4.62	4.62	4.62	4.62	6.82	5.82	8.82
Public protection										
Law enforcement	113.75	113.75	113.75	113.75	115.25	117.45	117.50	124.00	127.50	129.25
Corrections	185.00	188.60	199.10	200.10	202.00	205.00	195.75	188.25	185.50	178.25
Protective inspection	12.70	14.70	15.70	19.90	25.50	24.50	24.50	23.50	27.30	25.70
Other protection	46.50	52.50	57.50	59.00	60.00	60.00	54.00	54.00	55.00	52.57
Public works										
Streets & highways	52.75	52.75	53.50	54.00	54.00	56.00	54.00	55.00	56.00	56.00
Sanitation	22.50	22.50	23.50	23.50	24.50	25.50	24.00	21.00	24.00	30.00
Health & welfare										
Health services	245.90	248.00	265.25	303.85	313.45	309.95	291.95	330.78	353.75	382.10
Recreation & culture										
Fair & expo center	10.00	11.00	11.00	12.00	12.00	12.00	10.92	10.00	8.00	11.75
Other										
Conservation	3.00	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Economic development	1.10	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	886.60	901.00	941.45	993.55	1,020.56	1,031.96	990.88	1,029.69	1,065.80	1,107.33

Source: Deschutes County Finance Department.**Note:** Above amounts are for Primary Government.

Deschutes County, Oregon

Operating Indicators by Function/Program - Last Ten Fiscal Years

	Fiscal Year			
	2014	2015	2016	2017
<u>Function/Program</u>				
General government				
Building permits issued for new homes	327	355	440	555
Total building permits issued	988	1142	1309	1427
Police				
Physical arrests	1,451	1,545	1,568	1,797
Traffic violations				
Citations issued	2,462	2,189	2,104	2,159
Warnings	1,570	1,883	1,547	1,159
Calls for service	34,187	35,664	34,535	35,285
Traffic stops	14,840	14,698	10,533	12,608
Solid waste				
Solid waste collected (tons)	185,788	193,779	203,896	226,325
Average annual per capita waste	2,320	2,385	2,451	2,591
Recyclables collected (tons)	72,178	74,097	72,940	80,234
Road				
Street resurfacing (miles)	8.2	7.6	14.57	8.07
911 emergency services				
Emergency calls	59,886	60,460	62,181	64,158
Police officer initiated calls	249,217	250,369	252,333	256,923
Fire department initiated calls	22,398	23,655	25,308	27,426

Source: Deschutes County Community Development Department, Deschutes County Sheriff's Office, Deschutes County Solid Waste Department, Deschutes County Road Department, and 9-1-1 County Service District.

Fiscal Year						
2018	2019	2020	2021	2022	2023	
549	574	586	744	698	393	
1,594	1,564	1,589	1,885	1,927	1,557	
1,791	1,810	1,463	964	1,271	1,507	
2,412	2,382	1,905	1,832	1,580	1,007	
908	949	731	571	646	544	
34,893	35,014	38,823	36,601	35,602	35,303	
12,539	13,532	12,225	10,915	12,158	9,940	
240,844	238,955	263,464	267,940	296,470	309,429	
2,727	2,959	2,788	2,777	3,010	2,165	
79,757	60,958	83,472	84,347	98,491	89,304	
5.28	8.19	10.63	95.76	92.56	52.13	
64,047	68,434	71,987	75,179	77,685	76,870	
250,834	261,196	247,085	242,077	216,636	226,877	
26,894	27,856	27,670	31,089	30,767	31,511	

Deschutes County, Oregon

Capital Assets Statistics by Function/Program - Last Ten Fiscal Years

<u>Function/Program</u>	<u>Fiscal Year</u>									
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Public Safety										
Stations	4	4	4	4	4	4	4	4	4	4
Adult correctional facilities	2	2	2	2	2	2	2	2	2	2
Special services complex	1	1	1	1	1	1	1	1	1	1
Road										
Streets (miles)	927	927	927	927	931	917	929	929	927	925
Streetlights	4	4	4	32	32	32	35	74	74	94
Flashing lights	5	5	4	5	5	5	2	1	1	1
Signals	3	3	3	3	3	3	3	3	3	4

Sources: Deschutes County Road Department and the Deschutes County Sheriff's Office.

Audit Comments and Disclosures Required
by State Regulations
For the Fiscal Year Ended June 30, 2023
Deschutes County, Oregon



Deschutes County, Oregon
Audit Comments and Disclosures Required by State Regulations
June 30, 2023

Item 2.

Oregon Administrative Rules 162-010-000 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 required in audit reports. The required statements and schedules are 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 in the following pages.

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Report of Independent Auditors Required by Oregon State Regulations

Deschutes County Board of Commissioners
Deschutes County, Oregon
Bend, Oregon

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Deschutes County, Oregon (the "County") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated November 30, 2023.

Compliance

As part of obtaining reasonable assurance about whether the County's basic financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, including provisions of Oregon Revised Statutes (ORS) as specified in Oregon Administrative Rules (OAR) 162-010-0000 to 162-010-0330, of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion.

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:

- Accounting records and internal control
- Public fund deposits
- Indebtedness
- Budget
- Insurance and fidelity bonds
- Programs funded from outside sources
- Highway funds
- Investments
- Public contracts and purchasing

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In connection with our testing, nothing came to our attention that caused us to believe the County was not in substantial compliance with certain provisions of laws, regulations, contracts, and grant agreements, including the provisions of ORS as specified in OAR 162-010-0000 through 162-010-0330 of the Minimum Standards for Audits of Oregon Municipal Corporations.

Internal Control Over Financial Reporting

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

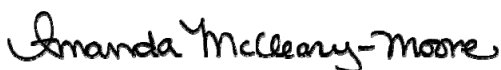
A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the 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 or significant deficiencies may exist that have not been identified.

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. Accordingly, this communication is not suitable for any other purpose.

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



Amanda McCleary-Moore, Partner for
Moss Adams LLP
Eugene, Oregon
November 30, 2023



Single Audit Section
June 30, 2023

Deschutes County, Oregon

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Report of Independent Auditors 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*

Deschutes County Board of Commissioners
Deschutes County, Oregon
Bend, 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, the business-type activities, each major fund, and the aggregate remaining fund information of the Deschutes County, Oregon (the "County") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated November 30, 2023.

Report on Internal Control Over Financial Reporting

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

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

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Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.



Eugene, Oregon
November 30, 2023

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Report of Independent Auditors on Compliance for the Major Federal Program and Report on Internal Control Over Compliance as Required by the Uniform Guidance

Deschutes County Board of Commissioners
Deschutes County, Oregon
Bend, Oregon

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Deschutes County, Oregon's (the "County") compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on the County's major federal program for the year ended June 30, 2023. The County's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2023.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the County's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of the major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.



Eugene, Oregon
November 30, 2023

Deschutes County, Oregon
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2023

Item 2.

Federal Grantor / Pass Through Grantor / Program Title	Federal Assistance Listing Number	Award or Pass-Through Number	Expenditures	Amounts Provided To Subrecipients
Department of Agriculture				
Direct Programs				
Forest Service				
Law Enforcement Agreements	10.704	20LE11060100002	\$ 80,653	-
Pass Through Programs				
State Department of Education				
School Breakfast Program	10.553	0904001	4,838	-
National Lunch School Program	10.555	0904001	8,107	-
		<i>Total Child Nutrition Cluster Program</i>	<i>12,945</i>	
Oregon Health Authority				
WIC Special Supplemental Nutrition Program for Women, Infants and Children	10.557	169509	735,827	-
Oregon Department of Forestry				
Cooperative Forestry Assistance-Deschutes County Buttes to Basins Joint Chiefs	10.664	21-PA-11060100-025	17,500	-
Total Department of Agriculture			846,925	-
Department of the Interior				
Pass Through Programs				
State Department of Administrative Services				
Non-Sale Disposals of Mineral Material	15.214	None	105,306	-
Payments in Lieu of Taxes	15.226	None	3,340	-
Bureau of Land Management				
BLM Fuels Management and Community Fire Assistance Program Activities	15.228	L22AC00488-00	19,200	-
Invasive and Noxious Plant Management	15.230	L20AC00116	7,641	-
National Park Service				
Historic Preservation Fund Grants-in-Aid	15.904	OR 21-07	12,000	-
Total Department of the Interior			147,487	-
Department of Justice				
Direct Programs				
Violence Against Women Office				
Violence Against Women Formula Grants	16.588	VAWA-C-2023-DeschutesCo	14,389	-
Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program	16.590	15JOVW-21-GG-02038-ICJR	187,738	59,129
Criminal and Juvenile Justice and Mental Health Collaboration Program	16.745	2018-MO-BX-0029	141,131	-
Office of Community Oriented Policing Services				
Public Safety Partnership and Community Policing Grants	16.710	2020MHWXK032	25,838	-
Pass Through Programs				
State Department of Justice				
Crime Victim Assistance	16.575	VOCA-SST-2019-DeschutesCo	405,794	-
State of Oregon Criminal Justice Commission				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2019-DJ-BX-0709	121,747	-
Total Department of Justice			896,636	59,129

The notes to the schedule of expenditures for federal awards are an integral part of this statement.

Deschutes County, Oregon
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2023

Item 2.

Federal Grantor / Pass Through Grantor / Program Title	Federal Assistance Listing Number	Award or Pass-Through Number	Expenditures	Amounts Provided To Subrecipients
Department of Transportation				
Pass Through Programs				
Oregon Department of Transportation				
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	33583	48,165	-
		<i>Total Transit Services Programs Cluster</i>	48,165	
Total Department of Transportation			48,165	-
Department of Health and Human Services				
Direct Programs				
National Environmental Health Association				
Food and Drug Administration Research	93.103	G-OAME-202209-02542	1,051	-
Food and Drug Administration Research	93.103	G-BDEV2-202209-02539	2,213	-
Food and Drug Administration Research	93.103	G-BDEV2-202209-02547	8,662	-
		<i>Subtotal Assistance Listing #93.103</i>	11,926	
Substance Abuse and Mental Health Services Administration				
Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED)	93.104	1H79SM082952-01	979,067	83,304
Drug-Free Communities Support Program Grants	93.276	1 NH28CE003141-01-00	145,015	-
Section 223 Demonstration Programs to Improve Community Mental Health Services	93.829	1H79SM083167-01	343,385	15,945
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	1H79SM080555-01	214,087	-
Pass Through Programs				
Oregon Health Authority				
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	159809/169509	117,003	-
		<i>Subtotal Assistance Listing #93.243</i>	331,090	
Public Health Emergency Preparedness Projects for Assistance in Transition from Homelessness (PATH)	93.069	169509	122,721	-
Family Planning Services	93.150	166040/173133	96,937	-
Immunization Cooperative Agreements	93.217	169509	41,809	-
COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.268	169509	567,963	-
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.323	159809/169509	407,822	-
HIV Prevention Activities Health Department Based	93.354	169509	134,518	-
Block Grants for Community Mental Health Services	93.940	169509	24,624	-
Block Grants for Prevention and Treatment of Substance Abuse	93.958	166040/173133	589,748	-
Block Grants for Prevention and Treatment of Substance Abuse	93.959	173133	185,011	140,661
Block Grants for Prevention and Treatment of Substance Abuse	93.959	169509	92,537	-
		<i>Subtotal Assistance Listing #93.959</i>	277,548	
Maternal and Child Health Services Block Grant to States	93.994	169509	141,376	-
Total Department of Health and Human Services			4,215,549	239,910

The notes to the schedule of expenditures for federal awards are an integral part of this statement.

Deschutes County, Oregon
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2023

Item 2.

Federal Grantor / Pass Through Grantor / Program Title	Federal Assistance Listing Number	Award or Pass-Through Number	Expenditures	Amounts Provided To Subrecipients
Department of Homeland Security				
Pass Through Programs				
<u>Oregon Military Department</u>				
Emergency Management Performance Grants	97.042	20-509	140,828	-
Homeland Security Grant Program	97.067	19-223/ 21-256	65,320	-
<u>Oregon Military Department - Office of Emergency Management</u>				
Hazard Mitigation Grant	97.039	HMGP-PF-FM-5195-13-R-OR	144,737	-
Total Department of Homeland Security			350,885	-
Department of the Treasury				
Direct Programs				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	None	14,662,784	13,296,167
Pass Through Programs				
<u>Oregon Health Authority</u>				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	179643	40,809	-
Total Department of the Treasury			14,703,594	13,296,167
Customs & Border Protection				
Direct Programs				
<u>Immigration and Customs Enforcement/Homeland Security Investigations</u>				
Equitable Sharing Program	21.016	OR0090000	39,470	-
Total Customs & Border Protection			39,470	-
Total Federal Assistance			\$ 21,248,712	\$ 13,595,206

The notes to the schedule of expenditures for federal awards are an integral part of this statement.

Deschutes County, Oregon
Notes to Schedule of Expenditures for Federal Awards
June 30, 2023

NOTE 1 – PURPOSE OF THIS SCHEDULE

The accompanying Schedule of Expenditures of Federal Awards (Schedule) is a supplementary schedule to Deschutes County, Oregon's (the County) basic financial statements and is presented for purpose of additional analysis. Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net position, or cash flows of the County.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The reporting entity is fully described in Note 1 of the County's basic financial statements. The schedule includes all federal programs administered by the primary government for the fiscal year ended June 30, 2023.

Basis of Presentation

The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Federal Financial Assistance

Pursuant to the Uniform Guidance, federal financial assistance is defined as assistance provided by a federal agency, either directly or indirectly, in the form of grants, contracts, cooperative agreements, loans, loan guarantees, property, interest subsidies, insurance, or direct appropriations. Accordingly, nonmonetary financial assistance, including federal surplus property, is included in federal financial assistance and is reported on the Schedule (if applicable). Federal financial assistance does not include direct federal cash assistance to individuals. Solicited contracts between the County and the federal government for which the federal government procures tangible goods or services are not considered to be financial assistance.

The County has elected to use the 10% de minimis cost rate.

Basis of Accounting

Receipts and expenditures are accounted for using the modified accrual basis of accounting. Revenues are recorded when measurable and available, or in the case of grants where expenditure is the prime factor for determining eligibility, when the expenditure is made. Expenditures are recorded when a liability is incurred.

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Deschutes County Audit Committee 2023 Accomplishments report November 2023

Audit Committee:

Public members (6 of 6 positions currently filled, 4 positions required)

- CHAIR, Daryl Parrish (member since 9/2016)(term expires June 2024)
- Jodi Burch (member since 10/2019)(term expires June 2025)
- Joe Healy (member since 9/2022)(term expires June 2024)
- Summer Sears (member since 10/2019)(term expires June 2025)
- Stan Turel (member since 5/2019)(term expires June 2024)

County management (3 of 3 positions filled)

- Patti Adair (member since 1/2019)
- Charles Fadeley (member since 9/2021)(term expires June 2025)
- Lee Randall (member since 9/2021) (term expires June 2024)

Recent member departures during 2023

- Scott Reich (4 years on committee)

- The committee currently has 5 of 6 public members (one public member recruitment in November 2023).
- The committee met five times this past year (1/2023; 3/2023; 6/2023; 2/2023 and 12/2023). All meetings were hybrid with an option for those that wished to attend remotely.
- Daryl Parish has been Chair since 6/2018.
- Reported on the prior year accomplishments (1/2023).
- The committee performed a self-assessment in 2023.
- The committee reviewed Finance's Popular Financial Report for FY 2022.
- County Internal Auditor retired in June 2023. The committee assisted in recruiting and selecting a new County Auditor.

External Auditor – Moss Adams

Intent to Award Annual Certified Financial Report (ACFR) contract to complete was made March 2022 for external audit services through Fiscal Year 2026.

- In January 2023, we met with external auditors to review results of audits – Fiscal Year 2022 Annual Comprehensive Financial Report and other required communications.
- In June 2023, we met with external auditors to discuss audit planning for Fiscal Year 2023. Their work was coordinated with the recent work and audit plan of the internal auditor.

Internal Auditor

- Hired a new County Internal Auditor: Elizabeth Pape.
- Biennial work plan for Fiscal Years 2024 and 2025 were adopted in June 2023.
- There were no updates to either biennial workplans.
- We reviewed internal audit reports issued with departments and management.
 - 8 performance reports have been issued (8 performance audits were issued in the prior year). These reports continue to be published on the County's internet site. These included:
 - Treasurer Transition
 - Personal Information Data Privacy
 - Office of the District Attorney Transition
 - Continuity of Operation Plans
 - Finance Tax Controls Over Receipts
 - Behavioral Health Practices Improvement
 - Facilities and Property Cash Handling Receipts
 - District Attorney Cash Handling

Note: Counts of reports were taken from January 2023 through November 2023
- We reviewed follow-up reports indicating the status of recommendations.
 - 10 follow-up reports were issued (7 follow-up reports were issued in the prior year)
 - A global follow-up report will be issued in January 2024.
- We continue to monitor the internal audit program's performance measures. These indicate a high level of performance.
 - Customer satisfaction survey is around 94% overall satisfaction (prior year 92%)

Internal Auditor time analyses:

Time Category	5 yr. Average Hours	Relative %	2023 YTD Hours**	Relative %
Audit	1,252	85%	2,227	93%
Follow-up	110	7%	62	3%
Non-audit	110	7%	96	4%
Sub Total	1,471	100%	2,386	100%

As seen in the above table, 2023 audit hours were up substantially with the additional FTE. ***Hours taken through 10/31/2023.*

In 2023, non-audit time included hours providing assistance to legal, comments on County Finance policies, and interview panel work for the County Internal Auditor recruitment.

Summary Conclusions

- The External Auditors are independent of the County and completed their audit of the Fiscal Year 2023 financial statements effectively and in accordance with the audit plan approved by the Audit Committee. The external audit process was well coordinated with County Management and the Internal Auditor. There were no external auditor recommendations requiring follow-up for Fiscal Year 2023.
- Internal Audit for the County consists of two Full Time Equivalent positions for a County Internal Auditor and Performance auditor. Fiscal year 2024 budget is approximately \$350 thousand annually (salary and fringe benefits) and dues, technology and training of \$15 thousand.
- County management has responded appropriately to Internal Audit recommendations. We have concluded the scope and effectiveness of the Internal Audit function is satisfactory for the County at this time.

Office of the County Internal Auditor

Audit Committee Survey Results



Why Survey



Ensure a meaningful experience for committee members

Improve committee effectiveness



Contents of Survey

46 questions



Process and procedures



Understanding risks



Composition and quality



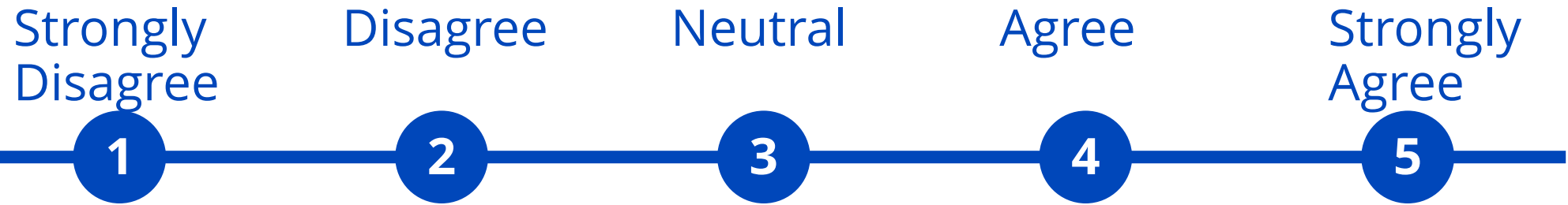
Communication



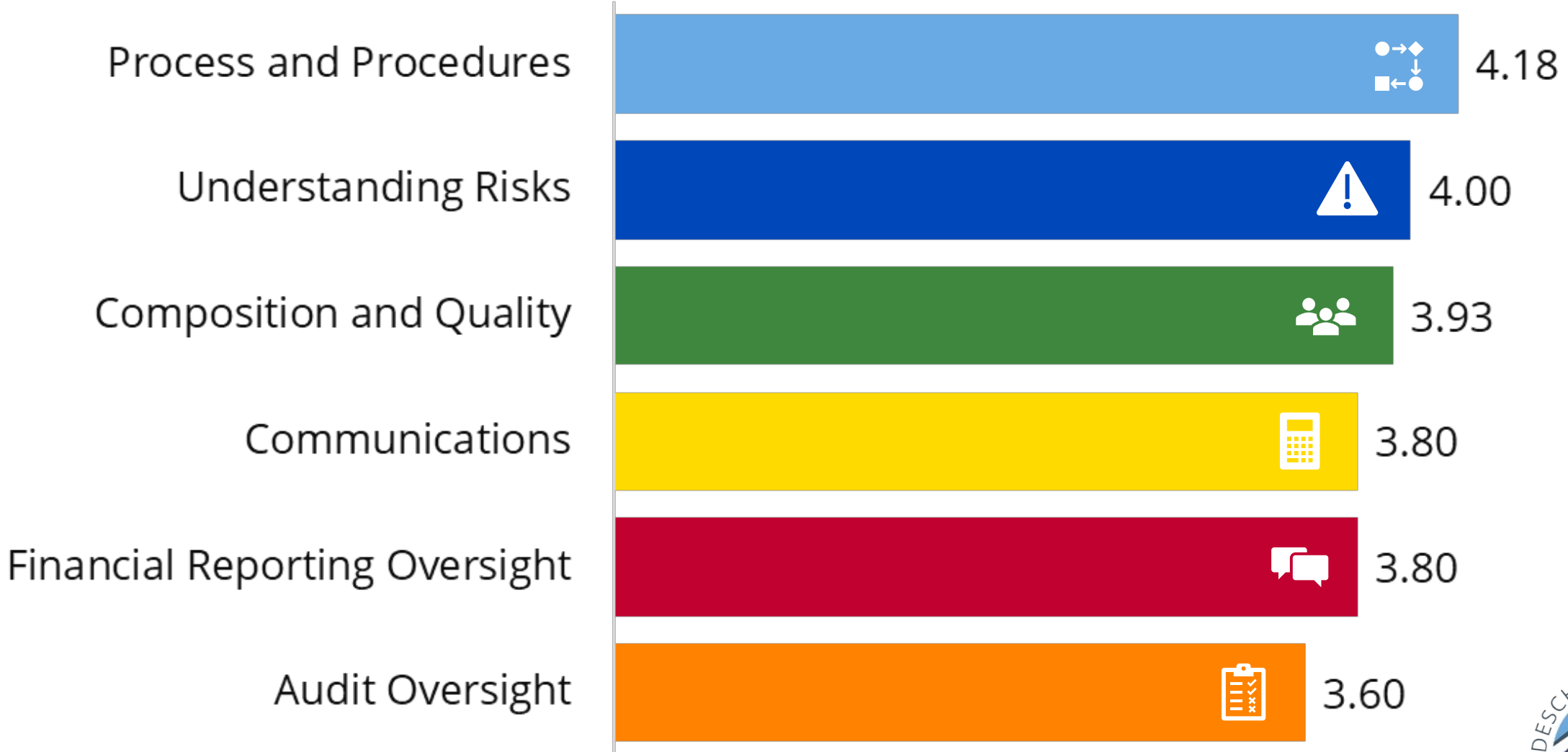
Oversight of financial reporting



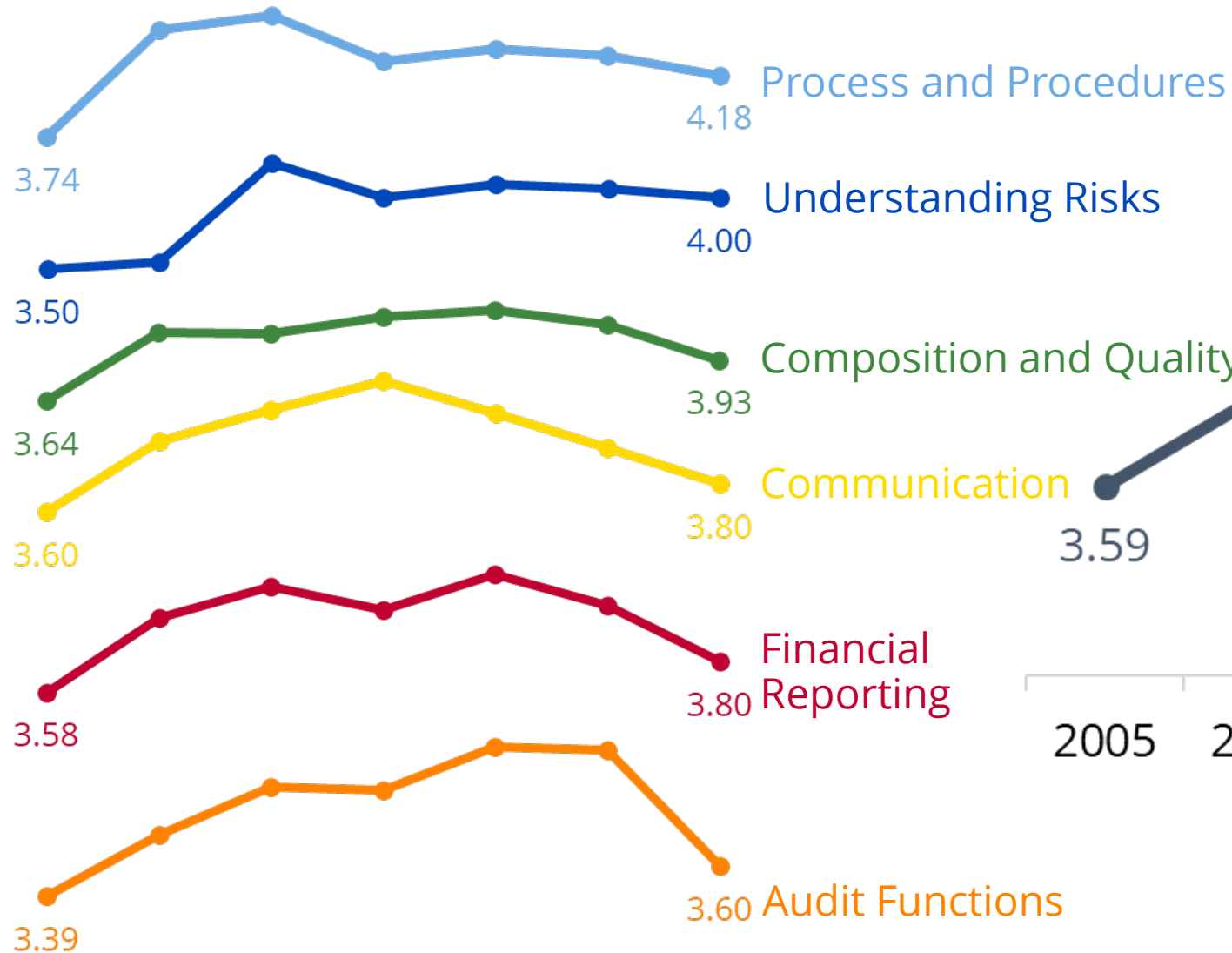
Oversight of audit functions



2023 Strengths



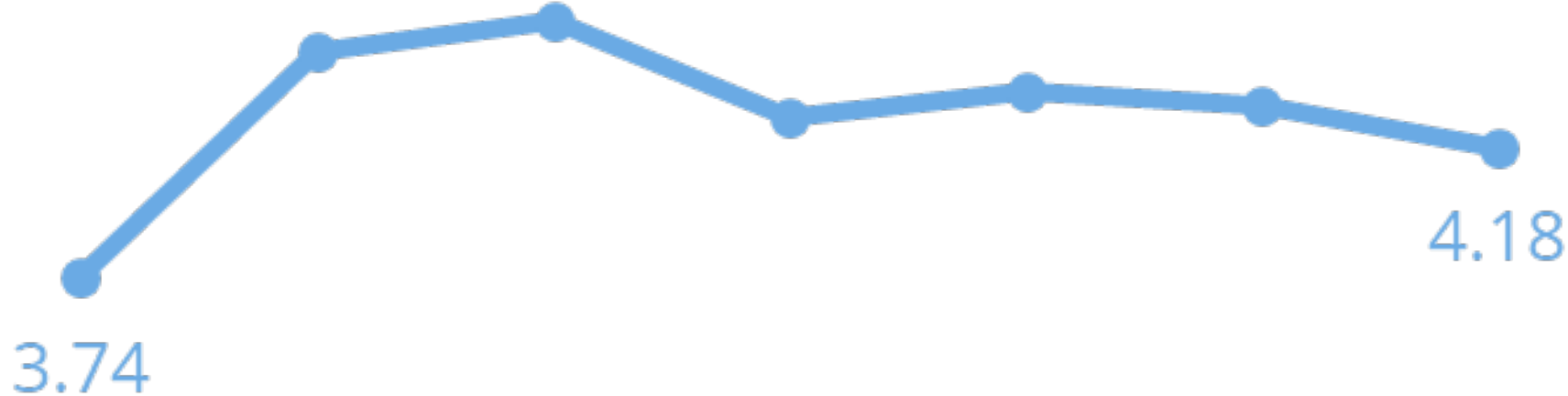
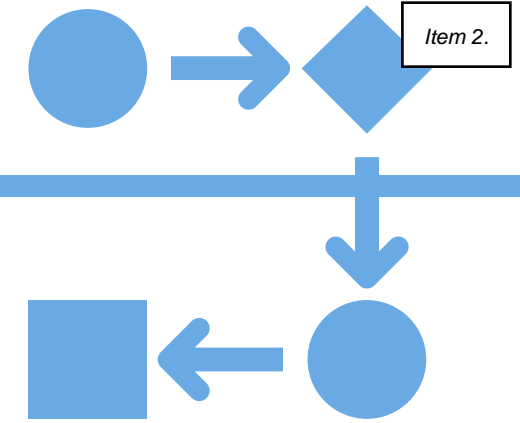
2023: Decreasing after 2017 Peak



Overall Average



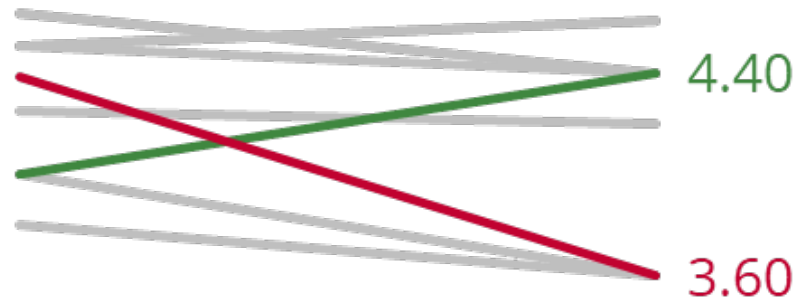
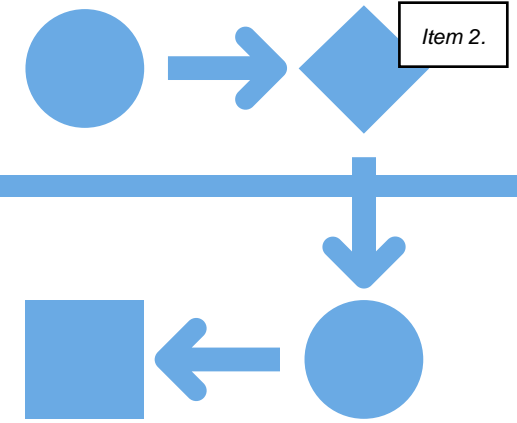
Policies and Procedures



- Reports to Board of Commissioner
- Dedicated sufficient time and resources
- Develops a calendar
- Members can impact the agenda
- Encourages input on the agenda
- Agenda and materials distributed in advance
- At least quarterly meetings
- Promote open dialog

- Materials not too brief or detailed
- Committee responds appropriately

Policies and Procedures



Dedicates time and resources

Input on agenda

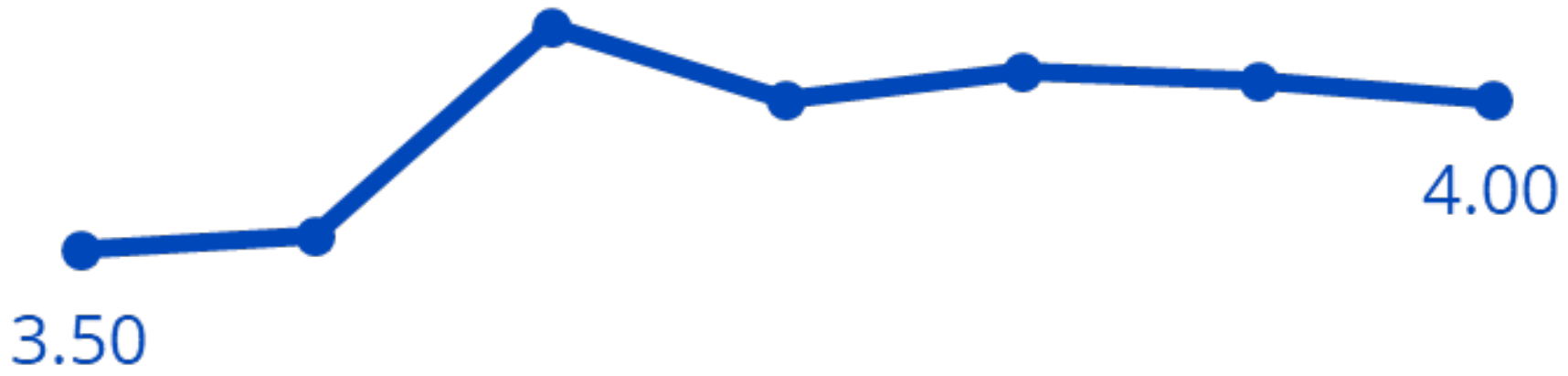
2020

2023



Understanding Risks

Item 2.

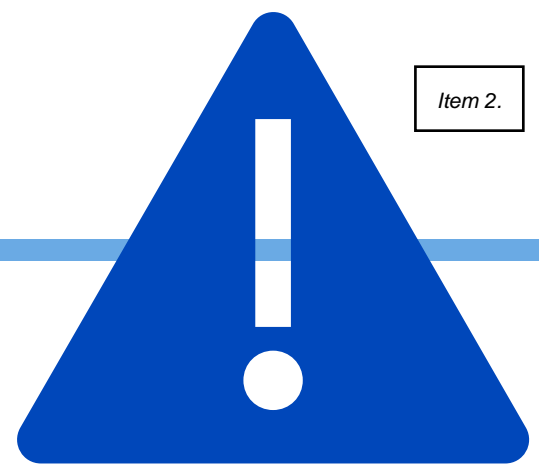


Understands pressures that may impact quality of financial statements

Understands significant risks to County, including process to identify risk

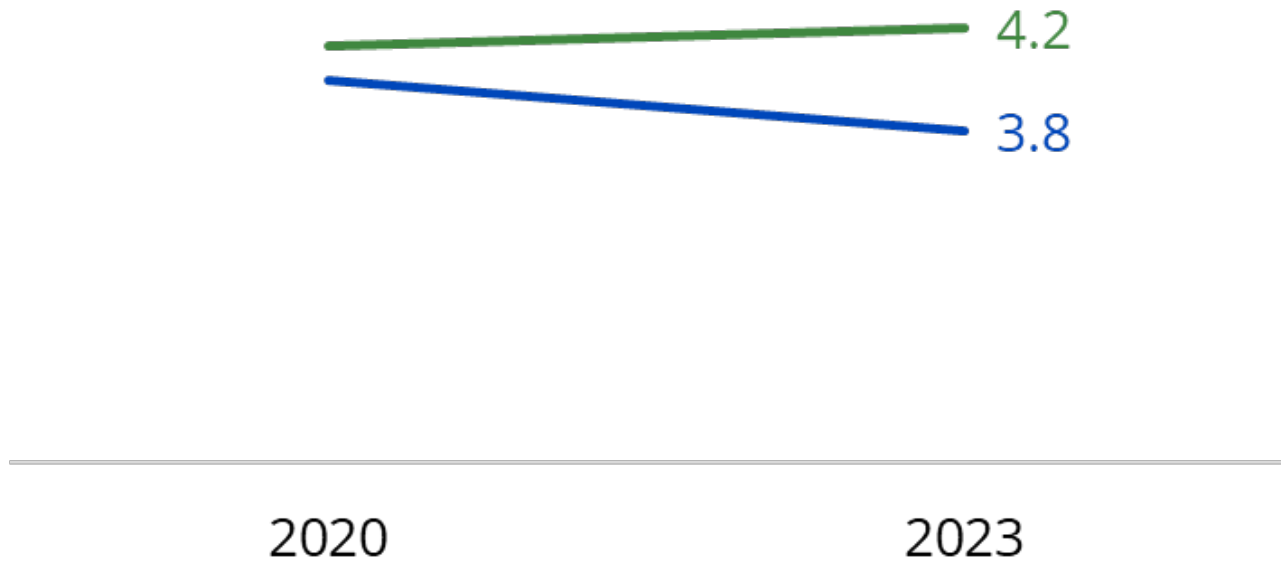


Understanding Risks



County Risks

Pressure on Management



Composition and Quality



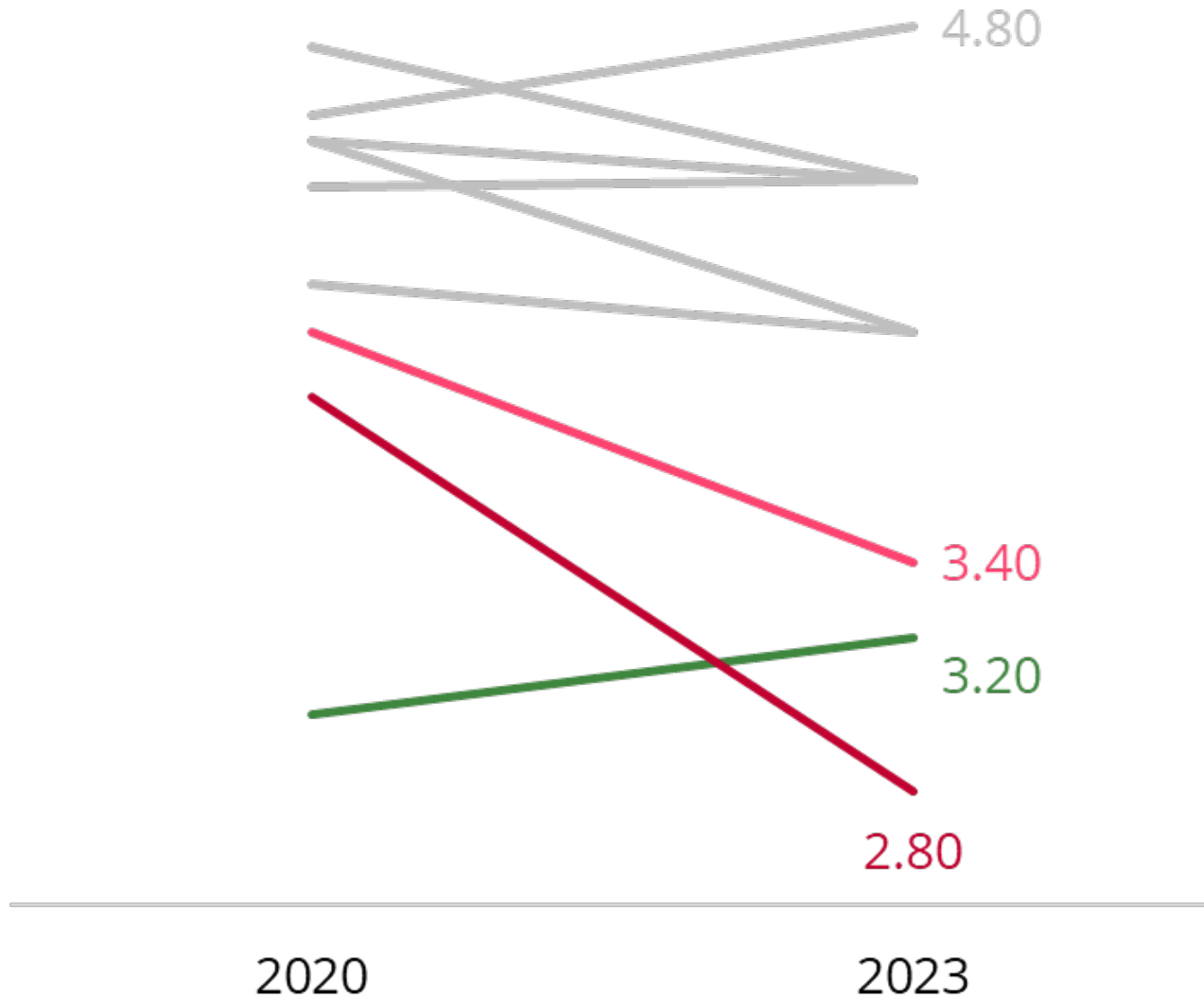
3.64

3.93

- Nominations: variety of sources, consider qualifications
- Predefined qualifications, financial literacy
- Diversity of experience and backgrounds
- Qualities: integrity, credibility, knowledge, etc.
- Independent
- Reviews charter annually
- Continuing education
- New member orientation
- Successions plans



Composition and Quality



Reviews Charter Annually

Succession Plan

Continuing Education



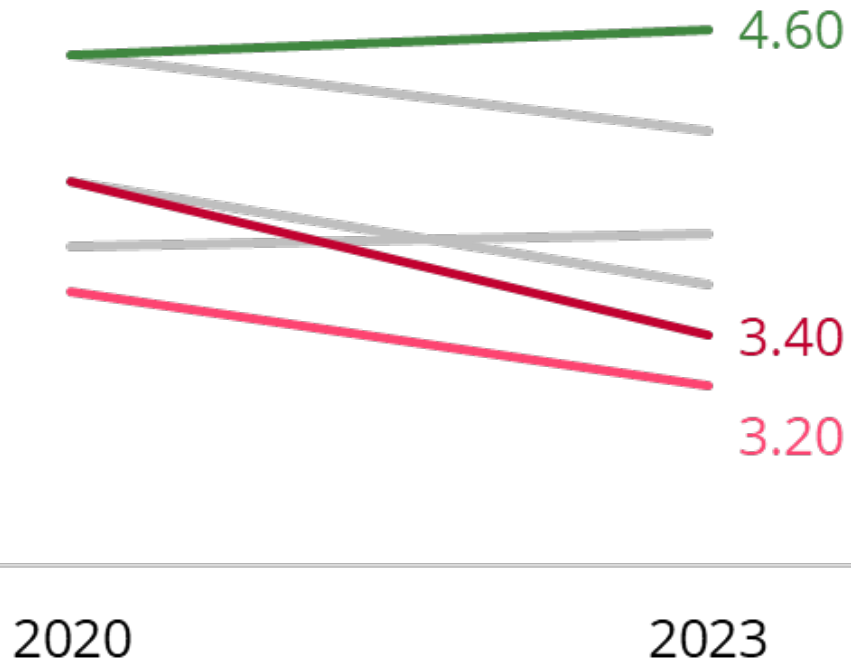
Communication



- Committee sets “tone at the top”
- Member open lines of communication
- Cooperative relationship with management and auditors
- Receives timely information
- Made aware of alleged violations
- Periodically visit locations



Communication



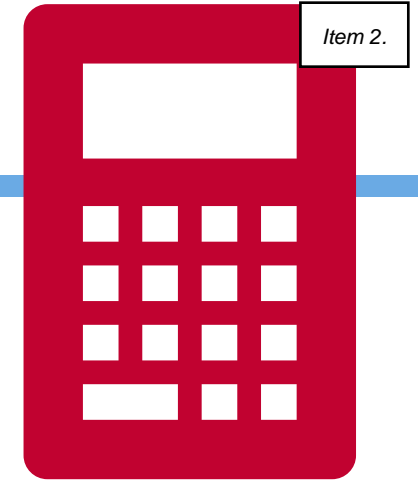
Cooperative Relationship

Timely Information

Visit Locations



Oversight Financial Reporting



Considers quality, including disclosures

Process to review significant issues

Information to assess internal controls

Consulted when management seeks a second opinion

Reviews and understands accounting procedures

Asks about experience and sufficiency of finance and audit staff

Ensures recommendations are addressed

Reviews management action plans

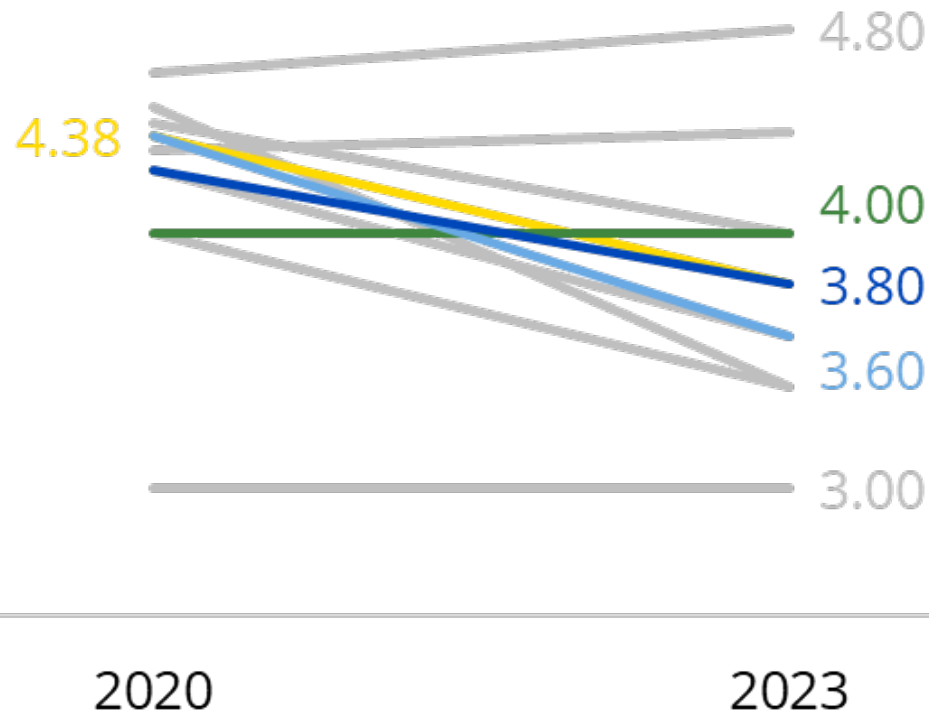
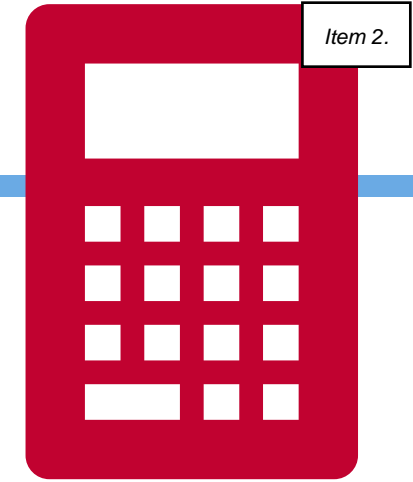
Ensures resolution

Reviews financial adjustments

Understand internal control testing



Oversight Financial Reporting



Quality of Financial Reports

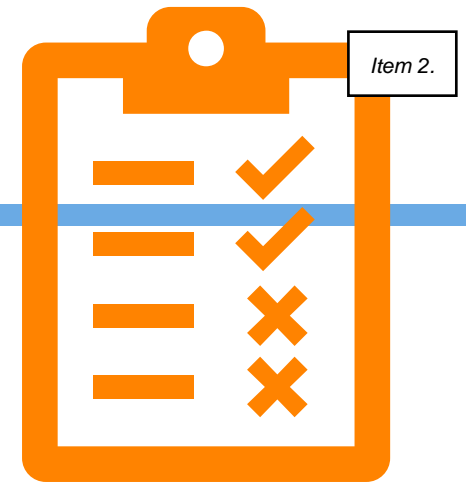
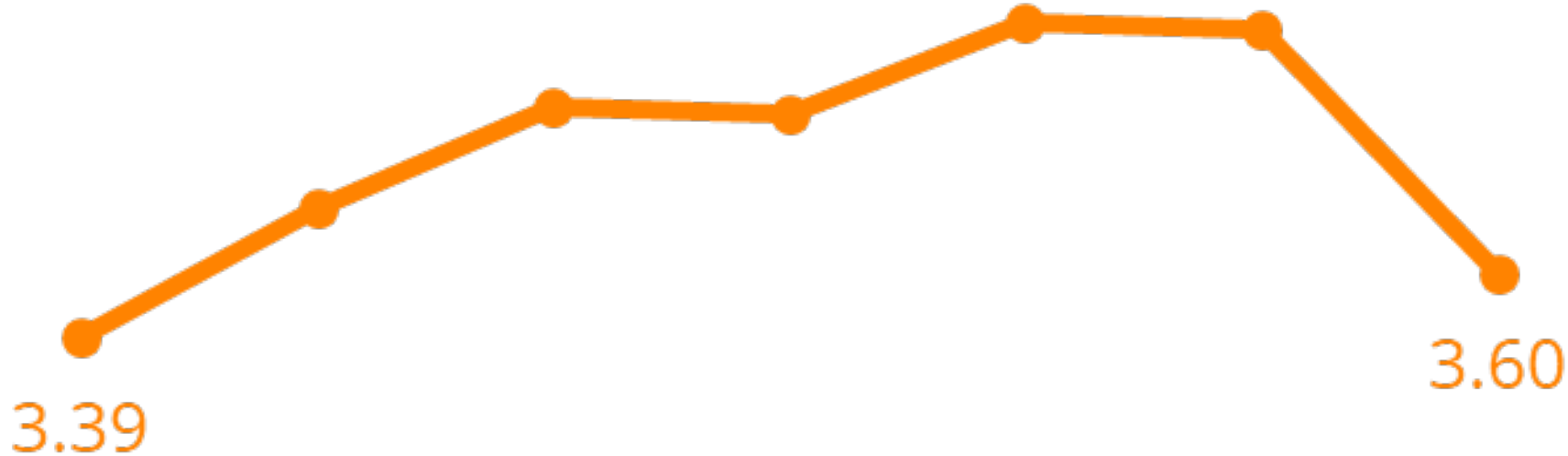
Reviews Accounting Policy

Ask Experience of Staff

Review Internal Controls



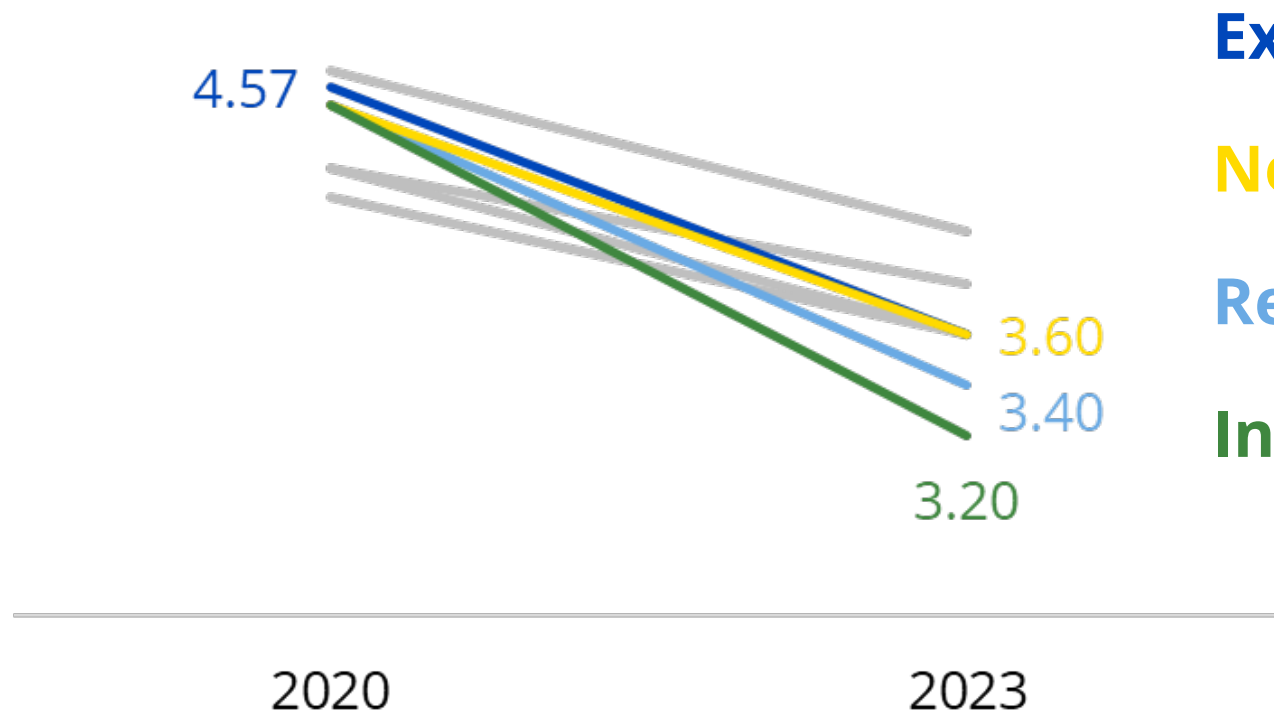
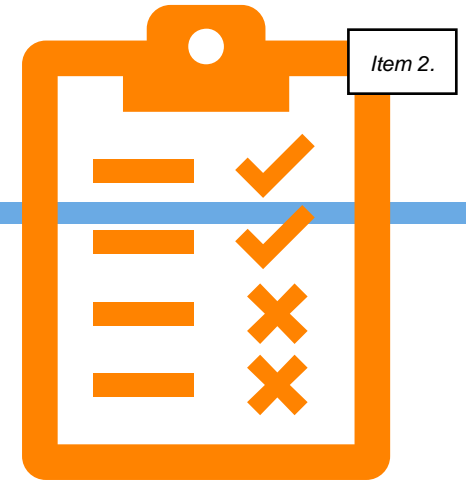
Oversight Audit



- Understands external/internal coordination
- Reviews internal audit charter, budget, staffing, etc.
- Process to assess compliance and effectiveness
- Selection and oversight of external auditor
- Considers non-audit services in assessing external auditor independence
- Reviews management representation letters
- Reviews fees paid to external auditor



Oversight Audit



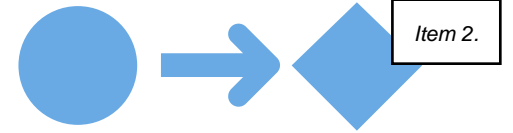
External Auditor Fees

Non-audit Services

Representation Letters

Internal/External Coordination

Policies and Procedures



I generally see an agenda distributed ahead of a meeting, though I don't remember being asked for input. Not that I feel the need to have input because we set and work from a Work Plan that guides our agendas.

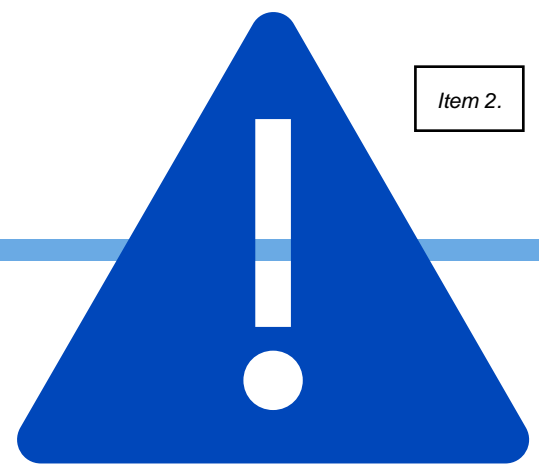
We are getting better at [promoting open dialog]

No possible material violations of laws, or alleged breaches of fiduciary duties have been discovered during my tenure. I have no doubt that the committee would become aware and respond appropriately though.



Understanding Risks

Item 2.

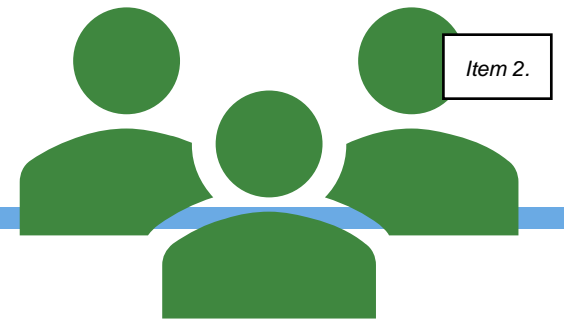


it is likely that most are not truly aware of the pressures on management.

[Risk] is often discussed at committee meetings in the presence of audit staff and county management.



Composition and Quality



Are potential members really found via a variety of sources? Also, the qualifications the County is looking for may be too narrow.

No formal continuing education process

Aaron does a great job of this

Not aware of a "formal" succession plan but audit staff and County Human Resources have processes in place that historically have minimized vacancies within the committee.



Communication



[tone at the top] Internal Audit, definitely. Not sure about the Audit Committee? I would be interested to hear the County Administrator's thoughts about it.

Some meetings have been held at County locations such as Community Development and the County Landfill. We also had a tour of the County Jail. I really like this aspect of our meetings.

Consider providing contemporaneous communication to the audit committee with relevant press releases and changes, not just at meetings.

I don't recall site visits being conducted.



Oversight Financial Reporting

Item 2.



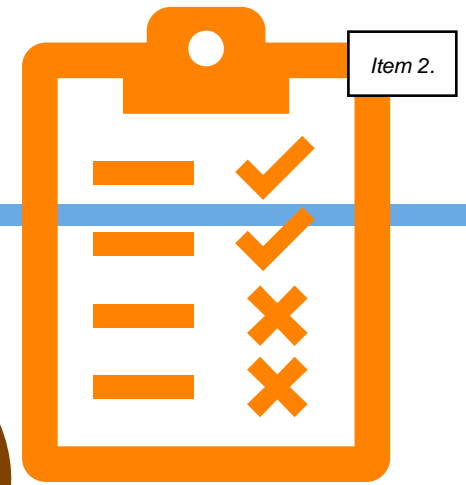
To my knowledge, the Committee has never performed a comprehensive review or assessment of the County's Internal Controls.

Either there have been no policy changes, they have not been presented to the Committee, or I just do not remember.

During external audit presentation, let's consider asking the auditors to review the status of prior year recommendations with the Committee.



Oversight Audit



I do not remember ever having this discussion. [Fees to auditor]

The committee was involved with the selection of the newly appointed External Auditors.

I do not remember ever having this discussion. [Non-audit services]

We do?? I have always assumed the [Auditor] reporting structure was determined by the Board or Administrator.



March Meeting: Bring Ideas

Change Processes

Understand Risk

Committee Composition

Improve Communication

External Audit

Internal Audit



	2005	2010	2012	2015	2017	2020	2023	Any Disagree?	Comments (2023)	Change since 2020
Composition and Quality	3.64	4.13	4.12	4.23	4.29	4.18	3.93			
1.01 Potential committee members are identified and nominated by a variety of sources, with explicit consideration being given to the candidate’s qualifications for serving on the audit committee.	3.80	4.71	4.63	4.50	4.14	4.50	4.00	None	Are potential members really found via a variety of sources? Also, the qualifications the County is looking for may be too narrow.; ; I have not been part of the selection process but am very impressed with the other committee members. Comments and questions are thoughtful and helpful. ; With an emphasis placed on experience in accounting and or finance.;	-11%
1.02 Members have the appropriate predefined qualifications and expertise to meet the objectives of the audit committee’s charter, including the appropriate financial literacy qualifications.	4.40	4.43	4.63	4.25	4.50	4.75	4.40	None	;;; See comment in #1 above.;	-7%
1.03 Audit committee members have differing perspectives due to a diversity of experiences and backgrounds.	4.30	4.57	4.63	4.75	4.50	4.13	4.00	None	;;; Experience of committee members includes both public and private sector experience. County representatives from diverse county departments.;	-3%

	2005	2010	2012	2015	2017	2020	2023	Any Disagree?	Comments (2023)	Change since 2020
1.04 The audit committee demonstrates important qualities, such as integrity, credibility, trustworthiness, industry knowledge, willingness to actively participate, ability to constructively handle conflict, interpersonal skills, and proactiveness.	4.80	4.86	4.75	4.63	4.60	4.57	4.80	None	;; From my perspective committee members in attendance are fully engaged. ;;	5%
1.05 The audit committee acts independently.	4.50	4.86	4.00	4.50	4.14	4.50	4.40	None	;;; Yes.;	-2%
1.06 The audit committee reviews its charter annually or as needed and determines whether its responsibilities are adequately described and comply with any new corporate governance regulations, guidelines or emerging practices.	3.20	3.71	4.38	4.63	4.43	4.00	3.40	None	;; Being a new member and missed a meeting I can't really comment on this. I don't believe it has when I have been in attendance. ; Yes. Responsibilities outlined both by internal audit staff and by external auditors.;	-15%

	2005	2010	2012	2015	2017	2020	2023	Any Disagree?	Comments (2023)	Change since 2020
1.07 The audit committee has developed a comprehensive continuing education program to enhance its members' understanding of relevant auditing, accounting, regulatory, and industry issues.	2.40	3.17	3.13	3.29	3.71	3.83	2.80	Disagree	If it exists, I don't remember seeing it. ; ; Aaron does a great job of this. ; No formal continuing education process. Committee members do not attend conferences etc. Such (in my opinion) is not necessary though because enough information is provided through internal audit staff and external auditors.;	-27%
1.08 New audit committee members are provided with an orientation program to educate them on the company and their responsibilities.	2.70	3.83	3.71	4.00	4.71	4.38	4.40	None	; ; David and Aaron spent a good portion of a morning going over the all of the responsibilities and structure of the audit committee ; Orientation provided by County Internal Auditor.;	0%
1.09 The audit committee, in conjunction with the nominating committee (or its equivalent) as appropriate, creates a succession plan for audit committee members and the audit committee chair.	2.70	3.00	3.25	3.57	3.83	3.00	3.20	None	; ; I believe this is happening now. ; Not aware of a "formal" succession plan but audit staff and County Human Resources have processes in place that historically have minimized vacancies within the committee.;	7%

	2005	2010	2012	2015	2017	2020	2023	Any Disagree?	Comments (2023)	Change since 2020
Understanding Risks	3.50	3.55	4.25	4.00	4.10	4.07	4.00			
2.01 The audit committee understands and considers the pressures on management that may impact the quality of financial reporting, such as earnings targets, compensation plans, and performance measures.	3.80	3.67	4.25	4.00	4.20	4.00	3.80	None	I believe some member do; it is likely that most are not truly aware of the pressures on management.; ; ; Yes;	-5%
2.02 The audit committee understands and considers the significant risks faced by the company, including management’s process for identifying risks and mitigating these risks.	3.20	3.43	4.25	4.00	4.00	4.13	4.20	None	;;; This is often discussed at committee meetings in the presence of audit staff and county management.;	2%

	2005	2010	2012	2015	2017	2020	2023	Any Disagree?	Comments (2023)	Change since 2020
3. PROCESS & PROCEDURES	3.74	4.50	4.60	4.28	4.37	4.32	4.18			
3.01 The audit committee regularly reports to the Board of County Commissioners.	2.80	4.00	4.00	4.25	4.00	4.00	3.60	None	Is the Committee Chair doing this? I am not aware of a direct report to the Board.; ; ; Not formally but the County Board of Commissioners is represented on the Audit Committee.;	-10%
3.02 The audit committee dedicates sufficient time and resources to execute its responsibilities.	3.40	4.00	4.25	4.00	4.00	4.00	4.40	None	; ; ; Never have I noticed otherwise.;	10%
3.03 The audit committee develops a calendar and agenda to ensure that it meets the responsibilities outlined in the charter.	3.30	4.14	4.75	4.38	4.60	4.50	4.60	None	; ; ; The Audit Committee meets each quarter (regularly) and each agenda is developed by staff and reviewed for comment and suggestions by the chair.; Typically, this has been developed by the County Auditor and presented to the committee for approval.	2%
3.04 Each member has the ability to influence the agenda in order to proactively address emerging issues.	3.80	4.71	4.75	4.13	4.40	4.50	4.60	None	; ; ; Each member can request an item be added to an agenda by discussing it with staff and or requesting it at a committee meeting.;	2%

	2005	2010	2012	2015	2017	2020	2023	Any Disagree?	Comments (2023)	Change since 2020
3.05 The audit committee, and especially the chair, encourages input on the meeting agenda from management, the internal auditor, the external auditor, and the Board of County Commissioners.	3.70	4.50	4.88	4.13	4.40	4.38	3.60	Disagree	I generally see an agenda (draft/final) distributed ahead of a meeting, though I don't remember being asked for input. Not that I feel the need to have input because we set and work from a Work Plan that guides our agendas.; ; ; Yes;	-18%
3.06 The agenda and related information (e.g. prior meeting minutes, press releases, financial statements) are circulated in advance of meetings, allowing members time to study and understand the information.	4.50	4.71	4.75	4.50	4.80	4.50	4.40	None	; ; ; Agendas and associated information are provided to committee members well in advance of committee meetings to provide ample time for review and meeting preparation.;	-2%
3.07 Meetings are held at least quarterly and are scheduled with enough time to cover all agenda topics.	3.80	4.86	4.63	4.43	4.60	4.25	4.20	None		-1%
3.08 Members promote open dialogue, which allows for in-depth discussion.	4.50	4.86	4.63	4.63	4.25	4.63	4.40	None	We are getting better at this.; ; ; Yes;	-5%

	2005	2010	2012	2015	2017	2020	2023	Any Disagree?	Comments (2023)	Change since 2020
3.09 The written materials provided to audit committee members are appropriately balanced in terms of relevance and volume (e.g. the materials are not too voluminous and detailed nor are they too brief.)	4.20	4.86	4.63	4.38	4.40	4.63	4.40	None	;;; Yes.;	-5%
3.10 The audit committee responds appropriately when possible material violations of laws or alleged breaches of fiduciary duties are discovered.	3.40	4.33	4.71	4.00	4.20	3.80	3.60	None	I do not remember any incidents of this kind during my time on the Committee.; ; I have not encountered this since joining the committee; No possible material violations of laws, or alleged breaches of fiduciary duties have been discovered during my tenure. I have no doubt that the committee would become aware and respond	-5%

	2005	2010	2012	2015	2017	2020	2023	Any Disagree?	Comments (2023)	Change since 2020
4. COMMUNICATIONS AND INFORMATION	3.60	4.10	4.32	4.52	4.29	4.05	3.80			
4.01 The audit committee sets a “tone at the top” that supports ethics, quality financial reporting, and strong internal controls.	4.00	4.29	4.50	4.63	4.43	4.50	4.20	None	Internal Audit, definitely. Not sure about the Audit Committee? I would be interested to hear the County Administrator's thoughts about this.; ; ; To the best of our ability.;	-7%
4.02 Members have an open line of communication with other committee members.	4.20	4.71	4.38	4.75	4.29	3.75	3.80	None	; ; ; The are no barriers to open communication between committee members.;	1%
4.03 The audit committee fosters an open, cooperative relationship with management, internal audit, and external audit.	4.50	4.71	4.38	4.50	4.29	4.50	4.60	None	; ; ; Yes.;	2%
4.04 The audit committee receives information from management related to changes in the County on a timely basis.	3.70	3.86	4.38	4.38	4.43	4.00	3.60	Disagree	Consider providing contemporaneous communication to the audit committee with relevant press releases and changes, not just at meetings.; ; ; Changes in County related and critical staffing are included as standing items on our agendas and presented to the committee by the CAO.;	-10%

	2005	2010	2012	2015	2017	2020	2023	Any Disagree?	Comments (2023)	Change since 2020
4.05 Committee members are made aware of all communications received from governmental or regulatory agencies or similar parties relating to areas of alleged violations or alleged non-compliance and related action	3.20	3.86	4.38	4.25	4.50	3.57	3.20	None	Either the County is not receiving any of these or we are not receiving them.; ; None noted during my tenure, I am sure we would be made aware. ;	-10%
4.06 Members periodically visit company locations and conduct on site meetings with key members of management.	2.00	3.14	3.88	4.63	3.83	4.00	3.40	Disagree	I remember only one visit, to IT across the street.; ?; I don't believe this has happened since joining the Committee; Some meetings have been held at County locations such as Community Development and the County Landfill. We also had a tour of the County Jail. I really like this aspect of our meetings.; I don't recall site visits being conducted.	-15%

	2005	2010	2012	2015	2017	2020	2023	Any Disagree?	Comments (2023)	Change since 2020
5. OVERSIGHT OF THE FINANCIAL REPORTING PROCESS, INCLUDING INTERNAL CONTROLS	3.58	4.10	4.33	4.16	4.42	4.20	3.80			
5.01 The audit committee considers the quality, not just the acceptability, of financial accounting and reporting, including the transparency of disclosures.	4.00	4.00	4.38	4.50	4.71	4.38	3.80	Disagree	PAFR only; ; ; Yes.;	-13%
5.02 The audit committee reviews and understands the selection of the company's accounting policies.	3.70	3.86	4.29	4.14	4.57	4.00	4.00	Disagree	Either there have been no policy changes, they have not been presented to the Committee, or I just do not remember.; ; ; Yes.;	0%
5.03 The audit committee has a process for the review of significant issues, if any, with management and the external auditors.	3.20	3.86	4.25	4.25	4.50	4.50	3.40	None	unknown; ; ; Yes.;	-24%
5.04 The audit committee receives sufficient information to review, understand, and assess the organization's system of internal controls, (e.g. financial reporting and disclosure controls, operations controls, and compliance controls).	3.50	4.00	4.25	4.00	4.57	4.38	3.60	Disagree	To my knowledge, the Committee has never performed a comprehensive review or assessment of the County's Internal Controls.; ; ; Yes.;	-18%

	2005	2010	2012	2015	2017	2020	2023	Any Disagree?	Comments (2023)	Change since 2020
5.05 The audit committee understands the internal control testing conducted by management, the internal auditors, and external auditors and assesses the process of reasonably detecting internal control issues or fraud.	3.50	4.00	4.13	4.13	4.86	4.43	4.00	None	;;; Yes. There is enough relevant experience on the committee to understand audit processes.;	-10%
5.06 The audit committee makes inquiries of the external auditor, the internal auditor and management on the depth of experience and sufficiency of staff in the finance and internal audit organizations.	3.30	4.00	4.25	4.13	4.33	4.25	3.80	Disagree	We have been presented with some of this information. I do not recall any specific inquiries originating from the Committee on this topic.;; ; This s demonstrated at each committee meeting.;	-11%
5.07 The audit committee reviews the management recommendation letters written by the internal and external auditors to ensure that all significant matters raised are properly addressed.	3.80	4.57	4.63	4.25	4.29	4.33	4.40	None	We have follow up on Internal audit reports. The only follow up on external auditor recommendations is the next year's letter. During external audit presentation, let's consider asking the auditors to review the status of prior year recommendations with the Committee.;; ; Yes.;	2%

	2005	2010	2012	2015	2017	2020	2023	Any Disagree?	Comments (2023)	Change since 2020
5.08 The audit committee reviews managements' action plans and timelines to address internal control deficiencies, if any, and obtains updates on corrective actions, if needed.	3.80	4.57	4.38	4.00	4.50	4.63	4.80	None	;;; Yes. Although said control deficiencies have been rare.;	4%
5.09 If there are instances of repeat comments from auditors and others about internal controls, the audit committee takes appropriate actions to ensure timely resolution.	3.80	4.40	4.50	3.75	3.50	4.00	3.40	None	I believe we hear about current comments. Do we discuss how long that comment has been included in recommendations? (rhetorical); ; No recent instances of repeat comments. I believe appropriate action would be taken should repeat comments occur. ;	-15%
5.10 Adjustments to the financial statements that resulted from the audit process are reviewed by the audit committee, whether or not they were recorded by	3.50	4.20	4.29	4.25	4.40	4.25	3.60	None	;;; Historically yes.;	-15%
5.11 The audit committee is consulted when circumstances arise that result in management seeking a second opinion on an accounting or auditing matter.	3.30	3.67	4.25	4.33	4.33	3.00	3.00	None	I have not seen this occur.; ; Not aware of this occurring during my tenure on the audit committee.;	0%

	2005	2010	2012	2015	2017	2020	2023	Any Disagree?	Comments (2023)	Change since 2020
6. OVERSIGHT OF AUDIT	3.39	3.83	4.16	4.14	4.45	4.42	3.60			
6.01 The audit committee obtains an understanding of the coordination of work between the internal and external auditor, and ensures that the respective roles of both are balanced and appropriately address their different areas of responsibility.	3.40	4.14	4.50	4.13	4.33	4.50	3.20	Disagree	I do not remember a discussion like this. I could have missed it.; ; This is explained to us in meeting where both Internal Audit staff and External Auditors are present.;	-29%
6.02 The audit committee periodically reviews the internal audit charter, audit plan, budget, and staff quality and continuity.	3.20	4.00	4.50	4.25	4.50	4.63	4.00	None	Yes - charter, [internal] audit plan No - budget, staff quality and continuity; ; ; Yes;	-14%
6.03 The audit committee adopts a process to assess both the compliance effectiveness and the value of service of the internal audit department.	3.00	3.86	4.50	4.25	4.60	4.25	3.60	None	On a report-by-report basis, yes. I do not remember us stepping back to assess overall compliance effectiveness and value.; ; ; Yes.;	-15%
6.04 The audit committee determines the reporting relationships of the internal audit director.	3.20	3.40	3.17	3.88	3.40	4.14	3.60	None	We do?? I have always assumed the reporting structure was determined by the Board or Administrator.; ; ; Yes.;	-13%

	2005	2010	2012	2015	2017	2020	2023	Any Disagree?	Comments (2023)	Change since 2020
6.05 The audit committee establishes and manages the process for the selection, appointment, oversight, evaluation, retention and preapproval of services of the external auditors.	4.00	3.71	4.14	4.13	4.25	4.25	3.80	Disagree	heavily led by management with requests for input from the Committee; ; ; Yes. The committee was involved with the selection of the newly appointed External Auditors.;	-11%
6.06 The audit committee reviews the appropriateness of the audit fees paid to the external auditor.	3.60	3.50	4.25	4.50	5.00	4.57	3.60	Disagree	I do not remember ever having this discussion.; ; ; Yes.;	-21%
6.07 The audit committee reviews management representation letters to the external auditor and inquires about any difficulties obtaining the representations.	3.70	3.86	4.00	4.00	4.75	4.50	3.40	Disagree	I do not remember ever having this discussion.; ; ; Yes.;	-24%
6.08 The audit committee considers the level and nature of non-audit services provided by the external auditor in determining the external auditor's independence.	3.00	4.14	4.25	4.00	4.75	4.50	3.60	Disagree	I do not remember ever having this discussion.; ; ; Yes.;	-20%

The Office of County Internal Audit

GAGAS Chapter 8

8. Fieldwork Standards for Performance Audits



Different Standards

Financial Audits

- Classic audit
- Financial Statements
- Generally Accepted Accounting Principals
- AICP Standards
- Discover unknown risks
- Chapter 6 – 15 pages

Attestation Engagements and Review of Financial Statements

- Not audits
- Evaluate how true data is when compared to a stated purpose
- Chapter 7 – 24 pages

We don't do these



Different Standards (cont.)

Performance Audits

- Anything else
- Can focus on finance
- Two Chapters
 - Ch. 8 Fieldwork Standards
 - Today's Presentation
 - 38 pages
 - Ch. 9 Reporting Standards
 - Next Presentation
 - 16 pages

Criteria

- Laws
- Contracts
- Grant Agreements
- Standards
- Measures
- Expected Performance
- Benchmarks



Overview



1. Planning



2. Conducting the
Engagement



3. Supervision



4. Evidence



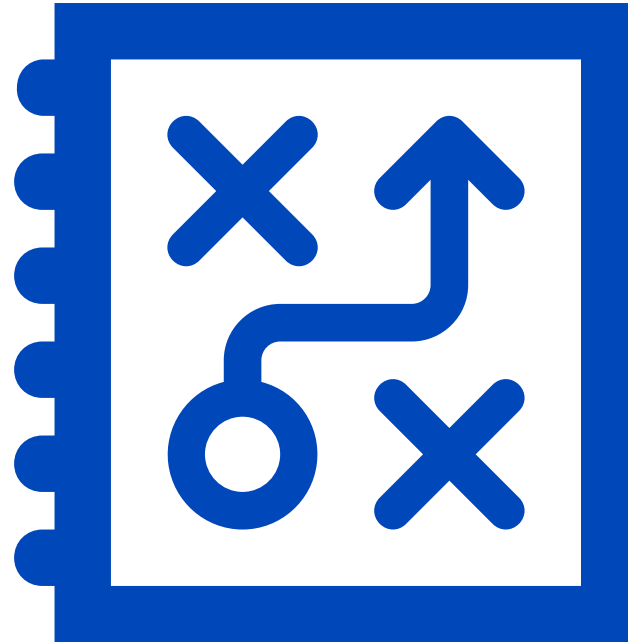
5. Findings



6. Audit
Documentation

1. Planning

- Develop Audit Objectives and Methods
- Auditor Communication
- Investigations or Legal Proceedings
- Results of Previous Engagements
- Assigning Auditors
- Preparing a Written Audit Plan



2. Conducting the Engagement

- Nature and Profile of the Program / User Needs
- Internal Control – Understanding, Assessing, Deficiencies
- Information Systems
- Provisions of Law, Contracts, and Grants
- Fraud
- Evidence – Source, Amount, Type
- Using Work of Others



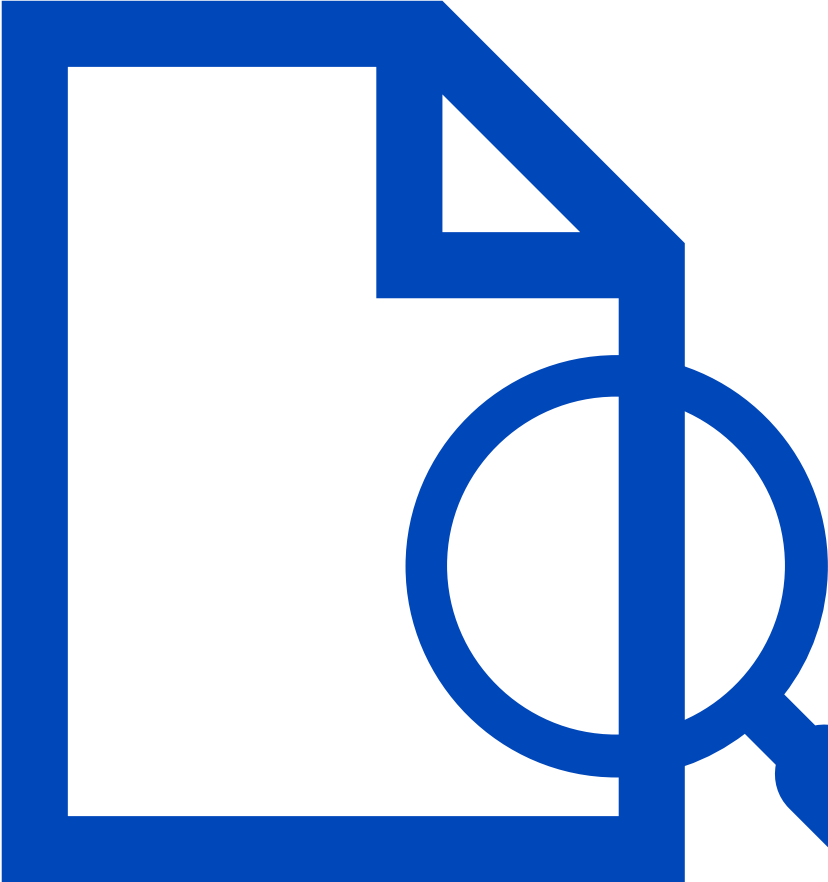
3. Supervision

- Supervision must be documented
- Guidance
- Staying informed
- Review
- On-the-job training



4. Evidence

- Sufficient
- Appropriate
- Overall Assessment



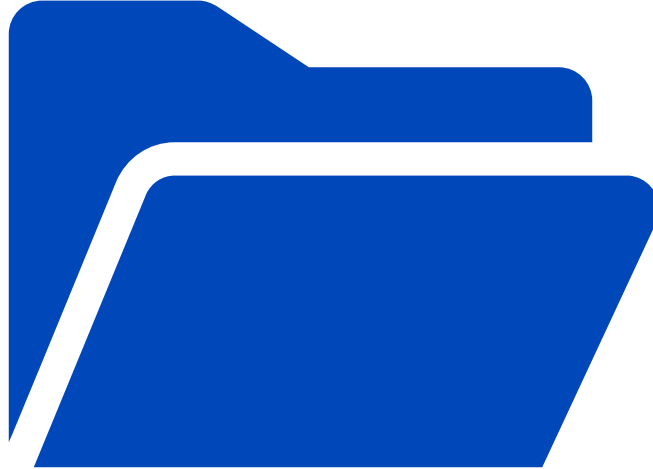
5. Findings

- Noncompliance
- Waste
- Abuse
- Criteria
- Condition
- Cause
- Effect



6. Audit Documentation

- Individuals
- Documents





Questions/Comments??



Thank you





Deschutes County,
Oregon

Recommendations
4

Facilities and Property Management Departments– Cash Handling

The Office of County Internal Audit
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Audit committee:
Daryl Parrish, Chair - Public member
Jodi Burch – Public member
Joe Healy - Public member
Summer Sears – Public member
Stan Turel - Public member
Patti Adair, County Commissioner
Charles Fadeley, Justice of the Peace
Lee Randall, Facilities Director

Take survey by
clicking **HERE**



To request this information in an alternate format, please call (541) 330-4674 or send email to internal.audit@Deschutes.org

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Methodology 16

HIGHLIGHTS

Facilities and Property Management Cash Handling

Why this audit was performed:

A periodic review of internal controls over cash handling of receipts.

What was recommended:

Facilities should complete documentation of its accounting procedures.

Property Management should update its accounting procedures and document the process for charging certain fees.

Human Resources should update its policy on conflict of interests and the disclosure procedure.

The focus of the review was on fiscal controls over handling of external customer payments and collections.

What was found

Overall, the Facilities and Property Management departments performed well in providing fiscal controls over receipts given the limited volume of payments coming into departments. Recommendations were developed to help both departments comply with County policy and follow prudent business practices for cash handling.

The following areas were identified for further improvement, including:

- Additional controls within the Facilities department accounting procedures could improve oversight over receipts.
- The Property Management department’s accounting procedures are outdated.
- The Property Management department does not have a process for when to charge filing and recording fees.

Additionally, a routine disclosure of a potential conflict of interest in a land sale prompted a review of the County’s conflict of interest policy. This policy, in contrast to Oregon State law, restricts the organization's flexibility and its ability to openly acknowledge such conflicts when they arise.

1. Introduction

Audit Authority:

The Deschutes County Audit Committee authorized the review of cash handling practices for the Facilities and Property Management Departments in the Internal Audit Program Work Plan for 2022-2023. Internal audits of fiscal controls are routinely performed for identified County departments or functions. Audit objectives, scope, and methodology can be found in **Appendix A**.

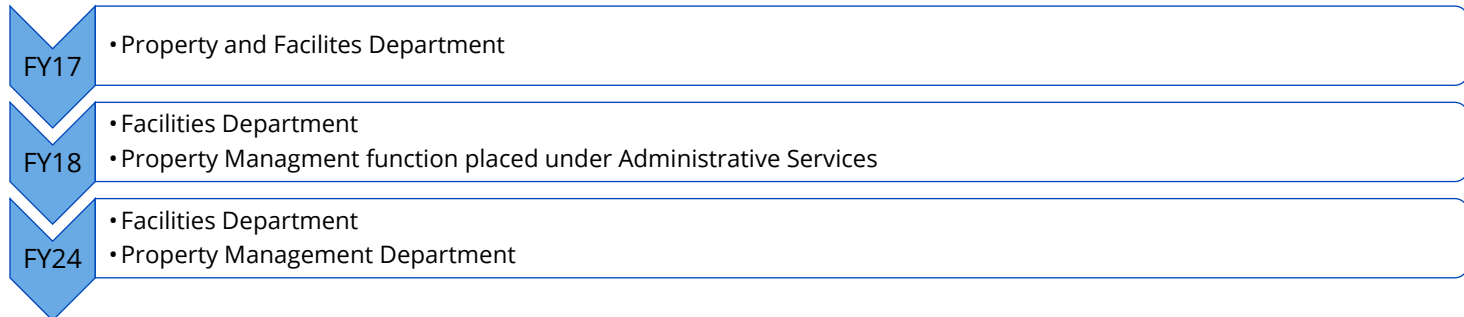
Background on the Departments

Before 2017, there was a single Property and Facilities Department that included both Facilities and Property Management functions. In July 2017, the Property Management function was separated from the Facilities Department and placed under the Administrative Services Department. Now, Property Management stands as its own independent department. The Property Management manager reports to the County Administrator, while the Facilities Department director reports to the Deputy County Administrator.

Diagram I

Timeline of administrative separation of the two departments

Source: County Budget Information



Facilities Department

The Facilities Department (Facilities) oversees County-owned buildings and facilities. Facilities programs include¹:

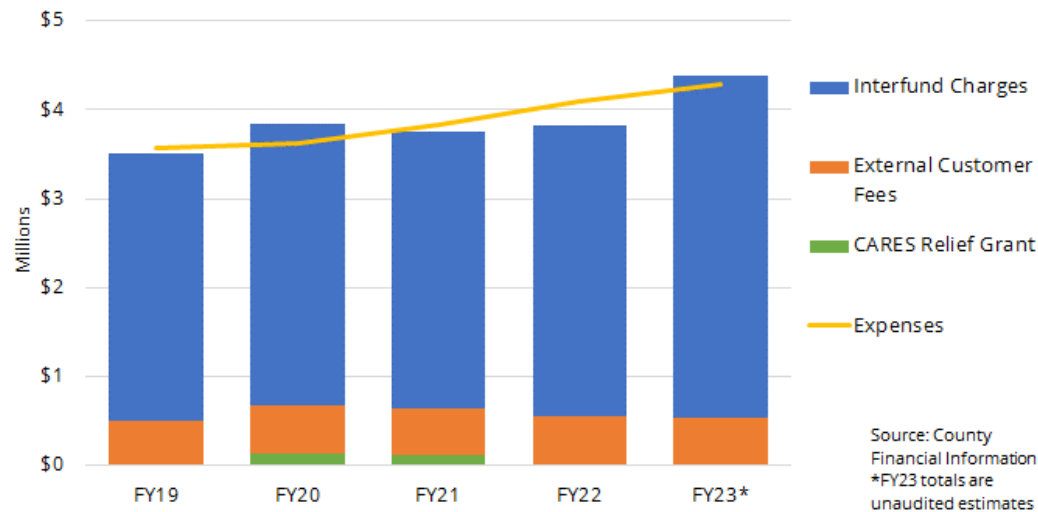
¹ [FY2024 Deschutes County Proposed Budget Book Pg. 159-163](#)

- Facility management**
 Long-term planning and project management of capital asset replacement; development and execution of new construction and remodel projects (coordinated with Property Management); facilities-related services and procurement; and annual testing of life safety systems.
- Building and grounds maintenance**
 Maintenance and repair of all building management systems, interior and exterior finishes, building entry systems, as well as the grounds and hardscapes.
- Custodial services**
 Daily and deep cleaning, hard floor maintenance, and carpet cleaning.

Facilities primarily funds its operations through internal service charges to other County departments and functions. It also gathers fees from external customers for maintenance and utility reimbursements. The department received funds in Fiscal Years (FY) 2020 and 2021 through the Coronavirus Aid, Relief, and Economic Security (CARES) Grant to support essential services. Additionally, Facilities manages funds for capital construction projects and significant renovations, which are not included in **Graph I**.

Graph I

Trend of Facilities revenues and expenses (Budget Actual FY19-23)



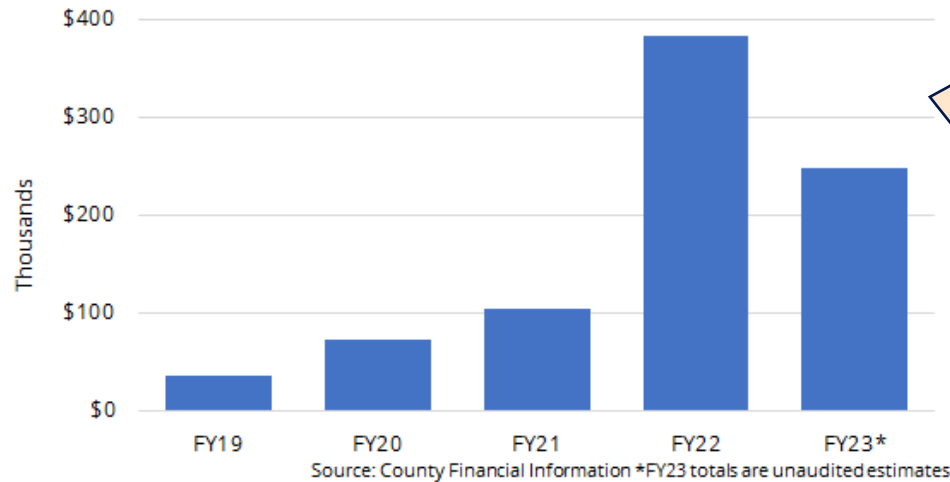
Staffing for Facilities has remained consistent at around 25 full time employees, growing slightly for Fiscal Year 2024 to 26.75. From a cash handling perspective, administrative staff assigned to those duties include a management analyst and administrative support specialist, with oversight coming from the Facilities Director.

Property Management Department

The Property Management Department (Property Management) consists of three staff: a county property specialist, management analyst, and the County Property Manager. They manage County-owned real estate, including the acquisition and disposition of holdings, leasing activity, and project management. Funding comes from County land sale earnings, project development funds, and the General Fund. Property Management also collects lease payments for properties the County rents to external entities, shown in **Graph II**. For example, Property management collected rent from tenants at the Kingwood Avenue properties which had existing lease agreements when the County purchased them in 2021. Compared to the previous fiscal year, this acquisition more than tripled lease revenues. As the leases expire and the County utilizes the buildings for its own purposes, revenues are gradually returning to their previous levels.

Graph II

Trend of lease revenues (Budget Actual FY19-23)



Lease revenues increase sharply in FY22 due to the acquisition of the Kingwood Ave. properties.

2. Findings and Observations

Overall, both departments performed well in providing fiscal controls over collected revenues. The following observations are tailored to each department with consideration to staffing levels, business demands, and operational challenges. They are intended to further improve the procedures put into place.

Facilities Fiscal Observations

Additional controls could improve oversight over Facilities revenues.

When reviewing the cash handling procedures in Facilities, it was evident that the staff had a good grasp of the process, but there were insufficient written instructions to support the implementation of internal controls. The department did not have written procedures for reconciling receipts recorded in the accounting system and managing accounts receivable. Additionally, the documented procedures directed the movement of funds between staff without any tracking.

The County Cash Handling Policy (F-11) mandates directors to design, implement, and monitor effective cash handling controls while also promoting an effective internal control environment. Communication is an essential component of internal controls. Accurately written policies and procedures are necessary for effective financial and accounting controls. For example, an effective fiscal control involves jointly recounting monies as they move from one staff person to another. Billed customers have additional risks that should be explicitly addressed in procedures. Customer risk areas include: creating new customers; making billing adjustments; and providing segregation of duties for staff performing accounting and collections.

Without comprehensive written accounting procedures, Facilities risks having inadequately planned controls and inadequate oversight. There is also a risk that staff may not adhere to stated control procedures.

Facilities experiences a limited number of transactions with external customers, reducing the perception of the need for extensive written procedures. Departmental policies and procedures should be at least sufficient to address a minimum level of internal controls over revenue and deposit handling, monitoring, oversight, and segregation of duties. These policies and procedures should detail the responsibilities of each employee.

Recommendation

The Facilities Department should complete documentation of their accounting policies and procedures to address identified concerns.

Property Management Fiscal Observations

Property Management’s written accounting policies and procedures are outdated.

Similar to Facilities, Property Management did not have written procedures for the reconciliation process or managing accounts receivable. Additionally, existing written policies and procedures for control over monies no longer reflect the organizational structure. Finally, due to the limited size of the Property Management department, it is challenging to establish a clear segregation of duties when there are only two individuals. For example, currently the property specialist position is vacant, so the management analyst has the responsibility of receiving and posting receivable payments, managing customer accounts, and accounting for all transactions.

The County Cash Handling Policy (F-11) assists departments in addressing their cash handling practices and procedures. According to the policy, staff duties should be sufficiently segregated so no one person is responsible for receiving, reconciling, depositing money, and posting payments. An employee’s responsibility for more than two of the following functions is considered mutually incompatible: record keeping, authorization, and custody. One way to ensure the proper

segregation of duties between two individuals is by implementing dual controls. For instance, both individuals could be present and actively engaged in the process of counting and verifying cash before recording it. Given the department's size and the potential need for dual controls (such as when one person is on vacation), written procedures should incorporate them as a backup plan.

Without clear written procedures, staff are left to their own devices to perform their assigned duties. Sufficient controls may not be in place to safeguard all assets from fraudulent activity and such activity is easier to conceal in the absence of written procedures. This risk is amplified by insufficient segregation of duties, which increases the chance of theft. When too many duties are concentrated with any one person it may be difficult to sufficiently safeguard assets and ensure proper accounting. No evidence of theft or fraud was present in examined transactions.

A prior audit recommendation from the 2012 audit report, [Property & Facilities – Cash handling over revenues](#), led to the establishment of a procedure noted in the 2013 [follow up report](#). Since then, the Facilities Department director no longer oversees the Property Management Department, and procedures have not been revised to address the new structure. Staff are currently in the process of recruiting a property specialist, which will ease segregation of duties difficulties.

Recommendation

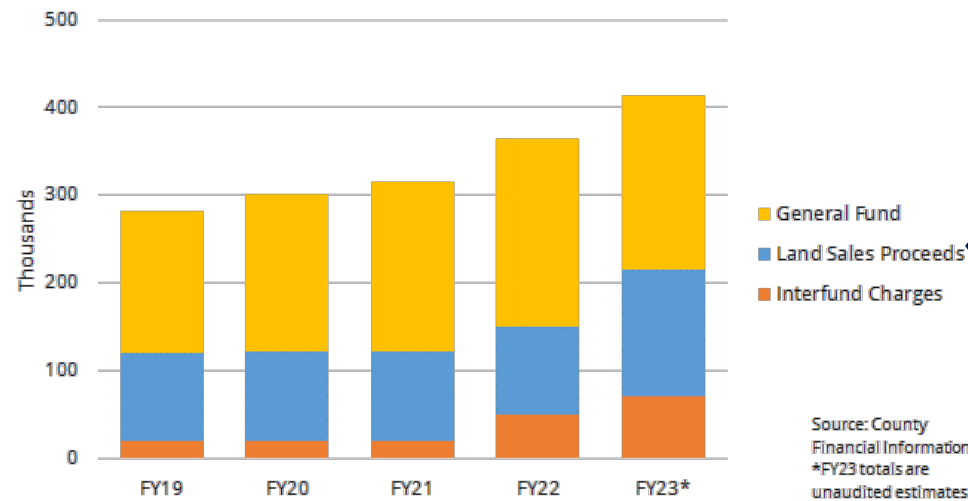
The Property Management Department should revise its written accounting policies and procedures for monies collected. This includes recognition of the current organizational structure, documentation of the reconciliation and accounts receivable processes, and establishing sufficient segregation of staff duties.

Property Management does not have a written procedure for charging filing and recording fees.

Property Management relies on funds from County foreclosed land sales to cover a portion of its administrative costs. Over the last two fiscal years, it refrained from calculating or directly charging filing and recording fees. Instead, Property Management relied on lump sum transfers from the proceeds of each sale for reimbursements. A recent Supreme Court ruling may impact how the County is allowed to recoup administrative costs for foreclosed land sales in the future.² In one possible scenario, the County might be allowed to charge for expenses but would also need to provide an opportunity for returning the remainder of profits to former property owners. The County has not yet made any determinations regarding the administration of foreclosed property sales.

Graph III

Trend of Property Management resources (Budget Actual FY19-23)



Reimbursements from land sales accounted for 34% of Property Management resources in FY23.

County financial policy (F-14) offers guidance on how to establish and periodically review fees for services. These user fees enable County departments to financially sustain the services they offer. Notably, filing and recording fees have been part of the approved fee schedule since Fiscal Year 2016.

As the County navigates the impacts of the Supreme Court ruling, it underscores the significance of

² [Tyler vs. Hennepin County, Minnesota](#)

fee collections in compensating for the resources that may be lost from land sale proceeds. Failing to charge these fees would necessitate a greater reliance on the General Fund to sustain operations at their current level.

The department has seen turnover in the manager position since the last fee schedule adjustment. Due to insufficient documentation regarding the creation of the current fee schedule, the current staff faces a lack of clarity in charging the approved fees within the schedule. Fees have not been adjusted for the last seven years to reflect the growth in the department and the rising indirect costs.

Recommendation

The Property Management Department should document the process and criteria for charging filing and recording fees. This could also include recalculation of the fees during the annual review to ensure the rate is still accurate.

The County did not have a process in place for recording conflicts of interest disclosures in official records.

In 2023, a County staffer verbally informed the Board of County Commissioners, County Administration, and the County Legal Department about a conflict-of-interest in a potential land sale, but there was no written documentation. ORS 244.120 mandates that appointed public officials, whether facing actual or potential conflicts of interest, must provide a written description of the conflict to the appointing authority.³ However, Section 8.020 of the County Human Resources Personnel Rules did not specify how to make disclosures. Instead, it required employees to avoid any employment, business, activity, practice, or action that could conflict with their County duties or

³ Public officials are defined as a person elected or appointed to an office or position within government or special district; an employee of government or special district; a volunteer for a government agency or special district; or an agent of the State of Oregon. [Oregon Government Ethics Law, A guide for public officials, Pg. 6](#)

the County's interests, whether actual or potential.

From an internal control perspective, there are legitimate concerns with conflicts-of-interest. Without sufficient oversight, conflicts-of-interest can provide an avenue for employees to circumvent normal fiscal controls and potentially disburse funds to themselves through a related business. Though no fraud was identified with this audit and the staffer acted ethically by disclosing the potential conflict, there are routinely frauds perpetrated elsewhere in the United States where employees have used bogus companies to divert monies. Despite these problems with conflicts-of-interest, they are unavoidable in some cases. For example, conflicts are more common in small communities and when special expertise is required. In these cases, disclosure and mitigation can limit the potential for fraud.

The County policy did not provide useful guidance for employees about what to do when conflicts-of-interest arose. In one part, the County policy seemed to simply forbid any conflict-of-interest. In another part, it required disclosures, but the requirement was confusingly located in a section titled prohibited activities. State law allowed more flexibility than the County policy by allowing staff to proceed with their duties if they documented the conflict and mitigating factors were put in place. Human Resources staff said that County policy afforded individual departments the autonomy to independently address conflicts-of-interest. While this approach permits each department to tailor a process to its unique needs and challenges, it also elevates the risk of not adhering to State law.

Recommendation

The Human Resources Department should align Section 8.020 with State conflict-of-interest laws and establish a standardized disclosure procedure. This could include a template for written notifications.

3. Management Response

Facilities Department,
Lee Randall,
Director



FACILITIES DEPARTMENT

Facilities Department Response
October 13, 2023

Recommendation

The Facilities Department should complete documentation of their accounting policies and procedures to address identified concerns.

Response:

Written cash handling policies and procedures have been completed in response to the audit recommendation.

**Property
Management
Department,**
Kristie Bollinger,
County Property
Manager



PROPERTY MANAGEMENT

To: Elizabeth Pape, County Internal Auditor
Aaron Kay, Performance Auditor

From: Kristie Bollinger, Property Manager

Date: October 10, 2023

Subject: Management's response to Audit report

Recommendation

The Property Management Department should revise its written accounting policies and procedures for monies collected. *This includes recognition of the current organizational structure, documentation of the reconciliation and accounts receivable processes, and establishing sufficient segregation of staff duties.*

- a) Management position concerning recommendation: Concurs
- b) Comments: Up until October 2, 2023, Property Management has been limited to two staff and one of those staff has been assigned to accounts receivable as well as accounts payable. With the addition of a third member of staff, Property Management is segregating accounts receivable and accounts payable between two staff, and those two staff will be fully cross trained in each area. As part of training new staff on current receivable procedures, Property

**Property
Management
Department**
continued

Management will document processes and procures.

c) Estimated date of corrective action or date completed: Property Management is in the process of segregating accounts receivable and accounts payable. This will be completed over the next 6 months. Documented processes and procedures will be developed in approximately the next 12 months.

d) Estimated cost to implement recommendation, if significant: Nominal

Recommendation

The Property Management Department should document the process and criteria for charging filing and recording fees. This could also include recalculation of the fees during the annual review to ensure the rate is still accurate.

a) Management position concerning recommendation: Concurs

b) Comments: Recording fees associated with properties sold at auction are included in the property sales price. Recording fees associated with one-off sales are generally collected from the buyer or may be split between the County and buyer as determined during negotiations. Recording fees associated with property sales in La Pine Industrial are negotiated and generally split between the buyer and the City of La Pine in accordance with the IGA. Further, Property Management is committed to reviewing and implementing a comprehensive fee schedule with the goal to implement during the next fiscal year.

c) Estimated date of corrective action or date completed: Property Management aims to document processes and procedures within approximately the next 12 months.

d) Estimated cost to implement recommendation, if significant: Nominal

**Property
Management
Department**
continued

Recommendation

The Human Resources Department should align Section 8.020 with State conflict-of-interest laws and establish a standardized disclosure procedure. This could include a template for written notifications.

- a) Management position concerning recommendation: Concur
- b) Comments: At the time a potential conflict of interest was recognized, Property Management notified the seller's representative and the City of La Pine's city manager* via email on March 24, 2023 (* due to the transaction associated with the sale of property in La Pine Industrial). It was communicated at that time that a title company would be utilized for the transaction (vs the option of closing the transaction internally with Property Management). Further, when Property Management presented the offer received to purchase property in La Pine Industrial at executive session on March 29, 2023, Property management briefed the Board of County Commissioners, Administration and County Counsel of the potential conflict of interest.
- c) Estimated date of corrective action or date completed: All directed otherwise, future potential conflicts of interest will be communicated in writing to County Administration.
- d) Estimated cost to implement recommendation, if significant: Nominal

**Human
Resources**
Kathleen
Hinman, HR
Director



HUMAN RESOURCES

**Human
Resources**
continued

Date: October 17, 2023
 To: Elizabeth Pape, County Internal Auditor
 Aaron Kay, Performance Auditor
 From: Kathleen Hinman, HR Director
 Re: Facilities and Property Management Departments – Cash Handling Audit 2223-2

Thank you for the opportunity to review and comment on your report, *Facilities and Property Management Departments Cash Handling Audit Report #2223-2* (the Audit). Human Resources values your review and the perspective it provides management as we work to evaluate and refine our practices and systems now and into the future.

HR appreciates the attention the Audit brings in case study review of the application of HR-Personnel Rules Section 8.020 Conflict of Interest. This will help in providing perspective when we review County Personnel and Rules.

Below is the response to the Audit recommendation for Human Resources.

Recommendation

The Human Resources Department should align Section 8.020 with State conflict-of-interest laws and establish a standardized disclosure procedure. This could include a template for written notifications.

Human Resources agrees with the auditors' comments and recommendation and will work on updating HR-Personnel Rules to better establish expectations and procedures.

Appendix A: Objective, Scope, and Methodology

The County Internal Auditor was created by the Deschutes County Code as an independent office

conducting performance audits to provide information and recommendations for improvement.

The audit included limited procedures to understand the systems of internal control around revenues. No significant deficiencies were found in this audit. A significant deficiency is defined as an internal control deficiency that could adversely affect the entity's ability to initiate, record, process, and report financial data consistent with the assertions of management in the financial statements. The findings noted were primarily compliance and efficiency matters.

Audit findings result from incidents of non-compliance with stated procedures and/or departures from prudent operation. The findings are, by nature, subjective. The audit disclosed certain policies, procedures and practices that could be improved. The audit was neither designed nor intended to be a detailed study of every relevant system, procedure, or transaction. Accordingly, the opportunities for improvement presented in the report may not be all-inclusive of areas where improvement may be needed and does not replace efforts needed to design an effective system of internal control.

Management has responsibility for the system of internal controls, including monitoring internal controls on an ongoing basis to ensure that any weaknesses or non-compliance are promptly identified and corrected. Internal controls provide reasonable but not absolute assurance that an organization's goals and objectives will be achieved.

Objectives and Scope

Objectives included:

1. Review of internal controls for cash handling with Property Management and Facilities as outlined in County Finance policy for cash handling (F-11). Identify areas to improve efficiency and effectiveness. Additionally, review management of any change cash, petty cash, receipts, credit cards, judgements, collections, and billings, as applicable.



"Audit objectives" define the goals of the audit.

2. Be aware of any issues with compliance with federal and state regulations and requirements, as may be applicable.

Scope and timing:

The audit occurred in August and September 2023. Included in the review of cash handling of Property Management are accounting funds primarily handled in Fund 001-25 and Facilities primarily handled in Fund 620. No petty cash or checking account are present in either department. The focus of the review was on internal controls over handling of third-party customer payments. The scope of the audit did not include all aspects of the internal controls employed.

Methodology

Audit procedures included:

- Interviewing staff related to cash handling, receipting, and billing procedures (staff reviewed and answered the County's cash handling checklist provided in the Cash Handling Policy F-11);
- Reviewing written procedures and documents provided;
- Reviewing and analyzing receipt transaction data for the identified funds; and
- Reviewing and analyzing revenue data for the identified funds.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

(2018 Revision of Government Auditing Standards, issued by the Comptroller General of the United States.)



"Audit procedures are created to address the audit objectives."

Please take a survey on this report by clicking on the attached link:

<https://forms.office.com/g/PUnL44BEW8>



If you would like to receive future reports and information from Internal Audit or know someone else who might like to receive our updates, sign up at <http://bit.ly/DCInternalAudit>.

The Office of County Internal Audit

Facilities and Property Management Departments- Cash Handling

#23/24-2



Departments Background

- FY17 • Property and Facilites Department
- FY18 • Facilities Department
• Property Managment function placed under Administrative Services
- FY24 • Facilities Department
• Property Management Department



Facilities Recommendation

The Facilities Department should complete documentation of their accounting policies and procedures to address identified concerns.

- NOTE: Facilities Department has completed the documentation of all identified accounting policies and procedures.



Property Management Recommendations

The Property Management Department should revise its written accounting policies and procedures for monies collected.

The Property Management Department should document the process and criteria for charging filing and recording fees.



Human Resources Recommendation

The Human Resources Department should align Section 8.020 with State conflict-of-interest laws and establish a standardized disclosure procedure.



Questions?



Thank you





Deschutes County,
Oregon

Recommendation

1

Office of the District Attorney – Cash Handling

The Office of County Internal Audit
Elizabeth Pape, CIA, CFE – County Internal Auditor
Aaron Kay – Performance Auditor
internal.audit@deschutes.org

Audit committee:
Daryl Parrish, Chair - Public member
Jodi Burch – Public member
Joe Healy - Public member
Summer Sears – Public member
Stan Turel - Public member
Patti Adair, County Commissioner
Charles Fadeley, Justice of the Peace
Lee Randall, Facilities Director

Take survey by
clicking HERE



To request this information in an alternate format, please call (541) 330-4674 or send email to
internal.audit@deschutes.org

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HIGHLIGHTS**Why this audit was performed:**

A periodic review of cash handling receipts.

What was recommended:

Office of the District Attorney staff should update accounting procedures to help staff comply with the Deschutes County Cash Handling Policy and to decrease the chance cash is stolen.

Office of the District Attorney—Cash Handling

The focus of the review was on internal control over the handling of Office of District Attorney customer payments, mostly discovery fees.

What was found

The Office of District Attorney did not comply with County cash handling policy when processing smaller and infrequent payments related to items like discovery. They did not make deposits daily which meant checks were sitting around unaccounted for. They also did not issue pre-numbered receipts, which made it easier to dispute transactions.

These smaller payments made up less than 0.1 percent of Office revenue. The small amount of these collections might make this area seem low risk, but the same factor makes them vulnerable to fraud.

Staff did not comply with County policy because the Office had outdated procedures in place which did not ensure compliance. Staff were working on updating procedures, but they were not yet complete.

Deschutes County Internal Audit

Introduction

The Deschutes County Audit Committee authorized the review of cash handling practices for the Office of the District Attorney in the Internal Audit Program Work Plan for 2022-2023. Internal audits of fiscal controls are routinely performed for identified County departments or functions. Audit objectives, scope, and methodology can be found in **Appendix A**.

Background on the Office

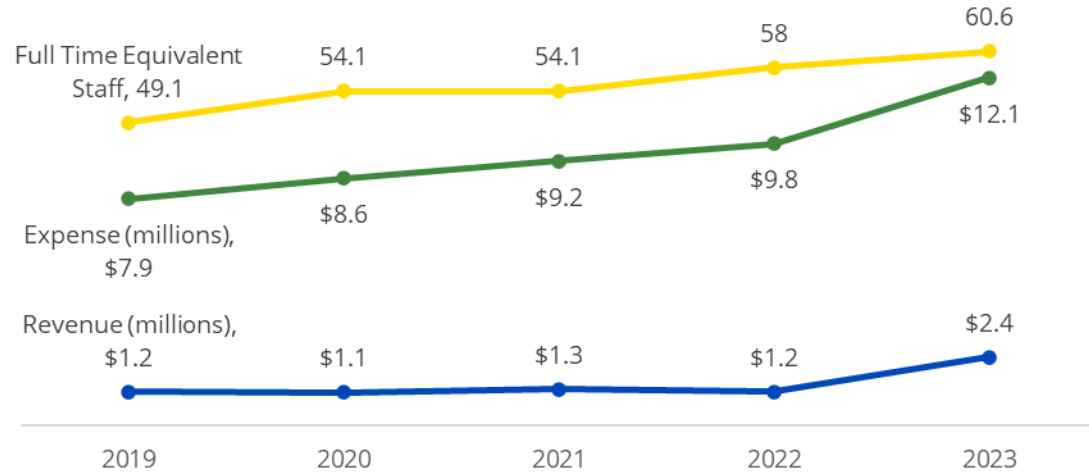
The mission of the Office of the District Attorney is to seek justice, advance public safety, and uphold the law. The Office achieves this mission by working with the community to prevent crime, holding offenders accountable when they commit crime, and ensuring victim voice in the criminal justice system. The Office is headed by an elected District Attorney who leads 25 attorneys and support staff comprised of trial assistants, victim assistants, information technology staff, and administrative staff.

Since 2019, staff, expenses, and revenue have all trended up. Full time equivalent staff increased from 49.1 to 60.6 in 2023. Expenses increased from \$7.9 million to \$12.1 million. Excluding general fund contributions, revenue doubled from \$1.2 million to \$2.4 million. Personnel expenses increased faster than other expenses.

Graph I

Staff, Expense, and Revenue Trends

Staff, Expenses, and Revenue
have all trended up since 2019

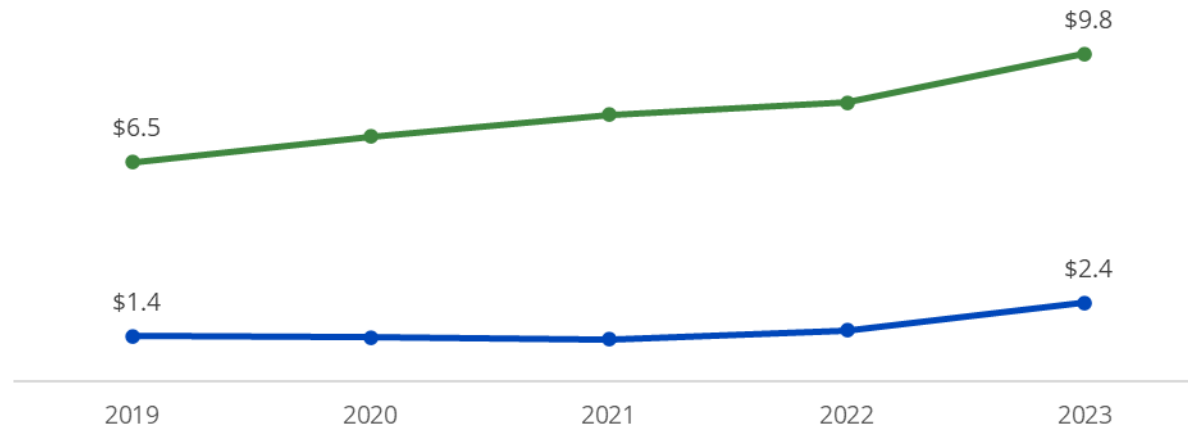


Source: County Financial Information

Graph II

Trends for Personnel and Other Expenses

Personnel Expenses increased faster than **Other Expenses.** (millions of dollars)



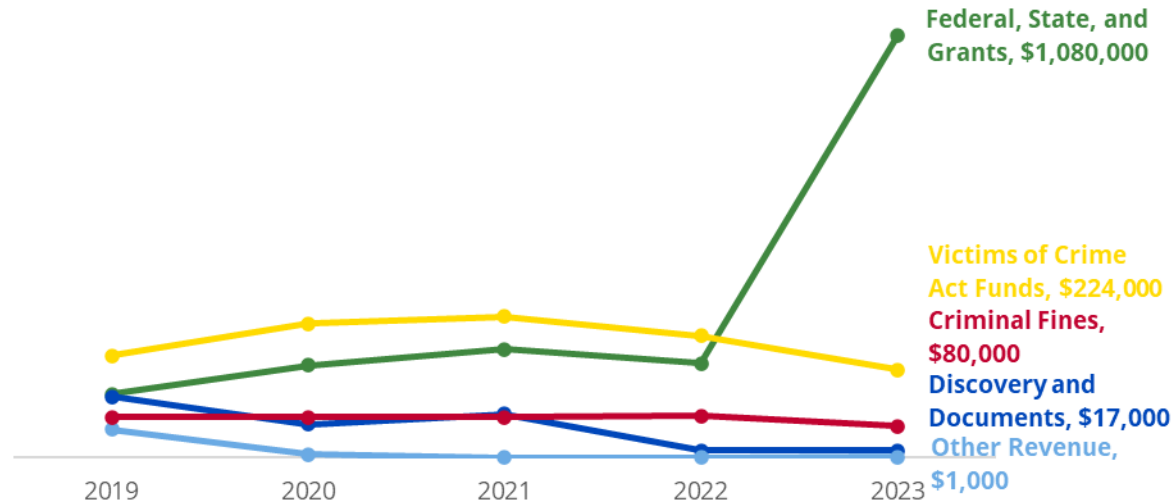
Source: County Financial Information

Most non-General Fund revenue remained steady, however grants increased while discovery and document fees decreased. Grants increased from \$161,000 in 2019 to \$1.1 million in 2023. Most of the increase was due to Criminal Justice Commission grant related to the emerging adult program. Document and discover fees decreased from \$155,000 in 2019 to \$17,000 in 2023. Some of the decrease was due to the ending of a state program that provided counties with a flat amount to pay for discovery for defendants who could not otherwise pay.

Graph III

Detailed Revenue Trends

Most revenues remained steady. **Grants** increased while **discovery and document fees** decreased.



Source: County Financial Information

Findings and Observations

Collecting revenue is not a main function of the Office of the District Attorney. Most revenue comes from the County General Fund. Other significant sources of revenue include federal and state funding as well as a few private grant programs. The Office also collects discovery fees and some small sources of miscellaneous revenue such as refunds. This revenue mostly came in the form of checks although there were some payments made with currency.

Missing controls provide opportunity for fraud

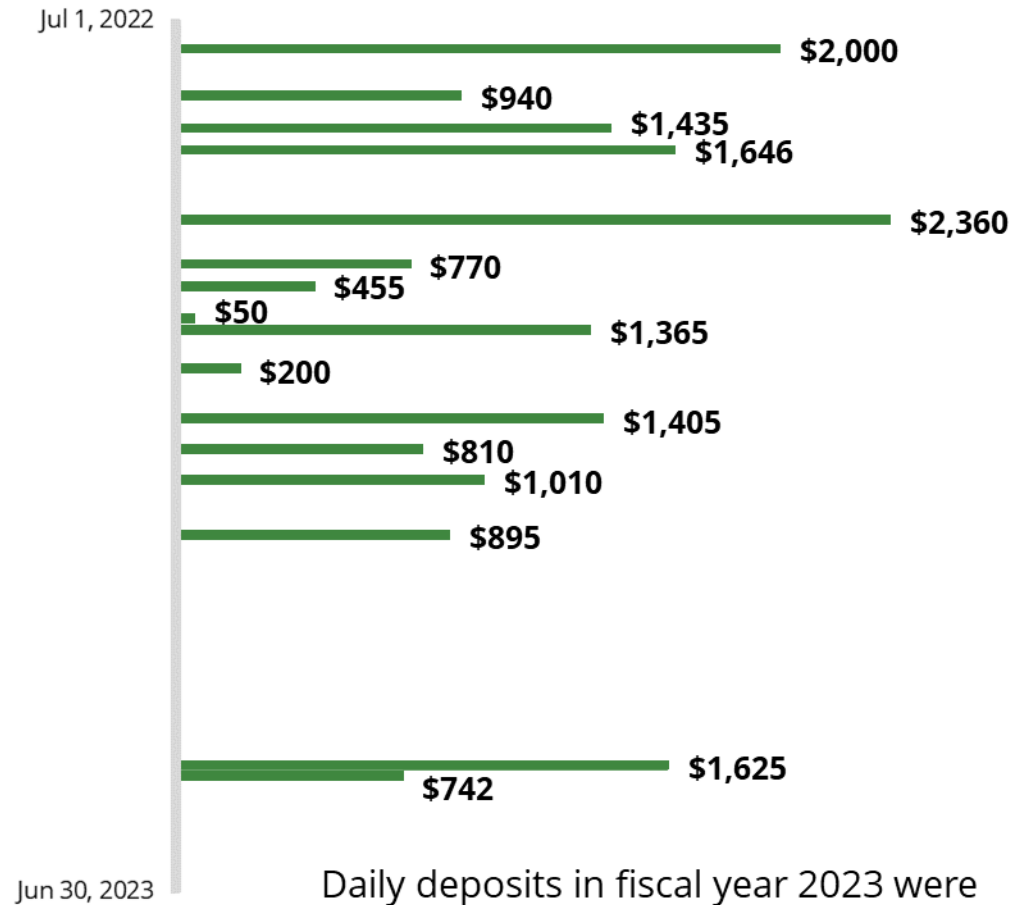
The Finance Department received and processed most federal, state, and grant funding that went to the Office of the District Attorney. Funds came in the form of electronic deposits and checks ranging from \$6,000 to \$680,000.

In contrast, Office staff deposited other fees and miscellaneous revenue inconsistently. These fees made up a small portion of the Office's budget. Discovery and document fees along with miscellaneous revenue totaled less than \$20,000 in 2023. That made up less than 0.7 percent of non-general fund revenue and less than 0.1 percent of all resources. The Office made sporadic deposits over the year ranging in size from \$50 to \$2,360.

The small amount of revenue from this source and its sporadic nature made cash collection seem like a low-risk activity. But these same factors also made it an opportunity for fraud. If no one is paying attention, and no one is relying heavily on the revenue, a fraudster can more easily fly under the radar.

Graph IV

Daily Deposits for Fees and Miscellaneous Revenue



Daily deposits in fiscal year 2023 were inconsistent in frequency and amount

Source: County Financial Information

The County Cash Handling Practices Policy (F-11) requires controls to limit opportunities for fraud and to ensure revenue is accurately recorded. For example, the policy requires daily deposits so

Despite the conflict with County policy, these were long-standing practices at the Office. Auditors first noted these practices in a 2009 Office of the District Attorney cash handling audit. The Office reported that it started making daily deposits and using numbered receipts in a 2010 follow-up, but the practice had gone by the wayside since. Auditors again noted the practices in a 2023 transition audit.

The Office continued to be without these controls because the Office had outdated procedures in place which did not ensure compliance. Staff were working on updating procedures, but they were not yet complete. Documented procedures are more important, not less, when activities happen irregularly or infrequently.

Recommendation

Office of the District Attorney staff should update accounting procedures to help staff comply with the Deschutes County Cash Handling Policy and to decrease the chance cash is stolen.

**Office of the
District
Attorney
Response**



Steve Gunnels District Attorney

1164 NW Bond Street • Bend, Oregon 97703
(541) 388-6520 • Fax: (541) 330-4691
www.dca.us

September 15, 2023

Steve Gunnels
District Attorney
Deschutes County District Attorney's Office

Elizabeth Pape
County Internal Auditor
Deschutes County Office of the County Internal Auditor

RE: DA Cash Handling Audit Response

Dear Ms. Pape,

I am writing to express my agreement with the recent findings of the cash receipts audit pertaining to our office. I fully support the recommendation that our accounting procedures should be updated to align with the Deschutes County Cash Handling Policy.

The audit revealed areas where our current procedures may not comply with the county's policy, potentially increasing the risk of cash mishandling or theft. To address this, we will update our accounting procedures to ensure our practices align with the policy and enhance financial controls. We commit to completing these within 4-6 week, submitting to you no later than November 1, 2023.

Additionally, I recommend establishing a regular auditing schedule to maintain compliance and promptly address any issues. Strengthening our financial controls will not only protect our funds but also reinforce public trust.

Please consider this letter as my formal endorsement of the audit findings and my commitment to implementing the recommended changes.

Thank you for your attention to this matter, and feel free to contact me for further information or support.

Sincerely,

Steve Gunnels
Deschutes County
District Attorney

Appendix A: Objectives, Scope, and Methods

The County Internal Auditor was created by the Deschutes County Code as an independent office conducting performance audits to provide information and recommendations for improvement.

Note on Internal Controls

The audit included limited procedures to understand the systems of internal control around revenues. No significant deficiencies were found in this audit. A significant deficiency is defined as an internal control deficiency that could adversely affect the entity's ability to initiate, record, process, and report financial data consistent with the assertions of management in the financial statements. The findings noted were primarily compliance matters.

Audit findings result from incidents of non-compliance with stated procedures and/or departures from prudent operation. The findings are, by nature, subjective. The audit disclosed certain policies, procedures and practices that could be improved. The audit was neither designed nor intended to be a detailed study of every relevant system, procedure, or transaction. Accordingly, the opportunities for improvement presented in the report may not be all-inclusive of areas where improvement may be needed and does not replace efforts needed to design an effective system of internal control.

Management has responsibility for the system of internal controls, including monitoring internal controls on an ongoing basis to ensure that any weaknesses or non-compliance are promptly identified and corrected. Internal controls provide reasonable but not absolute assurance that an organization's goals and objectives will be achieved.

Objectives and Scope

Objectives included:

1. Review of internal controls for cash handling with the Office of the District Attorney as



“Audit objectives” define the goals of the audit.

outlined in County Finance policy for cash handling (F-11). Identify areas to improve efficiency and effectiveness. Additionally, review management of any change cash, petty cash, receipts, credit cards, judgements, collections, and billings, as applicable.

2. Be aware of any issues with compliance with federal and state regulations and requirements, as may be applicable.

Scope and timing:

The audit occurred in August and September 2023. Included in review of cash handling of District Attorney’s Office accounting, primarily Fund 001-11 and Fund 212. No petty cash was present in the Office. The focus of the review was on internal controls over discovery and other small payments. The scope of the audit did not include all aspects of the internal controls employed.



“Audit procedures are created to address the audit objectives”

Methods

Audit procedures included:

- Interviewing staff related to cash handling, receipting, and billing procedures (staff reviewed and answered the County’s cash handling checklist provided in the Deschutes County cash handling policy F-11).
- Reviewing written procedures and documents provided.
- Reviewing and analyzing receipt transaction data for the identified funds; and
- Reviewing and analyzing revenue data for the identified funds.

We conducted this performance audit in accordance with generally accepted government auditing

standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

(2018 Revision of Government Auditing Standards, issued by the Comptroller General of the United States.)

{End of Report}

Please take a survey on this report by clicking on the attached link:

<https://www.surveymonkey.com/r/2324-4>



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The Office of County Internal Audit

Office of the District Attorney - Cash Handling

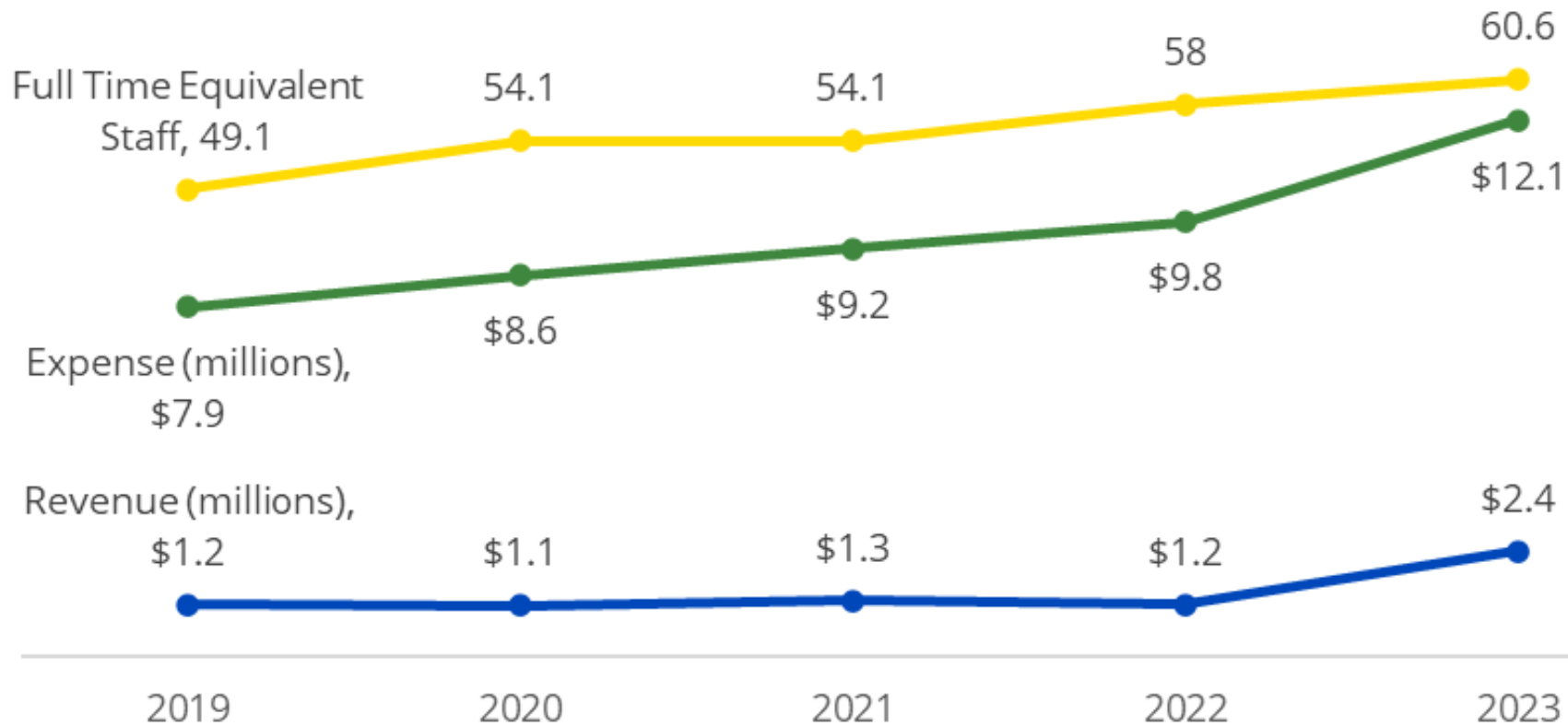
#23/24-4



Department Background

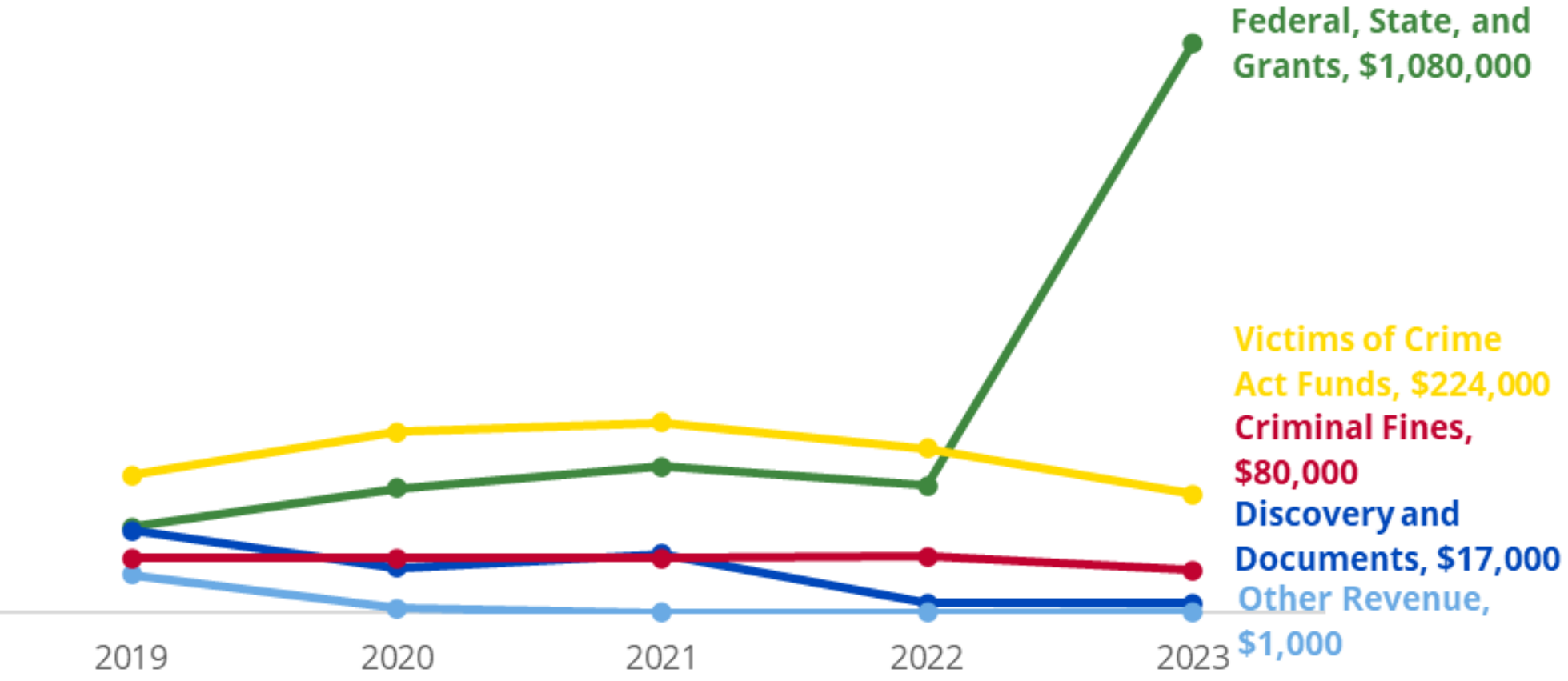
Staff, Expenses, and Revenue

have all trended up since 2019



Most Revenue Remained Steady

Most revenues remained steady. **Grants** increased while **discovery and document fees** decreased.



Missing Controls

Fraud Opportunity



0.1%
Of All Revenue



Recommendation

Update accounting procedures

- comply with the Cash Handling Policy***
- decrease the chance cash is stolen.***

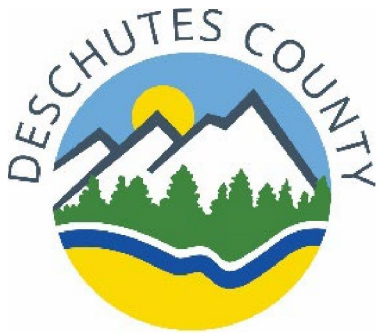


Questions?



Thank you





Follow-Up Report

Sheriff's Office Comprehensive Cash Handling #2324-3

(Internal audit report #2122-16 issued November 2022)

The Office of County Internal Audit:

Elizabeth Pape, CIA, CFE – County Internal Auditor
Aaron Kay – Performance Auditor

Audit committee:

Daryl Parrish, Chair - Public member
Jodi Burch – Public member
Joe Healy - Public member
Summer Sears – Public member
Stan Turel - Public member
Patti Adair, County Commissioner
Charles Fadeley, Justice of the Peace
Lee Randall, Facilities Director



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1. Introduction

Audit Authority

The Deschutes County Audit Committee has suggested that follow-ups occur within nine months of the report. The Audit Committee would like to make sure departments satisfactorily address recommendations.

Background on Department and Original Audit

The focus of the original audit was on internal control over fiscal cash handling. Unlike prior audits performed in individual areas of the Sheriff's Office, this audit covered the entire Sheriff's Office.

Overall, the Sheriff's Office performed well in providing fiscal control over receipts. Recommendations were developed to assist the Sheriff's Office comply with County policy or prudent business practices for cash handling.

The following areas were identified for further improvement within the wide range of professional public safety services at the Sheriff's Office.

Improve the internal control system over collected monies within these divisions/units:

- Civil
- Corrections
- Records

Opportunity exists to improve deposit activities within these divisions/units:

- Business Management
- Evidence
- Records

A variety of control practices could be improved within these divisions/units:

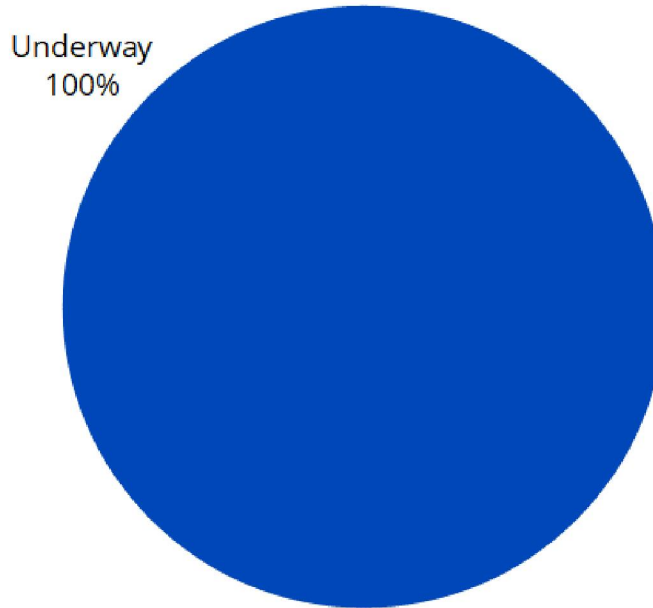
- Business Management
- Central Oregon Drug Enforcement (CODE)
- Street Crimes Unit

2. Follow-up Results

The follow-up included three outstanding recommendations agreed to by the Sherrif's Office. **Figure I** provides an overview of the implementation status of the recommendations.

Figure I

How were the recommendations implemented?



With this follow-up, one hundred percent (100%) of the outstanding recommendations were indicated as underway. Substantial progress has been made towards completion of the detailed guidance for each recommendation, with an expected completion date of December 2023.

The details of the follow-up are included at the end of the report in **Appendix A**. In interpreting the status, Internal Audit may sometimes raise or lower the status provided by the department based on the communication(s) received from the department.

3. Appendix A: Updated workplan (status as of September 2023)

Items that are not completed are greyed out.

Recommendation	Status	Date Completed	Updated Comments
It is recommended the Sheriff's Office strengthen the internal control system to better oversee all payments they receive and periodically assess their operating environment to assure the system is operating as intended.	Underway	Dec 2023	See below responses; complete in some cases, in process in others.
Guidance for this recommendation by unit/division includes: Using Munis to immediately receipt all payments as they are received and balance transactions daily.	Underway	Dec 2023	Some units have adopted; Records, some Civil still need training from County; Will follow up with Finance
Guidance for this recommendation by unit/division includes: Eliminating cash handoffs between staff.	Completed	Feb 2023	Done
Guidance for this recommendation by unit/division includes: Employing a locking cashbox or cash drawer to secure funds as they are collected.	Completed	Feb 2023	Done
Guidance for this recommendation by unit/division includes: Establishing a cash custodian responsible for all daily collected revenues.	Completed	Feb 2023	Done
Guidance for this recommendation by unit/division includes: Endorsing checks as they are collected.	Completed	Feb 2023	Done; ongoing process

Recommendation	Status	Date Completed	Updated Comments
It is recommended the Sheriff's Office develop procedures to make more timely deposits.	Underway	Dec 2023	See below responses; complete in some cases, in process in others.
Guidance for this recommendation by unit/division includes: Consolidating bank deposit duties across the Divisions.	Completed	Feb 2023	Some consolidation is happening when possible, but otherwise, each unit is making an effort to ensure daily deposits.
Guidance for this recommendation by unit/division includes: Making weekly deposits of evidence monies in accordance with policy.	Underway	Dec 2023	Policy is with Legal waiting for approval of updates
Guidance for this recommendation by unit/division includes: Utilizing electronic transfers between County funds whenever possible.	Underway	Dec 2023	Need further analysis/training to ensure two signature requirements
Guidance for this recommendation by unit/division includes: Providing opportunity for either in-person or online customers to pay by credit/debit card.	Completed	Feb 2023	Done; Card reader replaced.
It is recommended the Sheriff's Office implement additional control activities through policies and procedures.	Underway	Dec 2023	See below responses; complete in some cases, in process in others.

Recommendation	Status	Date Completed	Updated Comments
Guidance for this recommendation by unit/division includes: Providing additional segregation of duties.	Completed	Feb 2023	Done; Deposit activities have been delegated
Guidance for this recommendation by unit/division includes: Applying a consistent review of deposit activity.	Completed	Feb 2023	Done; Business Manager has been reviewing deposits
Guidance for this recommendation by unit/division includes: Documenting audit activities.	Completed	Aug 2023	Done; Transitioned to ATM Cards in August. Have not yet audited
Guidance for this recommendation by unit/division includes: Recording in the CODE fiduciary accounts the additional CODE checking account balance and activity.	Underway	Dec 2023	Not yet integrated in Munis. Will follow up with Finance.
Guidance for this recommendation by unit/division includes: Eliminating petty cash funds.	Completed	Feb 2023	Completed

4. Appendix B: Objective, Scope, and Methodology

The County Internal Auditor was created by the Deschutes County Code as an independent office conducting performance audits to provide information and recommendations for improvement.

Objectives and Scope



“Audit objectives” define the goals of the audit.

Objectives included:

The objective was to follow up on recommendations from the original audit.

Scope and timing:

The follow-up included three recommendations from the internal audit report for Sheriff's Office Comprehensive Cash Handling

(#2122-16), issued in November 2022. The original internal audit report should be referenced for the full text of the recommendations and associated discussion. The follow-up reflects the status as of September 2023.

Methodology



Audit procedures are created to address the audit objectives.

The follow-up report was developed from information provided by Joe Brundage, Business Manager, and Captain Michael Shults. Follow-ups are, by nature, subjective. In determining the status of recommendations that were followed up, we relied on assertions provided by those involved and did not attempt to independently verify those assertions. The updates received are included in

Appendix A.

Since no substantive audit work was performed, Government Auditing Standards issued by the Comptroller General of the United States were not followed.

If you would like to receive future reports and information from Internal Audit or know someone else who might like to receive our updates, sign up at <http://bit.ly/DCInternalAudit>.



Follow-up Report

Vacation and Sick Leave #2324-7

(Internal Audit report #2122-17 issued December 2022)

The Office of County Internal Audit:

Elizabeth Pape, CIA, CFE – County Internal Auditor
Aaron Kay – Performance Auditor

Audit committee:

Daryl Parrish, Chair - Public member
Jodi Burch – Public member
Joe Healy - Public member
Summer Sears – Public member
Stan Turel - Public member
Patti Adair, County Commissioner
Charles Fadeley, Justice of the Peace
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1. Introduction

Audit Authority

The Deschutes County Audit Committee has suggested that follow-ups occur within nine months of the report. The Audit Committee would like to make sure departments satisfactorily address recommendations.

Background on Department and Original Audit

The focus of the review was on analysis of vacation and sick leave information contained within the NOVAtime (timesheet) and Munis (accounting/ human resources) systems. Computerized procedures can be used to extract employee timesheet information and relevant employee data from County systems. This allows the linkage of leave information and employee information, such as identifying employee leave balances with length of County service. Limitations within NOVAtime system reporting prevented analysis of data prior to Fiscal Year 2021-2022.

Overall, the County's internal and management controls over the employee leave operation are effective and working as intended.

The audit identified the following areas for further improvement, including:

- The NOVAtime system allows for leave adjustments to create negative balances.
- Data could be used more effectively for decision-making.
- Differences exist between NOVAtime and Munis database information.
- Vacation and sick leave balances for separated employees are a potential risk.
- Vacation and sick leave maximum balances are inconsistently enforced.
- Employees are not using sufficient vacation leave as directed by policy.
- County policy for leave accrual timing is not in conformance with Oregon law.

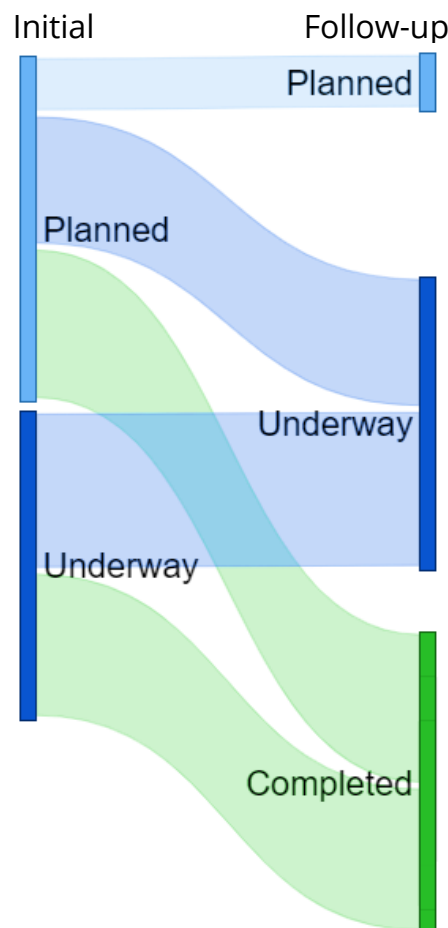
- County policy and CBAs need to be updated to match current practice for maximum vacation and sick leave timing.
- Cash out election provisions of time management leave may accelerate employee taxable income.

A number of other analyses were performed but did not yield any recommendations.

2. Follow-up Results

The follow-up included ten outstanding recommendations agreed to by County Human Resources and Finance Departments, as well as County Administration. **Figure I** provides an overview of the implementation status of the recommendations. The details of the follow-up are included at the end of the report in **Appendix A**. In interpreting the status, Internal Audit may sometimes raise or lower the status provided by the department based on communication received from the department.

Figure I -
How were recommendations implemented?



With this follow-up, fifty percent (50%) of the outstanding recommendations have been fully addressed. As indicated in the provided responses, many of the policy recommendations are underway and generally take the longest to complete.

3. Appendix A: Updated workplan (status as of October 2023)

Recommendation	Status	Date Completed	Updated comments
<p>It is recommended the NOVAtime system be configured to not allow for negative balance adjustments or alternative methods should be explored.</p>	<p>Completed</p>	<p>October-23</p>	<p>Finance – We have already implemented enhanced review and monitoring of timesheets and final paycheck calculations. Since PTO is provided before earned and the practice has been to allow employees to use the full balance before prorations, until a policy change is implemented to eliminate negative balances, Finance will defer additional consideration of alternative methods related to negative balances.</p> <p>Auditor- Finance has initiated an enhanced review process to mitigate the risk of negative leave balances for employees. Although some employees might be advanced leave they do not have, Finance accepts this risk and the recommendation is completed to the fullest extent possible.</p>

Recommendation	Status	Date Completed	Updated comments
<p>It is recommended the County explore the cost-benefit of additional NOVAtime data reporting services.</p>	<p>Completed</p>	<p>August-23</p>	<p>Finance - In April 2023, phase one of the Pay Period Alignment Project was completed. Since that time, Finance, Human Resources and Technology Services explored the cost-benefit of additional data reporting services and enhancements within NOVAtime. Given the limitations of the software, and the desire of the County to implement Phase 2 of the Payroll Alignment Project (paying payroll by actual hours worked, not average hours), we concluded it would not be beneficial nor cost effective to make major customizations to the software to meet the County's unique pay methods. Instead, we should change to actual hours worked first, and then research new software options to include the required data reporting services.</p>
<p>It is recommended the County continue to explore solutions to transition test employee accounts outside of the production environment.</p>	<p>Completed</p>	<p>June-23</p>	<p>Finance - The current version of the software limits the functionality related to testing employee accounts. Payroll has inquired with the vendor and solicited alternative methods of testing outside of the production environment. No alternatives are offered at this time. However, Payroll will continue to check with the vendor semi-annually to verify if they offer a test environment.</p>

Recommendation	Status	Date Completed	Updated comments
It is recommended Payroll develop a system to ensure NOVAtime and Munis employee information are in sync and correct.	Completed	September-23	Finance - A system has been developed and a plan established to complete semi-annually going forward. Next review planned for March 2024.
It is recommended Payroll eliminate retained balances from all separated employees and continue to work with the vendor on a solution to discontinue system generated leave time for separated employees.	Completed	June-23	Finance - Off-cycle payroll review already includes a secondary review of TML balances being cleared out. It is a system issue that TML system accruals randomly reappear. Payroll continues to work with NOVAtime to find a solution. Payroll will continue to check with the vendor for a solution to this system issue on a semi-annual basis.
It is recommended Human Resources and Payroll establish secondary review processes for employee leave balance limit calculations and adjustments.	Planned	June-24	Finance - Given the Pay Period Alignment Project and the Tyler/Munis Upgrade Project, this item was deferred until June 2024.

Recommendation	Status	Date Completed	Updated comments
It is recommended the County develop a process to support supervisors in monitoring employees' use of vacation leave in compliance with policy.	Underway	June-24	HR- The County has a policy covering expectations for employee's use of vacation leave. It is a supervisor's responsibility to hold their employees accountable to all policies, including this one. Human Resources will update the attendance expectations in the employee performance evaluation form to include this review. This will prompt supervisors to review all aspects of an employee's attendance and use of leave with respect to County policies. The performance evaluation update is still in process.
It is recommended the County revise leave policy HR-16 to be in conformance with State law.	Underway	June-24	HR- We have drafted an Oregon Paid Sick Time (OPST) Policy which will be ready for consideration soon. Additionally, HR will update HR-16 to comply with the OPST law and will present for consideration in coordination with the OPST policy.
It is recommended the County update policy and CBA contract language to align with practice.	Underway	June-24	HR- HR will engage with unions, as each CBA is bargained, to align CBA language with practice. This policy is in draft and underway.
It is recommended for the County to consider adjustments to the leave cash out policies to further address constructive receipt.	Underway	June-24	HR- HR will engage with unions, as each CBA is bargained, to align CBA language with practice. This policy is in draft and underway.

4. Appendix B: Objective, Scope, and Methodology

Objective and Scope



*“Audit objectives”
define the goals of
the audit.*

Objective:

The objective was to follow up on recommendations from the original audit.

Scope and timing:

The follow-up included ten recommendations from the internal audit report for [Vacation and Sick Leave #21/22-17](#) issued in December 2022. The original internal audit report should be referenced for the full text of the recommendations and associated discussion. The follow-up reflects the status as of October 2023.

Methodology

The follow-up report was developed from information provided by Robert Tintle, Chief Financial Officer, and Kathleen Hinman, Human Resources Director. Follow-ups are, by nature, subjective. In determining the status of recommendations that were followed up, we relied on assertions provided by those involved and did not attempt to independently verify those assertions. The updates received were included in **Appendix A**.

Since no substantive audit work was performed, Government Auditing Standards issued by the Comptroller General of the United States were not followed.

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<http://bit.ly/DCInternalAudit>.



Total Recommendations
6

Follow-up Reports

Elected District Attorney Transition

(Internal Audit report #22/23-4 issued January 2023)

And

Office of the District Attorney

Cash Handling

(Internal Audit Report # 23/24-4 Issued September 2023)

The Office of County Internal Audit:

Elizabeth Pape, CIA, CFE – County Internal Auditor
Aaron Kay – Performance Auditor

Audit committee:

Daryl Parrish, Chair - Public member
Jodi Burch – Public member
Joe Healy - Public member
Summer Sears – Public member
Stan Turel - Public member
Patti Adair, County Commissioner
Charles Fadeley, Justice of the Peace
Lee Randall, Facilities Director



To request this information in an alternate format, please call (541) 330-4674 or send email to

internal.audit@Deschutes.org

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1. Introduction

Audit Authority

The Deschutes County Audit Committee has suggested that follow-ups occur within nine months of the report. The Audit Committee would like to make sure offices satisfactorily address recommendations.

We are reporting the results of two follow-ups in one report because the Office of the District Attorney reported the status of recommendations for both audits at the same time.

Background on the Office and Original Transition Audit

The Office of the District Attorney has been under the direction of the Elected District Attorney, John Hummel, since 2014. John Hummel announced his decision to not seek reelection after the end of his term on January 2, 2023. Subsequently, Steve Gunnels was elected in the May 2022 primary election to become the next Elected District Attorney and was sworn into office on January 3, 2023.

Deschutes County has been in the practice of performing a basic fiscal level internal audit whenever an elected official leaves office. While the transition process was as seamless as possible, establishing a written transition plan could be useful to transitioning the Elected District Attorney position in the future. A transition plan can be an important resource for identifying necessary tasks and responsibilities specific to the position. The Office information technology purchasing could be improved through the use of County Information Technology resources and purchasing agreements.

Overall, the Office performed well in providing fiscal controls. Additional areas noted for improvement include:

- using Munis to enter and provide receipts for collected monies, balance daily revenues, and prepare deposits; and
- performing daily deposit of collected monies.

The Office has implemented comprehensive written procedures in compliance with Oregon law. However, certain subject areas require further development to fully conform to these regulations.

Background on the Original Cash Handling Audit

The Deschutes County Audit Committee authorized the review of cash handling practices for the Office of the District Attorney in the Internal Audit Program Work Plan for 2022-2023. Internal audits of fiscal controls are routinely performed for identified County departments or functions.

The Office of District Attorney did not comply with County cash handling policy when processing smaller and infrequent payments related to items like discovery. They did not make deposits daily which meant checks were sitting around unaccounted for. They also did not issue pre-numbered receipts, which made it easier to dispute transactions.

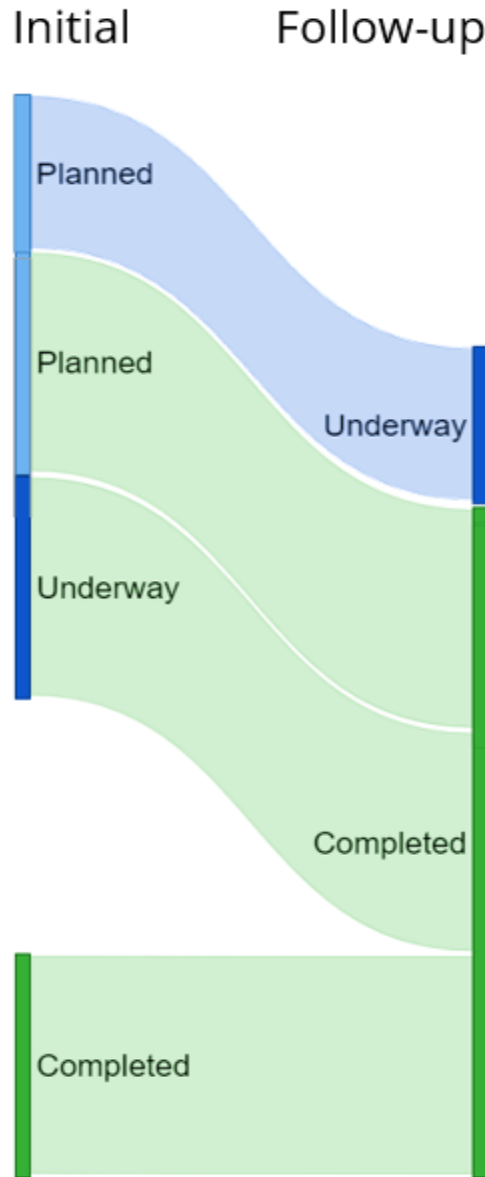
These smaller payments made up less than 0.1 percent of Office revenue. The small amount of these collections might make this area seem low risk, but the same factor makes them vulnerable to fraud.

Staff did not comply with County policy because the Office had outdated procedures in place which did not ensure compliance. Staff were working on updating procedures, but they were not yet complete.

2. Follow-up Results

This follow-up includes five outstanding recommendations from the transition audit and one outstanding recommendation from the cash handling audit that were agreed to by the Office of the District Attorney. **Figure I** provides an overview of the resolution status of the recommendations. The Office of the District Attorney provided an update on the cash handling audit recommendation in advance of the nine-month timeline set forth by the Audit Committee.

Figure I -
How were
recommendations
resolved?



With this follow-up, eighty-three percent (83%) of the outstanding recommendations have been fully addressed, as indicated in the provided responses.

The details of the follow-up are included at the end of the report in **Appendix A**. In interpreting the status, Internal Audit may sometimes raise or lower the status provided by the office based on communication received from the office.

3. Appendix A: Updated Transition workplan (status as of November 2023)

Recommendation	Status	Date Resolved	Updated Comments
It is recommended the Elected District Attorney document transitional information for their successor.	Underway		We have successfully compiled an outline of transitional information and are presently in the process of collecting data and making real-time updates as new items arise.

Recommendation	Status	Date Resolved	Updated Comments
It is recommended the Office of the District Attorney utilize County purchasing agreements for technology related purchases.	Resolved	March-23	Upon this audit recommendation our DCDA IT Department was notified to implement this immediately, if applicable. Since then, IT has actively utilized the purchase agreement the County holds with DELL to complete technology-related purchases. They will continue to seek out other purchasing agreements, as needed.
It is recommended the Office of the District Attorney utilize Munis to enter and provide receipts for collected monies; balance daily revenues; and prepare deposits.	Resolved	November-23	In addition to the transitional audit, DCDA also underwent a cash handling audit. Through that audit we identified a need to strengthen our cash handling process, as a whole. This comprehensive initiative involved the successful adoption of the Tyler MUNIS systems, the consistent practice of daily deposit procedures, and the formulation of structured cash handling protocols to enhance financial transparency and accountability within our office.
It is recommended the Office of the District Attorney deposit collected monies daily.	Resolved	November-23	See above
It is recommended the Office of the District Attorney complete written policies to be in conformance with State law.	Resolved	April-23	Revised policies were provided by the Office of the District Attorney prior to this follow-up.

4. Appendix B: Updated Cash Handling workplan (status as of November 2023)

Recommendation	Status	Date Resolved	Updated Comment
The Office of the District Attorney staff should update accounting procedures to help staff comply with the Deschutes County Cash Handling Policy and to decrease the chance cash is stolen.	Resolved	October-23	We have successfully implemented comprehensive cash handling procedures to align with recommended best practices. In addition, we have implemented the use of the Tyler MUNIS system for cash receipts, which will enhance efficiency and transparency in our financial operations. Another key change we have made is the enforcement of daily deposits, a crucial step in safeguarding the financial integrity of the office.

5. Appendix C: Objective, Scope, and Methodology

Objective and Scope



“Audit objectives” define the goals of the audit.

Objective:

The objective was to follow up on recommendations from the original audits.

Scope and timing:

The follow-up included five recommendations from the internal audit report for [Elected District Attorney Transition](#) issued in January 2023 and one recommendation from the internal audit report for [Office of the District Attorney - Cash Handling](#) issued in September 2023. The original internal audit reports should be referenced for the full text of the recommendations and associated discussion. The follow-up reflects the status as of November 2023.

Methodology

The follow-up report was developed from information provided by Jessica Chandler, Senior Management Analyst and Assistant to DA Steve Gunnels. Follow-ups are, by nature, subjective. In determining the status of recommendations that were followed up, we relied on assertions provided by those involved and did not attempt to independently verify those assertions. The updates received were included in **Appendix A**.

Since no substantive audit work was performed, Government Auditing Standards issued by the Comptroller General of the United States were not followed.

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Recommendations
7

Follow-up Report

Treasurer Transition 2022

(Internal Audit report #21/22-12 issued March 2023)

The Office of County Internal Audit:

Elizabeth Pape, CIA, CFE – County Internal Auditor
Aaron Kay – Performance Auditor

Audit committee:

Daryl Parrish, Chair - Public member
Jodi Burch – Public member
Joe Healy - Public member
Summer Sears – Public member
Stan Turel - Public member
Patti Adair, County Commissioner
Charles Fadeley, Justice of the Peace
Lee Randall, Facilities Director



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1. Introduction

Audit Authority

The Deschutes County Audit Committee has suggested that follow-ups occur within nine months of the report. The Audit Committee would like to make sure departments satisfactorily address recommendations.

Background on Department and Original Audit

“The Treasury function is managed by the elected County Treasurer. The Treasury function involves the acceptance and deposit of County funds from customers, citizens, and other government agencies that support County operations. In addition, the Treasury function is responsible for the management of cash, all banking relationships and the investment of County funds. Investments are governed by Oregon Revised Statutes and the County’s investment policy.” *County website*

Internal audit has had a practice of reviewing operations for elected officials on transition in their office. Elected Treasurer/CFO Greg Munn resigned effective April 1, 2022. On September 26, 2022, the CFO recruitment was completed. Robert Tintle was the successful applicant and came to the County from Lane County where he had similar responsibilities. Since Mr. Tintle had not been a Deschutes County resident for over a year (a requirement of the Treasurer’s role), he was unable to seek election to the Treasurer’s position. The November 8, 2022, election concluded with Bill Kuhn, being elected as County Treasurer with 63% of the vote. Mr. Kuhn took the oath of office on January 3, 2023.

The County and newly elected Treasurer will need to continue to collaboratively work to assign, delegate, and clarify responsibilities to assure statutory Treasurer responsibilities are met. This should include looking to maintain efficiencies with how duties are currently being performed. When completed, there should be documentation of the Treasurer duties and responsibilities to better understand whether the position is

being adequately compensated on its own.

The review of selected areas within the County investment policy (F10) indicated a couple of areas to strengthen, including:

- The Board of County Commissioners will need to appoint investment officer(s).
- Written systems of internal control over investments should be developed.
- Competitive bids or offers are to be obtained, however there is currently no documentation expectations established to assure this is addressed and retained.
- It was not clear the prior Treasurer had continued the annual review of broker/dealers, and investment advisors. Factors to consider in this review would include: pending investigations by securities regulators, significant changes in net capital, pending customer arbitration cases, and regulatory enforcement actions.

2. Follow-up Results

The follow-up included seven outstanding recommendations agreed to by the County Finance and Human Resources Departments, as well as County Administration.

Figure I -
How were recommendations implemented?

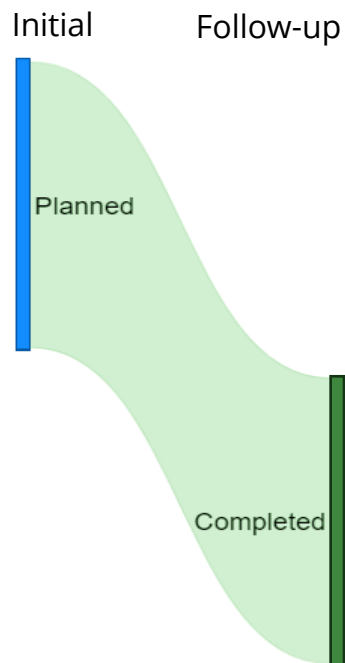


Figure I provides an overview of the resolution status of the recommendations. The details of the follow-up are included in **Appendix A**. In interpreting the status, Internal Audit may sometimes raise or lower the status provided by the department based on communication received from the department. With this follow-up, one hundred percent (100%) of the outstanding recommendations have been fully addressed. As indicated in the provided responses.

3. Appendix A: Updated workplan (status as of October 2023)

Recommendation	Status	Date Completed	Updated comments
It is recommended the County and Treasurer continue to collaborate and clarify the Treasurer assignments, duties, and responsibilities taken to address the associated statutory responsibilities.	Completed	April-23	We were able to document the Treasurer duties and responsibilities and included this as an Exhibit to the Resolution 2023-020 approved by the BOCC on April 26, 2023.
It is recommended for the County to document the elected Treasurer’s duties and responsibilities.	Completed	April-23	See above.
It is recommended for the County to evaluate whether the compensation for the elected Treasurer is commensurate with the duties and responsibilities assigned.	Completed	May-23	This was included and finalized in a discussion during the Elected Officials Compensation Committee meeting on May 4, 2023.
It is recommended the Board of County Commissioners document appointment of investment officer(s).	Completed	April-23	In compliance with ORS 294.035, the Treasurer is designated as the Primary Investment Officer and the CFO is designated as the Secondary Investment Officer for Deschutes County. This action was included in the Board approved Resolution on April 26, 2023.
It is recommended the investment officer develop a written system of internal control over the investments covering the investment policy requirements.	Completed	July-23	This was documented via updates to the investment Policy Statement (F-10).

Recommendation	Status	Date Completed	Updated comments
It is recommended for the investment officer (in coordination with the Investment Advisory Committee) develop and utilize a simple trading document to capture their adherence to policy on investment purchases.	Completed	October-23	The Treasurer developed a sample trading document which was presented to the Investment Advisory Committee on October 12, 2023, and approved.
It is recommended the investment officer assure the annual review (of broker/dealers and investment advisers) occurs and is documented.	Completed	June-23	Required annual review of our approved Broker/Dealers was completed and documented in a memo dated June 21, 2023.

4. Appendix B: Objective, Scope, and Methodology

Objective and Scope



“Audit objectives” define the goals of the audit.

Objective:

The objective was to follow up on recommendations from the original audit.

Scope and timing:

The follow-up included seven recommendations from the internal audit report for [Treasurer Transition 2022](#) issued in March 2023. The original internal audit report should be referenced for the full text of the recommendations and associated discussion. The follow-up reflects the status as of October 2023.

Methodology

The follow-up report was developed from information provided by Bill Kuhn, County Treasurer, and Robert Tintle, Chief Financial

Officer. Follow-ups are, by nature, subjective. In determining the status of recommendations that were followed up, we relied on assertions provided by those involved and did not attempt to independently verify those assertions. The updates received were included in **Appendix A**.

Since no substantive audit work was performed, Government Auditing Standards issued by the Comptroller General of the United States were not followed.

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The Office of County Internal Audit

Completed Follow Ups

23/24-3 - Comprehensive Sheriff's Office Cash Handling (21/22-16 issued November 2022)

23/24-7 - Vacation and Sick Leave (21/22-17 issued December 2022)

23/24-9 - Elected District Attorney Transition (22/23-4 issued January 2023)

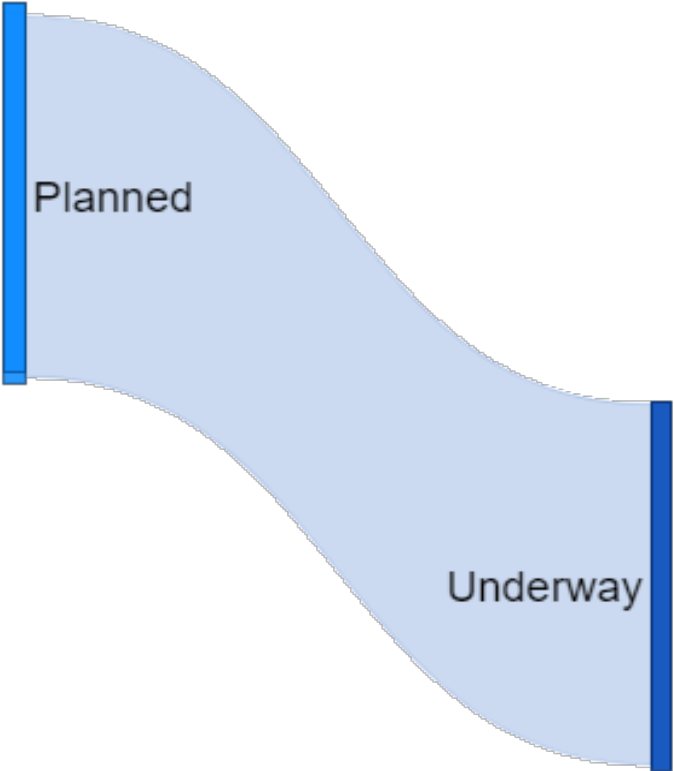
23/24-10 - 2022 Treasurer Transition (21/22-12 issued March 2023)

23/24-11- District Attorney Cash Handling (23/24-4 issued September 2023)

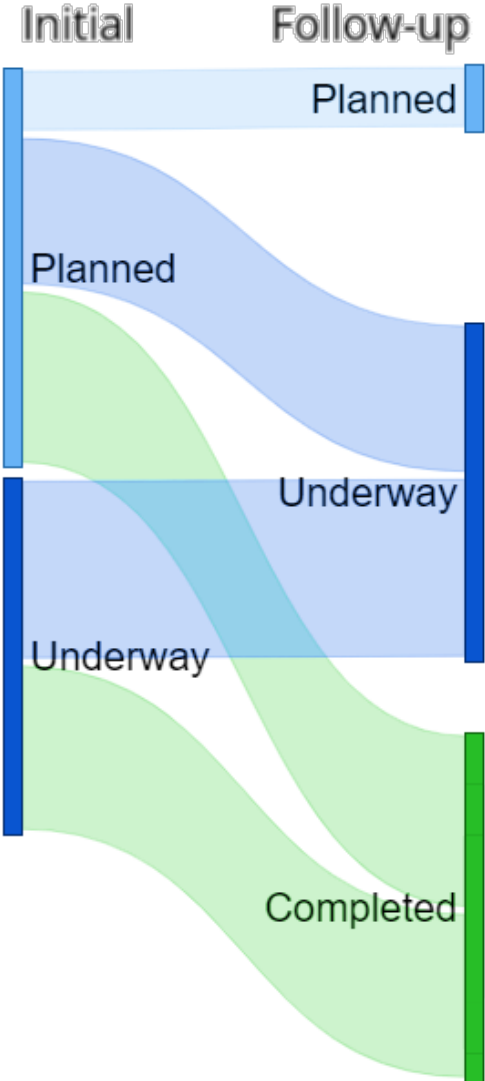


23/24-3 Sheriff's Office Cash Handling (21/22-16)

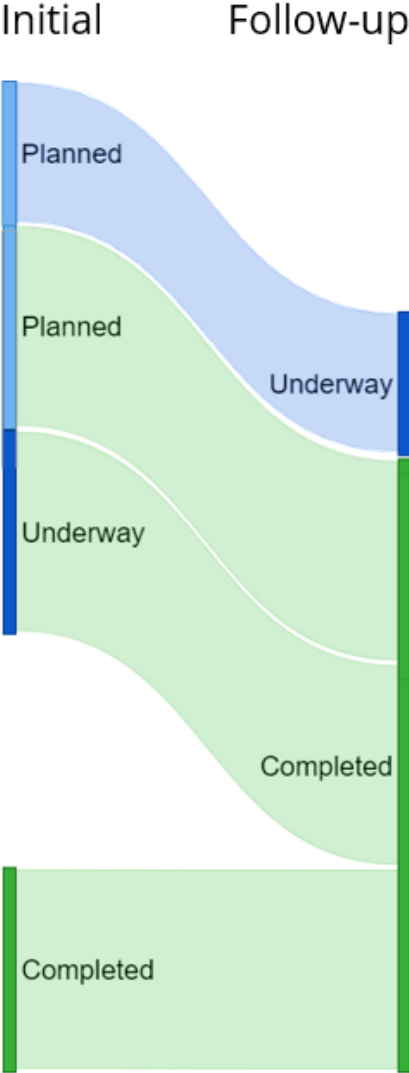
Initial Follow-up



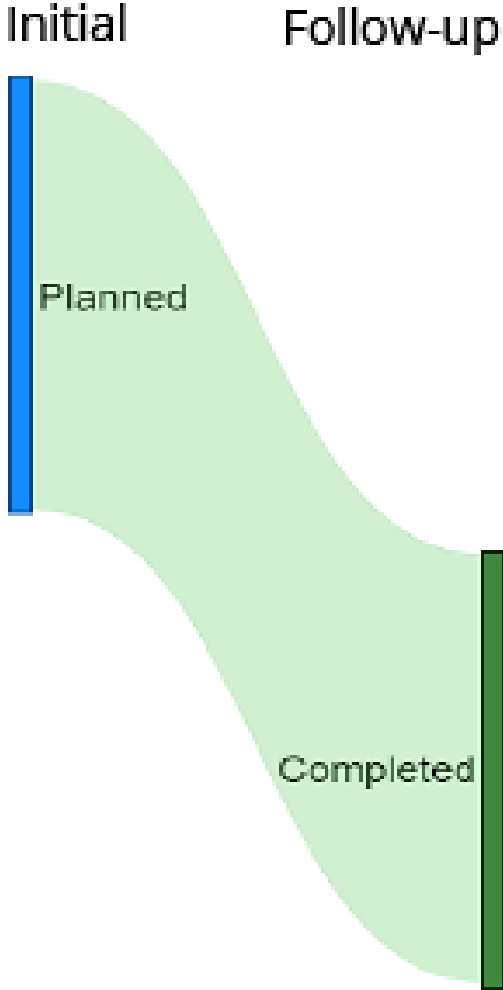
23/24-7 Vacation and Sick Leave (21/22-17)



Office of the District Attorney Combined 23/24-9 & 23/24-11



23/24-10 Treasurer Transition (21/22-12)



Questions?

Thank you





INTERNAL AUDIT STATUS REPORT August 2023 through October 2023

Highlights for the period include:

Audit work:

- Behavioral Health – Practices Improvement – report issued
- Facilities and Property Cash Handling – report issued
- District Attorney Cash Handling – report issued
- Equity of wages and benefits – in process
- Overtime and Compensatory Time – in process
- Fair and Expo Cash Handling – in process

Not-audit work: None

Follow-up work: Follow-up work included Sheriff’s Office Cash Handling, Vacation and Sick Leave, 2022 Treasurer Transition, Elected District Attorney Transition, and District Attorney Cash Handling

Administrative:

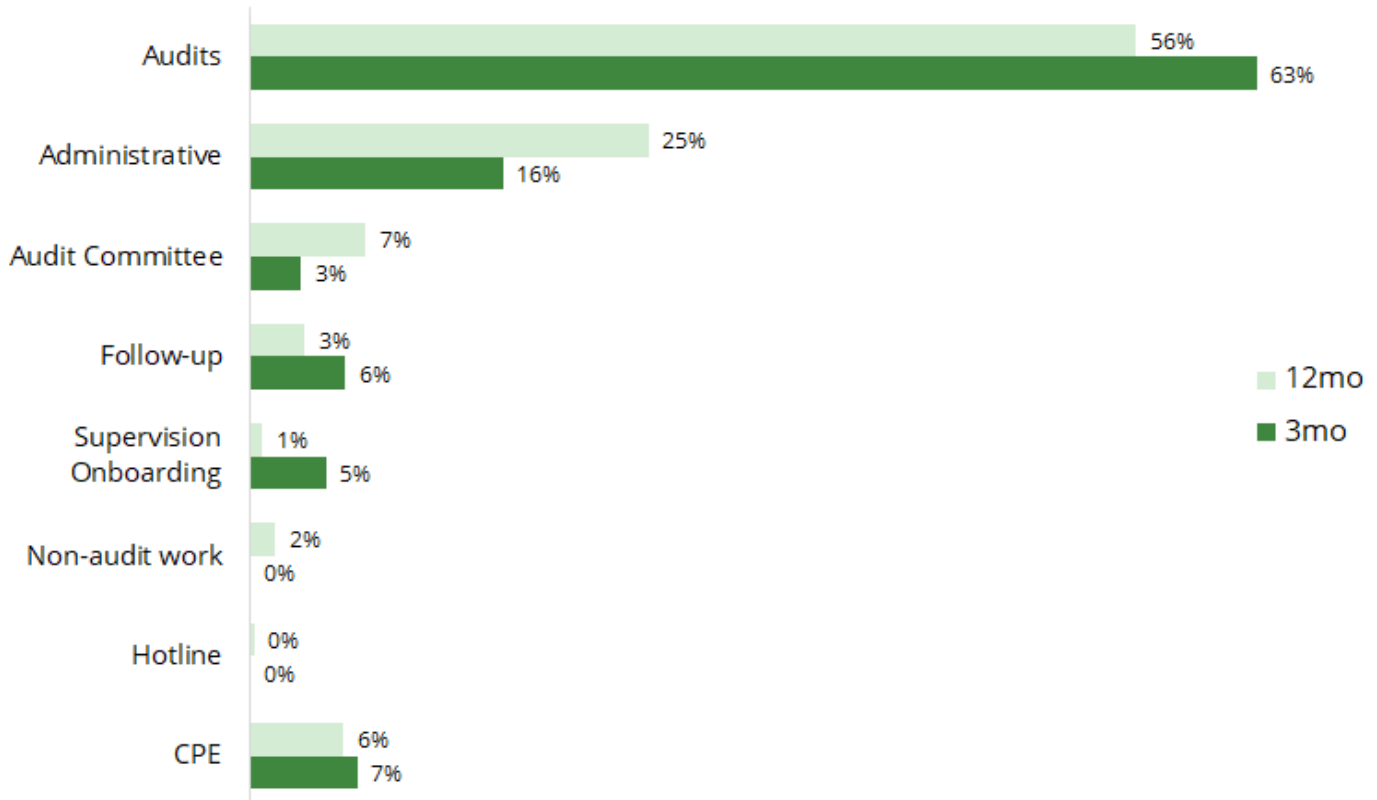
- County meetings and miscellaneous
- Internal process improvements

Supervision: minimal

CPE: Oregon Audits Summit (2-day)

Audit committee: Audit committee meeting, support, and recruitment

Hotline: minimal administration of reports



NOTE: Time management leave of 19 hours not included over the 3 months.

Item 4.



Deschutes County Audit Committee Meeting

Friday, December 8, 2023 – Noon to 3:00 PM

Deschutes County Services Bldg. –DeArmond Conference Room

Type of Meeting: Audit Committee Meeting
Facilitator: Elizabeth Pape

Committee Members

Six Public Members

- Daryl Parrish, Retired - City Manager of Covina, CA **{CHAIR}**
- Jodi Burch, CPA, Grove, Mueller & Swank, P.C.
- Joe Healy, Controller - Sunriver Owners Assoc.
- Summer Sears, Summer Sears CPA, LLC
- Stan Turel, President Columbia Pacific Tax Service LLC
- VACANT

Three County Management Members

- Patti Adair, County Commissioner
- Charles Fadeley, Justice of the Peace Justice Court
- Lee Randall, Facilities Director

{Quorum of five}

Also Invited

- Nick Lelack, County Administrator
- Erik Kropp, Deputy County Administrator
- Whitney Hale, Deputy County Administrator
- Bill Kuhn, Treasurer
- Robert Tintle, Chief Financial Officer
- Jana Cain, Controller
- Aaron Kay, Performance auditor
- Angie Powers, Administrative assistant

Guests

- Tony DeBone, Deschutes County Commissioner
- Phil Chang, Deschutes County Commissioner
- Amanda McCleary-Moore, Moss Adams
- Kevin Mullerleile, Moss Adams
- Kristie Bollinger, Property Manager
- Stephen Gunnels, District Attorney
- Jessica Chandler, Management Analyst, Office of the District Attorney

Special note: Next Meeting
March 8, 2024
{See other meeting dates below- please put on your calendar!}

Calendar – Future Audit Committee Meeting

Meetings are from Noon to 3pm. We generally meet in the Allen Room (or DeArmond Rm), at the Deschutes Services Center (County/State building). Locations may vary, so please watch for notifications. ***Please put these dates on your calendars and let me know if you have any conflicts.***

(General rule: Last month in the Quarter, second Friday of the month, noon -3pm)

- **December 8, 2023 - Friday (noon – 3pm) Hybrid**
- **March 8, 2024 – Friday (noon – 3pm) Hybrid**
- **June 14, 2024 – Friday (noon-3pm) Hybrid**
- **September 13, 2024 – Friday (noon-3pm) Hybrid**

COMMITTEE Appointments and Expiration Dates 4-6 Public; 3 County

Name	Type	Original Appt.	Appt. Expiration date
Jodi Burch	Public	10/9/19	6/30/25
Joe Healy	Public	9/7/22	6/30/24
Daryl Parrish	Public	9/7/16	6/30/24
Summer Sears	Public	10/9/19	6/30/25
Stan Turel	Public	5/22/19	6/30/24
{Open}	Public		
Patti Adair	County	1/2019	12/2023
Charles Fadeley	County	9/1/21	6/30/25
Lee Randall	County	9/1/21	6/30/24

(Committee composition 4-6 Public, 3 County) (7-9 total)

Status of Communication / Reports

Communication / Report	Status
County code review – Audit committee and County Internal Auditor	{Open for 6/2024 review} Reviewed 6/2022 – and changes performed
Audit Committee survey	{Next survey 2026} Last survey 2020
Continuing education activity	Ongoing presentations
New audit committee member orientation	Recruiting
Deeper understanding of County operations. Meetings at departments.	Information Technology Tour 9/2022 Elections discussion (9/2020)
Annual report to Board of County Commissioners	12/8/23 meeting
Reports of possible material violations of laws or alleged breaches of fiduciary duties are discovered.	None noted
County updates on changes	None noted
Significant audit issues or changes	No updates
Understanding County internal controls	Internal controls review through 9/2022
Review and ensure significant external audit recommendations are addressed.	None for FY23 Annual Comprehensive Financial Report
External audit recommended financial entries have been posted.	None for FY23 Annual Comprehensive Financial Report
Review and ensure significant Internal audit recommendations are addressed.	See ongoing follow-ups.
Reviews management representation letters.	Last done 9-2020
Assesses any independence issues with External auditors from non-audit work.	No non-audit work performed
Adjustments to financials from the external audit process are reviewed by audit committee.	None received for FY23 Annual Comprehensive Financial Report
Audit committee is consulted if management seeks a second opinion on accounting or audit matter	None in FY through 12/2023
Review of internal audit plan and budget	Budget discussion 12/2023 Bi-Annual Work plan 6/2023 (through 6/2025)

Communication / Report	Status
Process to assess effectiveness and value of internal audit.	Performance measures – Overall survey rating 91% FY23
Peer review performed (every 3 years. Internal audit reporting relationships reviewed)	{Next Peer review est. 9/2024} Peer review leader 10/2022 Peer review completed 10/2021
Establishes and manages the process for the selection, appointment, oversight, evaluation, retention and preapproval of services of the external auditors. Oversees fees.	Contract and support completed 6-2022 (contract good for 5 years before option)
Succession planning for audit committee	Board driven.
Whistleblower Hotline report (biannual?)	Next report 7/2024 First report 7/2022