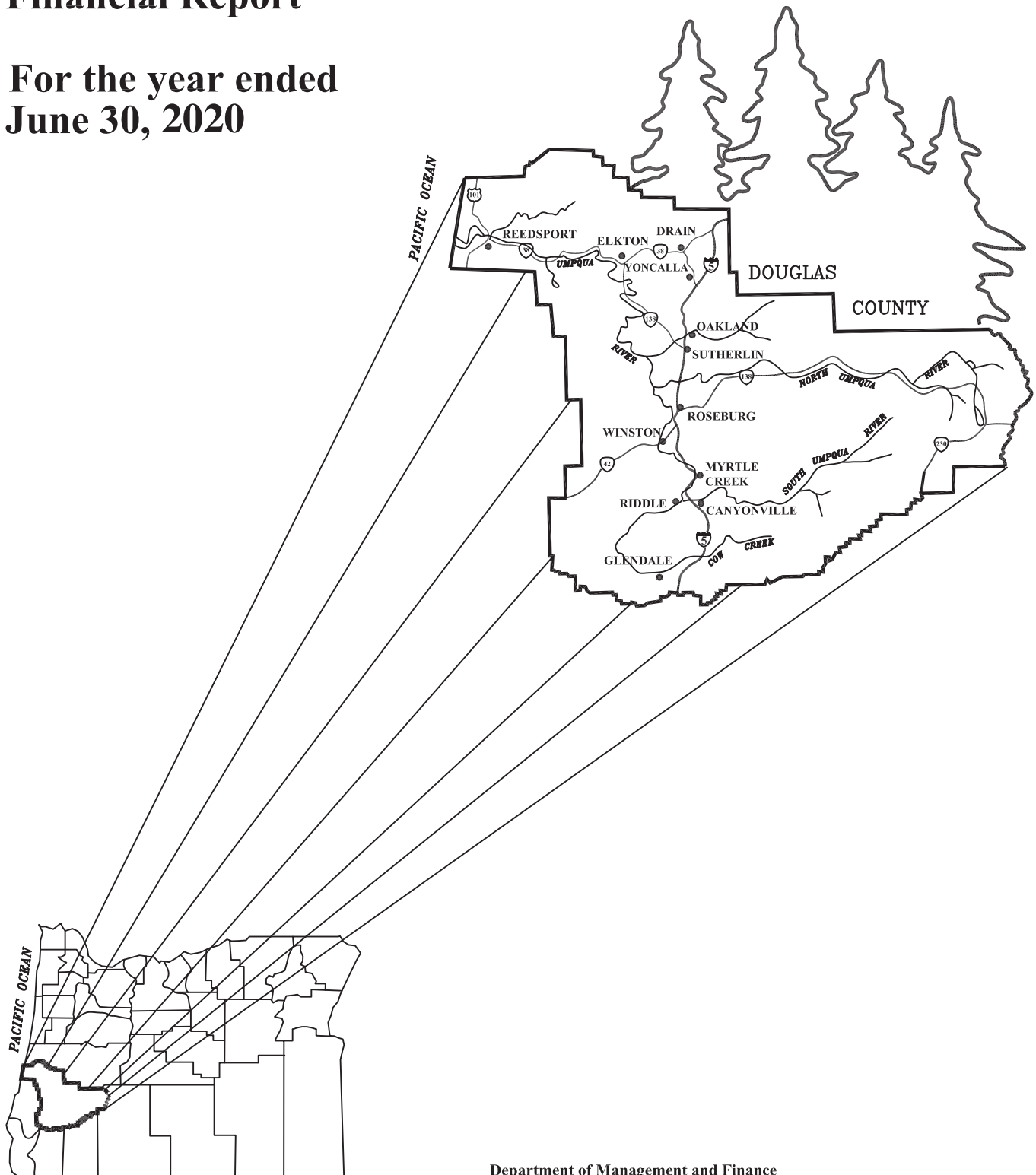


DOUGLAS COUNTY, OREGON

Comprehensive Annual Financial Report

For the year ended
June 30, 2020



DOUGLAS COUNTY, OREGON
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Year Ending June 30, 2020

DOUGLAS COUNTY, OREGON
Comprehensive Annual Financial Report

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(Disclosures and Comments Required by State Regulations)

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INTRODUCTORY SECTION



OFFICE OF MANAGEMENT AND FINANCE

County Courthouse · 1036 SE Douglas, Room 301 · Roseburg, Oregon 97470

Jessica Hansen, Chief Financial Officer

ACCOUNTS PAYABLE (541) 440-6164	PAYROLL (541) 440-4250	PURCHASING (541) 440-4247	TREASURY (541) 440-4243
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December 21, 2020

To the Board of County Commissioners and the Citizens of Douglas County:

Oregon law requires local governments to publish a complete set of financial statements presented in conformity with U.S. generally accepted accounting principles and audited in accordance with generally accepted auditing standards by a firm of certified public accountants licensed to perform audits of a municipal corporation. We are pleased to submit this Comprehensive Annual Financial Report (CAFR) of Douglas County, Oregon for the fiscal year ended June 30, 2020 in accordance with this requirement.

This report consists of management's representations concerning the finances of Douglas County, Oregon. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the county has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the presentation of the County's financial statements in conformity with generally accepted accounting principles. Because the cost of internal controls should not outweigh their benefits, the County's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute 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.

Douglas County's financial statements have been audited by Kenneth Kuhns & Co., Certified Public Accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended June 30, 2020, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. Kenneth Kuhns & Co. has concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that Douglas County's financial statements are fairly presented in conformity with generally accepted accounting principles. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the County's financial statements was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the County's internal controls and compliance with legal requirements, with special

emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the County's separately issued Single Audit Report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview and analysis of the basic financial statements. MD&A compliments this letter of transmittal and should be read in conjunction with it.

Profile of the Government

The County was incorporated January 7, 1852. It extends from sea level at the Pacific Ocean to Mt. Thielsen (9,182 feet high) in the Cascade Range. The Umpqua River marks the dividing line between northern and southern Oregon, and its entire watershed lies within the County's boundaries. Douglas County contains the largest stand of old growth timber in the world. It has a land area of 5,071 square miles. The County is empowered to levy a property tax on both real and personal property.

The County operates under a three member Board of Commissioners. The Board is responsible for passing ordinances and resolutions, adopting the budget, appointing committees, and overseeing the day-to-day operations of the government. Board members serve four-year terms with all three members' terms expiring simultaneously.

The financial reporting entity, Douglas County, includes all funds of Douglas County, as well as one component unit. A component unit is a legally separate entity for which Douglas County is financially accountable. The County provides a full range of services, including sheriff's patrol and correction services; prosecution of criminals; justice courts; juvenile services; emergency management; construction and maintenance of roads, highways, bridges and other infrastructure; property assessment; tax collection; public health, senior and veteran services; land use planning; election services; records maintenance; solid waste disposal; and park maintenance.

The annual budget serves as the foundation for the County's financial planning and control. The County adheres to Oregon Local Budget Law in the preparation, adoption and execution of the budget. The Board of Commissioners appoints a County Budget Officer to oversee the annual budget process. Requests submitted by County departments to the Budget Officer are used as the starting point for developing a proposed budget. The Budget Officer then presents the proposed budget to the County's Budget Committee for review and approval sometime in May or June. After approval by the Budget Committee, the Board of Commissioners is required to hold a public hearing on the approved budget and adopt a final budget by no later than June 30, the close of the preceding fiscal year. The County Board of Commissioners adopts the budget by department for those funds having more than one department and by major expenditure classification for those funds with only one department. The expenditure appropriations lapse at the end of the fiscal year. Additional resources and corresponding appropriations may be added to the budget during the fiscal year through a supplemental budget process. Original and supplemental budgets may be modified during the fiscal year by the use of appropriation transfers between categories. The Board of Commissioners must approve any supplemental budget and any appropriation transfer in a public meeting. Budget to actual comparisons are provided in this report for each individual fund for which an appropriated annual budget has been adopted.

Local economy

For years, Douglas County's economic base relied heavily on the lumber and wood products industry. This is not surprising when you consider that slightly over half of the County's land is owned by the federal government and is managed by the Bureau of Land Management and the Federal Forest Service.

With the decline of the wood products industry, Douglas County continues its efforts to attract new industry to establish more diversity in the local economy. County population has grown about 4% since 2011. For the most part, the growth has been from the migration of retirement age people from other areas of the country. Douglas County's unemployment rate for June 2020 was 5.3%. This is slightly higher than both the state rate of 4.1% and the national rate of 3.7%.

Financial Outlook

Because of a slow local economy and the continued uncertainty of federal funding, Douglas County continues to focus on the maintenance of services. In 1992, environmental concerns brought timber sales to a near standstill. In 1993, temporary federal legislation was enacted to compensate counties and schools affected by decreased timber harvesting as a direct result of federal protection of the spotted owl. In 2000, Congress enacted the "Secure Rural Schools and Community Self-determination Act" that replaced lost revenues to all communities affected by declining timber revenues. A modified version of this legislation was passed in 2008. This legislation provided funding but at a progressively reduced level each year. Over the last few years, legislation to reauthorize these payments to timber dependent communities has been intermittent with reauthorizations reflecting a reduction in funding from the previous year. In December, 2019 a two-year reauthorization was passed, with an estimated 5% reduction from the previous year, providing funding assistance for fiscal 2020 and 2021. When the Act expires, Douglas County will once again receive timber receipts, but considerably less than previous receipts. Douglas County was part of a lawsuit involving the Association of O&C Counties and recently received a favorable court opinion relating to the 2016 BLM resource management plan. The County is hopeful that this ruling will lead to increased timber harvest revenues on federal lands.

Long-term financial planning

Federal funding through the Secure Rural Schools and Community Self-determination Act had accounted for a significant portion of the County's operating revenues in prior years. The expiration of these payments along with the substantially reduced timber harvesting creates a major challenge for the County. The Board of Commissioners continues to work with elected officials to find solutions. During previous years, in anticipation of the potential loss of revenues, the Board worked to build fund balances in the General Fund and the Public Works Fund. In order to maintain levels of service during the current year, the County was required to use a portion of these fund balances. The Board continues to work with County departments and citizens to develop options regarding revenue replacement and/or reductions in services in future years until expenditures balance current revenues.

It is unclear what the long-term impacts of the coronavirus will have on County resources. The Board has prioritized funding for the COVID-19 response. Even though the County received Coronavirus Relief Funding the funding will soon be fully exhausted and the grant is set to expire on December 30th. There is no anticipated timeline to conclude the County's response and the impacts may be long-lasting.

Relevant Financial Policies

The County has practiced financial and budget policies to support the County's strategic goals, ensure stability in service delivery and promote the efficient use of public funds through adopted purchasing policies. Douglas County's policy to minimize the use of General Fund fund balance is widely practiced throughout the County and considered whenever decisions are made to expend funds. Every public dollar is further preserved by seeking and utilizing grant funded projects. Unanticipated grants and funding streams are initiated each year to conserve limited unreserved dollars.

Major Initiatives

Each year during the budget process the County makes calculated decisions to prioritize important and mandated services. Beginning in fiscal year 2020, property taxes are deposited into the General Fund instead of the Public Safety Fund. There was no material impact to public safety with this change and the County continues to prioritize public safety but is challenged to balance this strategy with rising personnel costs.

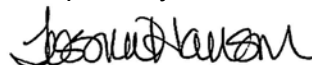
Awards and acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2019. This was the 32nd consecutive year that the County has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the services of the employees in the Finance Department. We extend our sincere appreciation to all in the department who assisted and contributed to the preparation of this report. Acknowledgment should also be given to the Board of Commissioners for their support in planning and conducting the financial operations of the County.

Respectfully Submitted,



Jessica Hansen
Chief Financial Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Douglas County
Oregon**

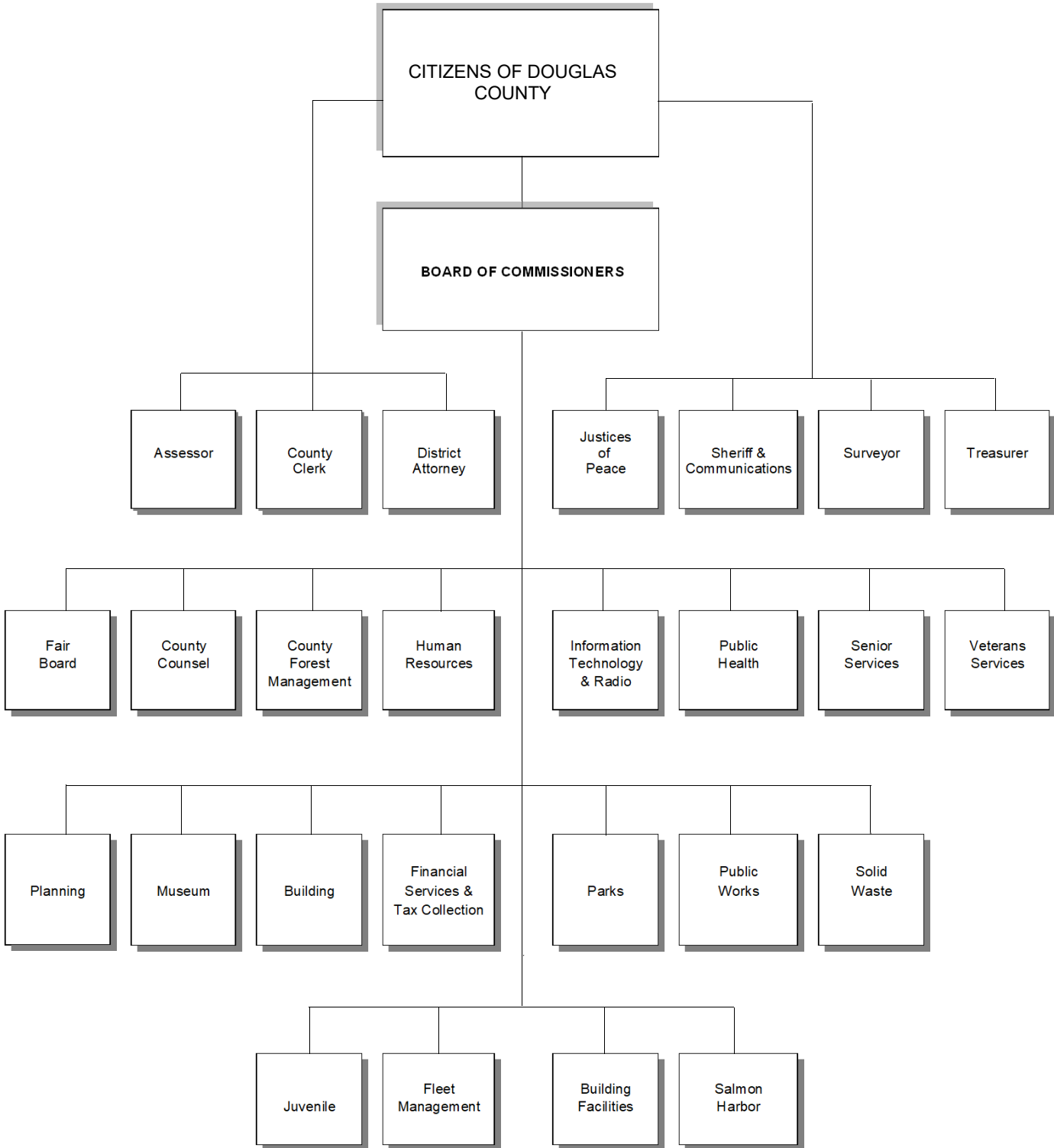
For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morill

Executive Director/CEO

DOUGLAS COUNTY, OREGON
ORGANIZATION CHART



DOUGLAS COUNTY, OREGON
LISTING OF PRINCIPAL OFFICIALS
as of June 30, 2020

BOARD OF COUNTY COMMISSIONERS
COUNTY COURTHOUSE
Roseburg, Oregon 97470

Telephone: (541) 440-4201

<u>Name</u>	<u>Term Expiration Date</u>
Chris Boice, Chair	December 31, 2022
Tom Kress	December 31, 2022
Tim Freeman	December 31, 2022

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

December 21, 2020

Board of Commissioners
Douglas County, Oregon
Roseburg, Oregon

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Douglas County, Oregon, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Douglas County, Oregon's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Douglas County, Oregon, as of June 30, 2020, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 4 through 10, the required supplementary information on pages 56 through 62 and the budgetary comparison information for the major governmental funds on pages 63 through 67 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to management's discussion and analysis and the required supplementary information on pages 56 through 62 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 management's discussion and analysis or the required supplementary information on pages 56 through 62 because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The budgetary comparison information for the major governmental funds has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Supplementary Information and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Douglas County, Oregon's basic financial statements. The other supplementary information listed in the table of contents, introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other 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 other supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Reports on Other Legal and Regulatory Requirements

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2020 on our consideration of Douglas County, Oregon's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 Douglas County, Oregon's internal control over financial reporting and compliance.

Other Reporting Required by Oregon State Regulations

In accordance with the Minimum Standards for Audits of Oregon Municipal Corporations, we have also issued our report dated December 21, 2020 on our consideration of Douglas County, Oregon's internal control over financial reporting and on our tests of its compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance.

Kenneth Kuhns & Co.

Kenneth Kuhns & Co.

Management's Discussion and Analysis

The following discussion and analysis is intended to serve as an overview of the County's financial activities for the fiscal year ended June 30, 2020. We encourage readers to consider the information presented here in conjunction with the letter of transmittal, which begins on page i, and the financial statements, which begin on page 11.

Financial Highlights

- Douglas County's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the end of the current fiscal year, by \$215,161,886 (total net position). Of this amount, \$7,064,075 (unrestricted net position) may be used to meet the County's ongoing obligations to citizens and creditors.
- The County's overall financial position decreased by \$3,710,729. This decrease is attributable to increased expenses and a decrease in program revenues and investment interest earnings.
- At the end of the current fiscal year, the unassigned fund balance for the General Fund is \$52,122,055 or 145% of total General Fund expenditures and transfers to other funds.

Overview of the Financial Statements

This discussion is intended to serve as an introduction to Douglas County's basic financial statements. The County's basic financial statements are comprised of three components:

- Government-wide financial statements
- Fund financial statements
- Notes to the financial statements

The 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 the County's finances, in a manner similar to private-sector business reporting.

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

The *Statement of Activities* presents information showing how the County's net position changed during the most recent fiscal year. Changes in net position are reported when the underlying events giving rise to the change occur, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items, for example, uncollected property taxes and earned but unused vacation leave, which will result in cash flows in future fiscal periods.

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

The 4-H Extension District, although also legally separate, functions for all practical purposes as a department of the County, and therefore has been included as an integral part of the primary government. The government-wide financial statements can be found beginning on page 11 of this report.

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. Douglas County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year.

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 the governmental funds with similar information presented for governmental activities in the government-wide financial statements. A reconciliation of the governmental funds balance sheet to the government-wide statement of net position and a reconciliation of the governmental funds statement of revenues, expenditures and changes in fund balance to the government-wide statement of activities have been included in this report.

The County maintains various individual governmental funds for GAAP (generally accepted accounting principles) basis presentation. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Public Works Fund, Public Safety Fund, and Title III Fund all of which are considered to be major governmental funds. Data from the remaining governmental funds (non-major governmental funds) are combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report. The County adopts an annual appropriated budget for all funds. A budgetary comparison schedule has been provided for each fund to demonstrate compliance with this budget. The basic governmental fund financial statements and respective reconciliations can be found beginning on page 13 of this report.

Proprietary funds. The County maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for the operation of the Salmon Harbor facility and the Solid Waste Landfill operations. The Solid Waste Landfill enterprise fund was established in a prior year to account for disposal tipping fees and associated operational expenses at the landfill and transfer site. Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for its risk management activities and fleet operations. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, but in greater detail. The enterprise fund financial statements provide information on the operation of the Salmon Harbor facility and the operation of the Solid Waste Landfill. The Solid Waste Fund is considered a major fund. The Salmon Harbor fund does not meet the size criteria to be classified as a major fund, but it is being presented as a major fund because of public interest and for consistency. The internal service funds are also combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the proprietary and internal service funds is provided in the form of combining statements and fund schedules elsewhere in this report. The basic proprietary fund financial statements can be found beginning on page 17 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are not available to support County programs. The accounting used for fiduciary funds is similar to that used for proprietary funds. The County maintains one fiduciary fund. The *Agency fund* reports resources held by the County in a custodial capacity for individuals, private organizations and other governments. The basic fiduciary fund financial statement can be found on page 20 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 21 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the County's progress in funding its obligation to provide pension benefits to its employees; postemployment healthcare benefits to retirees; and budgetary comparative schedules for the County's major funds. Required supplementary information can be found beginning on page 56 of this report.

Combining and individual fund statements and schedules for nonmajor funds can be found immediately following the required supplementary information.

Government-wide Financial Analysis

Net position, over time, may serve as a useful indicator of a government's financial position. Douglas County's assets, including capital assets net of depreciation, exceeded its liabilities by \$215,161,886 at the end of the current fiscal year.

The largest portion of the County's net position (74%) reflects its investment in capital assets. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Approximately 23% of the County's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance (3%) of unrestricted net position may be used to meet the government's ongoing obligations to citizens and creditors.

Net position decreased \$3,710,729 during fiscal year 2020. The decrease is attributable to increased expenses and a decrease in program revenues and investment interest earnings.

Douglas County's Net Position

	Governmental Activities		Business-Type Activities		Total	
	6/30/2020	6/30/2019	6/30/2020	6/30/2019	6/30/2020	6/30/2019
Current and other assets	\$163,906,044	\$162,493,348	\$11,644,054	\$10,663,393	\$175,550,098	\$173,156,741
Capital assets	148,343,195	141,649,061	11,353,839	8,991,450	159,697,034	150,640,511
Total assets	312,249,239	304,142,409	22,997,893	19,654,843	335,247,132	323,797,252
Deferred outflows of resources	23,434,262	35,345,169	1,441,539	1,969,709	\$24,875,801	\$37,314,878
Noncurrent liabilities	102,707,012	96,250,134	21,067,270	17,458,775	123,774,282	113,708,909
Other liabilities	13,202,062	13,615,319	1,970,476	256,858	15,172,538	13,872,177
Total liabilities	115,909,074	109,865,453	23,037,746	17,715,633	138,946,820	127,581,086
Deferred inflows of resources	5,719,847	15,966,784	294,380	797,086	\$6,014,227	\$16,763,870
Net position:						
Net investment in capital assets	148,343,195	141,649,061	11,353,839	8,991,450	159,697,034	150,640,511
Restricted	48,400,777	54,524,713			48,400,777	54,524,713
Unrestricted	17,310,608	17,481,567	(10,246,533)	(5,879,617)	7,064,075	11,601,950
Total net position	\$214,054,580	\$213,655,341	\$1,107,306	\$3,111,833	\$215,161,886	\$216,767,174

Douglas County's Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	6/30/2020	6/30/2019	6/30/2020	6/30/2019	6/30/2020	6/30/2019
Revenues:						
Program revenues:						
Charges, fees and fines	\$22,330,275	\$23,338,689	\$10,401,285	\$9,936,271	\$32,731,560	\$33,274,960
Operating grants and contributions	30,807,604	35,777,197	294,563	345,736	31,102,167	36,122,933
Capital grants and contributions	7,319,678	44,508			7,319,678	44,508
General revenues:						
Property taxes	11,150,616	10,605,646			11,150,616	10,605,646
Grants and contributions not restricted to specific programs	10,595,836	11,637,640			10,595,836	11,637,640
Unrestricted investment earnings	4,149,762	4,453,422	237,901	209,841	4,387,663	4,663,263
Interfund loan write-off						
Gain on sale of assets	13,985	49,104	5,422	8,514	19,407	57,618
Total revenues	<u>86,367,756</u>	<u>85,906,206</u>	<u>10,939,171</u>	<u>10,500,362</u>	<u>97,306,927</u>	<u>96,406,568</u>
Expenses:						
General government	26,280,555	23,971,953			26,280,555	23,971,953
Public safety	31,012,099	29,243,543			31,012,099	29,243,543
Highways and streets	18,594,320	19,673,887			18,594,320	19,673,887
Health and welfare	4,193,023	5,807,109			4,193,023	5,807,109
Culture and recreation	5,730,362	5,822,427			5,730,362	5,822,427
Conservation	1,207,390	1,325,607			1,207,390	1,325,607
Education	1,734,890	1,645,677			1,734,890	1,645,677
Interest on long-term debt	5,756	7,104			5,756	7,104
Boat marina/RV park			2,407,946	2,325,290	2,407,946	2,325,290
Solid Waste/Landfill			9,851,315	6,361,773	9,851,315	6,361,773
Total expenses	<u>88,758,395</u>	<u>87,497,307</u>	<u>12,259,261</u>	<u>8,687,063</u>	<u>101,017,656</u>	<u>96,184,370</u>
Increase (decrease) in net position before transfers	(2,390,639)	(1,591,101)	(1,320,090)	1,813,299	(3,710,729)	222,198
Transfers	684,437	550,000	(684,437)	(550,000)		
Increase (decrease) in net position	(1,706,202)	(1,041,101)	(2,004,527)	1,263,299	(3,710,729)	222,198
Prior period adjustment	2,105,441				2,105,441	
Net position - July 1 as restated	<u>215,760,782</u>	<u>214,696,442</u>	<u>3,111,833</u>	<u>1,848,534</u>	<u>218,872,615</u>	<u>216,544,976</u>
Net position - June 30	<u>\$214,054,580</u>	<u>\$213,655,341</u>	<u>\$1,107,306</u>	<u>\$3,111,833</u>	<u>\$215,161,886</u>	<u>\$216,767,174</u>

Governmental activities. Governmental activities decreased net position by \$1,706,202. The primary contributing factor to this decrease was increased expenses, decreased federal funding, depreciation expense on capital assets, changes in the net pension liability and related outflows and inflows of resources.

Business-type activities. Business-type activities decreased net position by \$2,004,527 as a result of increased expenses, depreciation expense, changes in liabilities and changes in net pension liability and related outflows and inflows of resources.

Financial Analysis of County Funds

The County uses fund accounting to ensure compliance with finance-related legal requirements.

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

At June 30, 2020, the County's governmental funds reported combined ending fund balances of \$136,071,746, an increase of less than 1% from the prior year. Of this ending balance, 36% is restricted for specific uses, 24% is committed or assigned to specific purposes, and 2% is nonspendable because it is in the form of inventories and deposits. The remaining 38% is unassigned.

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$52,122,055, while the total fund balance was \$62,844,419. The current unassigned fund balance represents 145% of the total general fund expenditures and transfers to other funds.

Eighteen percent of the General Fund revenues in fiscal 2020 came from the federal "Secure Rural Schools and Community Self-Determination Act" first passed by Congress in October, 2000. In 2019 legislation was passed reauthorizing the Act for only two years, but with each year's funding being less than the funding in the previous year. This Act replaced the timber revenues from logging on federal timber lands the County relied on as a primary source of General Fund support for many years. Environmental issues continue to keep timber harvesting very low and a return to support from timber revenues under current restrictions would not be adequate to maintain current service levels to County citizens. The Douglas County Board of County Commissioners continues to work with other elected officials to find funding solutions for Douglas County.

The Public Works Fund received approximately 38% of its revenue from State motor vehicle fees and 19% of its revenue from the "Secure Rural Schools and Community Self Determination Act" and 36% of other intergovernmental revenues in fiscal year 2020. The fund balance decreased \$4,467,956 from \$48,604,297 in fiscal year 2019 to \$44,136,341 in fiscal year 2020. Public Works revenues are restricted to use for construction, maintenance and operations on County roads. The fund balance is being used to maintain a level of service where costs of the services exceed the current revenues.

The Public Safety fund balance decreased \$1,503,505 from \$4,507,258 in fiscal year 2019 to \$3,003,753 in fiscal year 2020. The overall change results from changes in restricted or committed funding throughout various programs.

The Title III fund balance decreased \$416,784 in 2020 due to changes in deferred revenues and increased expenditures.

Proprietary funds. The County's proprietary funds provide the same type of information found in the government-wide financial statements, for its enterprise funds. The Salmon Harbor facility includes an R.V. resort, dry camping, fueling stations, docks for fishing and boat moorage. The Solid Waste/Landfill operation accounts for tipping fees and landfill and transfer site operations.

General Fund Budgetary Highlights

Actual revenues in the General Fund were higher than budgeted due to increased interest earnings, unanticipated Secure Rural Schools reauthorization, increased property taxes and specialized grant revenues.

Several departments in the General Fund show actual expenditures under budget variances larger than anticipated because of management's choices not to fill positions when they became vacant or because of other operating budgeted savings. County departments have been asked by the Board of Commissioners to find ways to work more efficiently with less and prepare for continued reductions in departmental budgets due to the decreases in federal funding. The variance between budget and actual in nondepartmental is the result of unspent pass-thru grants. Parks Services and the Juvenile Department were unable to complete budgeted capital improvements and the Assessor's office, District Attorney's office, Information Technology department and Planning department had unspent personnel services due to vacancies and personnel turnover within their respective departments.

Capital Asset and Debt Administration

Capital assets. The County's investment in capital assets for its governmental and business-type activities as of June 30, 2020 was \$159,697,034 (net of accumulated depreciation). This investment in capital assets includes land and right of way, buildings and systems, improvements, machinery and equipment, roads and bridges, park and recreational facilities. The County's net increase in capital assets was \$9,056,523.

Capital Assets at Year-End (net of depreciation)

	Governmental Activities		Business-Type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Land & right of way	\$13,901,118	\$13,901,118	\$2,220,651	\$2,220,651	\$16,121,769	\$16,121,769
Buildings & improvements	24,909,903	22,246,468	2,711,561	2,918,900	27,621,464	25,165,368
Furniture & equipment	1,259,118	999,868	113,840	69,041	1,372,958	1,068,909
Vehicles & heavy equipment	7,090,364	6,513,897	1,836,290	1,900,605	8,926,654	8,414,502
Dams	16,744,650	17,120,934			16,744,650	17,120,934
Infrastructure	78,305,170	75,657,578	1,546,486	1,804,234	79,851,656	77,461,812
Construction in progress	6,132,872	5,209,198	2,925,011	78,019	9,057,883	5,287,217
Totals	\$148,343,195	\$141,649,061	\$11,353,839	\$8,991,450	\$159,697,034	\$150,640,511

The following table reconciles the changes in capital assets:

	Governmental	Business-Type	Total
	Activities	Activities	
Beginning balance	\$141,649,061	\$8,991,450	\$150,640,511
Restatement of beginning balance	2,105,441	-	2,105,441
Additions	15,687,878	3,043,822	\$18,731,700
Reductions	(3,054,075)	(34,640)	(\$3,088,715)
Accumulated depreciation	(8,045,110)	(646,793)	(\$8,691,903)
Ending balance	\$148,343,195	\$11,353,839	\$159,697,034

Additional information on the County's capital assets can be found in note 3C beginning on page 33 of this report.

Long-term Debt. The County assists smaller government agencies with their debt service payments for industrial development within the County. At June 30, 2020, the County had \$153,000 in notes payable. This is \$45,000 less than the \$198,000 owing June 30 of the prior year.

Douglas County has no outstanding bonded debt.

Additional information on the County's long-term debt can be found in note 3F beginning on page 35 of this report.

Economic Factors and Next Year's Budgets and Rates

- For many years, the single most significant source of revenue to the County was from timber harvesting. In 1992, environmental issues brought timber sales to a near standstill. In 1995, temporary federal legislation to compensate counties and schools affected by the protection of the spotted owl was passed. In 2000, Congress enacted the "Secure Rural Schools and Community Self-Determination Act" which assisted all timber communities affected by declining harvests on federal lands. The Act was reauthorized at a progressively reduced funding level for another four years in October, 2008. Since that time, the reauthorization of these payments has been made one year at a time and always at a continuing reduced amount. In December 2019, the Act was again reauthorized for two years within the Further Consolidated Appropriations Act 2020, with a 5% reduction in prior year's funding level. The Act is expiring soon and the County Board of Commissioners continues working with the federal government in an attempt to find a permanent revenue solution.
- The County's unemployment rate for the month of June 2020 was 10.8%. While this compares favorably to the state average unemployment rate 11.3% and the national average of 11.2%, unemployment continues to rise with the uncertainty relating to the coronavirus pandemic compared to historically low numbers in 2019 5.3% in Douglas County, 4.1% in the State of Oregon and 3.7% nationally.
- During the last few years, the increasing pension cost of the Oregon Public Employees Retirement System (PERS) has had a significant impact on County personnel costs. Rates beginning July 1, 2019 increased 5.82% of payroll for Tier 1 and Tier 2 members and increased between 7.17% and 7.31% of payroll for OPSRP members. Another substantial increase is anticipated beginning July 1, 2021.
- The County has a permanent tax rate of \$1.11 per thousand of assessed valuation. This permanent tax rate was established with the passage of statewide constitutional property tax limitation measures during a time when the County was receiving sufficient timber harvest revenues to support many County services without property tax assistance. Also, as part of the statewide measures, the increase in assessed value was limited to 3% per year, or market value, whichever is lower. It would be very difficult, if not impossible, for the County to replace a significant portion of the loss of federal funding with property taxes. Currently, property taxes represent about 12% of overall County revenues and are allocated, primarily, to support public safety services.
- The change in population of the County the past year was negligible.

These are among the factors that were considered in preparing the County's budget for fiscal year 2020-21.

Requests for Information

This financial report is designed to provide a general overview of Douglas County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be directed to the Office of Management and Finance, 1036 SE Douglas Ave., Roseburg, Oregon 97470.

BASIC FINANCIAL STATEMENTS

DOUGLAS COUNTY, OREGON
STATEMENT OF NET POSITION
June 30, 2020

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	\$149,312,657	\$11,155,431	\$160,468,088
Receivables, net	11,043,321	494,162	11,537,483
Internal balances	26,766	(26,766)	\$0
Inventories	1,817,050	20,588	1,837,638
Deposits and prepaid items	1,249,741	639	1,250,380
OPEB	456,509		456,509
Capital assets (net of accumulated depreciation):			
Land and right of way	13,901,118	2,220,651	16,121,769
Buildings and improvements	24,909,903	2,711,561	27,621,464
Furniture and equipment	1,259,118	113,840	1,372,958
Vehicles and heavy equipment	7,090,364	1,836,290	8,926,654
Dams	16,744,650		16,744,650
Infrastructure	78,305,170	1,546,486	79,851,656
Construction in progress	6,132,872	2,925,011	9,057,883
Total assets	<u>312,249,239</u>	<u>22,997,893</u>	<u>335,247,132</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources related to pension	22,937,778	1,441,539	24,379,317
Deferred outflows of resources related to OPEB	496,484		496,484
LIABILITIES			
Accounts payable and other current liabilities	6,245,944	1,970,476	8,216,420
Unearned revenues	6,956,118		6,956,118
Noncurrent liabilities:			
Due within one year	1,343,560		1,343,560
Due in more than one year	101,363,452	21,067,270	122,430,722
Total liabilities	<u>115,909,074</u>	<u>23,037,746</u>	<u>138,946,820</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources related to pension	5,204,058	294,380	5,498,438
Deferred inflows of resources related to OPEB	515,789		515,789
NET POSITION			
Net Investment in capital assets	148,343,195	11,353,839	159,697,034
Restricted for:			
Highways and streets	42,299,749		42,299,749
Health and social services	15		15
Title II and III	3,435,034		3,435,034
4-H Extension Service District	351,721		351,721
Public Safety	105,309		105,309
Building and electrical purposes	1,686,396		1,686,396
Parks maintenance and improvements	5,294		5,294
District Attorney grant programs	107,955		107,955
County Clerk recordings	143,447		143,447
County fair purposes	38,308		38,308
Wolf Depredation program	8,650		8,650
Drug court grants	14,318		14,318
Surveyor corner preservation	192,577		192,577
County schools programs	12,004		12,004
Unrestricted (deficit)	17,310,608	(10,246,533)	7,064,075
Total net position	<u>\$214,054,580</u>	<u>\$1,107,306</u>	<u>\$215,161,886</u>

The accompanying notes are an integral part of this statement.

DOUGLAS COUNTY, OREGON
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2020

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue and		Total
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Changes in Net Position		
					Governmental Activities	Business-type Activities	
Primary government:							
Governmental activities:							
General government	\$26,280,555	\$12,507,481	\$3,204,962		(\$10,568,112)		(\$10,568,112)
Public safety	31,012,099	4,748,500	6,443,920	\$33,625	(19,786,054)		(19,786,054)
Highways and streets	18,594,320	184,507	14,986,790	6,365,536	2,942,513		2,942,513
Health and welfare	4,193,023	55,744	3,551,468	13,936	(571,875)		(571,875)
Culture and recreation	5,730,362	3,972,371	858,127	906,581	6,717		6,717
Conservation	1,207,390	860,718	118,464		(228,208)		(228,208)
Education	1,734,890	954	1,643,873		(90,063)		(90,063)
Interest on long-term debt	5,756				(5,756)		(5,756)
Total governmental activities	88,758,395	22,330,275	30,807,604	7,319,678	(28,300,838)	-	(28,300,838)
Business-type Activities:							
Boat marina/RV park	2,407,946	2,060,029	284,056			(\$63,861)	(63,861)
Solid waste/landfill	9,851,315	8,341,256	10,507			(1,499,552)	(1,499,552)
Total business-type activities	12,259,261	10,401,285	294,563	-	-	(1,563,413)	(1,563,413)
Total primary government	\$101,017,656	\$32,731,560	\$31,102,167	\$7,319,678	(28,300,838)	(1,563,413)	(\$29,864,251)
General revenues:							
Property taxes					11,150,616		11,150,616
Grants and contributions not restricted to specific purposes					10,595,836		10,595,836
Unrestricted investment earnings					4,149,762	237,901	4,387,663
Total general revenues					25,896,214	237,901	26,134,115
Gain on sale of assets					13,985	5,422	19,407
Transfers					684,437	(684,437)	
Change in net position					(1,706,202)	(2,004,527)	(3,710,729)
Net position - beginning					213,655,341	3,111,833	216,767,174
Prior period adjustment					2,105,441		2,105,441
Net position - beginning as restated					215,760,782	3,111,833	218,872,615
Net position - ending					\$214,054,580	\$1,107,306	\$215,161,886

The accompanying notes are an integral part of this statement.

DOUGLAS COUNTY, OREGON
BALANCE SHEET
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2020

	General Fund	Public Works Fund	Public Safety Fund	Title III Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and investments	\$60,730,296	\$43,270,428	\$2,519,097	\$9,639,034	\$20,620,008	\$136,778,863
Receivables, net	5,492,836	773,139	1,433,914		3,335,143	11,035,032
Inventories		1,529,060				1,529,060
Deposits and prepaid items	319,576	22,780	6,499		282,571	631,426
Total assets	\$66,542,708	\$45,595,407	\$3,959,510	\$9,639,034	\$24,237,722	\$149,974,381
LIABILITIES						
Accounts payable	\$709,798	\$1,249,866	\$183,281		\$1,398,409	\$3,541,354
Accrued payroll, withholdings and benefits	797,038	201,287	723,739		84,004	1,806,068
Deposits payable	7,897		19,010		3,000	29,907
Due to other government units	74,126	6,220				80,346
Unearned revenue	664,717		29,727	\$6,256,674	5,000	6,956,118
Total liabilities	2,253,576	1,457,373	955,757	6,256,674	1,490,413	12,413,793
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - special assessments		\$1,693				\$1,693
Unavailable revenue - land sales contract	\$616,666					616,666
Unavailable revenue - property taxes	828,047				\$42,436	870,483
Total deferred inflows of resources	1,444,713	1,693	-	-	42,436	1,488,842
FUND BALANCES						
Nonspendable	\$319,576	\$1,551,840	\$6,499		\$282,571	\$2,160,486
Restricted	2,211,311	42,584,501	105,309	\$3,382,360	402,048	48,685,529
Committed	2,370		2,891,945		18,811,909	21,706,224
Assigned	8,189,107				3,208,345	11,397,452
Unassigned	52,122,055					52,122,055
Total fund balances	62,844,419	44,136,341	3,003,753	3,382,360	22,704,873	136,071,746
Total liabilities, deferred inflows of resources, and fund balances	\$66,542,708	\$45,595,407	\$3,959,510	\$9,639,034	\$24,237,722	\$149,974,381

The accompanying notes are an integral part of this statement.

DOUGLAS COUNTY, OREGON
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET POSITION
June 30, 2020

Fund Balances - Governmental Funds		\$136,071,746
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
<p>Other post-employment benefits asset is not available in current period therefore is not reported in the governmental funds</p>		456,509
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds:</p>		
Land and right of way	\$13,901,118	
Buildings and improvements	43,985,686	
Furniture and equipment	14,564,349	
Vehicles and heavy equipment	16,257,935	
Dams	28,221,320	
Infrastructure	369,081,143	
Construction in progress	<u>6,125,519</u>	
	492,137,070	
Less accumulated depreciation	<u>(345,010,634)</u>	147,126,436
Deferred Outflows of Resources related to pensions		22,937,778
Deferred Outflows of Resources related to OPEB		496,484
<p>Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.</p>		
Notes payable	(153,000)	
Accrued compensated absences	(2,303,062)	
Net Pension liability	(93,355,119)	
OPEB liability	<u>(5,110,359)</u>	(100,921,540)
Deferred Inflows of Resources:		
Amounts that were not available to fund current expenditures and therefore are not reported as revenue in the governmental funds.		1,488,842
Related to pensions		(5,204,058)
Related to OPEB		(515,789)
Internal service funds are used by management to charge the costs of certain activities to individual funds. Net position of the internal service funds are reported with governmental activities.		<u>12,118,172</u>
Net Position of Governmental Activities		<u><u>\$214,054,580</u></u>

The accompanying notes are an integral part of this statement.

DOUGLAS COUNTY, OREGON
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2020

	General Fund	Public Works Fund	Public Safety Fund	Title III Fund	Other Governmental Funds	Total Governmental Funds
Revenues:						
Charges for services	\$10,974,600	\$93,783	\$1,961,059		\$1,991,082	\$15,020,524
Permits, licenses and fines	993,153	1,780	396,048			1,390,981
Intergovernmental	14,181,332	21,352,326	5,912,733	\$1,319,680	5,957,047	48,723,118
Property taxes	10,647,839				546,072	11,193,911
Assessments		8,649				8,649
Interest	1,951,689	1,243,869	37,434	196,916	479,166	3,909,074
Other	1,248,255	71,647	468,570		3,474,738	5,263,210
Total revenues	<u>39,996,868</u>	<u>22,772,054</u>	<u>8,775,844</u>	<u>1,516,596</u>	<u>12,448,105</u>	<u>85,509,467</u>
Expenditures:						
Current:						
General Government	20,109,513			1,495,101	1,275,105	22,879,719
Public Safety	3,536,487		23,480,074			27,016,561
Highways and Streets		10,129,307				10,129,307
Health and Welfare					3,985,938	3,985,938
Culture and Recreation	2,507,378				2,491,783	4,999,161
Conservation					745,205	745,205
Education					1,734,890	1,734,890
Capital outlay	2,143,232	9,702,657	217,850		2,023,943	14,087,682
Debt service:						
Principal					45,000	45,000
Interest					5,756	5,756
Total expenditures	<u>28,296,610</u>	<u>19,831,964</u>	<u>23,697,924</u>	<u>1,495,101</u>	<u>12,307,620</u>	<u>85,629,219</u>
Excess (deficiency) of revenues over (under) expenditures	<u>11,700,258</u>	<u>2,940,090</u>	<u>(14,922,080)</u>	<u>21,495</u>	<u>140,485</u>	<u>(119,752)</u>
Other financing sources (uses):						
Transfers in	1,967,905	161,232	13,418,575		1,109,891	16,657,603
Transfers out	<u>(7,702,891)</u>	<u>(7,520,000)</u>		<u>(438,279)</u>	<u>(311,996)</u>	<u>(15,973,166)</u>
Total other financing sources (uses)	<u>(5,734,986)</u>	<u>(7,358,768)</u>	<u>13,418,575</u>	<u>(438,279)</u>	<u>797,895</u>	<u>684,437</u>
Net change in fund balances	5,965,272	(4,418,678)	(1,503,505)	(416,784)	938,380	564,685
Fund balances, beginning	56,879,147	48,604,297	4,507,258	3,799,144	21,766,493	135,556,339
Change in reserve for inventories		(49,278)				(49,278)
Fund balances, ending	<u>\$62,844,419</u>	<u>\$44,136,341</u>	<u>\$3,003,753</u>	<u>\$3,382,360</u>	<u>\$22,704,873</u>	<u>\$136,071,746</u>

The accompanying notes are an integral part of this statement.

DOUGLAS COUNTY, OREGON
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2020

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

Net change in fund balances - Governmental Funds		\$564,685
<p>Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation during the year:</p>		
Acquisition of capital assets	\$12,797,451	
Less current year depreciation	<u>(8,297,413)</u>	4,500,038
<p>In the statement of activities, only the gain (loss) on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. The difference represents the book value of the capital assets sold.</p>		
		(50,225)
<p>Governmental funds reported the decrease in the Public Works inventory as a change in fund balance; however, in the statement of activities the change is included in expenses.</p>		
		(49,278)
<p>Revenues in the statement of activities that do not provide current financial resources are deferred inflows of resources in the governmental funds.</p>		
		(151,944)
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.</p>		
		(235,904)
<p>The change in the net pension liability and deferred outflows and inflows of resources related to pension does not require the use of current financial resources and is not reported in the governmental funds.</p>		
		(7,522,225)
<p>The change in the OPEB asset and deferred outflows and inflows of resources related to OPEB does not require the use of current financial resources and is not reported in the governmental funds.</p>		
		(172,236)
<p>Internal service funds are used by management to charge the costs of certain activities to individual funds. The net income (loss) of the internal service funds, along with any change in contributed capital, is reported with governmental activities.</p>		
		<u>1,410,887</u>
Change in net position - governmental activities		<u><u>(\$1,706,202)</u></u>

The accompanying notes are an integral part of this statement.

DOUGLAS COUNTY, OREGON
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2020

	Business-type Activities - Enterprise Funds			Governmental Activities Internal Service Funds
	Salmon Harbor	Solid Waste	Total	
ASSETS				
Current assets:				
Cash and investments	\$512,060	\$10,643,371	\$11,155,431	\$12,533,794
Receivables	86,820	407,342	494,162	8,289
Inventories	20,588		20,588	287,990
Deposits and prepaids	639		639	618,315
Total current assets	<u>620,107</u>	<u>11,050,713</u>	<u>11,670,820</u>	<u>13,448,388</u>
Capital assets:				
Land	921,221	1,299,430	2,220,651	
Buildings and improvements	9,391,058		9,391,058	
Furniture and equipment	99,921	409,737	509,658	211,036
Vehicles and heavy equipment	402,414	5,894,869	6,297,283	4,271,611
Infrastructure		10,655,357	10,655,357	
Work in Progress	2,875,382	49,629	2,925,011	7,353
Less accumulated depreciation	<u>(7,074,388)</u>	<u>(13,570,791)</u>	<u>(20,645,179)</u>	<u>(3,273,241)</u>
Total capital assets (net of accumulated depreciation)	<u>6,615,608</u>	<u>4,738,231</u>	<u>11,353,839</u>	<u>1,216,759</u>
Total assets	<u>7,235,715</u>	<u>15,788,944</u>	<u>23,024,659</u>	<u>14,665,147</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows of resources related to pension	<u>234,288</u>	<u>1,207,251</u>	<u>1,441,539</u>	
LIABILITIES				
Current liabilities:				
Accounts payable	1,215,323	468,385	1,683,708	191,629
Accrued payroll, withholdings and benefits	40,899	98,455	139,354	596,640
Deposit payable		6,638	6,638	
Accrued compensated absences	29,746	111,030	140,776	35,472
Accrued claims liability				600,000
Total current liabilities	<u>1,285,968</u>	<u>684,508</u>	<u>1,970,476</u>	<u>1,423,741</u>
Noncurrent liabilities:				
Accrued claims liability				1,150,000
Net Pension liability	510,843	4,913,427	5,424,270	
Landfill closure/postclosure liability		15,643,000	15,643,000	
Total liabilities	<u>1,796,811</u>	<u>21,240,935</u>	<u>23,037,746</u>	<u>2,573,741</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources related to pension	<u>20,483</u>	<u>273,897</u>	<u>294,380</u>	
NET POSITION				
Invested in capital assets	6,615,608	4,738,231	11,353,839	1,216,759
Unrestricted (deficit)	<u>(962,899)</u>	<u>(9,256,868)</u>	<u>(10,219,767)</u>	<u>10,874,647</u>
Total net position	<u>5,652,709</u>	<u>(4,518,637)</u>	<u>1,134,072</u>	<u>12,091,406</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				
	<u>(97,724)</u>	<u>70,958</u>	<u>(26,766)</u>	
Net position of business-type activities	<u>\$5,554,985</u>	<u>(\$4,447,679)</u>	<u>\$1,107,306</u>	

The accompanying notes are an integral part of this statement.

DOUGLAS COUNTY, OREGON
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
for the year ended June 30, 2020

	Business-type Activities - Enterprise Funds			Governmental Activities Internal Service Funds
	Salmon Harbor	Solid Waste	Total	
Operating revenues:				
Charges for services	\$1,854,810	\$8,142,766	\$9,997,576	\$12,918,676
Other	205,219	198,490	403,709	755,560
Total operating revenues	<u>2,060,029</u>	<u>8,341,256</u>	<u>10,401,285</u>	<u>13,674,236</u>
Operating expenses:				
Salaries and wages	661,726	1,498,187	2,159,913	461,386
Payroll taxes and benefits	423,184	1,954,240	2,377,424	292,817
Operating supplies and expenses	592,668	2,903,504	3,496,172	9,667,454
Landfill closure/postclosure		2,808,500	2,808,500	
Utilities	351,549	37,700	389,249	46,013
Administrative expenses	141,669	253,316	394,985	1,588,656
Depreciation	246,464	428,041	674,505	420,209
Total operating expenses	<u>2,417,260</u>	<u>9,883,488</u>	<u>12,300,748</u>	<u>12,476,535</u>
Operating income (loss)	<u>(357,231)</u>	<u>(1,542,232)</u>	<u>(1,899,463)</u>	<u>1,197,701</u>
Nonoperating revenues and expenses:				
Intergovernmental	284,056	10,507	294,563	
Interest income	36,797	201,104	237,901	240,688
Gain (loss) on disposal of capital assets		5,422	5,422	13,985
Total nonoperating revenues and expenses	<u>320,853</u>	<u>217,033</u>	<u>537,886</u>	<u>254,673</u>
Transfers out	<u>(156,000)</u>	<u>(528,437)</u>	<u>(684,437)</u>	
Change in net position	(192,378)	(1,853,636)	(2,046,014)	1,452,374
Total net position-beginning	<u>5,845,087</u>	<u>(2,665,001)</u>	<u>3,180,086</u>	<u>10,639,032</u>
Total net position-ending	<u><u>\$5,652,709</u></u>	<u><u>(\$4,518,637)</u></u>	<u><u>\$1,134,072</u></u>	<u><u>\$12,091,406</u></u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	<u>9,314</u>	<u>32,173</u>	<u>41,487</u>	
Change in net position of business-type activities	<u><u>(\$183,064)</u></u>	<u><u>(\$1,821,463)</u></u>	<u><u>(\$2,004,527)</u></u>	

The accompanying notes are an integral part of this statement.

DOUGLAS COUNTY, OREGON
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
for the year ended June 30, 2020

	Business-type Activities - Enterprise Funds			Governmental Activities
	Salmon Harbor	Solid Waste	Total	Internal Service Funds
Cash flows from operating activities:				
Receipts from customers	\$2,100,001	\$8,509,007	\$10,609,008	
Receipts from interfund services provided				\$13,861,868
Payments to suppliers and contractors	53,686	(3,189,615)	(3,135,929)	(11,168,041)
Payments to employees	(1,026,613)	(2,657,555)	(3,684,168)	(623,327)
Other operating receipts				23,840
Net cash provided by (used in) operating activities	<u>1,127,074</u>	<u>2,661,837</u>	<u>3,788,911</u>	<u>2,094,340</u>
Cash flows from noncapital financing activities:				
Transfer to other funds	(156,000)	(528,437)	(684,437)	
Operating grants from other governmental entities	284,056	10,507	294,563	
Net cash provided by (used in) noncapital financing activities	<u>128,056</u>	<u>(517,930)</u>	<u>(389,874)</u>	-
Cash flows from capital and related financing activities:				
Proceeds from sale of capital assets		12,350	12,350	15,270
Acquisition of capital assets	(2,810,162)	(233,660)	(3,043,822)	(560,374)
Net cash provided by (used in) capital and related financing activities	<u>(2,810,162)</u>	<u>(221,310)</u>	<u>(3,031,472)</u>	<u>(545,104)</u>
Cash flows from investing activities:				
Interest received	36,797	201,104	237,901	240,688
Net increase (decrease) in cash and cash equivalents	(1,518,235)	2,123,701	605,466	1,789,924
Cash and cash equivalents, beginning	2,030,295	8,519,670	10,549,965	10,743,870
Cash and cash equivalents, ending	<u>\$512,060</u>	<u>\$10,643,371</u>	<u>\$11,155,431</u>	<u>\$12,533,794</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	(\$357,231)	(\$1,542,232)	(\$1,899,463)	\$1,197,701
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	246,464	428,041	674,505	420,209
(Increase) decrease in:				
Accounts receivable	39,972	167,751	207,723	(5,996)
Prepaid expenses and deposits	639	534	1,173	1,996
Inventories	21,962		21,962	49,964
Interfund receivables	33,669	1,264	34,933	217,468
Deferred outflows of resources related to pension	76,015	452,155	528,170	
Increase (decrease) in:				
Accounts payable	1,215,323	468,385	1,683,708	191,629
Deposits		2,200	2,200	
Accrued payroll, withholdings and benefits	7,905	18,567	26,472	128,364
Accrued compensated absences	(3,855)	5,093	1,238	2,512
Interfund payables	(132,021)	(467,478)	(599,499)	(109,507)
Net pension liability	29,496	770,499	799,995	
Landfill closure/postclosure liability		2,808,500	2,808,500	
Deferred inflows of resources related to pension	(51,264)	(451,442)	(502,706)	
Total adjustments	<u>1,484,305</u>	<u>4,204,069</u>	<u>5,688,374</u>	<u>896,639</u>
Net cash provided by (used in) operating activities	<u>\$1,127,074</u>	<u>\$2,661,837</u>	<u>\$3,788,911</u>	<u>\$2,094,340</u>
Noncash investing, capital and financing activities:				
Book value of capital assets disposed	<u>\$0</u>	<u>\$6,928</u>	<u>\$6,928</u>	<u>\$1,285</u>

The accompanying notes are an integral part of this statement.

DOUGLAS COUNTY, OREGON
STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUND
June 30, 2020

ASSETS

Cash and investments:

Equity in pooled cash and investments	\$3,075,530
Property taxes receivable	8,311,630
Accrued interest receivable	<u>35,789</u>

Total assets	<u><u>\$11,422,949</u></u>
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LIABILITIES

Due to other governmental units	<u>\$11,422,949</u>
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Total liabilities	<u><u>\$11,422,949</u></u>
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The accompanying notes are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

DOUGLAS COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2020

1. Summary of Significant Accounting Policies

A. Reporting Entity

The County is a municipal corporation governed by a Board of Commissioners consisting of three independently elected members who serve full-time and are compensated. As required by generally accepted accounting principles, these financial statements present the County and its component unit, an entity for which the County is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations.

Component Units

The County reports the following component unit:

Blended Component Unit

The 4-H Extension Service District was approved by a vote of the people on May 20, 2008 and created by Order of the Board of Commissioners on June 11, 2008 under the provisions of ORS 451.010(1) (i). The District is governed by a Board comprised of the Douglas County Board of Commissioners. In the role of County management, the Board of Commissioners has operational responsibility for the District. The District is included in the non-major special revenue funds and, like the County, has a fiscal year ending June 30.

Complete financial statements for the 4-H Extension Service District may be obtained at the District's office located at 1134 SE Douglas Ave., Roseburg, Oregon 97470.

B. Government-wide and Fund Financial Statements

The Statement of Net Position and the Statement of Activities report information on the nonfiduciary activities of the County (the primary government) and its component unit. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. Remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

DOUGLAS COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS, continued
June 30, 2020

The County reports the following major governmental funds:

The *General Fund* accounts for all financial resources not accounted for and reported in another fund.

The *Public Works Fund* accounts for expenditures restricted under Article IX of the Constitution of the State of Oregon. Expenditures from this fund are for construction, reconstruction, improvement, repair, maintenance, and operation of roads and bridges within the County. Major revenues are motor vehicle fee apportionments from the State of Oregon and revenues under the *Secure Rural Schools and Community Self-Determination Act* that replace the former apportionment of proceeds from timber sales on federal forest lands.

The *Public Safety Fund* was established to account for many of the County's public safety programs. It includes the sheriff, communications, radio system, work crew and drug enforcement activities. Revenues consist of grants from federal and state agencies, shared revenues, fees and fines, and transfers in from other funds.

The *Title III Fund* was established to account for the funds received from the *Secure Rural Schools and Community Self-Determination Act*. Expenditures are restricted to categories listed in the Act.

The County reports the following major enterprise funds:

The *Salmon Harbor Fund* is used to account for operations at the Salmon Harbor Marina. Current operations include dry camping, boat launching and moorage, marine fueling, sewage waste dumping, and an R.V. park with resort amenities.

The *Solid Waste Fund* is used to account for disposal fees, operations of solid waste and landfill sites, establish and maintain landfill permits, engineering and monitoring costs, and landfill closure and post closure costs.

Additionally, the County reports the following fund types:

Internal service funds are used to account for general liability, auto liability, workers' compensation, unemployment and the County's motor pool activities that are charged to other departments on a cost-reimbursement basis.

Agency Fund - The County has one *Agency Fund* that is used to account for the County's collection and turnover of property taxes to all other taxing districts within the County and for miscellaneous clearing accounts held by the Treasurer.

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

The government-wide financial statements and the proprietary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*; agency funds are also reported using the *accrual basis of accounting* but have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

DOUGLAS COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS, continued
June 30, 2020

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, intergovernmental revenue, charges for services, fees and interest are susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when the County receives cash.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. The only exception is where the elimination would distort the direct costs and program revenues reported by the various functions concerned.

Amounts reported as program revenues include: charges to customers or applicants for goods, services, or privileges provided; operating grants and contributions; and capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Salmon Harbor Fund, Solid Waste Fund and the County's internal service funds are charges to customers for sales and services. Operating expenses for the enterprise fund and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The County implemented GASB (Government Accounting Standards Board) Statement No. 54 in a prior year. Under GASB No. 54, the Dog Control Fund and Law Library Fund no longer meet the definition of a special revenue fund. These funds have been combined with the General Fund for Basic Financial Statement presentation. The Dog Control Fund and Law Library Fund Budget and Actual schedules continue to be shown separately in Other Supplemental Data for Oregon budget law purposes.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, and then unrestricted resources as they are needed.

The County also implemented GASB (Governmental Accounting Standards Board) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68* in a prior year. GASB Statement No. 68 establishes standards for measuring and recognizing pension liabilities, deferred outflows

DOUGLAS COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS, continued
June 30, 2020

of resources, deferred inflows of resources, and expense/expenditures. GASB Statement No. 71 addresses an issue regarding application of the transition provisions of GASB Statement No. 68. Additional information can be found in Note 4C – Pension Plan.

The County also implemented GASB (Governmental Accounting Standards Board) Statement No. 77, *Tax Abatement Disclosures*. The County participates in a number of property tax abatement programs. All such abatement programs are authorized by Oregon revised statutes or by local resolution or ordinance. Some programs are initiated by the County and others by other local governments and state agencies. As the amount of taxes abated during the year is immaterial to the County, no additional disclosure has been made.

Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* was implemented in a previous year. Additional information can be found in Note 4D – Postemployment Healthcare Benefits. Additional information on the Retiree Health Insurance Account (RHIA), as required as part of the implementation, can be found in Note 4E.

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

1. Deposits and Investments

The County maintains a cash and investment pool that is available for use by all funds. The County reports all short-term, highly liquid money market investments and participating interest-earning investment contracts with a remaining maturity at time of purchase of three months or less at amortized cost. Investments with a remaining maturity at time of purchase of more than three months are valued at fair value.

For purposes of the statement of cash flows, cash and cash equivalents include all assets in the cash and investment management pool. The cash and investment management pool has the general characteristic of a demand deposit account for the proprietary funds in that these funds may deposit additional cash at any time and also effectively may withdraw cash at any time without prior notice or penalty.

State statutes authorize the County to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, municipal bonds, banker's acceptances, repurchase agreements, and the State Treasurer's Local Government Investment Pool (LGIP).

2. Receivables and Payables

Accounts receivable represent uncollected rents, fees and other charges. County management believes that the amount of any uncollectible accounts included in receivables is immaterial. Therefore, no provision for uncollectible accounts has been made.

Assessments and mortgage notes receivable represent uncollected amounts assessed against benefited property owners for the cost of local improvements. An allowance for uncollectible amounts is not deemed necessary because substantially all amounts, including delinquent assessments, should be recoverable through liens. Substantially all assessments are collectible in installments, including interest of 4.5% over a period of ten years. The County does not consider assessment receivables to meet the "available" criteria for revenue accrual, as installments are received more than 60 days after year-end.

DOUGLAS COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS, continued
June 30, 2020

Property taxes receivables are deemed to be substantially collectible or recoverable through foreclosure. Accordingly, no allowance for doubtful tax accounts is deemed necessary.

Property taxes are levied and become a lien on July 1. Property taxes are assessed in October and tax payments are due November 15th of the same year. Under the partial payment schedule, the first one-third of taxes is due November 15th, the second one-third on February 15th, and the remaining one-third on May 15th. A three percent discount is allowed if full payment is made by November 15th and a two percent discount is allowed if two-thirds payment is made by November 15th. Taxes become delinquent if not paid by the due date and interest accrues after each trimester at a rate of one and one-third percent per month (16% annually). Property foreclosure proceedings are initiated four years after the tax delinquency date.

3. *Inventories*

Inventories of road repair materials and supplies in the governmental fund of Public Works is valued at average cost and is shown in the balance sheet as an asset and a reservation of fund balance. Inventories of materials and supplies in the proprietary fund of Fleet Management and Salmon Harbor are valued at average cost and are recorded as expenses when consumed.

4. *Deposits and Prepaid Items*

Deposits represent amounts held by others as agents of the County that remains the property of the County and will be returned to the County. Prepaids represent regularly recurring payments made to vendors for services that reflect costs applicable to future accounting periods. Deposits are recorded as expenditures when consumed rather than when purchased. Prepaids are recognized as expenditures when used and consumed (consumption method).

5. *Capital Assets*

Capital assets are stated at either cost, estimated historical cost or acquisition value on the date donated for donated assets. Capital assets are defined by the County as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of two years. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset life are not capitalized. Upon disposal of capital assets, the historical cost, estimated historical cost or acquisition value of donated assets is removed from County asset records, and proceeds from any sales are generally recorded as revenue in the governmental fund financial statements or as a gain or loss on disposal of assets in proprietary fund and government-wide financial statements.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest costs of tax exempt debt, less interest earned on investments acquired with these proceeds, incurred during the construction phase of capital assets of business-type activities are included as part of the capitalized value of the assets constructed. No interest was capitalized in fiscal year 2020.

DOUGLAS COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS, continued
June 30, 2020

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

Sewer system	30 years
Equipment and vehicles	3-20 years
Buildings and improvements	7-50 years
Dams	75 years
Roads and bridges	30-50 years

6. *Compensated Absences*

County employees accumulate earned but unused vacation, compensatory and sick leave benefits in accordance with applicable policy, bargaining agreements and state law. Vacation leave and compensatory time is recorded in government-wide and proprietary financial statements as earned by employees. A liability and expenditure for these amounts is reported in governmental funds only if matured, for example, as a result of employee resignations and retirements. Accumulated sick leave lapses when an employee leaves County employment and upon separation from service, no monetary obligation exists.

7. *Long-term Obligations*

All County long-term obligations are included in the government-wide financial statements. Long-term obligations directly related to and expected to be paid from proprietary funds are also included in those funds.

8. *Pension Plan*

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

9. *Deferred outflows/inflows of resources*

The County implemented GASB Statement No. 65 in a prior year. Under GASB No. 65 certain items previously reported as assets or liabilities are now reported as deferred outflows/inflows of resources.

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

DOUGLAS COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS, continued
June 30, 2020

Similarly, in addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County reports special assessments, property taxes and land sales contracts as *unavailable revenues* in the governmental funds balance sheet.

10. *Net Position Flow Assumption*

Sometimes the County will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide 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.

11. *Fund Balance Flow Assumptions*

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

12. *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).

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

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 Commissioners has by Board order authorized the chief financial officer to assign the fund balance. The Board may also assign a fund balance as it does when appropriating a fund balance to cover a gap between estimated revenue and appropriations in the subsequent year’s appropriated budget. Unlike commitments, assignments generally only exist temporarily. Normally, an additional action does not have to be taken to remove an assignment.

DOUGLAS COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS, continued
June 30, 2020

13. *Use of Estimates*

The preparation of basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. Stewardship, Compliance, and Accountability

A. Budgetary Information

Except for certain fiduciary funds, state law requires the County to budget all funds. State law further requires that total resources in each fund equal total expenditures and requirements for that fund. Appropriations in all budgeted funds lapse at the end of the fiscal year.

During the month of March each year, all departments of the County submit requests for appropriations to the Budget Officer so that a budget can be prepared. In May, proposed budgets are presented to the County Budget Committee for approval. The County Board of Commissioners holds public hearings and a final budget is adopted no later than June 30.

The County prepares its annual budget on a detailed line item basis for management purposes, and adopts and appropriates the budget for legal control by organizational unit (department) or by expenditure type (personnel services, materials and services, capital outlay, other and transfers) where organizational units are not applicable. The level of control for General, Public Works, Public Safety, Dog Control, Health and Social Services, and Water Resource Development funds is by organizational unit. All other funds are controlled by expenditure type. Under State law, the appropriation levels become the legal spending control levels for County operations. Budgets can be modified during the fiscal year through different means. Management may make line item changes at any time within appropriation categories without formal action. Transfers of appropriations between organizational units, expenditure types or funds require the approval of the Board of Commissioners.

State law requires a supplemental budget to increase appropriations when unexpected additional resources become available. The Board approved one supplemental budget and one emergency budget adjustment during the year that provided spending authority for additional resources not anticipated at the time the original budget was adopted.

Encumbrance accounting, under which purchase orders, contracts and other commitments for expenditure of monies are recorded to restrict a portion of the appropriation, is employed for administrative control purposes in all funds except for Fiduciary Funds. Encumbrances at year-end do not constitute expenditures or liabilities because the commitments will be re-appropriated and honored during the subsequent year. Note 4B identifies encumbrances outstanding at June 30, 2020.

DOUGLAS COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS, continued
June 30, 2020

3. Detailed Notes on all Funds

A. Cash and Investments

The County's cash and investments are comprised of the following at June 30, 2020:

Cash on hand	\$738,203
Deposits with financial institutions	4,155,746
Investments	<u>158,649,669</u>
Total cash and investments	163,543,618
Less cash and investments in agency fund	<u>(3,075,530)</u>
Cash and investments, as reported on the Statement of Net Position	<u><u>\$160,468,088</u></u>

Deposits

Deposits with financial institutions are bank demand deposits. Total bank balances, as shown on bank records at June 30, 2020 are \$4,741,389. Insurance and collateral requirements for deposits are established by banking regulations and Oregon law. Of these deposits, \$1,537,880 was covered by federal depository insurance (FDIC), and \$3,203,509 by collateral held in a shared liability pool made up of all public funds depositories in Oregon.

The Oregon State Treasurer is responsible for monitoring public funds held by bank depositories in excess of FDIC insured amounts, and for assuring that public funds on deposit are collateralized against custodial credit risk to the extent required by Oregon Revised Statutes (ORS) 295. Custodial credit risk on deposits is the risk that in the event of bank failure, the County's deposits may not be returned. The amount of collateral is set by the Public Funds Collateralization Program (PFCP), a multiple financial institution collateral pool created by the Office of the State Treasurer. The amount of collateral set by the PFCP is between 10% and 110% of each bank's public fund deposits based on their net worth and level of capitalization. Although the PFCP creates a shared liability structure for participating bank depositories, it does not guarantee that all funds are 100% protected.

DOUGLAS COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS, continued
June 30, 2020

Investments

State statutes authorize the County to invest in general obligations of the U.S. Government and its agencies, certain bonded obligations of Oregon municipalities, bank repurchase agreements, bankers' acceptances, commercial paper, and the Oregon Local Government Investment Pool, among others. The County has no investment policy that would further limit its investment choices.

At June 30, 2020, the County's investments consisted of:

	Fair Value	Percent
Investment in Oregon Local Government		
Investment Pool	\$63,533,847	40.0%
U.S. Government Agency Securities	31,826,671	20.1%
Municipal Securities	12,237,958	7.7%
Corporate Bonds	51,051,193	32.2%
Total investments	\$158,649,669	100.0%

The fair value was measured at the end of the reporting period, June 30, 2020.

The Oregon Local Government Investment Pool is an open-ended, no-load diversified portfolio pool. Participants' account balances in the pool are determined by the amount of participants' deposits, adjusted for withdrawals and distributed interest. Interest is calculated and accrued daily on each participant's account based on the ending account balance and a variable interest rate determined periodically by the Oregon Short-Term Fund.

The Oregon Local Government Investment Pool is an external investment pool which is part of the Oregon Short-Term fund. Investment policies are governed by the Oregon Revised Statutes and the Oregon Investment Council (Council). The State Treasurer is the investment officer for the Council. Investments are further governed by portfolio guidelines issued by the Oregon Short-Term Fund Board. The Oregon Short-Term Fund does not receive credit quality ratings from nationally recognized statistical rating organizations.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Oregon Short-Term Fund manages this risk by limiting the maturity of the investments held by the fund. Weighted average maturities of investments in the Oregon Short-Term Fund at June 30, 2020 were: 59% mature within 93 days, 18% mature from 94 days to one year, and 23% mature from one to three years.

DOUGLAS COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS, continued
June 30, 2020

As of June 30, 2020, maturities for the County's other investments are as follows:

	Less than One Year	One to Five Years
U.S. Government Agency Securities:		
Federal Farm Credit Bank		\$13,523,380
Federal Home Loan Bank		6,514,858
Federal Home Loan Mortgage Corp.		8,006,318
Federal National Mortgage Association	1,277,204	
Private Export Funding Corp.	1,006,195	
Treasury Strips	1,498,716	
Municipal Securities	3,320,304	8,917,654
Corporate Debt	18,243,309	32,807,884
Total	\$25,345,728	\$69,770,094

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. The County's U.S. Government Agency securities investments are rated AA+ by Standard and Poor's and Aaa by Moody's. The County's corporate debt investments are rated AA- by Standard and Poor's and Aa3 by Moody's. The municipal securities investments are rated Aa1 by Moody's and/or AA+ by Standard and Poor's.

DOUGLAS COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS, continued
June 30, 2020

B. Receivables, net

Receivables at June 30, 2020, including the applicable allowance for uncollectible accounts, are as follows:

<u>Receivables</u>	Governmental Funds				
	General	Public Works	Public Safety	Nonmajor governmental funds	Total Gov't Funds
Property Taxes	890,601			\$45,484	\$936,085
Assessments		\$1,693			\$1,693
Accounts	\$3,211,911	742,575	1,433,914	2,175,330	7,563,730
Notes and Contracts	884,227			1,259,499	2,143,726
Interest	506,097	28,871		256,330	791,298
Gross Receivables	5,492,836	773,139	1,433,914	3,736,643	11,436,532
Less: Allowance for Uncollectibles				(401,500)	(401,500)
Net Receivables, end of year	<u>\$5,492,836</u>	<u>\$773,139</u>	<u>\$1,433,914</u>	<u>\$3,335,143</u>	<u>\$11,035,032</u>

<u>Receivables (continued)</u>	Internal Service Funds	Enterprise Funds	Fiduciary Fund	Total
Property Taxes			\$8,311,630	\$9,247,715
Assessments				1,693
Accounts	\$8,289	\$494,162		8,066,181
Notes and Contracts				2,143,726
Interest			\$35,789	827,087
Gross Receivables	8,289	494,162	8,347,419	20,286,402
Less: Allowance for Uncollectibles				(401,500)
Net Receivables, end of year	<u>\$8,289</u>	<u>\$494,162</u>	<u>\$8,347,419</u>	<u>\$19,884,902</u>

DOUGLAS COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS, continued
June 30, 2020

C. Capital Assets

Capital asset activity for the year ended June 30, 2020 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land and right of way	\$13,901,118			\$13,901,118
Construction in progress	7,314,639	\$1,149,631	\$2,331,398	6,132,872
Total capital assets not being depreciated	21,215,757	1,149,631	2,331,398	20,033,990
Capital assets being depreciated:				
Buildings and improvements	40,654,465	3,331,221		43,985,686
Furniture and equipment	14,314,268	602,866	141,749	14,775,385
Vehicles and heavy equipment	19,601,219	1,509,255	580,928	20,529,546
Dam structures and improvements	28,221,320			28,221,320
Infrastructure	359,986,238	9,094,905		369,081,143
Total capital assets being depreciated	462,777,510	14,538,247	722,677	476,593,080
Less accumulated depreciation for:				
Buildings and improvements	18,407,997	667,786		19,075,783
Furniture and equipment	13,314,400	343,616	141,749	13,516,267
Vehicles and heavy equipment	13,087,322	882,623	530,763	13,439,182
Dam structures and improvements	11,100,386	376,284		11,476,670
Infrastructure	284,328,660	6,447,313		290,775,973
Total accumulated depreciation	340,238,765	8,717,622	672,512	348,283,875
Total capital assets being depreciated, net	122,538,745	5,820,625	50,165	128,309,205
Governmental activities capital assets, net	\$143,754,502	\$6,970,256	\$2,381,563	\$148,343,195
Business-type activities:				
Capital assets not being depreciated:				
Land	\$2,220,651			\$2,220,651
Construction in progress	\$78,019	\$2,846,992		2,925,011
Total capital assets not being depreciated	2,298,670	2,846,992		5,145,662
Capital assets being depreciated:				
Buildings	9,391,058			9,391,058
Furniture and equipment	447,336	62,322		509,658
Vehicles and heavy equipment	6,197,415	134,508	34,640	6,297,283
Infrastructure	10,655,357			10,655,357
Total capital assets being depreciated	26,691,166	196,830	34,640	26,853,356
Less accumulated depreciation for:				
Buildings	6,472,158	207,339		6,679,497
Furniture and equipment	378,295	17,523		395,818
Vehicles and heavy equipment	4,296,810	191,895	27,712	4,460,993
Infrastructure	8,851,123	257,748		9,108,871
Total accumulated depreciation	19,998,386	674,505	27,712	20,645,179
Total capital assets being depreciated, net	6,692,780	(477,675)	6,928	6,208,177
Business-type activities capital assets, net	\$8,991,450	\$2,369,317	\$6,928	\$11,353,839

DOUGLAS COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS, continued
June 30, 2020

Depreciation expense was charged to functions/programs as follows:

Governmental activities:	
General government	\$895,144
Public safety	260,892
Highways and streets	6,780,656
Health and welfare	11,571
Culture and recreation	380,929
Conservation	388,430
Total depreciation expense - governmental activities	\$8,717,622
Business-type activities:	
Salmon Harbor	\$246,464
Solid Waste	428,041
Total depreciation expense - business-type activities	\$674,505

D. Interfund transfers

The composition of interfund balances as of June 30, 2020 is as follows:

Funds	Transfers In	Transfers Out
<u>Governmental Funds:</u>		
General Fund	\$1,967,905	\$7,702,891
Public Works Fund	161,232	7,520,000
Public Safety Fund	13,418,575	
Title III Fund		438,279
Nonmajor governmental funds	1,109,891	311,996
	16,657,603	15,973,166
<u>Proprietary Funds:</u>		
Salmon Harbor Fund		156,000
Solid Waste Fund		528,437
	-	684,437
	\$16,657,603	\$16,657,603

Transfers are used to move revenues from the fund with collection authority to the fund authorized to make the expenditure, and to move unrestricted general fund revenues to finance various programs accounted for in other funds in accordance with budgetary authorization.

DOUGLAS COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS, continued
June 30, 2020

E. Unearned Revenue

A detail of revenue that has been received but not yet earned at June 30, 2020 is as follows:

	General	Public Safety	Title III	Other Gov't Funds	Total
Unearned:					
Fees and rents	\$1,030	\$29,727			\$30,757
Grant revenues			\$6,256,674	\$5,000	6,261,674
Payment in lieu of taxes	663,687				663,687
Total unearned revenue	\$664,717	\$29,727	\$6,256,674	\$5,000	\$6,956,118

F. Long-term Liabilities

Notes Payable

Description	Maturity Date	Interest Rate	Original	Balance June 30	
			Loan	2019	2020
City of Sutherlin	Dec. 1, 2025	3.11%	\$477,000	\$198,000	\$153,000

Notes Payable to cities in Douglas County are to assist smaller government agencies in Douglas County in developing infrastructure/public improvements necessary to attract and accommodate new business to the area. Douglas County does not own nor maintain the improvements.

Annual debt service requirements to maturity for notes payable are as follows:

Year end June 30	Governmental Activities	
	Principal	Interest
2021	\$ 42,000	\$ 4,407
2022	24,000	3,384
2023	24,000	2,640
2024	21,000	1,890
2025	21,000	1,134
2026	21,000	378
	\$153,000	\$13,833

DOUGLAS COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS, continued
June 30, 2020

Changes in General Long-term Liabilities

Long-term liability activity for the year ended June 30, 2020 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<u>Governmental Activities</u>					
Notes payable	\$198,000		\$45,000	\$153,000	\$42,000
Compensated absences	2,055,118	\$2,338,534	2,055,118	2,338,534	701,560
Accrued claims	1,750,000	463,721	463,721	1,750,000	600,000
Net Pension liability	87,922,146	5,432,973		93,355,119	
OPEB liability	4,324,870	785,489		5,110,359	
Total	<u>\$96,250,134</u>	<u>\$9,020,717</u>	<u>\$2,563,839</u>	<u>\$102,707,012</u>	<u>\$1,343,560</u>

Notes payable are liabilities of the Industrial Development Fund. The County assists smaller government agencies within Douglas County with their debt service payments where the debt was created for the development of infrastructure and/or public improvements necessary to attract and accommodate business to the County. Douglas County does not receive the loan proceeds and does not own or maintain the infrastructure and/or improvements. Additions to notes payable reflect the County's agreement to assist an agency repay new debt they have incurred to encourage business development within the County.

Compensated absences are liabilities of the funds in which the related payroll costs accrued. Expenditures for liquidating compensated absences are recorded in the general, special revenue, enterprise and internal service funds. At June 30, 2020, \$35,472 of internal service funds compensated absences is included in governmental activities; \$29,746 is recorded in the business-type activity fund of Salmon Harbor and \$111,030 is recorded in the business-type activity fund of Solid Waste. The accrued claims liability is an internal service fund obligation. General fund, special revenue funds, enterprise and internal service funds have been used in prior years to liquidate pension/OPEB long-term liabilities. Note 4C explains the change in net pension liability.

G. Legal Debt Margin

The County is subject to legal limitations on the amount of debt it can issue. Since the County has no debt applicable to this limitation, it could still issue the full amount without violating such limitations, \$321,657,781.

H. Landfill Closure and Postclosure Care Cost

State and federal laws and regulations require the County to place a final cover on its Roseburg and Reedsport landfills when they stop accepting waste and to perform certain maintenance and monitoring functions at the sites for thirty years after closure. During the year, the County updated the cost estimates of the landfill closure and postclosure care costs in accordance with the State of Oregon Department of Environmental Quality requirements. The \$15,643,000 shown as landfill closure and postclosure care liability at June 30, 2020, represents a portion of the total closure

DOUGLAS COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS, continued
June 30, 2020

and postclosure cost based on the use of approximately 77 percent of estimated capacity of the Roseburg landfill and 100 percent use of estimated capacity of the Reedsport landfill. This represents an increase of \$2,808,500 from the amount of \$12,834,500, which was recorded as the landfill closure and postclosure liability at June 30, 2019. The estimated remaining life of the Roseburg landfill is approximately 14 years. The County will recognize the remaining estimated cost of closure and postclosure care of \$4,339,000 as the remaining estimated capacity of the Roseburg location is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2020. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

The landfill closure and postclosure care costs liability was moved from governmental activities in 2015 to business-type activities in 2016 with the establishment of the Solid Waste/Landfill enterprise fund.

Financial Assurance: The County is required by state and federal regulations to provide assurance of its ability to finance closure and postclosure care costs. Historically, the County demonstrated financial assurance in connection with the estimated closure and postclosure care activities of the landfills using the local government financial assurance test described in Title 40 of the Code of Federal Regulations 258.74 and Oregon Administrative Rule 340-094-0145. Beginning in fiscal year ending June 30, 2015, the County no longer met the requirements of the local government financial assurance test because it could not meet the operating deficit component for the two prior years. The Department of Environmental Quality approved an alternative financial assurance plan in December 2018 after meeting various requirements of the plan proposal. These requirements included passing an ordinance and establishing closure postclosure reserve account for the Roseburg and Reedsport landfill. As of June 30, 2019, the closure postclosure account had \$2,254,884. \$495,142 was deposited into the closure postclosure account as required by the financial assurance plan and \$50,902 of interest was earned on the amounts accumulated in the account. No withdrawals were made from the closure postclosure account in 2020. The closure postclosure account had a balance of \$2,800,928, in anticipate of future costs, as of June 30, 2020. The County also assured total closure and postclosure care costs of \$19,982,000 as of June 30, 2020.

DOUGLAS COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS, continued
June 30, 2020

I. Fund Balance Components in the Governmental Fund Financial Statements

The following schedule presents details of fund balance components at June 30, 2020:

	Major Funds				
	General Fund	Public Works Fund	Public Safety Fund	Title III Fund	Nonmajor Governmental Funds
FUND BALANCES					
Nonspendable:					
Inventories, deposits and prepays	\$319,576	\$1,551,840	\$6,499		\$282,571
Restricted for:					
Federal Secure Rural Schools Title II and Title III programs	52,674			\$3,382,360	
Law enforcement activities			105,309		
Highways, streets and bridges		42,584,501			
Health and welfare					15
District Attorney grant programs	107,955				
Building and electrical purposes	1,686,396				
County Clerk recording purposes	143,447				
Parks maintenance and improvements	5,294				
Surveyor corner preservation	192,577				
4-H extension service activities					351,721
County schools					12,004
Wolf Depredation program	8,650				
Drug court grants	14,318				
County fairs					38,308
	2,211,311	42,584,501	105,309	3,382,360	402,048
Committed to:					
Health and welfare					1,129,724
Law enforcement activities			1,800,279		
Communication services			791,389		
Radio system			300,277		
Economic development					3,127,446
Land and forest management					11,711,232
Preservation of fish habitat					11,313
Dog control - spay and neuter	2,370				
Water impound purposes					2,832,194
	2,370	-	2,891,945	-	18,811,909
Assigned to:					
FY20 budget appropriations	7,900,526				
Animal control operations	15,966				
Law Library purposes	272,615				
Capital improvement purposes					3,208,345
	8,189,107	-	-	-	3,208,345
Unassigned, reported in:					
General Fund	52,122,055				
Total	\$62,844,419	\$44,136,341	\$3,003,753	\$3,382,360	\$22,704,873

DOUGLAS COUNTY, OREGON
 NOTES TO BASIC FINANCIAL STATEMENTS, continued
 June 30, 2020

4. Other Information

A. Self-insurance and Group Insurance Program

The County is self-insured for workers' compensation claims and general liability claims, and carries commercial insurance for all other significant risks. The County has established the Employee Benefit Trust Fund (an internal service fund) to account for and finance its uninsured risks of loss. Other County funds make payments to the Employee Benefit Trust based on an estimate of the amounts needed to pay prior and current-year claims and to establish a reserve for catastrophic losses. Settlements have not exceeded coverage in any of the past three fiscal years.

Claims liabilities for general liability are based on an actuarial estimate of the ultimate cost of settling claims, including incurred but not reported (IBNR) claims. Under Oregon Law, general claims are limited to \$749,000 per claimant and \$1,498,000 aggregate per occurrence. Claims under federal jurisdiction are not subject to such limitations. The first \$1 million per occurrence is self-retained and the balance of liability coverage is purchased through a private insurance carrier. The claims paid during the year under this program were \$106,022. The estimated unpaid loss liability including IBNR at June 30, 2020, was \$1,000,000.

Coverage for workers' compensation claims in excess of \$1,000,000 per occurrence is purchased from commercial insurers. Claim liabilities are based on an actuarial estimate of the ultimate cost of settling claims, including incurred but not reported (IBNR) claims. The claims paid during the year under this program were \$357,249. Total estimated unpaid loss liability at June 30, 2020, including IBNR, is \$750,000.

The County provides a cafeteria-style health insurance program to employees. In January 2019, the County switched from a composite rated health insurance plan to a five (5) tiered plan ranging from employee only to employee plus family. Generally, the County pays 90% of medical premiums and 80% of dental premiums unless otherwise described in a collective bargaining agreement. Benefits include medical, dental, vision, life insurance and long term disability insurance. Employees may also choose supplemental life insurance, cancer/ICU, accidental death and dismemberment, short-term disability and deferred compensation.

Changes in the self-insurance program claims liabilities during the past two years are as follows:

Year	Beginning Balance	Claims and Changes in Estimates	Claim Payments	Ending Balance
2019-20	\$1,750,000	\$463,271	\$463,271	\$1,750,000
2018-19	\$3,350,000	(\$1,066,175)	\$533,825	\$1,750,000

DOUGLAS COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS, continued
June 30, 2020

B. Commitments and Contingencies

The County has commitments under various contracts entered into during the normal course of its operations of approximately \$8,699,033 at June 30, 2020. The approximate commitments by fund are as follows:

General Fund	\$299,375
Public Works Fund	3,469,308
Public Safety Fund	1,815,949
Health and Social Services Fund	623,761
Capital Projects Fund	657,341
Salmon Harbor Fund	1,012,210
Solid Waste Fund	427,018
All other funds	394,071
	<u>\$8,699,033</u>

Other commitments for encumbrances that lapse at year-end but are re-encumbered in the next fiscal year were not material.

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

Any amounts received or receivable from grantor agencies are subject to audit by the grantor agencies, and any adjustments may become a liability of the applicable fund. County management believes that adjustments, if any, will not materially affect the County's financial position.

C. Pension Plan

Plan Description

The County contributes to two pension plans administered by the Oregon Public Employees Retirement System (PERS). The Oregon Public Employees Retirement Fund (OPERF) applies to the County's contribution for qualifying employees who were hired before August 29, 2003, and is a cost-sharing multiple-employer defined benefit pension plan. The Oregon Public Service Retirement Plan (OPSRP) is a hybrid successor plan to the OPERF and consists of two programs: 1) The Pension Program, the defined benefit portion of the plan which applies to qualifying County employees hired on or after August 29, 2003. Benefits are calculated by a formula for members who attain normal retirement age. The formula takes into account final average salary and years of service. 2) The Individual Account Program (IAP), the defined contribution portion of the plan. Beginning January 1, 2004, all PERS member contributions go into the IAP. PERS members retain their existing PERS accounts, but any future member contributions are deposited into the member's IAP, not the member's PERS account.

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Both PERS plans provide retirement and disability benefits, postemployment healthcare benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS is administered under Oregon Revised Statute Chapter 238, which establishes the Public Employees Retirement Board as the governing body of PERS. PERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained at:

<https://www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx>

Benefits provided

1. Tier One/Tier Two Retirement Benefit ORS Chapter 238

Pension Benefits

The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (1.67 percent for general service employees and 2.0 for police and fire) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit results.

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer (age 45 for police and fire). General service employees may retire after reaching age 55 (age 50 for police and fire). Tier One general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service (age 55 with fewer than 25 years for police and fire). Tier Two members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.

Death Benefits

Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided one or more of the following conditions are met:

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

Disability Benefits

A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a

DOUGLAS COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS, continued
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job-incurred injury or illness qualifies a member (including PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 when determining the monthly benefit (age 55 for police and fire).

Benefit Changes after Retirement

Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value of equity investments.

Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes (COLA). The COLA is capped at 2.0 percent.

2. OPSRP Pension Program (OPSRP DB)

Pension Benefits

The Pension Program (ORS Chapter 238A) provides benefits to members hired on or after August 29, 2003. This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:

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

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.

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

Death Benefits

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

Disability Benefits

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

Benefit Changes after Retirement

Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes (COLA). The COLA is capped at 2.0 percent.

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3. OPSRP Individual Account Program (OPSRP IAP)

Pension Benefits

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

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

Death Benefits

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

Recordkeeping

PERS contracts with VOYA Financial to maintain IAP participant records.

Contributions

PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. This funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2017 actuarial valuation. The rates based on a percentage of payroll, first became effective July 1, 2019. Employer contributions for the year ended June 30, 2020 were \$8,276,711 excluding amounts to fund employer specific liabilities. The rates in effect for the fiscal year ended June 30, 2020 were 38.00 percent for Tier One/Tier Two General Service Members and Police and Fire Members, 27.86 percent for OPSRP Pension Program General Service Members and 32.49 percent for OPSRP Police and Fire Members. An additional 6 percent contribution is required for the OPSRP Individual Account Program.

Pension Liabilities, Pension Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources related to Pensions

At June 30, 2020, the County reported a liability of \$98,779,389 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017 rolled forward to June 30, 2019. The County's proportion of the net pension liability was based on a projection of the County's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities actuarially determined. PERS has established side accounts for employers that made lump sum payments to the plan in excess of their actuarially required contributions. Since different contribution rates are assessed to employers based on the value of the side accounts, the side account values were

DOUGLAS COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS, continued
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reflected separately in the proportionate share calculation. On June 30, 2019, the County's proportion was 0.53594001%.

For the year ended June 30, 2020, the County recognized pension expense of approximately \$8.3 million. At June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 4,038,973	\$ -
Changes in proportionate share	933,293	2,837,345
Net difference between projected and actual earnings on investments	-	2,076,284
Changes in assumptions	9,935,853	-
Changes in proportion and difference between employer contributions and proportionate share of contributions	1,194,487	584,809
County's contributions subsequent to the measurement date	8,276,711	-
	<hr/>	<hr/>
Deferred outflows/inflows at June 30, 2020	<u>\$ 24,379,317</u>	<u>\$ 5,498,438</u>

Contributions subsequent to the measurement date of \$8,276,711 reported as deferred outflows of resources will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other deferred outflows of resources totaling \$16,102,606 less deferred inflows of resources totaling \$5,498,438 related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2021	\$ 6,624,969
2022	697,877
2023	1,826,389
2024	1,391,634
2025	63,299
	<hr/>
Total	<u>\$ 10,604,168</u>

Actuarial assumptions

The employer contribution rates effective July 1, 2019, through June 30, 2021, were set using the entry age normal actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (2) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded

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 NOTES TO BASIC FINANCIAL STATEMENTS, continued
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actuarial accrued liabilities being amortized over 20 years. For the OPSRP Pension Program component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (a) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (b) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 16 years.

The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	December 31, 2017 rolled forward to June 30, 2019
Experience Study Report	2016, published July 2017
Actuarial Cost Method	Entry Age Normal
Amortization Method	Amortized as a level percentage of payroll as layered amortization bases over a closed period; Tier One/Tier Two UAL is amortized over 20 years and OPSRP pension UAL is amortized over 16 years.
Asset Valuation Method	Fair value of assets
Actuarial Assumptions:	
Inflation Rate	2.50 percent
Investment Rate of Return	7.20 percent
Discount Rate	7.20 percent
Projected Salary Increases	3.50 percent overall payroll growth
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: RP-2014 Healthy annuitant, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation.</p> <p>Active Members: RP-2014 Employees, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation.</p> <p>Disabled retirees: RP-2014 Disabled retirees, sex-distinct, generational with Unisex, Social Security Data Scale.</p>

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2016 Experience Study which reviewed experience for the four-year period ending on December 31, 2016.

Long-term expected rate of return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2017 the PERS Board reviewed long-term assumptions developed by both Milliman’s capital market assumptions team and the Oregon Investment Council’s (OIC) investment advisors. The table below shows Milliman’s assumptions for each of the asset classes

DOUGLAS COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS, continued
June 30, 2020

in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

Asset Class	Target Allocation	Compounded Annual Return (Geometric)
Core Fixed Income	8.00%	3.49%
Short-Term Bonds	8.00%	3.38%
Bank/Leveraged Loans	3.00%	5.09%
High Yield Bonds	1.00%	6.45%
Large/Mid Cap US Equities	15.75%	6.30%
Small Cap US Equities	1.31%	6.69%
Micro Cap US Equities	1.31%	6.80%
Developed Foreign Equities	13.13%	6.71%
Emerging Market Equities	4.12%	7.45%
Non-US Small Cap Equities	1.88%	7.01%
Private Equities	17.50%	7.82%
Real Estate (Property)	10.00%	5.51%
Real Estate (REITS)	2.50%	6.37%
Hedge Fund of Funds - Diversified	2.50%	4.09%
Hedge Fund - Event driven	0.63%	5.86%
Timber	1.88%	5.62%
Farmland	1.88%	6.15%
Infrastructure	3.75%	6.60%
Commodities	1.88%	3.84%
Total	100.00%	
Assumed Inflation - Mean		2.50%

Discount rate

The discount rate used to measure the total pension liability was 7.20 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.

DOUGLAS COUNTY, OREGON
 NOTES TO BASIC FINANCIAL STATEMENTS, continued
 June 30, 2020

Sensitivity of the County's Proportionate Share of the Net Pension Liability 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 7.20%, 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 (6.20%) or 1-percentage-point higher (8.20%) than the current rate:

	<u>1% Decrease (6.2%)</u>	<u>Discount Rate (7.2%)</u>	<u>1% Increase (8.2%)</u>
County's proportionate share of the net pension liability	\$ 142,826,884	\$ 98,779,389	\$ 61,917,568

Changes in Assumptions

The Public Employees Retirement Board lowered the discount rate and the assumed investment rate of return from 7.5% to 7.2% in the December 31, 2018 valuation.

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial report.

D. Postemployment Health Care Benefits

The County implemented GASB No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* in the previous year. To comply with GASB No. 75, the County must account for the total other postemployment benefits (OPEB) liability which is equal to the present value of the portion of future expected benefit payments that is considered to have been already earned by participants. There are three dates to define under this statement, the fiscal year-end, the measurement date and the actuarial valuation date. The measurement date must be no earlier than the end of the prior fiscal year, and the actuarial valuation date must be no earlier than 30 months prior to the fiscal year-end. In subsequent years, changes to the total OPEB liability due to actuarial gains or losses or due to changes in assumptions are amortized over the average expected future working lifetime of participants, with unamortized amounts treated as deferred outflows or inflows of resources.

Plan Description

Until they become eligible for Medicare, the County is required by ORS 243.303 to provide retirees continued group health insurance coverage for themselves and their qualified dependents at the same rates as active employees. Retirees must pay the entire premium in order to maintain coverage; the County does not directly contribute to the cost of premiums for retirees. However, premiums paid by retirees do not represent the full cost of providing health insurance to retirees because the County's rates are determined based on claims experience for both active employees and retirees. Since retirees typically have higher medical claims than active employees, medical coverage would be more expensive for retirees in a separately rated health plan. The additional cost of allowing retirees to purchase health insurance at a blended rate is called an implicit rate subsidy and is required to be valued under GASB No. 75. The County treats this implicit rate subsidy as single-employer, defined benefit OPEB plan administered by the County only to satisfy the accounting and financial reporting requirements of

DOUGLAS COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS, continued
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GASB No. 75. These are not stand-alone plans and there are no separately issued financial statements.

Funding Policy

Retirees pay the entire cost of premiums at blended rates. The County's only contribution is the implicit rate subsidy which continues to be financed on a pay-as-you-go basis. Contribution requirements are established and may be amended by the County's Board of Commissioners in conjunction with various collective bargaining agreements.

Employees Covered by Plan

The following employees were covered by the plan:

	General Service	Police & Fire	Total
Active Employees	269	104	373
Retirees	26	4	30
Total	295	108	403

Contributions, Funded Status and Funding Progress

As of June 30, 2020, the most recent measurement date and fiscal year-end date, the total OPEB liability was \$5,110,359, all of which is unfunded because the County has not set aside any assets to pre-fund the OPEB based on the implicit rate subsidy. The annual payroll of active employees covered by the County's healthcare plan was \$26,872,217 and the ratio of the total OPEB liability as a percentage of covered payroll was 19.02%. The changes in the postemployment health care benefits liability are as follows:

	FY2020
Total OPEB Liability - beginning	<u>\$4,324,870</u>
Service Cost	301,920
Interest	158,138
Difference between expected and actual experience	0
Change in assumptions or other input	542,565
Benefit Payments	<u>(217,134)</u>
Change in OPEB liability	<u>785,489</u>
Total OPEB Liability - ending	<u><u>\$5,110,359</u></u>

DOUGLAS COUNTY, OREGON
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For the year ended June 30, 2020, the County recognized OPEB expense of \$458,526. At June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 9,682	
Changes in assumptions	474,744	425,799
	484,426	425,799
Deferred outflows/inflows at June 30, 2020	\$ 484,426	\$ 425,799

Deferred outflows of resources totaling \$484,426 less deferred inflows of resources totaling \$425,799 related to OPEB will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2021	\$ (1,532)
2022	(1,532)
2023	(1,532)
2024	(1,532)
2025	(1,532)
Thereafter	66,287
Total	\$ 58,627

Actuarial Methods and Assumptions

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Examples include assumptions about future employment, mortality, and healthcare cost trends. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Calculations are based on the types of benefits provided at the time of the valuation and the pattern of cost-sharing between the employer and plan members to that point. Actuarial calculations reflect a long-term perspective, including techniques designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

For the July 1, 2018 actuarial valuation with a measurement date of June 30, 2020, the actuary used the Entry Age Normal actuarial cost method. Actuarial assumptions, included a discount rate of 2.25%, general inflation rate of 2.5%, projected salary increases of 3.5% per year, and a healthcare cost trend rate of 7% initially, reduced by decrements to an ultimate rate of 5% after 21 years.

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Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability calculated using the discount rate of 2.25%, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.25%) or 1-percentage-point higher (3.25%) than the current rate:

	<u>1% Decrease (1.25%)</u>	<u>Discount Rate (2.25%)</u>	<u>1% Increase (3.25%)</u>
Total OPEB liability June 30, 2020	\$ 5,549,771	\$ 5,110,359	\$ 4,701,403

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability calculated using the current healthcare cost trend rates as well as what the total OPEB liability would be if it were calculated using a rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<u>1% Decrease</u>	<u>Current Health Care Trend Rates</u>	<u>1% Increase</u>
Total OPEB liability June 30, 2020	\$ 4,420,926	\$ 5,110,359	\$ 5,942,988

E. Postemployment Health Care Benefits – Public Employees Retirement System

Plan Description

The County contributes to an OPEB plan administered by the Oregon Public Employees Retirement System (PERS). The Retiree Health Insurance Account (RHIA) is a cost-sharing multiple-employer defined benefit plan established under Oregon Revised Statute 238.420, which grants the authority to manage the plan to the Public Employees Retirement Board as the governing body of PERS. PERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained at <https://www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx>.

Benefits Provided

Eligible PERS members can receive a payment up to \$60 from RHIA toward the monthly cost of health insurance. To be eligible to receive this monthly payment toward the premium cost the member must: (1) have eight years or more of qualifying service in PERS at the time of retirement or receive a disability allowance as if the member had eight years or more creditable service in PERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in a PERS-sponsored health plan. A surviving spouse or dependent of a deceased PERS retiree who was eligible to receive the subsidy is eligible to receive the subsidy if he or she (1) is receiving a retirement benefit or allowance from PERS or (2) was insured at the time the member died and the member retired before May 1, 1991. The plan was closed to new entrants hired on or after August 29, 2003.

Contributions

PERS funding policy provides for monthly employer contributions at an actuarially determined rate. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. Employer contribution rates during the period were based on the December 31, 2017 actuarial valuation. The rates based on a

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percentage of payroll, first became effective July 1, 2019. Employer contributions for the year ended June 30, 2020 were \$9,392. The rates in effect for the fiscal year ended June 30, 2020 were 0.05 percent for Tier One/Tier Two General Service Members and Police and Fire Members, 0 percent for OPSRP Pension Program General Service Members and 0 percent for OPSRP Police and Fire Members. Employees are not required to contribute to the RHIA Program.

OPEB Assets, OPEB Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB

At June 30, 2020, the County reported an asset of \$456,509 for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2019 and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2017 rolled forward to June 30, 2019. The County's proportion of the net OPEB asset was based on a projection of the County's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating entities actuarially determined. On June 30, 2019, the County's proportion was 0.23624439%.

For the year ended June 30, 2020, the County recognized OPEB expense of (\$59,638). At June 30, 2020 the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience		\$ 60,200
Changes in proportionate share	\$ 2,666	1,139
Net difference between projected and actual earnings on investments		28,178
Changes in assumptions		473
County's contributions subsequent to the measurement date	9,392	
Deferred outflows/inflows at June 30, 2020	\$ 12,058	\$ 89,990

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Contributions subsequent to the measurement date of \$9,392 reported as deferred outflows of resources will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2021. Other deferred outflows of resources totaling \$2,666 less deferred inflows of resources of \$89,990 related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30,	Amount
2021	\$ (45,452)
2022	(39,672)
2023	(5,102)
2024	2,902
2025	-
Thereafter	-
Total	\$ (87,324)

Actuarial assumptions

The employer contribution rates effective July 1, 2019 through June 30, 2021, were set using the entry age normal actuarial cost method. This method produced an employer contribution rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (2) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 10 years.

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The total OPEB asset in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	December 31, 2017 rolled forward to June 30, 2019
Experience Study Report	2016, published July 2017
Actuarial Cost Method	Entry Age Normal
Amortization Method	Amortized as a level percentage of payroll as layered amortization bases over a closed 10-year period
Asset Valuation Method	Fair value of assets
Actuarial Assumptions:	
Inflation Rate	2.50 percent
Investment Rate of Return	7.20 percent
Discount Rate	7.20 percent
Projected Salary Increases	3.50 percent overall payroll growth
Retiree Healthcare Participation	Healthy retirees 35%, Disabled retirees 20%
Healthcare Cost Trend Rate	Not applicable
Mortality	<p>Healthy retirees and beneficiaries: RP-2014 Healthy annuitant, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation.</p> <p>Active Members: RP-2014 Employees, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation.</p> <p>Disabled retirees: RP-2014 Disabled retirees, sex-distinct, generational with Unisex, Social Security Data Scale.</p>

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2016 Experience Study which reviewed experience for the four-year period ending on December 31, 2016.

Long-term expected rate of return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2017 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

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<u>Asset Class</u>	<u>Target Allocation</u>	<u>Compounded Annual Return (Geometric)</u>
Core Fixed Income	8.00%	3.49%
Short-Term Bonds	8.00%	3.38%
Bank/Leveraged Loans	3.00%	5.09%
High Yield Bonds	1.00%	6.45%
Large/Mid Cap US Equities	15.75%	6.30%
Small Cap US Equities	1.31%	6.69%
Micro Cap US Equities	1.31%	6.80%
Developed Foreign Equities	13.13%	6.71%
Emerging Market Equities	4.12%	7.45%
Non-US Small Cap Equities	1.88%	7.01%
Private Equities	17.50%	7.82%
Real Estate (Property)	10.00%	5.51%
Real Estate (REITS)	2.50%	6.37%
Hedge Fund of Funds - Diversified	2.50%	4.09%
Hedge Fund - Event driven	0.63%	5.86%
Timber	1.88%	5.62%
Farmland	1.88%	6.15%
Infrastructure	3.75%	6.60%
Commodities	1.88%	3.84%
Total	<u>100.00%</u>	
Assumed Inflation - Mean		2.50%

Discount

The discount rate used to measure the total OPEB asset was 7.20 percent for the OPEB 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 OPEB 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 OPEB plan investments for the OPEB plan was applied to all periods of projected benefit payments to determine the total OPEB asset.

DOUGLAS COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS, continued
June 30, 2020

Sensitivity of the County's proportionate share of the net OPEB asset to changes in the discount rate and healthcare cost trend rate

The following presents the County's proportionate share of the net OPEB asset calculated using the discount rate of 7.20%, as well as what the County's proportionate share of the net OPEB asset would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20%) or 1-percentage-point higher (8.20%) than the current rate:

	<u>1% Decrease (6.2%)</u>	<u>Discount Rate (7.2%)</u>	<u>1% Increase (8.2%)</u>
County's proportionate share of the net OPEB liability (asset)	\$ (353,913)	\$ (456,509)	\$ (543,929)

Since the monthly benefit is capped at \$60, the healthcare cost trend rate has no effect on the County's proportionate share of the net OPEB asset.

Changes of assumptions

The Public Employees Retirement Board lowered the discount rate and the assumed investment rate of return from 7.5% to 7.2% in the December 31, 2018 valuation.

OPEB plan fiduciary net position

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued PERS financial report.

5. Prior Period Adjustment

Based on receiving additional information relating to an asset that was previously expensed and should have been capitalized, the County had a prior period adjustment to the beginning net position at July 1, 2019. The effect of this adjustment is as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Primary Government</u>
Net position - July 1, 2019, as previously reported	\$ 213,655,341	\$ 3,111,833	\$ 216,767,174
Prior period adjustment	2,105,441		2,105,441
Net position - July 1, 2019, as restated	<u>\$ 215,760,782</u>	<u>\$ 3,111,833</u>	<u>\$ 218,872,615</u>

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Total OPEB Liability for
Postemployment Healthcare Benefits

Schedule of Proportionate Share of the Net Pension Liability for
Public Employees Retirement System Plan

Schedule of Contributions for
Public Employees Retirement System Plan

Schedule of Proportionate Share of the OPEB Liability for
Public Employees Retirement System Plan

Schedule of Contributions for
Public Employees Retirement System Plan – OPEB

Notes to Required Supplementary Information for
Public Employees Retirement System Plan

Budget and Actual Schedules – Major Governmental Funds
General Fund
Public Works Fund
Public Safety Fund
Title III Fund

Notes to Budget and Actual Schedules - Major Governmental Funds

DOUGLAS COUNTY, OREGON
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS
POSTEMPLOYMENT HEALTHCARE BENEFITS
June 30, 2020

	Fiscal Year Ended		
	June 30, 2020	June 30, 2019	June 30, 2018
Total OPEB Liability - beginning	<u>\$ 4,324,870</u>	<u>\$ 4,609,358</u>	<u>\$ 4,389,943</u>
Service Cost	301,920	283,784	275,518
Interest	158,138	168,083	154,779
Difference between expected and actual experience		12,910	
Change in assumptions or other input	542,565	(567,733)	
Benefit Payments	<u>(217,134)</u>	<u>(181,532)</u>	<u>(210,882)</u>
Change in OPEB liability	<u>785,489</u>	<u>(284,488)</u>	<u>219,415</u>
Total OPEB Liability - ending	<u>\$ 5,110,359</u>	<u>\$ 4,324,870</u>	<u>\$ 4,609,358</u>
Total covered payroll	\$ 26,872,217	\$ 25,963,495	\$ 28,686,204
Total OPEB Liability as a percentage of covered payroll	19.02%	16.66%	16.07%

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

DOUGLAS COUNTY, OREGON
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES RETIREMENT SYSTEM PLAN
June 30, 2020

Fiscal Year Ended June 30,	(a) County's proportion of the net pension liability	(b) County's proportionate share of the net pension liability	(c) County's covered payroll	(b/c) County's proportionate share of the net pension liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2020	0.53594001%	\$ 98,779,389	\$ 28,747,203	343.61%	80.23%
2019	0.52388507%	92,546,421	28,027,338	330.20%	82.07%
2018	0.43624561%	86,717,646	28,686,204	302.30%	83.12%
2017	0.42294167%	92,780,796	28,491,190	325.65%	80.53%
2016	0.45060409%	57,832,875	28,018,362	206.41%	91.88%
2015	0.47658986%	17,430,251	27,808,531	62.68%	103.60%
2014	0.47658986%	50,620,260	33,952,570	149.09%	91.97%

The amounts presented for each fiscal year were actuarial determined at December 31 and rolled forward to the measurement date which is a date one year earlier than the fiscal year-end date above.

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

DOUGLAS COUNTY, OREGON
SCHEDULE OF CONTRIBUTIONS
PUBLIC EMPLOYEES RETIREMENT SYSTEM PLAN
June 30, 2020

Fiscal Year Ended June 30,	(a) Statutorily required contribution	(b) Contributions in relation to the statutorily required contribution	(a-b) Contribution deficiency (excess)	(c) County's covered payroll	(b/c) Contributions as a percent of covered payroll
2020	\$ 8,276,711	\$ 8,276,711	-	\$ 29,146,084	28.40%
2019	6,499,034	6,499,034	-	28,747,203	22.61%
2018	6,452,302	6,452,302	-	28,027,338	23.02%
2017	5,492,961	5,492,961	-	28,686,204	19.15%
2016	5,650,272	5,650,272	-	28,491,190	19.83%
2015	5,397,961	5,397,961	-	28,018,362	19.27%
2014	6,386,407	6,386,407	-	27,808,531	22.97%

The amounts presented for each fiscal year were actuarial determined at December 31 and rolled forward to the measurement date which is a date one year earlier than the fiscal year-end date above. However, the contributions above represent contributions made during the respective fiscal year indicated above.

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

DOUGLAS COUNTY, OREGON
SCHEDULE OF THE PROPORTIONATE SHARE OF THE OPEB LIABILITY
PUBLIC EMPLOYEES RETIREMENT SYSTEM OPEB PLAN
June 30, 2020

Fiscal Year Ended June 30,	(a) County's proportion of the net OPEB liability (asset)	(b) County's proportionate share of the net OPEB liability (asset)	(c) County's covered payroll	(b/c) County's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total OPEB liability
2020	0.23624439%	\$ (456,509)	\$ 28,747,203	-1.59%	144.38%
2019	0.24056671%	(268,538)	28,027,338	-0.96%	123.99%

The amounts presented for each fiscal year were actuarial determined at December 31 and rolled forward to the measurement date which is a date one year earlier than the fiscal year-end date above.

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

DOUGLAS COUNTY, OREGON
SCHEDULE OF CONTRIBUTIONS
PUBLIC EMPLOYEES RETIREMENT SYSTEM OPEB PLAN
June 30, 2020

Fiscal Year Ended June 30,	(a) Statutorily required contribution	(b) Contributions in relation to the statutorily required contribution	(a-b) Contribution deficiency (excess)	(c) County's covered payroll	(b/c) Contributions as a percent of covered payroll
2020	\$ 9,392	\$ 9,392	-	\$ 29,146,084	0.03%
2019	117,087	117,087	-	28,747,203	0.41%

The amounts presented for each fiscal year were actuarial determined at December 31 and rolled forward to the measurement date which is a date one year earlier than the fiscal year-end date above. However, the contributions above represent contributions made during the respective fiscal year indicated above.

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

DOUGLAS COUNTY, OREGON
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM PENSION PLAN
Year Ended June 30, 2020

Changes in Plan Provisions

Key changes in plan provisions are described in the Oregon Public Employees Retirement System's GASB 68 Disclosure Information which was published on September 18, 2013 and can be found at:

<https://www.oregon.gov/pers/EMP/Documents/GASB/2014/GASB-Disclosure-Information.pdf> and in a letter from the plan's actuary dated May 23, 2016 which can be found at:

<https://www.oregon.gov/pers/EMP/Documents/GASB/2015/Letter-From-Actuary-5-23-16.pdf>

Changes in Assumptions

Key changes in assumptions for the December 31, 2012 and 2013 valuations are described in the Oregon Public Employees Retirement System's 2012 Experience Study (Updated) which was published on September 18, 2013 and can be found at:

<https://www.oregon.gov/PERS/Documents/Financials/Actuarial/2013/Experience-Study-Updated.pdf>

Key changes in assumptions for the December 31, 2014 and 2015 valuations are described in the Oregon Public Employees Retirement System's 2014 Experience Study which was published on September 23, 2015 and can be found at:

<https://www.oregon.gov/PERS/Documents/Financials/Actuarial/2015/Experience-Study.pdf>

Key changes in assumptions for the December 31, 2018 valuation are the reduction of the discount rate and the assumed investment rate of return from 7.5% to 7.2%

DOUGLAS COUNTY, OREGON
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM OPEB PLAN
Year Ended June 30, 2020

Changes in Assumptions

Key changes in assumptions for the December 31, 2018 valuation are the reduction of the discount rate and the assumed investment rate of return from 7.5% to 7.2%

DOUGLAS COUNTY, OREGON
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
for the year ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$10,345,567	\$10,432,567	\$10,974,473	\$541,906
Permits, licenses and fines	813,125	813,125	793,547	(19,578)
Intergovernmental:				
O & C funds	4,500,000	4,500,000	7,076,896	2,576,896
All other	4,665,551	5,174,439	7,095,786	1,921,347
Property taxes	10,100,000	10,100,000	10,647,839	547,839
Interest	450,000	450,000	1,248,835	798,835
Other	1,738,523	1,738,523	1,146,910	(591,613)
Total revenues	32,612,766	33,208,654	38,984,286	5,775,632
Expenditures:				
Board of Commissioners	680,376	680,376	661,759	18,617
Justices of the Peace:				
Reedsport	193,710	193,710	181,689	12,021
Canyonville	441,532	441,532	399,046	42,486
Juvenile Department	6,379,737	6,937,167	6,451,651	485,516
County Clerk	792,167	792,167	700,175	91,992
Assessor	1,970,099	1,970,099	1,671,062	299,037
Tax Collection	508,086	508,086	379,499	128,587
Surveyor	529,162	529,162	436,322	92,840
Planning	2,003,483	2,003,483	1,882,895	120,588
County Counsel	458,772	458,772	439,476	19,296
Financial Services	1,503,845	1,617,280	1,480,856	136,424
Human Resources	805,595	874,120	854,832	19,288
Information Technology	1,421,983	1,551,045	1,357,026	194,019
Facilities	2,454,609	2,454,609	2,311,663	142,946
Parks Services	4,756,501	4,756,501	3,866,052	890,449
Nondepartmental	845,000	1,257,540	954,955	302,585
Building Department	1,644,750	1,644,750	1,478,704	166,046
District Attorney	2,317,003	2,317,003	2,087,435	229,568
Museum	401,096	431,974	413,050	18,924
Contingency account	2,000,000	1,387,448		1,387,448
Total expenditures	32,107,506	32,806,824	28,008,147	4,798,677
Excess (deficiency) of revenues over (under) expenditures	505,260	401,830	10,976,139	10,574,309
Other financing sources (uses):				
Transfers in	1,982,996	1,982,996	1,967,905	(15,091)
Transfers out	(9,993,925)	(11,810,925)	(7,832,891)	3,978,034
Additions to Notes receivable	(1,000,000)	(1,000,000)	0	1,000,000
Note receivable collections	100,000	100,000	124,310	24,310
Total other financing sources (uses)	(8,910,929)	(10,727,929)	(5,740,676)	4,987,253
Net change in fund balance	(8,405,669)	(10,326,099)	5,235,463	15,561,562
Fund balance, beginning	49,800,000	50,220,430	56,316,999	6,096,569
Fund balance, ending	\$41,394,331	\$39,894,331	\$61,552,462	\$21,658,131

Actual Expenditures by Function

General Government	Public Safety	Culture and Recreation	Capital Outlay
\$655,272			\$6,487
181,689			
399,046			
6,448,651			3,000
700,175			
1,639,413			31,649
379,499			
434,641			1,681
1,882,895			
439,476			
1,477,393			3,463
854,832			
1,328,841			28,185
2,044,272			267,391
		\$2,094,328	1,771,724
954,955			
	\$1,449,052		29,652
	2,087,435		
		413,050	
<u>\$19,821,050</u>	<u>\$3,536,487</u>	<u>\$2,507,378</u>	<u>\$2,143,232</u>

DOUGLAS COUNTY, OREGON
PUBLIC WORKS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
for the year ended June 30, 2020

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)	Actual Expenditures by Function	
	Original	Final			Highways and Streets	Capital Outlay
Revenues:						
Charges for services			\$93,783	\$93,783		
Permits, licenses and fines			1,780	1,780		
Intergovernmental:						
Federal forest receipts	\$620,000	\$620,000	4,399,484	3,779,484		
State motor vehicle fees	9,953,453	9,953,453	8,665,539	(1,287,914)		
Other	11,045,346	11,045,346	8,287,303	(2,758,043)		
Assessments	14,000	14,000	8,649	(5,351)		
Interest	528,000	528,000	924,996	396,996		
Other	35,000	35,000	71,647	36,647		
Total revenues	<u>22,195,799</u>	<u>22,195,799</u>	<u>22,453,181</u>	<u>257,382</u>		
Expenditures:						
Administration	508,003	508,003	398,108	109,895	\$398,108	
Engineering	19,427,082	19,427,082	10,489,963	8,937,119	1,507,969	\$8,981,994
Road Operations and Maintenance	12,129,487	12,129,487	8,943,893	3,185,594	8,223,230	720,663
Contingency Account	1,550,000	1,550,000		1,550,000		
Total expenditures	<u>33,614,572</u>	<u>33,614,572</u>	<u>19,831,964</u>	<u>13,782,608</u>	<u>\$10,129,307</u>	<u>\$9,702,657</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(11,418,773)</u>	<u>(11,418,773)</u>	<u>2,621,217</u>	<u>14,039,990</u>		
Other financing sources (uses):						
Transfer in	2,600,000	2,600,000	161,232	(2,438,768)		
Transfer out	(7,521,872)	(7,521,872)	(7,520,000)	1,872		
Total other financing sources (uses)	<u>(4,921,872)</u>	<u>(4,921,872)</u>	<u>(7,358,768)</u>	<u>(2,436,896)</u>		
Net change in fund balance	<u>(16,340,645)</u>	<u>(16,340,645)</u>	<u>(4,737,551)</u>	<u>11,603,094</u>		
Fund balance, beginning	<u>44,800,000</u>	<u>44,800,000</u>	<u>46,828,414</u>	<u>2,028,414</u>		
Fund balance, ending	<u>\$28,459,355</u>	<u>\$28,459,355</u>	<u>\$42,090,863</u>	<u>\$13,631,508</u>		

DOUGLAS COUNTY, OREGON
PUBLIC SAFETY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
for the year ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	Actual Expenditures by Function	
	Original	Final			Public Safety	Capital Outlay
Revenues:						
Charges for services	\$2,381,965	\$2,281,965	\$1,961,059	(\$320,906)		
Permits, licenses and fines	407,400	407,400	396,048	(11,352)		
Intergovernmental	5,592,411	5,628,808	5,912,733	283,925		
Interest	5,500	5,500	37,434	31,934		
Other	286,007	346,007	468,570	122,563		
Total revenues	8,673,283	8,669,680	8,775,844	106,164		
Expenditures:						
Sheriff Enforcement	12,053,469	12,659,866	12,284,857	375,009	\$12,093,592	\$191,265
Sheriff Corrections	7,809,959	7,909,959	7,601,891	308,068	7,582,124	19,767
Work Crew	697,739	697,739	458,221	239,518	452,721	5,500
Douglas Interagency Narcotics Team	599,564	599,564	441,983	157,581	441,983	
Communications 911 & Dispatch	2,280,890	2,310,890	2,240,796	70,094	2,240,796	
Radio System	774,853	774,853	670,176	104,677	668,858	1,318
Total expenditures	24,216,474	24,952,871	23,697,924	1,254,947	\$23,480,074	\$217,850
Excess (deficiency) of revenues over (under) expenditures	(15,543,191)	(16,283,191)	(14,922,080)	1,361,111		
Other financing sources:						
Transfers in	15,475,908	15,685,908	13,418,575	(2,267,333)		
Net change in fund balance	(67,283)	(597,283)	(1,503,505)	(906,222)		
Fund balance, beginning	870,000	1,400,000	4,507,258	3,107,258		
Fund balance, ending	\$802,717	\$802,717	\$3,003,753	\$2,201,036		

DOUGLAS COUNTY, OREGON
TITLE III FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
for the year ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$6,806,545	\$6,806,545	\$1,319,680	(\$5,486,865)
Interest	85,000	85,000	196,916	111,916
Total revenues	<u>6,891,545</u>	<u>6,891,545</u>	<u>1,516,596</u>	<u>(5,374,949)</u>
Expenditures:				
General Government:				
Materials and Services	6,366,545	6,266,545	1,495,101	4,771,444
Total expenditures	<u>6,366,545</u>	<u>6,266,545</u>	<u>1,495,101</u>	<u>4,771,444</u>
Excess (deficiency) of revenues over (under) expenditures	525,000	625,000	21,495	(603,505)
Other financing sources (uses):				
Transfers out	<u>(2,825,000)</u>	<u>(2,925,000)</u>	<u>(438,279)</u>	<u>2,486,721</u>
Net change in fund balance	(2,300,000)	(2,300,000)	(416,784)	1,883,216
Fund balance, beginning	<u>2,300,000</u>	<u>2,300,000</u>	<u>3,799,144</u>	<u>1,499,144</u>
Fund balance, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$3,382,360</u>	<u>\$3,382,360</u>

DOUGLAS COUNTY, OREGON
NOTES TO BUDGET AND ACTUAL SCHEDULES
MAJOR GOVERNMENTAL FUNDS
June 30, 2020

The County accounts for certain transactions on the budgetary basis, which differs with generally accepted accounting principles (GAAP). The following is a reconciliation of the differences between the net change in fund balances on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds on the GAAP basis and the net change in fund balances on the budgetary basis:

	General Fund	Public Works Fund
Net change in fund balances - budgetary basis	\$5,235,463	(\$4,737,551)
 The change in fair value of investments is not recorded on a budgetary basis since investments are held to maturity	 696,633	 318,873
 The change in notes receivable on a budgetary basis is not included in General Fund on the GAAP basis	 (24,310)	
 Change in fund balance for the Law Library Fund on a budgetary basis is included in General Fund on the GAAP basis	 56,167	
 Change in fund balance for the Dog Control Fund on a budgetary basis is included in General Fund on the GAAP basis	 1,319	
Net change in fund balances - GAAP basis	\$5,965,272	(\$4,418,678)

A reconciliation of the June 30, 2020 fund balances on the budgetary basis to ending fund balances on the GAAP basis is as follows:

	General Fund	Public Works Fund
Fund balances, budgetary basis, June 30, 2020	\$61,552,462	\$42,090,863
 Inventories treated as expenditures on budgetary basis		 1,529,060
 Investments adjusted to fair value	 724,795	 516,418
 Notes receivable additions are treated as expenditures on budgetary basis	 267,561	
 Fund balance for the Law Library Fund on a budgetary basis is included in General Fund on the GAAP basis	 272,615	
 Fund balance for the Dog Control Fund on a budgetary basis is included in General Fund on the GAAP basis	 26,986	
Fund balances, GAAP basis, June 30, 2020	\$62,844,419	\$44,136,341

OTHER
SUPPLEMENTARY INFORMATION

(Combining and Individual Fund
Statements and Schedules)

NONMAJOR GOVERNMENTAL FUNDS

Health and Social Services Fund

This fund was established to account for the County's health programs, including general health care, family planning and various other related services. Grants from federal and state agencies are the primary sources for this fund.

County Forest Management Fund

This fund was established to receive monies from the sale of timber from County-owned lands. Expenditures are for reforestation and management of County-owned forestlands as well as Board of Commissioner directed uses.

County Fair Board Fund

This fund was established as required by ORS 565.325. This fund records all transactions relating to the operation of the county fair. The major revenue sources are admissions, rentals and concessions.

Salmon Habitat Improvement Fund

This fund accounts for revenues dedicated to the preservation of the salmon population in the North Umpqua River. The major source of revenue is from the Winchester Dam Hydropower Project.

County Schools Fund

This fund was established under ORS 328.005 to account for forest reserve yield revenue from the State of Oregon that is apportioned to the County school districts.

Water Development Fund

This fund accounts for the development of water resources and operations of existing and future water improvement projects.

Drug Abuse Prevention Fund

This fund receives monies provided for in ORS 430.380 that must be used for alcohol and drug abuse prevention, early intervention and drug treatment.

Industrial Development Fund

This fund was established to account for the revenue and expenditures related to efforts made by the County to attract new industry to the County. Primary sources of revenue are from the state lottery for uses provided in ORS 461.540, interest and principal collected from economic development loans and the sale of lands developed to attract industry.

Predator Damage Control District

This fund was established to account for landowners opting into the district and paying a fee for service for the purpose of funding county services to prevent, reduce and mitigate damage to property from predatory animals.

4-H Extension Service District

The 4-H Extension Service District is a blended component unit of Douglas County. This fund accounts for moneys received from the operation of the Douglas County 4-H Extension Service. Property taxes are the major source of revenue to this fund. Expenditures are for the operations and administration of the District.

Capital Projects Fund

This fund was established to account for the acquisition of capital assets and the construction of County projects.

Dog Control Fund

All fees and fines derived from dog licensing, animal control fines, and rabies fees and fines are required to be deposited in a Dog Control Fund pursuant to ORS 609.110. Expenditures are restricted to those set forth in ORS Chapter 609. Currently, inflows of this fund are from statutory sources as well as transfers from other funds. Under GASB No. 54, the transfers from other funds disqualify this fund from being a separate special revenue fund. Therefore, this fund's activity is reported in General Fund for GAAP (generally accepted accounting principles) purposes.

Law Library Fund

With the repeal of ORS 21.350, under GASB No. 54 this fund no longer qualifies as a special revenue fund. Therefore, this fund's activity is reported in General Fund for GAAP (generally accepted accounting principles) purposes.

DOUGLAS COUNTY, OREGON
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2020

	Special Revenue Funds				
	Health and Social Services Fund	County Forest Management	County Fair Board	Salmon Habitat Improvement	County Schools
ASSETS					
Cash and investments	\$288,767	\$11,804,515	\$46,855	\$11,313	\$2,888
Receivables, net	1,880,286	13,392	17,200		9,116
Deposits and prepaid items	271,297	174	11,100		
Total assets	<u>\$2,440,350</u>	<u>\$11,818,081</u>	<u>\$75,155</u>	<u>\$11,313</u>	<u>\$12,004</u>
LIABILITIES					
Accounts payable	\$991,116	\$92,156	\$11,951		
Accrued payroll, withholdings and benefit	43,213	13,019	12,296		
Deposit payable		1,500	1,500		
Unearned revenues	5,000				
Total liabilities	<u>1,039,329</u>	<u>106,675</u>	<u>25,747</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes					
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:					
Nonspendable	\$271,297	\$174	\$11,100		
Restricted			38,308		\$12,004
Committed	1,129,724	11,711,232		\$11,313	
Assigned					
Total fund balances	<u>1,401,021</u>	<u>11,711,406</u>	<u>49,408</u>	<u>11,313</u>	<u>12,004</u>
Total liabilities, deferred inflow of resources and fund balances	<u>\$2,440,350</u>	<u>\$11,818,081</u>	<u>\$75,155</u>	<u>\$11,313</u>	<u>\$12,004</u>

Special Revenue Funds						
Water Development	Drug Abuse Prevention	Industrial Development Fund	Predator Damage Control District Fund	4-H Extension Service District	Capital Projects Fund	Nonmajor Governmental Funds
\$2,882,712	\$7,947	\$1,833,640	\$26,601	\$459,971	\$3,254,799	\$20,620,008
47,327	15,480	1,301,331		51,011		3,335,143
						282,571
<u>\$2,930,039</u>	<u>\$23,427</u>	<u>\$3,134,971</u>	<u>\$26,601</u>	<u>\$510,982</u>	<u>\$3,254,799</u>	<u>\$24,237,722</u>
\$82,369	\$23,412	\$7,525	\$26,601	\$116,825	\$46,454	\$1,398,409
15,476						84,004
						3,000
						5,000
<u>97,845</u>	<u>23,412</u>	<u>7,525</u>	<u>26,601</u>	<u>116,825</u>	<u>46,454</u>	<u>1,490,413</u>
				\$42,436		\$42,436
-	-	-	-	42,436	-	42,436
						\$282,571
	\$15			\$351,721		402,048
\$2,832,194		\$3,127,446				18,811,909
					\$3,208,345	3,208,345
<u>2,832,194</u>	<u>15</u>	<u>3,127,446</u>	<u>0</u>	<u>351,721</u>	<u>3,208,345</u>	<u>22,704,873</u>
<u>\$2,930,039</u>	<u>\$23,427</u>	<u>\$3,134,971</u>	<u>\$26,601</u>	<u>\$510,982</u>	<u>\$3,254,799</u>	<u>\$24,237,722</u>

DOUGLAS COUNTY, OREGON
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2020

	Special Revenue Funds				
	Health and Social Services Fund	County Forest Management	County Fair Board	Salmon Habitat Improvement	County Schools
Revenues:					
Charges for services	\$51,329		\$1,102,535		
Intergovernmental	3,470,047		89,717		\$1,643,873
Property taxes					
Interest	13,188	\$276,651	971	\$238	6,645
Other	4,415	2,824,989	561,727		954
Total revenues	3,538,979	3,101,640	1,754,950	238	1,651,472
Expenditures:					
Current:					
General Government		630,405			
Health and Welfare	3,889,320				
Culture and Recreation			1,993,341		
Conservation					
Education					1,734,890
Capital outlay	68,023	1,706,497			
Debt service:					
Principal					
Interest					
Total expenditures	3,957,343	2,336,902	1,993,341	-	1,734,890
Excess (deficiency) of revenues over (under) expenditures	(418,364)	764,738	(238,391)	238	(83,418)
Other financing sources (uses):					
Transfers in	874,970	60,000	110,000		
Transfers out	(95,996)	(41,000)			
Total other financing sources (uses)	778,974	19,000	110,000	-	-
Net change in fund balances	360,610	783,738	(128,391)	238	(83,418)
Fund balances, beginning	1,040,411	10,927,668	177,799	11,075	95,422
Fund balances, ending	\$1,401,021	\$11,711,406	\$49,408	\$11,313	\$12,004

Special Revenue Funds						
Water Development	Drug Abuse Prevention	Industrial Development Fund	Predator Damage Control District Fund	4-H Extension Service District	Capital Projects Fund	Nonmajor Governmental Funds
\$837,218						\$1,991,082
118,464	\$95,356	\$538,347		\$1,243		5,957,047
				546,072		546,072
57,213	862	41,994	\$122	9,811	\$71,471	479,166
23,500		25,000	34,153			3,474,738
1,036,395	96,218	605,341	34,275	557,126	71,471	12,448,105
		428,162	99,690		116,848	1,275,105
	96,618					3,985,938
				498,442		2,491,783
745,205						745,205
						1,734,890
13,587					235,836	2,023,943
		45,000				45,000
		5,756				5,756
758,792	96,618	478,918	99,690	498,442	352,684	12,307,620
277,603	(400)	126,423	(65,415)	58,684	(281,213)	140,485
			64,921			1,109,891
(65,000)		(110,000)				(311,996)
(65,000)	-	(110,000)	64,921	-	-	797,895
212,603	(400)	16,423	(494)	58,684	(281,213)	938,380
2,619,591	415	3,111,023	494	293,037	3,489,558	21,766,493
\$2,832,194	\$15	\$3,127,446	\$0	\$351,721	\$3,208,345	\$22,704,873

DOUGLAS COUNTY, OREGON
HEALTH AND SOCIAL SERVICES FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
for the year ended June 30, 2020

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)	Actual Expenditures by Function	
	Original	Final			Health and Welfare	Capital Outlay
Revenues:						
Charges for services	\$55,400	\$55,400	\$51,329	(\$4,071)		
Intergovernmental	3,158,897	3,277,897	3,470,047	192,150		
Interest			13,188	13,188		
Other	2,890	2,890	4,415	1,525		
Total revenues	3,217,187	3,336,187	3,538,979	202,792		
Expenditures:						
Administration	1,000	1,000		1,000		
Veteran Services	341,023	341,023	323,390	17,633	\$323,390	
Senior Services	1,645,471	1,881,471	1,811,282	70,189	1,774,639	\$36,643
Public Health	2,008,667	4,508,667	1,822,671	2,685,996	1,791,291	31,380
Total expenditures	3,996,161	6,732,161	3,957,343	2,774,818	\$3,889,320	\$68,023
Excess (deficiency) of revenues over (under) expenditures	(778,974)	(3,395,974)	(418,364)	2,977,610		
Other financing sources (uses):						
Transfers in	874,970	2,491,970	874,970	1,617,000		
Transfers out	(95,996)	(95,996)	(95,996)			
Total other financing sources (uses)	778,974	2,395,974	778,974	1,617,000		
Net change in fund balance		(1,000,000)	360,610	4,594,610		
Fund balance, beginning	-	1,000,000	1,040,411	40,411		
Fund balance, ending	\$ -	\$ -	\$1,401,021	\$4,635,021		

DOUGLAS COUNTY, OREGON
COUNTY FOREST MANAGEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
for the year ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Interest	\$65,376	\$65,376	\$276,651	\$211,275
Other:				
County timber and land sales	800,000	800,000	2,574,565	1,774,565
Other miscellaneous	232,132	232,132	250,424	18,292
Total revenues	1,097,508	1,097,508	3,101,640	2,004,132
Expenditures:				
General Government:				
Personnel services	295,002	302,502	289,821	12,681
Materials and services	416,550	416,550	340,584	75,966
Capital outlay	3,000,000	2,992,500	1,706,497	1,286,003
Contingency account	10,000	10,000		10,000
Total expenditures	3,721,552	3,721,552	2,336,902	1,384,650
Excess (deficiency) of revenues over (under) expenditures	(2,624,044)	(2,624,044)	764,738	3,388,782
Other financing sources (uses):				
Transfers in	60,000	60,000	60,000	
Transfers out	(41,000)	(41,000)	(41,000)	
Notes receivable collections	672	672	21,765	21,093
Total other financing sources (uses)	19,672	19,672	40,765	21,093
Net change in fund balance	(2,604,372)	(2,604,372)	805,503	3,409,875
Fund balance, beginning	6,200,000	6,200,000	8,530,981	2,330,981
Fund balance, ending	\$3,595,628	\$3,595,628	\$9,336,484	\$5,740,856
Total from above:				
Net change in fund balance			\$805,503	
Notes receivable collections			(21,765)	
Net change in fund balance in Combining Statement of Revenues, Expenditures, and Changes in Fund Balances			\$783,738	

DOUGLAS COUNTY, OREGON
COUNTY FAIR BOARD FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
for the year ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$1,337,893	\$1,249,016	\$1,102,535	(\$146,481)
Intergovernmental	53,166	53,166	89,717	36,551
Interest	95	95	971	876
Other	800,609	750,609	561,727	(188,882)
Total revenues	<u>2,191,763</u>	<u>2,052,886</u>	<u>1,754,950</u>	<u>(297,936)</u>
Expenditures:				
Culture and Recreation:				
Personnel services	1,004,728	1,004,728	903,667	101,061
Materials and services	1,191,835	1,252,958	1,089,674	163,284
Capital outlay	5,200	5,200		5,200
Total expenditures	<u>2,201,763</u>	<u>2,262,886</u>	<u>1,993,341</u>	<u>269,545</u>
Excess (deficiency) of revenues over (under) expenditures	(10,000)	(210,000)	(238,391)	(28,391)
Other financing sources:				
Transfers in	10,000	210,000	110,000	(100,000)
Net change in fund balance	-	-	(128,391)	(128,391)
Fund balance, beginning	-	-	177,799	177,799
Fund balance, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$49,408</u>	<u>\$49,408</u>

DOUGLAS COUNTY, OREGON
SALMON HABITAT IMPROVEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
for the year ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental				
Interest			\$238	238
Total revenues	0	0	238	238
Expenditures:				
General Government:				
Materials and services				
Net change in fund balance	-	-	238	238
Fund balance, beginning	-	-	11,075	11,075
Fund balance, ending	\$ -	\$ -	\$11,313	\$11,313

DOUGLAS COUNTY, OREGON
COUNTY SCHOOLS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
for the year ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental:				
Federal forest receipts	\$206,667	\$1,466,667	\$1,460,471	(\$6,196)
Other	320,000	320,000	183,402	(136,598)
Interest	1,000	1,000	6,645	5,645
Other	1,000	1,000	954	(46)
Total revenues	<u>528,667</u>	<u>1,788,667</u>	<u>1,651,472</u>	<u>(137,195)</u>
Expenditures:				
Education:				
Materials and services	<u>528,667</u>	<u>1,788,667</u>	<u>1,734,890</u>	<u>53,777</u>
Net change in fund balance	-	-	(83,418)	(83,418)
Fund balance, beginning	-	-	95,422	95,422
Fund balance, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,004</u>	<u>\$ 12,004</u>

DOUGLAS COUNTY, OREGON
WATER DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
for the year ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	Actual Expenditures by function	
	Original	Final			Conservation	Capital Outlay
Revenues:						
Charges for services	\$800,000	\$800,000	\$837,218	\$37,218		
Intergovernmental	104,000	104,000	118,464	14,464		
Interest	45,000	45,000	57,213	12,213		
Other			23,500	23,500		
Total revenues	949,000	949,000	1,036,395	87,395		
Expenditures:						
Galesville operations	853,424	853,424	696,074	157,350	\$682,487	\$13,587
Watermaster	100,667	100,667	62,718	37,949	62,718	
Contingency account	100,000	100,000		100,000		
Total expenditures	1,054,091	1,054,091	758,792	295,299	\$745,205	\$13,587
Excess (deficiency) of revenues over (under) expenditures	(105,091)	(105,091)	277,603	382,694		
Other financing sources (uses):						
Transfers out	(65,000)	(65,000)	(65,000)			
Net change in fund balance	(170,091)	(170,091)	212,603	382,694		
Fund balance, beginning	2,250,000	2,250,000	2,619,591	369,591		
Fund balance, ending	\$2,079,909	\$2,079,909	\$2,832,194	\$752,285		

DOUGLAS COUNTY, OREGON
 DRUG ABUSE PREVENTION FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 for the year ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$100,000	\$100,000	\$95,356	(\$4,644)
Interest			862	862
Total revenues	100,000	100,000	96,218	(3,782)
Expenditures:				
Health and Welfare:				
Materials and services	100,000	100,000	96,618	3,382
Net change in fund balance	-	-	(400)	(400)
Fund balance, beginning	-	-	415	415
Fund balance, ending	\$ -	\$ -	\$ 15	\$ 15

DOUGLAS COUNTY, OREGON
INDUSTRIAL DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
for the year ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$340,000	\$340,000	\$538,347	\$198,347
Interest	15,000	15,000	41,994	26,994
Other			25,000	25,000
Total revenues	355,000	355,000	605,341	250,341
Expenditures:				
General Government:				
Materials and services	721,500	621,500	428,162	193,338
Capital outlay	200,000	200,000		200,000
Debt service:				
Principal	45,000	45,000	45,000	
Interest	5,756	5,756	5,756	
Total expenditures	972,256	872,256	478,918	393,338
Excess (deficiency) of revenues over (under) expenditures	(617,256)	(517,256)	126,423	643,679
Other financing sources (uses):				
Additions to notes receivable	(200,000)	(200,000)		200,000
Transfers out	(10,000)	(110,000)	(110,000)	
Total other financing sources (uses)	(210,000)	(310,000)	(110,000)	200,000
Net change in fund balance	(827,256)	(827,256)	16,423	843,679
Fund balance, beginning	1,800,000	1,800,000	2,266,416	466,416
Fund balance, ending	\$972,744	\$972,744	\$2,282,839	\$1,310,095

DOUGLAS COUNTY, OREGON
 PREDATOR DAMAGE CONTROL DISTRICT
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 for the year ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Other	\$30,000	\$30,000	\$34,153	\$4,153
Interest			122	122
Total revenues	30,000	30,000	34,275	4,275
Expenditures:				
General Government:				
Materials and services	100,991	100,991	99,690	1,301
Excess (deficiency) of revenues over (under) expenditures	(70,991)	(70,991)	(65,415)	5,576
Other financing sources:				
Transfers in	70,991	70,991	64,921	(6,070)
Net change in fund balance	-	-	(494)	(494)
Fund balance, beginning	-	-	494	494
Fund balance, ending	\$ -	\$ -	\$0	\$0

DOUGLAS COUNTY, OREGON
4H EXTENSION SERVICE DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
for the year ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$2,500	\$2,500	\$1,243	(\$1,257)
Property taxes	539,977	539,977	546,072	6,095
Interest	5,000	5,000	9,811	4,811
Total revenues	547,477	547,477	557,126	9,649
Expenditures:				
Culture and Recreation:				
Materials and services	627,829	627,829	498,442	129,387
Contingency account	31,392	31,392		31,392
Total expenditures	659,221	659,221	498,442	160,779
Net change in fund balance	(111,744)	(111,744)	58,684	170,428
Fund balance, beginning	258,032	258,032	293,037	35,005
Fund balance, ending	\$146,288	\$146,288	\$351,721	\$205,433

DOUGLAS COUNTY, OREGON
 CAPITAL PROJECTS FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 for the year ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Interest	\$45,000	\$45,000	\$71,471	\$26,471
Total revenues	45,000	45,000	71,471	26,471
Expenditures:				
General Government:				
Personnel services	10,000	10,000		10,000
Material and services	1,090,000	1,090,000	116,848	973,152
Capital Outlay	2,045,000	2,045,000	235,836	1,809,164
Total expenditures	3,145,000	3,145,000	352,684	2,792,316
Net change in fund balance	(3,100,000)	(3,100,000)	(281,213)	2,818,787
Fund balance, beginning	3,100,000	3,100,000	3,489,558	389,558
Fund balance, ending	\$ -	\$ -	\$3,208,345	\$3,208,345

DOUGLAS COUNTY, OREGON
DOG CONTROL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
for the year ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services			\$68	\$68
Permits, licenses and fines	\$82,000	\$82,000	95,576	13,576
Intergovernmental			8,650	8,650
Interest			284	284
Other			1,220	1,220
Total revenues	82,000	82,000	105,798	23,798
Expenditures:				
General Government:				
Dog Control Operations	256,335	256,335	234,399	21,936
Predatory Animal Control	1,000	1,000	80	920
Total expenditures	257,335	257,335	234,479	22,856
Excess (deficiency) of revenues over (under) expenditures	(175,335)	(175,335)	(128,681)	46,654
Other financing sources:				
Transfers in	175,335	175,335	130,000	(45,335)
Net change in fund balance	-	-	1,319	1,319
Fund balance, beginning	-	-	25,667	25,667
Fund balance, ending	\$ -	\$ -	26,986	\$26,986
Adjust for GASB #54 reclassification as part of General Fund for GAAP purposes			(26,986)	
Ending Fund Balance, GAAP basis			\$ -	

DOUGLAS COUNTY, OREGON
LAW LIBRARY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
for the year ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$225	\$225	\$59	(\$166)
Permits, licenses and fines	104,238	104,238	104,030	(208)
Interest	400	400	5,937	5,537
Other	25	25	125	100
Total revenues	<u>104,888</u>	<u>104,888</u>	<u>110,151</u>	<u>5,263</u>
Expenditures:				
General Government:				
Personnel Services	25,942	25,942	18,708	7,234
Materials and services	59,150	59,150	35,276	23,874
Total expenditures	<u>85,092</u>	<u>85,092</u>	<u>53,984</u>	<u>31,108</u>
Net change in fund balance	19,796	19,796	56,167	36,371
Fund balance, beginning	<u>190,000</u>	<u>190,000</u>	<u>216,448</u>	<u>26,448</u>
Fund balance, ending	<u>\$209,796</u>	<u>\$209,796</u>	<u>\$272,615</u>	<u>\$62,819</u>
Adjust for GASB #54 reclassification as part of General Fund for GAAP purposes			<u>(272,615)</u>	
Ending Fund Balance, GAAP basis			<u>\$ -</u>	

ENTERPRISE FUNDS

Major Fund

Salmon Harbor Fund

This fund is used to account for the operations of the R.V. Park, the camping area, and the boat launching, moorage and fueling facilities located at the Salmon Harbor Marina.

Solid Waste Fund

This funds is used to account for disposal fees, operations of solid waste and landfill sites, establish and maintain landfill permits, engineering and monitoring costs, and landfill closure and post closure costs.

DOUGLAS COUNTY, OREGON
SALMON HARBOR FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
for the year ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$1,923,850	\$1,923,850	\$1,854,810	(\$69,040)
Intergovernmental	744,150	744,150	284,056	(460,094)
Interest	50,000	50,000	36,797	(13,203)
Other	476,750	476,750	205,219	(271,531)
Total revenues	<u>3,194,750</u>	<u>3,194,750</u>	<u>2,380,882</u>	<u>(813,868)</u>
Expenditures:				
Personnel services	1,134,251	1,134,251	1,034,518	99,733
Materials and services	1,694,538	1,519,538	1,047,571	471,967
Capital outlay	2,699,424	2,874,424	2,826,515	47,909
Total expenditures	<u>5,528,213</u>	<u>5,528,213</u>	<u>4,908,604</u>	<u>619,609</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,333,463)</u>	<u>(2,333,463)</u>	<u>(2,527,722)</u>	<u>(194,259)</u>
Other financing sources (uses):				
Transfers out	(156,000)	(156,000)	(156,000)	
Total other financing sources (uses)	<u>(156,000)</u>	<u>(156,000)</u>	<u>(156,000)</u>	<u>-</u>
Net change in fund balance	(2,489,463)	(2,489,463)	(2,683,722)	(194,259)
Total fund balance-beginning	<u>3,750,000</u>	<u>3,750,000</u>	<u>4,388,548</u>	<u>638,548</u>
Total fund balance-ending	<u>\$1,260,537</u>	<u>\$1,260,537</u>	<u>\$1,704,826</u>	<u>\$444,289</u>
Total from above:				
Net change in fund balance			(\$2,683,722)	
Add (Deduct):				
Capitalized expenditures			2,810,162	
Change in inventories			(21,962)	
Depreciation			(246,464)	
Change in accrued compensated absences			3,855	
Change related to pension			<u>(54,247)</u>	
Change in net position as reported in the Statement of Revenues, Expenses and Changes in Fund Net Position			<u>(\$192,378)</u>	

DOUGLAS COUNTY, OREGON
SOLID WASTE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
for the year ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$6,865,000	\$6,865,000	\$8,142,766	\$1,277,766
Intergovernmental			10,507	10,507
Interest	100,000	100,000	201,104	101,104
Other	(2,000)	(2,000)	210,840	212,840
Total revenues	6,963,000	6,963,000	8,565,217	1,602,217
Expenditures:				
Personnel services	2,892,355	2,892,355	2,676,122	216,233
Materials and services	2,514,959	3,114,959	3,018,670	96,289
Capital outlay	1,505,000	895,000	409,510	485,490
Total expenditures	6,912,314	6,902,314	6,104,302	798,012
Excess (deficiency) of revenues over (under) expenditures	50,686	60,686	2,460,915	2,400,229
Other financing sources (uses):				
Transfers out	(541,407)	(551,407)	(528,437)	22,970
Total other financing sources (uses)	(541,407)	(551,407)	(528,437)	22,970
Net change in fund balance	(490,721)	(490,721)	1,932,478	2,423,199
Total fund balance-beginning	7,500,000	7,500,000	8,544,757	1,044,757
Total fund balance-ending	\$ 7,009,279	\$ 7,009,279	\$10,477,235	\$3,467,956
Total from above:				
Net change in fund balance			\$1,932,478	
Add (Deduct):				
Capitalized expenditures			233,660	
Capital asset disposals			(6,928)	
Depreciation			(428,041)	
Change related to landfill liability			(2,808,500)	
Change in accrued compensated absences			(5,093)	
Change related to pension			(771,212)	
Change in net position as reported in the Statement of Revenues, Expenses and Changes in Fund Net Position			(\$1,853,636)	

INTERNAL SERVICE FUNDS

Employee Benefit Trust Fund

This fund is used to account for the accumulation and allocation of costs associated with health care, general liability and workers' compensation insurance.

Fleet Management Fund

This fund was established to operate a motor pool for the common use of County departments.

DOUGLAS COUNTY, OREGON
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
June 30, 2020

	Governmental Activities - Internal Service Funds		
	Employee		
	Benefit Trust	Fleet Management	Total
ASSETS			
Current assets:			
Cash and investments	\$11,082,592	\$1,451,202	\$12,533,794
Receivables	4,565	3,724	8,289
Inventories		287,990	287,990
Deposits and prepaid expenses	618,315		618,315
Total current assets	11,705,472	1,742,916	13,448,388
Capital assets:			
Furniture and equipment		211,036	211,036
Vehicles and heavy equipment		4,271,611	4,271,611
Work in Process		7,353	7,353
Less accumulated depreciation		(3,273,241)	(3,273,241)
Total capital assets (net of accumulated depreciation)	-	1,216,759	1,216,759
Total assets	11,705,472	2,959,675	14,665,147
LIABILITIES			
Current liabilities:			
Accounts payable	101,388	90,241	191,629
Accrued payroll, withholdings and benefits	568,981	27,659	596,640
Accrued compensated absences		35,472	35,472
Accrued claims liability	600,000		600,000
Total current liabilities	1,270,369	153,372	1,423,741
Noncurrent liabilities:			
Accrued claims liability	1,150,000		1,150,000
Total liabilities	2,420,369	153,372	2,573,741
NET POSITION			
Invested in capital assets		1,216,759	1,216,759
Unrestricted	9,285,103	1,589,544	10,874,647
Total net position	\$9,285,103	\$2,806,303	\$12,091,406

DOUGLAS COUNTY, OREGON
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
for the year ended June 30, 2020

	Governmental Activities - Internal Service Funds		
	Employee Benefit Trust	Fleet Management	Total
Operating revenues:			
Interdepartmental charges	\$10,124,349	\$2,794,327	\$12,918,676
Other	731,720	23,840	755,560
Total operating revenues	<u>10,856,069</u>	<u>2,818,167</u>	<u>13,674,236</u>
Operating expenses:			
Salaries and wages	42,202	419,184	461,386
Payroll taxes and benefits		292,817	292,817
Premiums and operating expenses	9,667,454		9,667,454
Operating supplies and expenses		1,588,656	1,588,656
Utilities		46,013	46,013
Depreciation		420,209	420,209
Total operating expenses	<u>9,709,656</u>	<u>2,766,879</u>	<u>12,476,535</u>
Operating income (loss)	<u>1,146,413</u>	<u>51,288</u>	<u>1,197,701</u>
Nonoperating revenues and expenses:			
Interest income	215,167	25,521	240,688
Gain (loss) on sale of capital assets		13,985	13,985
Total nonoperating revenues and expenses	<u>215,167</u>	<u>39,506</u>	<u>254,673</u>
Change in net position	1,361,580	90,794	1,452,374
Total net position - beginning	<u>7,923,523</u>	<u>2,715,509</u>	<u>10,639,032</u>
Total net position - ending	<u>\$9,285,103</u>	<u>\$2,806,303</u>	<u>\$12,091,406</u>

DOUGLAS COUNTY, OREGON
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
for the year ended June 30, 2020

	Governmental Activities - Internal Service Funds		
	Employee Benefit Trust	Fleet Management	Total
Cash flow from operating activities:			
Receipts from interfund services provided	\$10,861,539	\$3,000,329	\$13,861,868
Payments to suppliers and contractors	(9,633,358)	(1,534,683)	(11,168,041)
Payments to employees	79,648	(702,975)	(623,327)
Other operating receipts		23,840	23,840
Net cash provided by (used in) operating activities	<u>1,307,829</u>	<u>786,511</u>	<u>2,094,340</u>
Cash flows from capital and related financing activities:			
Proceeds from sale of capital assets		15,270	15,270
Acquisition of capital assets		(560,374)	(560,374)
Net cash provided by (used in) capital and related financing activities	<u>-</u>	<u>(545,104)</u>	<u>(545,104)</u>
Cash flows from investing activities:			
Interest received	215,167	25,521	240,688
Net increase (decrease) in cash and cash equivalents	1,522,996	266,928	1,789,924
Cash and cash equivalents, beginning	9,559,596	1,184,274	10,743,870
Cash and cash equivalents, ending	<u>\$11,082,592</u>	<u>\$1,451,202</u>	<u>\$12,533,794</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$1,146,413	\$51,288	\$1,197,701
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation		420,209	420,209
(Increase) decrease in:			
Accounts receivable	(4,565)	(1,431)	(5,996)
Prepaid expenses and deposits	1,996		1,996
Inventories		49,964	49,964
Interfund receivables	10,035	207,433	217,468
Increase (decrease) in:			
Accounts payable	101,388	90,241	191,629
Accrued payroll, withholdings and benefits	121,850	6,514	128,364
Accrued compensated absences		2,512	2,512
Interfund payables	(69,288)	(40,219)	(109,507)
Total adjustments	<u>161,416</u>	<u>735,223</u>	<u>896,639</u>
Net cash provided by (used in) operating activities	<u>\$1,307,829</u>	<u>\$786,511</u>	<u>\$2,094,340</u>
Noncash investing, capital and financing activities:			
Book value of capital assets disposed	<u>\$0</u>	<u>\$1,285</u>	<u>\$1,285</u>

DOUGLAS COUNTY, OREGON
EMPLOYEE BENEFIT TRUST FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
for the year ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Interdepartmental charges	\$11,486,549	\$11,486,549	\$10,124,349	(\$1,362,200)
Interest	85,000	85,000	215,167	130,167
Other	700,000	700,000	731,720	31,720
Total revenues	12,271,549	12,271,549	11,071,236	(1,200,313)
Expenditures:				
Personnel services	46,339	51,339	42,202	9,137
Materials and services	13,800,000	13,795,000	9,667,454	4,127,546
Total expenditures	13,846,339	13,846,339	9,709,656	4,136,683
Net change in fund balance	(1,574,790)	(1,574,790)	1,361,580	2,936,370
Fund balance, beginning	6,605,000	6,605,000	7,923,523	1,318,523
Fund balance, ending	\$5,030,210	\$5,030,210	\$9,285,103	\$4,254,893

DOUGLAS COUNTY, OREGON
FLEET MANAGEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
for the year ended June 30, 2020

	<u>Budgeted Amounts</u>		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Interdepartmental charges	\$3,213,000	\$3,213,000	\$2,794,327	(\$418,673)
Interest	10,000	10,000	25,521	15,521
Other	6,000	6,000	39,110	33,110
Total revenues	<u>3,229,000</u>	<u>3,229,000</u>	2,858,958	(370,042)
Expenditures:				
Personnel services	854,946	854,946	709,489	145,457
Materials and services	1,866,750	1,866,750	1,584,705	282,045
Capital outlay	655,300	685,300	560,374	124,926
Contingency account	200,000	170,000		170,000
Total expenditures	<u>3,576,996</u>	<u>3,576,996</u>	2,854,568	722,428
Net change in fund balance	(347,996)	(347,996)	4,390	352,386
Fund balance, beginning	<u>950,000</u>	<u>950,000</u>	1,332,636	382,636
Fund balance, ending	<u><u>\$602,004</u></u>	<u><u>\$602,004</u></u>	\$1,337,026	<u><u>\$735,022</u></u>
Total from above:				
Net change in fund balance			\$4,390	
Capitalized expenditures			560,374	
Depreciation			(420,209)	
Change in accrued compensated absences			(2,512)	
Capital asset disposals			(1,285)	
Change in inventories			<u>(49,964)</u>	
Change in net position as reported in the Combining Statement of Revenues, Expenses and Changes in Fund Net Position			<u><u>\$90,794</u></u>	

AGENCY FUND

This fund is used to account for the County's collection and turnover of property taxes to all other taxing districts within Douglas County, Oregon and for other miscellaneous clearing accounts held by the Treasurer.

DOUGLAS COUNTY, OREGON
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
for the year ended June 30, 2020

	Balance June 30, 2019	Additions	Deductions	Balance June 30, 2020
Assets:				
Equity in pooled cash and investments	\$1,923,775	\$112,770,453	\$111,618,698	\$3,075,530
Property taxes receivable	8,801,161	100,053,405	100,542,936	8,311,630
Accrued interest receivable	6,694	178,291	149,196	35,789
Total assets	\$10,731,630	\$213,002,149	\$212,310,830	\$11,422,949
Liabilities:				
Due to other governmental units	\$10,731,630	\$213,002,149	\$212,310,830	\$11,422,949

CAPITAL ASSETS
USED IN THE OPERATION OF
GOVERNMENTAL FUNDS

DOUGLAS COUNTY, OREGON
 CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
 SCHEDULE BY SOURCE
 June 30, 2020

Governmental funds capital assets:	
Land and right of way	\$13,901,118
Buildings and improvements	43,985,686
Furniture and equipment	14,564,349
Vehicles and heavy equipment	16,257,935
Dam structures and improvements	28,221,320
Infrastructure	369,081,143
Construction in progress	<u>6,125,519</u>
Total governmental funds capital assets	<u><u>\$492,137,070</u></u>

Investments in governmental funds capital assets by source:	
General fund	\$28,442,680
Special revenue funds	409,662,972
Capital projects funds	27,182,406
Donations	<u>26,849,012</u>
Total governmental funds capital assets	<u><u>\$492,137,070</u></u>

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net position.

DOUGLAS COUNTY, OREGON
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY
June 30, 2020

Function and Activity	Land	Structures and Improvements	Buildings and Improvements	Furniture and Equipment	Vehicles and Heavy Equipment	Infrastructure	Construction in Progress	Total
General Government	\$3,798,990		\$22,844,679	\$1,924,609	\$143,695	\$635,796	\$121,557	\$29,469,326
Public Safety			2,162,220	10,335,268	1,123,001			13,620,489
Highways and Streets	631,574		1,889,053	1,584,585	14,147,848	368,298,989	1,256,016	387,808,065
Health and Welfare			205,270	47,729	59,850			312,849
Culture and Recreation	4,491,917		16,884,464	546,750	699,450	146,358	133,739	22,902,678
Conservation	4,978,637	\$28,221,320		125,408	84,091		4,614,207	38,023,663
Total governmental funds capital assets	<u>\$13,901,118</u>	<u>\$28,221,320</u>	<u>\$43,985,686</u>	<u>\$14,564,349</u>	<u>\$16,257,935</u>	<u>\$369,081,143</u>	<u>\$6,125,519</u>	<u>\$492,137,070</u>

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net position.

DOUGLAS COUNTY, OREGON
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY
for the year ended June 30, 2020

Function and Activity	Governmental Funds Capital Assets June 30, 2019	Additions and Transfers	Deletions and Transfers	Governmental Funds Capital Assets June 30, 2020
General Government	\$27,517,238	\$2,235,083	\$282,995	\$29,469,326
Public Safety	13,585,772	155,304	120,587	13,620,489
Highways and Streets	379,177,590	10,921,584	2,291,109	387,808,065
Health and Welfare	262,270	50,579		312,849
Culture and Recreation	21,171,454	1,754,079	22,855	22,902,678
Conservation	38,012,788	10,875		38,023,663
Total governmental funds capital assets	<u>\$479,727,112</u>	<u>\$15,127,504</u>	<u>\$2,717,546</u>	<u>\$492,137,070</u>

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net position.

OTHER FINANCIAL SCHEDULES

The County is required by State law to disclose the financial transactions of elected officials. This subsection includes a schedule of cash receipts and turnovers for the County Clerk, Sheriff, Surveyor, Justices of the Peace, District Attorney and Assessor's Office.

Other financial schedules in this subsection are property tax transactions, property taxes receivable and property tax collections schedules.

DOUGLAS COUNTY, OREGON
SCHEDULE OF CASH RECEIPTS AND TURNOVERS - ELECTED OFFICIALS
June 30, 2020

	County Clerk	Sheriff - Civil and Criminal	County Surveyor	Justice of the Peace			District Attorney	County Assessor	Total
				So. Douglas	Reedsport	Glendale			
Cash, July 1, 2019	\$8,569	\$31,240	\$50	\$78,941	\$54,253	\$100	\$50	\$50	\$173,253
Receipts	2,440,451	5,916,346	88,752	968,783	368,340	0	531,174	14,509	\$10,328,355
Turnovers:									
County Treasurer	2,448,470	4,961,964	88,752	559,198	232,279	100	531,174	14,509	\$8,836,446
Others		340,362		402,049	156,116				\$898,527
Total turnovers	2,448,470	5,302,326	88,752	961,247	388,395	100	531,174	14,509	9,734,973
Cash, June 30, 2020	\$550	\$645,260	\$50	\$86,477	\$34,198	\$0	\$50	\$50	\$766,635

DOUGLAS COUNTY, OREGON
SCHEDULE OF PROPERTY TAX TRANSACTIONS AND OUTSTANDING BALANCES
for the year ended June 30, 2020

Fiscal Year	Taxes Receivable June 30, 2019	Current Levy As Extended By Assessor	Deduct Discounts Allowed	Corrections and Adjustments	Deduct Cash Collections	Taxes Receivable June 30, 2020
2020		\$111,512,636	\$2,865,868	(\$290,812)	\$104,883,053	\$3,472,903
2019	\$3,703,578			(\$60,793)	\$1,841,938	\$1,800,847
2018	1,933,848			(24,860)	814,867	1,094,121
2017	1,371,707			(19,618)	638,958	713,131
2016	851,879			(16,522)	409,496	425,861
2015	456,492			(23,470)	46,991	386,031
2014	360,173			(15,689)	31,316	313,168
2013 & prior	1,102,223			(25,423)	35,147	1,041,653
	<u>9,779,900</u>			<u>(186,375)</u>	<u>3,818,713</u>	<u>5,774,812</u>
	<u>\$9,779,900</u>	<u>\$111,512,636</u>	<u>\$2,865,868</u>	<u>(\$477,187)</u>	<u>\$108,701,766</u>	<u>\$9,247,715</u>

Summary by fund and fund type:

General Fund	\$10,636,304	\$890,601
4-H Extension Service District	545,437	45,484
Agency Funds	97,520,025	8,311,630
	<u>\$108,701,766</u>	<u>\$9,247,715</u>

DOUGLAS COUNTY, OREGON
 SCHEDULE OF PROPERTY TAXES RECEIVABLE BY LEVY YEAR BY FUND
 for the year ended June 30, 2020

<u>Fiscal Year</u>	<u>General Fund</u>	<u>4-H Extension Service District</u>	<u>Agency</u>	<u>Total</u>
2020	\$339,425	\$17,456	\$3,116,022	\$3,472,903
2019	171,007	8,775	1,621,065	1,800,847
2018	105,254	5,336	983,531	1,094,121
2017	67,901	3,478	641,752	713,131
2016	39,999	2,060	383,802	425,861
2015	37,279	1,861	346,891	386,031
2014	29,995	1,502	281,671	313,168
2013 & prior	99,741	5,016	936,896	1,041,653
	<u>\$890,601</u>	<u>\$45,484</u>	<u>\$8,311,630</u>	<u>\$9,247,715</u>

DOUGLAS COUNTY, OREGON
SCHEDULE OF PROPERTY TAX COLLECTIONS BY LEVY YEAR BY FUND
for the year ended June 30, 2020

<u>Fiscal Year</u>	General Fund	4-H Extension Service District	Agency	Total
2020	\$10,201,485	\$524,527	\$94,157,041	\$104,883,053
2019	187,336	9,341	1,645,261	1,841,938
2018	94,418	4,493	715,956	814,867
2017	80,721	3,776	554,461	638,958
2016	53,613	2,493	353,390	409,496
2015	7,114	321	39,556	46,991
2014	5,015	223	26,078	31,316
2013 & prior	6,602	263	28,282	35,147
	<u>\$10,636,304</u>	<u>\$545,437</u>	<u>\$97,520,025</u>	<u>\$108,701,766</u>

STATISTICAL SECTION

This part of Douglas County's statistical comprehensive annual finance 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.

	<u>Pages</u>
Financial Trends	98-102
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	103-106
These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.	
Debt Capacity	107-109
These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.	
Demographic and Economic Information	110-111
These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.	
Operating Information	112-114
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.	

DOUGLAS COUNTY, OREGON
NET POSITION BY COMPONENT
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year			
	2011	2012	2013	2014
Governmental activities				
Invested in capital assets	\$181,109,374	\$171,594,324	\$163,802,395	\$168,812,389
Restricted	95,615,875	91,379,206	86,082,254	82,072,417
Unrestricted	87,028,840	78,965,353	78,314,115	71,323,697
Total governmental activities net position	<u>\$363,754,089</u>	<u>\$341,938,883</u>	<u>\$328,198,764</u>	<u>\$322,208,503</u>
Business-type activities				
Invested in capital assets	\$5,377,687	\$5,133,883	\$5,096,974	\$4,861,316
Unrestricted (deficit)	(1,600,925)	(1,589,858)	(1,801,521)	(1,593,468)
Total business-type activities net position	<u>\$3,776,762</u>	<u>\$3,544,025</u>	<u>\$3,295,453</u>	<u>\$3,267,848</u>
Primary government				
Invested in capital assets	\$186,487,061	\$176,728,207	\$168,899,369	\$173,673,705
Restricted	95,615,875	91,379,206	86,082,254	82,072,417
Unrestricted	85,427,915	77,375,495	76,512,594	69,730,229
Total primary government net position	<u>\$367,530,851</u>	<u>\$345,482,908</u>	<u>\$331,494,217</u>	<u>\$325,476,351</u>

Note: The County implemented GASB No. 63 *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* in fiscal year 2013. Prior to the implementation of GASB No. 63 "Net Position" was reported as "Net Assets".

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$165,621,980	\$154,466,325	\$147,881,385	\$148,119,388	\$141,649,061	\$148,343,195
73,725,710	70,952,873	60,323,697	54,495,934	54,524,713	48,400,777
33,361,355	24,579,204	18,407,769	12,081,120	17,481,567	17,310,608
<u>\$272,709,045</u>	<u>\$249,998,402</u>	<u>\$226,612,851</u>	<u>\$214,696,442</u>	<u>\$213,655,341</u>	<u>\$214,054,580</u>
\$4,781,654	\$10,497,937	\$10,036,086	\$9,502,967	\$8,991,450	\$11,353,839
(1,456,148)	(12,627,693)	(12,994,740)	(7,654,433)	(5,879,617)	(10,246,533)
<u>\$3,325,506</u>	<u>(\$2,129,756)</u>	<u>(\$2,958,654)</u>	<u>\$1,848,534</u>	<u>\$3,111,833</u>	<u>\$1,107,306</u>
\$170,403,634	\$164,964,262	\$157,917,471	\$157,622,355	\$150,640,511	\$159,697,034
73,725,710	70,952,873	60,323,697	54,495,934	54,524,713	48,400,777
31,905,207	11,951,511	5,413,029	4,426,687	11,601,950	7,064,075
<u>\$276,034,551</u>	<u>\$247,868,646</u>	<u>\$223,654,197</u>	<u>\$216,544,976</u>	<u>\$216,767,174</u>	<u>\$215,161,886</u>

DOUGLAS COUNTY, OREGON
 CHANGES IN NET POSITION
 Last Ten Fiscal Years
 (accrual basis of accounting)

	Fiscal Year			
	2011	2012	2013	2014
Expenses				
Governmental activities:				
General government	\$21,070,812	\$19,309,705	\$18,969,491	\$18,942,528
Public safety	23,853,599	25,118,005	24,217,493	24,881,447
Highways and streets	21,653,779	22,313,834	20,327,818	19,850,948
Sanitation	2,869,455	5,268,463	1,775,575	3,322,074
Health and welfare	27,857,819	27,000,903	17,115,708	18,944,045
Culture and recreation	6,578,149	6,140,440	6,002,343	6,165,594
Conservation	1,165,109	1,204,324	1,224,078	1,266,786
Education	3,651,014	2,020,090	2,157,960	2,114,652
Interest on long-term debt	68,137	63,650	55,134	54,122
Total governmental activities expenses	<u>108,767,873</u>	<u>108,439,414</u>	<u>91,845,600</u>	<u>95,542,196</u>
Business-type activities:				
Boat marina/RV park	2,070,234	2,185,859	2,140,643	1,922,743
Sanitation/Landfill				
Total business-type activities expenses	<u>2,070,234</u>	<u>2,185,859</u>	<u>2,140,643</u>	<u>1,922,743</u>
Total primary government expenses	<u>\$110,838,107</u>	<u>\$110,625,273</u>	<u>\$93,986,243</u>	<u>\$97,464,939</u>
Program Revenues				
Governmental activities:				
Fees, fines and charges for services:				
General government	\$5,316,485	\$5,115,436	\$5,033,089	\$5,204,139
Public safety	3,504,863	3,475,927	3,783,771	3,820,764
Highways and streets	213,781	80,051	215,852	173,679
Sanitation	728,240	704,121	735,634	711,084
Health and welfare	985,807	860,958	999,935	977,373
Culture and recreation	3,282,442	2,608,235	3,241,026	2,745,191
Conservation	1,130,941	1,029,013	1,148,749	603,860
Education	537	1,117	426	495
Operating grants and contributions	61,837,105	52,819,019	39,561,989	39,380,073
Capital grants and contributions			1,635,631	14,160,628
Total governmental activities program revenues	<u>77,000,201</u>	<u>66,693,877</u>	<u>56,356,102</u>	<u>67,777,286</u>
Business-type activities:				
Boat marina/RV Park	2,270,111	1,948,203	1,886,831	1,890,428
Sanitation/Landfill				
Total business-type activities program revenues	<u>2,270,111</u>	<u>1,948,203</u>	<u>1,886,831</u>	<u>1,890,428</u>
Total primary government program revenues	<u>\$79,270,312</u>	<u>\$68,642,080</u>	<u>\$58,242,933</u>	<u>\$69,667,714</u>
Net (Expense)/Revenue				
Governmental activities	(\$31,767,672)	(\$41,745,537)	(\$35,489,498)	(\$27,764,910)
Business-type activities	199,877	(242,049)	(253,812)	(32,315)
Total primary government net expense	<u>(\$31,567,795)</u>	<u>(\$41,987,586)</u>	<u>(\$35,743,310)</u>	<u>(\$27,797,225)</u>

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$15,812,377	\$28,117,985	\$21,021,279	\$30,159,830	\$23,971,953	\$26,280,555
20,151,110	37,277,775	28,025,072	28,416,390	29,243,543	31,012,099
17,734,963	21,808,812	20,327,496	21,322,263	19,673,887	18,594,320
3,473,890					
9,012,469	6,155,724	5,284,857	4,978,995	5,807,109	4,193,023
5,577,848	8,566,016	6,767,536	5,240,325	5,822,427	5,730,362
1,148,972	1,609,693	1,362,702	1,316,863	1,325,607	1,207,390
2,035,069	1,956,204	428,656	1,974,108	1,645,677	1,734,890
50,088	46,186	11,333	8,116	7,104	5,756
74,996,786	105,538,395	83,228,931	93,416,890	87,497,307	88,758,395
2,078,265	2,069,316	2,144,869	2,350,490	2,325,290	2,407,946
	1,108,507	7,388,722	4,837,611	6,361,773	9,851,315
2,078,265	3,177,823	9,533,591	7,188,101	8,687,063	12,259,261
\$77,075,051	\$108,716,218	\$92,762,522	\$100,604,991	\$96,184,370	\$101,017,656
\$6,290,758	\$8,046,144	\$8,316,622	\$10,405,482	\$12,892,233	\$12,507,481
3,993,572	4,412,488	4,213,466	4,472,432	4,596,075	4,748,500
137,424	137,896	237,618	217,540	481,400	184,507
875,972					
245,609	118,441	66,712	70,107	71,120	55,744
2,655,608	3,649,486	3,254,637	3,781,785	4,539,286	3,972,371
802,958	1,044,652	1,460,212	891,165	757,706	860,718
666	817	397	244	869	954
29,619,786	30,254,839	23,204,594	31,729,742	35,777,197	30,807,604
3,560,423	2,044,798	152,000	8,763,561	44,508	7,319,678
48,182,776	49,709,561	40,906,258	60,332,058	59,160,394	60,457,557
2,210,450	2,198,318	2,158,943	2,342,718	2,382,107	2,344,085
	5,730,757	7,266,317	7,477,846	7,899,900	8,351,763
2,210,450	7,929,075	9,425,260	9,820,564	10,282,007	10,695,848
\$50,393,226	\$57,638,636	\$50,331,518	\$70,152,622	\$69,442,401	\$71,153,405
(\$26,814,010)	(\$55,828,834)	(\$42,322,673)	(\$33,084,832)	(\$28,336,913)	(\$28,300,838)
132,185	4,751,252	(108,331)	2,632,463	1,594,944	(1,563,413)
(\$26,681,825)	(\$51,077,582)	(\$42,431,004)	(\$30,452,369)	(\$26,741,969)	(\$29,864,251)

DOUGLAS COUNTY, OREGON
 CHANGES IN NET POSITION, continued
 Last Ten Fiscal Years
 (accrual basis of accounting)

	Fiscal Year			
	2011	2012	2013	2014
General Revenues and Other Changes in Net Position				
Governmental activities:				
Property taxes	\$8,523,575	\$8,823,504	\$9,213,515	\$9,369,387
Unrestricted grants and contributions	19,282,732	10,477,888	10,324,564	10,763,122
Investment earnings	1,844,199	1,623,762	1,179,288	1,642,140
Gain on sale of assets	20,281	5,177	1,032,012	
Transfers in (out)				
Total governmental activities	<u>29,670,787</u>	<u>20,930,331</u>	<u>21,749,379</u>	<u>21,774,649</u>
Business-type activities:				
Investment earnings	12,371	9,312	5,240	4,710
Loan Write-Off				
Gain (loss) on sale of assets				
Transfers in (out)				
Total business-type activities	<u>12,371</u>	<u>9,312</u>	<u>5,240</u>	<u>4,710</u>
Total primary government	<u><u>\$29,683,158</u></u>	<u><u>\$20,939,643</u></u>	<u><u>\$21,754,619</u></u>	<u><u>\$21,779,359</u></u>
Change in Net Position				
Governmental activities	(\$2,096,885)	(\$20,815,206)	(\$13,740,119)	(\$5,990,261)
Business-type activities	212,248	(232,737)	(248,572)	(27,605)
Total primary government	<u><u>(\$1,884,637)</u></u>	<u><u>(\$21,047,943)</u></u>	<u><u>(\$13,988,691)</u></u>	<u><u>(\$6,017,866)</u></u>

Note: The County implemented GASB 63 in fiscal 2013. "Net Position" prior to the implementation was reported as "Net Assets".

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$9,686,638	\$9,611,444	\$9,974,961	\$10,366,312	\$10,605,646	\$11,150,616
10,431,699	9,860,643	6,894,271	10,987,939	11,637,640	10,595,836
1,294,892	1,862,542	1,027,247	1,229,633	4,453,422	4,149,762
53,567	1,555,603	238,901	2,610	49,104	13,985
	10,227,959	801,742	288,000	550,000	684,437
21,466,796	33,118,191	18,937,122	22,874,494	27,295,812	26,594,636
7,082	20,234	53,227	101,196	209,841	237,901
			2,361,529		
	1,211	27,948		8,514	5,422
	(10,227,959)	(801,742)	(288,000)	(550,000)	(684,437)
7,082	(10,206,514)	(720,567)	2,174,725	(331,645)	(441,114)
\$21,473,878	\$22,911,677	\$18,216,555	\$25,049,219	\$26,964,167	\$26,153,522
(\$5,347,214)	(\$22,710,643)	(\$23,385,551)	(\$10,210,338)	(\$1,041,101)	(\$1,706,202)
139,267	(5,455,262)	(828,898)	4,807,188	1,263,299	(2,004,527)
(\$5,207,947)	(\$28,165,905)	(\$24,214,449)	(\$5,403,150)	\$222,198	(\$3,710,729)

DOUGLAS COUNTY, OREGON
 FUND BALANCES OF GOVERNMENTAL FUNDS
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

	Fiscal Year			
	2011	2012	2013	2014
General Fund				
Nonspendable	\$801,455	\$372,637	\$294,966	\$62,153
Restricted	1,167,363	949,409	1,094,199	766,839
Committed		77	512	1,042
Assigned	2,120,165	5,663,248	8,637,326	17,748,479
Unassigned	68,769,862	61,155,131	55,880,584	43,099,420
Total General Fund	\$72,858,845	\$68,140,502	\$65,907,587	\$61,677,933
All other governmental funds				
Nonspendable	\$2,493,389	\$2,398,727	\$2,063,904	\$1,810,630
Restricted	94,953,641	90,983,636	85,540,578	81,651,417
Committed	13,434,348	13,863,482	15,799,285	15,007,832
Assigned	4,271,725	4,077,259	3,216,097	2,360,136
Total all other governmental funds	\$115,153,103	\$111,323,104	\$106,619,864	\$100,830,015

Notes: The County implemented GASB Statement No. 54 *Fund Balance Reporting and Governmental Fund Type Definitions* in fiscal year 2011 which resulted in changes in the classification of governmental funds and fund balances.

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$214,032	\$177,172	\$262,642	\$285,637	\$311,911	\$319,576
680,933	3,426,258	2,827,114	3,429,971	3,268,548	2,211,311
1,517	1,917	2,067	2,227	2,302	2,370
5,659,559	11,048,414	9,352,688	6,144,461	8,645,482	8,189,107
48,173,259	41,712,475	38,879,711	43,704,955	44,650,904	52,122,055
<u>\$54,729,300</u>	<u>\$56,366,236</u>	<u>\$51,324,222</u>	<u>\$53,567,251</u>	<u>\$56,879,147</u>	<u>\$62,844,419</u>
\$1,543,349	\$1,599,462	\$1,396,583	\$2,083,219	\$1,700,252	\$1,840,910
73,359,446	67,775,614	57,709,885	51,285,228	51,489,354	46,474,218
15,920,514	16,195,841	18,180,262	15,448,118	21,998,840	21,703,854
4,847,691	4,451,929	4,349,223	4,117,453	3,488,746	3,208,345
<u>\$95,671,000</u>	<u>\$90,022,846</u>	<u>\$81,635,953</u>	<u>\$72,934,018</u>	<u>\$78,677,192</u>	<u>\$73,227,327</u>

DOUGLAS COUNTY, OREGON
 CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
 Last Ten Fiscal Years

(modified accrual basis of accounting)

	Fiscal Year			
	2011	2012	2013	2014
Revenues				
Charges for services	\$9,281,699	\$8,951,210	\$9,504,189	\$9,047,178
Permits, licenses and fines	1,485,002	1,490,286	1,642,602	1,546,709
Intergovernmental	81,119,837	63,296,909	50,470,051	50,392,404
Property taxes	8,394,503	8,796,642	9,184,191	9,389,538
Assessments	40,634	26,539	32,985	42,656
Interest	1,717,109	1,512,138	1,098,709	1,568,174
Other	3,085,638	2,231,475	4,229,820	2,869,620
Total revenues	<u>105,124,422</u>	<u>86,305,199</u>	<u>76,162,547</u>	<u>74,856,279</u>
Expenditures				
General Government	19,995,908	18,201,994	16,851,909	17,207,138
Public Safety	22,259,822	23,148,387	22,707,711	23,100,718
Highways and Streets	11,012,867	10,748,845	9,734,690	10,090,760
Sanitation	2,448,517	2,255,942	2,287,407	2,406,384
Health and Welfare	27,255,433	26,465,889	16,695,125	18,593,267
Culture and Recreation	6,090,445	5,813,340	5,678,040	5,749,645
Conservation	779,918	817,199	832,543	874,024
Education	3,651,014	2,020,090	2,157,960	2,114,652
Capital outlay	4,771,242	5,042,487	5,758,102	4,338,692
Debt service:				
Principal	88,677	87,268	110,822	103,001
Interest	68,137	63,650	55,134	54,122
Total expenditures	<u>98,421,980</u>	<u>94,665,091</u>	<u>82,869,443</u>	<u>84,632,403</u>
Excess (deficiency) of revenues over (under) expenditures	<u>6,702,442</u>	<u>(8,359,892)</u>	<u>(6,706,896)</u>	<u>(9,776,124)</u>
Other financing sources (uses):				
Transfers in	7,862,457	8,057,417	7,902,199	8,473,612
Transfers out	<u>(7,862,457)</u>	<u>(8,057,417)</u>	<u>(7,902,199)</u>	<u>(8,473,612)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$6,702,442</u>	<u>(\$8,359,892)</u>	<u>(\$6,706,896)</u>	<u>(\$9,776,124)</u>
Debt service as a percentage of noncapital expenditures	<u>0.16%</u>	<u>0.16%</u>	<u>0.21%</u>	<u>0.19%</u>

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$9,539,431	\$10,899,007	\$12,484,922	\$13,873,162	\$13,970,413	\$15,020,524
1,523,793	1,571,451	1,474,537	1,503,781	1,429,364	1,390,981
41,764,120	40,276,259	30,240,865	45,356,806	47,424,607	48,723,118
9,698,864	9,628,905	9,935,055	10,381,257	10,650,148	11,193,911
16,269	15,521	8,249	4,741	3,921	8,649
1,215,073	1,762,954	915,394	1,075,756	4,227,573	3,909,074
3,118,294	5,041,008	3,623,560	4,069,475	7,356,789	5,263,210
66,875,844	69,195,105	58,682,582	76,264,978	85,062,815	85,509,467
17,917,862	18,297,777	18,878,954	24,029,762	21,074,941	22,879,719
23,330,036	24,272,788	25,322,741	25,844,154	26,590,990	27,016,561
10,476,079	10,565,001	10,785,924	10,730,503	10,105,829	10,129,307
2,321,950					
9,675,722	5,276,295	5,205,479	4,895,311	5,720,511	3,985,938
5,970,694	6,238,492	6,148,508	4,645,526	5,160,190	4,999,161
876,262	938,410	927,212	865,342	977,431	745,205
2,035,069	1,956,204	428,656	1,974,108	1,645,677	1,734,890
5,982,633	4,986,987	5,039,331	10,482,582	4,991,418	14,087,682
83,223	673,934	117,936	39,000	42,000	45,000
50,088	46,186	11,333	8,116	7,104	5,756
78,719,618	73,252,074	72,866,074	83,514,404	76,316,091	85,629,219
(11,843,774)	(4,056,969)	(14,183,492)	(7,249,426)	8,746,724	(119,752)
11,139,340	8,246,636	8,192,851	7,809,186	9,855,937	16,657,603
(11,139,340)	(8,066,636)	(7,391,109)	(7,521,186)	(9,305,937)	(15,973,166)
-	180,000	801,742	288,000	550,000	684,437
(\$11,843,774)	(\$3,876,969)	(\$13,381,750)	(\$6,961,426)	\$9,296,724	\$564,685
0.18%	1.03%	0.18%	0.06%	0.07%	0.07%

DOUGLAS COUNTY, OREGON
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 Last Ten Fiscal Years

Fiscal Year	Real Property	Utilities	Personal Property	Mobile Homes	Total Taxable Assessed Value	Direct Tax Rate	Estimated Actual Value	Assessed Value as a Percentage of Estimated Actual Value
2011	6,674,578,324	460,704,484	234,737,915	168,397,177	7,538,417,900	1.11	14,759,614,525	51.07%
2012	6,861,568,691	488,688,242	233,357,428	150,878,202	7,734,492,563	1.11	13,933,988,708	55.51%
2013	7,006,018,564	555,371,101	238,839,908	143,800,972	7,944,030,545	1.11	13,567,485,267	58.55%
2014	7,207,913,032	569,571,410	240,793,579	138,730,374	8,157,008,395	1.11	13,661,197,820	59.71%
2015	7,409,166,517	613,760,178	248,764,173	132,533,060	8,404,223,928	1.11	13,966,620,970	60.17%
2016	7,706,696,669	645,120,173	249,080,956	136,184,204	8,737,082,002	1.11	14,082,490,276	62.04%
2017	7,885,572,214	656,433,800	240,516,075	127,119,946	8,909,642,035	1.11	14,434,697,895	61.72%
2018	8,103,857,552	668,640,260	245,948,011	128,091,116	9,146,536,939	1.11	14,917,224,224	61.32%
2019	8,422,025,548	704,789,290	249,049,252	138,452,895	9,514,316,985	1.11	15,858,971,719	59.99%
2020	8,644,767,493	703,832,570	249,846,635	138,383,169	9,736,829,867	1.11	16,082,889,071	60.54%

Source: Douglas County Assessor's Department

DOUGLAS COUNTY, OREGON
PROPERTY TAX RATES - ALL DIRECT AND OVERLAPPING GOVERNMENTS*
(Per \$1,000 of Assessed Value)
Last Ten Fiscal Years

<u>Taxing Entity</u>	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Douglas County Total Direct Rate:										
General Operations	\$1.11	\$1.11	\$1.11	\$1.11	\$1.11	\$1.11	\$1.11	\$1.11	\$1.11	\$1.11
Overlapping Rates:										
City Rates:										
Canyonville	3.48	3.50	3.46	3.49	3.49	3.48	3.36	3.23	3.23	3.23
Drain	1.52	1.52	1.52	1.52	1.52	1.52	1.52	1.52	1.52	1.52
Elkton	2.33	2.33	2.33	2.33	2.33	2.33	2.33	2.33	2.33	2.33
Glendale	5.70	5.71	5.73	5.83	5.47	4.71	4.71	4.71	4.71	4.71
Myrtle Creek	6.51	6.51	6.51	6.51	6.51	6.51	6.51	6.51	6.51	6.51
Oakland	6.41	6.41	6.41	6.41	6.41	6.41	6.41	6.41	6.41	6.41
Reedsport	6.19	6.19	6.19	6.19	6.19	6.19	6.19	6.19	6.19	6.19
Riddle	6.49	6.49	6.49	6.49	6.49	6.49	6.49	6.49	6.49	6.49
Roseburg	8.48	8.48	8.48	8.48	8.48	8.48	8.48	8.48	8.48	8.48
Roseburg (Champton Mill Site)	4.24	5.09	5.93	6.78	7.63	7.63	8.48	8.48	8.48	0.00
Roseburg (DT)	8.48	8.48	8.48	8.48	8.48	8.48	8.48	8.48	8.48	0.00
Sutherlin	5.81	5.78	5.78	5.75	5.75	5.75	5.74	5.75	5.74	5.74
Winston	4.27	4.27	4.27	4.27	4.27	4.27	4.27	4.27	4.27	4.27
Yoncalla	1.46	1.46	1.46	1.46	1.46	1.46	1.46	1.46	1.46	1.46
School Districts Rates:										
Camas Valley	4.70	4.70	4.70	4.70	4.70	4.70	4.70	4.70	4.70	4.70
Days Creek	4.84	4.84	4.84	4.84	4.84	4.84	4.84	4.84	4.84	4.84
Elkton	5.30	5.29	5.30	5.30	5.28	5.31	5.33	5.33	5.28	5.41
Fern Ridge	6.92	6.97	6.92	7.01	6.89	6.15	8.07	6.80	6.84	6.88
Glendale	5.23	5.27	5.28	5.27	5.22	5.21	5.22	5.22	5.22	5.26
Glide	5.60	5.58	5.45	5.48	5.48	5.49	5.46	5.46	5.46	5.45
North Douglas	5.17	5.22	5.11	5.11	5.16	5.09	5.10	5.11	5.11	5.10
Oakland	5.03	5.06	5.02	5.01	5.00	5.01	5.01	5.02	4.64	4.64
Reedsport	5.78	5.73	5.70	5.72	5.71	5.83	5.68	5.66	5.74	5.52
Riddle	4.66	4.66	4.66	4.66	4.66	4.66	4.66	4.66	4.66	4.66
Roseburg	4.66	4.65	4.65	4.63	4.64	4.62	4.50	4.57	4.57	4.52
Siuslaw	5.76	5.55	5.54	5.53	5.53	5.53	5.55	5.54	5.51	4.64
South Lane	6.45	6.39	6.35	6.50	6.29	6.19	6.89	6.61	6.48	6.16
South Umpqua	4.71	4.71	4.71	4.71	4.71	4.71	4.71	4.71	4.71	4.71
Sutherlin	4.75	4.76	4.73	4.75	4.73	4.74	4.15	4.73	4.08	4.08
Winston-Dillard	5.94	5.91	6.01	6.03	6.03	5.91	5.83	5.79	5.74	5.70
Yoncalla	4.69	4.69	4.69	4.69	4.69	4.69	4.69	4.69	4.69	4.69
Lane Community College	0.86	0.88	0.86	0.86	0.86	0.82	0.84	0.85	0.84	0.84
SW Ore Com College	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70	0.70
Umpqua Com College	0.46	0.46	0.46	0.46	0.46	0.46	0.46	0.46	0.46	0.46
Education Service District Rates	0.22-0.53	0.22-0.53	0.22-0.53	0.22-0.53	0.22-0.53	0.22-0.53	0.22-0.53	0.22-0.53	0.22-0.53	0.22-0.53
Fire District Rates	0.49-4.65	0.49-4.65	0.49-4.65	0.49-4.65	0.49-4.65	0.49-4.65	0.49-4.65	0.49-4.65	0.49-4.65	0.49-4.65
Water District Rates	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sanitary District Rates	0.00-2.42	0.00-2.42	0.00-2.42	0.00-2.42	0.00-1.42	0.00-1.42	0.00-1.42	0.00-1.42	0.00-1.42	0.00-1.42
Other Special District Rates	0.00-3.97	0.00-3.97	0.00-3.97	0.00-3.97	0.00-3.97	0.00-3.97	0.00-3.97	0.00-3.97	0.00-3.97	0.00-3.97

* Source: County Assessor's annual certified levy

Note: In 1997, Oregon voters passed Measure 50, which limits the rate property value can increase to no more than 3% annually, establishes permanent tax rate limits for Oregon's local taxing districts, retains Measure 5 tax limitations (tax rates cannot exceed \$15 per \$1,000 of real market value for operating revenues).

DOUGLAS COUNTY, OREGON
PRINCIPAL TAXPAYERS
Current Year and Nine Years Ago

Taxpayer	2020			2011		
	Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Valuation	Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Valuation
Pacific Power/Pacificorp	\$510,720,000	1	5.25%	\$300,960,000	1	3.99%
Roseburg Forest Products	298,044,608	2	3.06%	132,332,445	2	1.76%
Weyerhaeuser Co	78,946,135	3	0.81%	52,851,756	3	0.70%
Avista Corporation	61,671,000	4	0.63%	24,146,000	8	0.32%
CenturyLink (Qwest Corporation)	56,632,000	5	0.58%	25,082,000	6	0.33%
Seneca Jones Timber	48,195,131	6	0.49%	36,784,489	4	0.49%
Charter Communications	47,376,700	7	0.49%	22,660,700	9	0.30%
Central Oregon & Pacific RR CO.	41,760,400	8	0.43%			
Verizon Communications	30,943,000	9	0.32%	17,481,500	10	0.23%
AT&T INC	24,297,000	10	0.25%			
OxBow Timber LLC				33,954,954	5	0.45%
Swanson Group				24,860,558	7	0.33%
	<u>\$1,198,585,974</u>		<u>12.31%</u>	<u>\$671,114,402</u>		<u>8.90%</u>

Source: Douglas County Assessor's Department

DOUGLAS COUNTY, OREGON
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years

Fiscal Year	Total Tax Levy	Current Tax Collections	Percent Of Levy Collected	Collections in Subsequent Years	Total Tax Collections	Percent of Total Tax Collections To Tax Levy	Outstanding Delinquent Taxes	Percent of Delinquent Taxes To Tax Levy
2011	8,332,837	7,827,553	93.94	467,814	8,295,367	99.55	37,470	0.45
2012	8,541,149	8,049,474	94.24	469,397	8,518,871	99.74	22,278	0.26
2013	8,871,489	8,413,472	94.84	418,024	8,831,496	99.55	39,993	0.45
2014	9,102,004	8,685,265	95.42	386,744	9,072,009	99.67	29,995	0.33
2015	9,413,171	9,004,919	95.66	370,973	9,375,892	99.60	37,279	0.40
2016	9,296,768	8,924,327	95.99	332,442	9,256,769	99.57	39,999	0.43
2017	9,727,312	9,342,532	96.04	316,879	9,659,411	99.30	67,901	0.70
2018	10,117,724	9,750,356	96.37	262,114	10,012,470	98.96	105,254	1.04
2019	10,383,604	10,031,915	96.61	180,682	10,212,597	98.35	171,007	1.65
2020	10,898,727	10,559,302	96.89	-	10,559,302	96.89	339,425	3.11

Source: Douglas County Tax Collector's records related to Douglas County funds. Does not include 4H Extension Service District or Agency Funds.

DOUGLAS COUNTY, OREGON
RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years

Governmental Activities - Total Primary Government

General Bonded Debt Outstanding (1)

Fiscal Year	General Obligation Bonds	Percentage of Estimated Actual Value of Taxable Property	Notes Payable	Percentage of Personal Income (2)	Per Capita (2)
2011	N/A	N/A	1,191,184	0.035%	11.06
2012	N/A	N/A	1,328,916	0.042%	12.33
2013	N/A	N/A	1,257,094	0.037%	11.62
2014	N/A	N/A	1,154,093	0.033%	10.60
2015	N/A	N/A	1,070,870	0.029%	9.79
2016	N/A	N/A	396,936	0.010%	3.61
2017	N/A	N/A	279,000	0.007%	2.53
2018	N/A	N/A	240,000	0.006%	2.16
2019	N/A	N/A	198,000	0.004%	1.77
2020	N/A	N/A	153,000	0.003%	1.36

(1) Douglas County has not had any general obligation bonded debt in the last ten fiscal years.

(2) See the schedule of Demographic and Economic Statistics for personal income and population data.

N/A - Not applicable

DOUGLAS COUNTY, OREGON
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
June 30, 2020

<u>Governmental Unit</u>	Direct Debt and Net General Obligation Bonded Debt Outstanding	Estimated Percentage Applicable to County	Estimated Amount Applicable to County
Debt repaid with property taxes:			
Direct Debt			
Douglas County	\$153,000	100.00 %	\$153,000
Subtotal, Direct Debt	\$153,000		\$153,000
Overlapping Debt			
Camas Valley Rural Fire Protection District	70,000	100.00	70,000
South Umpqua Rural Fire Protection District	700,000	100.00	700,000
City of Drain	6,018,472	100.00	6,018,472
City of Glendale	763,744	100.00	763,744
City of Myrtle Creek	5,787,448	100.00	5,787,448
City of Oakland	2,478,938	100.00	2,478,938
City of Reedsport	10,086,790	100.00	10,086,790
City of Riddle	103,506	100.00	103,506
City of Roseburg	4,543,278	100.00	4,543,278
City of Sutherlin	2,852,244	100.00	2,852,244
Douglas County School District No. 1	306,000	100.00	306,000
Douglas County School District No. 105	10,228,264	100.00	10,228,264
Douglas County School District No. 116	25,010,103	100.00	25,010,103
Douglas County School District No. 12	8,316,597	100.00	8,316,597
Douglas County School District No. 130	7,114,193	100.00	7,114,193
Douglas County School District No. 15	260,798	100.00	260,798
Douglas County School District No. 19	9,776,417	100.00	9,776,417
Douglas County School District No. 22	775,000	100.00	775,000
Douglas County School District No. 34	2,930,000	100.00	2,930,000
Douglas County School District No. 4	29,142,388	100.00	29,142,388
Douglas County School District No. 77	226,000	100.00	226,000
Douglas ESD	1,513,579	100.00	1,513,579
Elkton Rural Fire Protection District	55,000	100.00	55,000
Glide Rural Fire Protection District	1,980,000	100.00	1,980,000
Lane Community College	46,100,000	0.03	11,525
Lane County School District No. 28J	28,654,989	0.31	90,235
Lane County School District No. 45J3	59,935,471	0.15	91,761
Lane County School District No. 97J	7,760,000	0.37	28,828
Lane ESD	6,480,000	0.03	2,223
Southwestern Oregon Community College	18,223,109	4.97	905,014
Tri-City Rural Fire Protection District #4	2,100,000	100.00	2,100,000
Umpqua Community College	4,965,800	100.00	4,965,800
Winston-Dillard Water District	4,364,615	100.00	4,364,615
Subtotal, Overlapping Debt	309,622,742		143,598,760
Total Direct and Overlapping Debt	\$309,775,742		\$143,751,760

Sources: Oregon State Treasury, Debt Management Information System, Douglas County Office of Management & Finance

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 Douglas 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 residents and businesses 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.

DOUGLAS COUNTY, OREGON
LEGAL DEBT MARGIN INFORMATION
Last Ten Fiscal Years

Fiscal Year	Debt Limit	Debt Applicable To Limitation	Legal Debt Margin	Net Debt Applicable to the Limit as a Percentage of the Debt Limit
2011	295,192,291	0.00	295,192,291	0.00%
2012	278,679,774	0.00	278,679,774	0.00%
2013	271,349,705	0.00	271,349,705	0.00%
2014	273,223,956	0.00	273,223,956	0.00%
2015	279,332,419	0.00	279,332,419	0.00%
2016	281,649,806	0.00	281,649,806	0.00%
2017	288,693,958	0.00	288,693,958	0.00%
2018	298,344,484	0.00	298,344,484	0.00%
2019	317,179,434	0.00	317,179,434	0.00%
2020	321,657,781	0.00	321,657,781	0.00%

Legal Debt Margin Calculation for Fiscal Year 2020:

Estimated Real Market Value	<u><u>\$16,082,889,071</u></u>
Debt limit (2% of estimated actual value)(1)	\$321,657,781
Debt applicable to limit	<u>0</u>
Legal debt margin	<u><u>\$321,657,781</u></u>

(1) The debt limit for general obligation bonds set forth in ORS 287A.100 provides "a county may not issue or have outstanding at the time of issuance general obligation bonds in a principal amount that exceeds two percent of the real market value of the taxable property in the county."

Source: Douglas County Assessor's Department

DOUGLAS COUNTY, OREGON
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 Last Ten Fiscal Years

Per Capita Personal Income

Fiscal Year	Population	Personal Income	Personal Income	Median Age	School Enrollment	Unemployment Rate
2011	107,667	3,411,536,562	31,686	46.1	14,834	13.2%
2012	107,795	3,190,839,795	29,601	46.1	14,709	12.0%
2013	108,195	3,378,064,290	31,222	46.1	14,709	10.9%
2014	108,850	3,525,542,650	32,389	46.1	14,617	9.7%
2015	109,385	3,699,510,085	33,821	46.1	14,295	7.7%
2016	109,910	3,794,203,110	34,521	46.7	14,295	6.4%
2017	110,395	3,971,680,915	35,977	46.9	14,247	4.7%
2018	111,180	4,122,220,860	37,077	47.0	14,209	5.2%
2019	111,735	4,514,987,880	40,408	47.0	14,268	5.3%
2020	112,250	4,751,991,500	42,334	47.0	14,338	10.8%

Sources: Population and personal income provided by Portland State University Center for Population Research and Census. Per capita personal income provided by Bureau of Economic Analysis. Unemployment rate provided by Oregon Department of Employment. School enrollment provided by the National Center for Education Statistics. Median age provided by the U.S. Census Bureau.

DOUGLAS COUNTY, OREGON
 PRINCIPAL EMPLOYERS
 Current Year and Nine Years Ago

<u>Employer</u>	<u>2020</u>			<u>2011</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
Roseburg Forest Products*	1,831	1	4.30%	1,936	1	5.63%
Mercy Healthcare, Inc	1,419	2	3.33%	1,065	2	3.10%
VA Medical Center	950	3	2.23%	739	4	2.15%
Cow Creek Band of Umpqua Indians*	787	4	1.85%	779	3	2.26%
Swanson Group*	714	5	1.68%	292	7	0.85%
Roseburg School District	694	6	1.63%	660	6	1.92%
Douglas County	504	7	1.18%	710	5	2.06%
First Call Resolution*	433	8	1.02%			
Orenco Systems*	370	9	0.87%			
Wal-Mart*	301	10	0.71%	263	9	0.76%
Umpqua Bank				286	8	0.83%
DCIPA				251	10	0.73%
	<u>8,003</u>		<u>18.80%</u>	<u>6,981</u>		<u>20.29%</u>

*Employee amount based on 2019 Top Employers List - Did not do a 2020 report due to COVID

Source: Umpqua Economic Development Partnership - 2019 Douglas County Top Employers
 Direct sources

DOUGLAS COUNTY, OREGON
 FULL-TIME-EQUIVALENT COUNTY EMPLOYEES BY FUNCTION/PROGRAM
 Last Ten Fiscal Years

<u>Function/Program</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Governmental Activities:										
General Government										
Tax Assessment and Collection	32.00	31.70	31.70	31.11	31.10	25.45	24.74	21.90	24.90	23.90
Justices of the Peace	10.85	10.85	11.15	11.20	11.20	11.20	9.15	7.45	7.80	7.10
Juvenile Department	40.70	35.55	32.60	38.60	40.50	51.43	49.22	61.42	61.22	57.62
County Clerk	9.80	9.30	8.80	7.00	8.00	6.50	7.00	7.00	6.90	7.00
Planning	20.50	17.50	16.00	15.00	16.00	14.00	14.00	15.75	16.75	16.00
All other	76.15	75.20	72.51	73.21	73.81	70.76	72.51	70.61	72.40	72.90
Public Safety										
Sheriff	134.50	134.50	128.50	128.50	128.50	122.50	129.50	128.50	129.50	120.50
District Attorney	21.60	21.80	21.80	22.00	22.19	22.19	22.00	23.00	22.60	22.10
All other	51.25	48.25	45.44	44.44	41.94	49.34	51.34	38.10	40.20	40.45
Highways and Streets	83.75	78.50	70.75	64.75	63.75	61.75	62.75	61.00	59.75	60.50
Sanitation	15.00	13.00	13.00	12.00	12.00					
Health and Welfare	173.93	177.40	179.10	197.90	79.70	51.05	19.75	18.05	19.80	18.35
Culture and Recreation										
Parks	16.50	14.50	13.20	14.44	13.94	14.32	15.00	15.00	16.00	16.00
Library	32.46	26.55	26.05	26.05	26.05	21.15	17.57	0.00	0.00	0.00
Fairgrounds	11.00	11.00	9.00	9.00	10.00	10.00	10.00	9.80	9.60	8.80
Museum	5.25	4.00	4.00	4.00	4.50	3.22	2.50	1.60	1.70	1.60
Conservation	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	5.25
Total governmental activities	<u>741.24</u>	<u>715.60</u>	<u>689.60</u>	<u>705.20</u>	<u>589.18</u>	<u>540.86</u>	<u>513.03</u>	<u>485.18</u>	<u>495.12</u>	<u>478.07</u>
Business-type activities:										
Salmon Harbor Marina/RV Park	12.00	12.00	12.00	10.00	10.00	11.00	12.00	12.00	12.00	12.80
Solid Waste/Landfill						14.00	14.00	30.00	31.25	33.25
Total Business-type activities	<u>12.00</u>	<u>12.00</u>	<u>12.00</u>	<u>10.00</u>	<u>10.00</u>	<u>25.00</u>	<u>26.00</u>	<u>42.00</u>	<u>43.25</u>	<u>46.05</u>
Total employees	<u>753.24</u>	<u>727.60</u>	<u>701.60</u>	<u>715.20</u>	<u>599.18</u>	<u>551.86</u>	<u>525.03</u>	<u>497.18</u>	<u>538.37</u>	<u>524.12</u>

Source: Douglas County Finance Department

DOUGLAS COUNTY, OREGON
OPERATING INDICATORS BY FUNCTION/PROGRAM
Last Ten Fiscal Years

Function/Program	Fiscal Year										
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	
General governmental activities:											
<u>Public Safety</u>											
Sheriff-Enforcement											
Citations issued	2,397	2,589	2,604	2,634	2,738	3,113	2,889	3,013	3,796	3,644	
Warnings issued	5,743	5,078	5,148	5,343	2,132	2,966	1,538	2,814	3,942	2,675	
Arrest reports	2,973	2,734	3,063	3,562	3,278	3,481	3,125	3,136	3,075	3,165	
Sheriff-Jail											
Bookings	6,047	6,519	7,009	7,213	7,093	6,940	6,748	6,657	6,412	5,145	
Average daily population	223	211	193	234	231	224	226	212	194	165	
Communications											
Law Enforce reports	182,608	193,980	157,914	124,705	120,947	123,877	118,934	123,072	128,367	125,425	
Fire/Medical reports	18,401	19,617	8,794	19,511	21,134	22,328	25,702	24,050	24,782	26,355	
Building Department											
Building permits	965	751	826	841	875	898	966	1,131	1,095	1,152	
<u>Highways and Streets</u>											
Miles of roads resurfaced	7.99	14.42	10.01	3.36	2.09	84.84	5.07	70	52	51	
<u>Sanitation</u>											
Landfill annual waste disposal in tons	77,853	74,986	75,118	74,136	82,735						
<u>Health and Welfare</u>											
Services to unduplicated clients:											
Mental Health	2,800	2,661	3,052	3,517							
Public Health	13,808	13,319	14,286	13,729	10,766	5,191					
Senior and DD Services	4,007	5,096	3,121	2,885	2,585	2,804	2,681	3,631	3,767	2,926	
<u>Culture and Recreation</u>											
Park campgrounds annual usage	24,012	24,156	24,347	25,031	23,231	24,588	27,033	29,194	40,549	34,751	
<u>Conservation</u>											
Galesville dam annual KWH produced	7,707,415	6,559,387	7,224,361	3,144,390	3,785,272	5,741,347	7,479,202	4,079,949	4,544,652	3,639,957	
Business-type activities:											
<u>Salmon Harbor Marina</u>											
RV Park average annual occupancy	39%	37%	37%	39%	46%	49%	49%	54%	53%	45%	
<u>Solid Waste/Landfill</u>											
Landfill annual waste disposal in tons						77,229	81,608	83,340	92,249	97,435	

Sources: Various county departments

Notes: As of 7/1/14, Douglas County no longer provided direct
Mental Health and Developmental Disabilities Services
As of 12/31/15, Douglas County no longer provided direct
Public Health Services
As of FY16, Landfill operations moved under a Business-
type activity, with the department Solid Waste

DOUGLAS COUNTY, OREGON
 CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
 Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental Activities:										
<u>Public Safety</u>										
Sheriff										
Patrol vehicles	42	42	34	34	38	38	38	46	51	58
Adult correction facility	1	1	1	1	1	3	3	4	4	4
<u>Highways and Streets</u>										
Centerline miles of county roads										
	1,173	1,173	1,173	1,173	1,173	1,173	1,173	1,173	1,173	1,173
Bridges	304	304	305	305	305	305	305	305	305	305
<u>Sanitation</u>										
Landfill facility	1	1	1	1	1					
Solid waste transfer sites	10	11	11	11	11					
<u>Culture and Recreation</u>										
Parks										
Number of county parks	53	53	53	53	68	68	68	69	67	67
Overnight camp sites	317	317	317	317	338	382	382	486	486	527
<u>Conservation</u>										
Dams	2	2	2	2	2	2	2	2	2	2
Stream gauging stations	24	23	23	23	23	23	23	23	20	20
Business-type activities:										
<u>Salmon Harbor Marina</u>										
Moorage Docks	16	16	15	15	15	19	19	19	19	19
Boarding Floats	2	2	2	2	2	2	2	2	2	2
Boat Fueling Dock	1	1	1	1	1	1	1	1	1	1
<u>Solid Waste/Landfill</u>										
Landfill facility						1	1	1	1	1
Solid waste transfer sites						11	11	11	11	11

Sources: Various county departments

Note: No capital asset indicators are available for the general government function.

As of FY16, Landfill operations moved under a Business-type activity

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

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

December 21, 2020

Board of Commissioners
Douglas County, Oregon
Roseburg, 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 Douglas County, Oregon as of and for the year ended June 30, 2020, and have issued our report thereon dated December 21, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Douglas County, Oregon'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Douglas County, Oregon's internal control. Accordingly, we do not express an opinion on the effectiveness of Douglas County, Oregon's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or 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 combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Douglas County, Oregon's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the 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.

Kenneth Kuhns & Co.

Kenneth Kuhns & Co.

INDEPENDENT AUDITOR'S COMMENTS

(Disclosures and Comments Required by State Regulations)

Oregon Administrative Rules 162-10-050 through 162-10-320, 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 financial 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 following.

INDEPENDENT AUDITOR'S COMMENTS
REQUIRED BY OREGON STATE REGULATIONS

December 21, 2020

Board of Commissioners
Douglas County, Oregon
Roseburg, 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 Douglas County, Oregon as of and for the year ended June 30, 2020, and have issued our report thereon dated December 21, 2020.

Internal Control Over Financial Reporting

Our report on Douglas County, Oregon's internal control over financial reporting is presented elsewhere in this Comprehensive Annual Financial Report.

Compliance

As part of obtaining reasonable assurance about whether Douglas County, Oregon's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the 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:

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

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

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 Board of Commissioners, management and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than these specified parties.

Kenneth Kuhns & Co

Kenneth Kuhns & Co.