

The Rake: Decoding an Oregon County's Notice of Budget Hearing

[D R A F T # 8: June 15, 2026]

This brief memo simplifies the problems that were identified during a private audit of Douglas County's [NOTICE OF BUDGET HEARING](#) dated June 2, 2025 and signed by the Chair, Board of Commissioners.

Please print a hard copy of that NOTICE, before reading any further.

For ease of reference, we have added numbers to line items below.

The figures of greatest concern in that NOTICE are:

1. Total Unappropriated Ending Fund Balance: \$143,720,901 ("surplus")
2. Total Beginning Fund Balance, FY 2024-2025: \$116,666,000
3. Difference: \$27,054,901

Using the "[gold standard](#)" of accounting practices honored in the County's annual CAFR, prepared by CPAs, the Beginning Fund Balance should be equal to the Ending Fund Balance for the prior preceding Fiscal Year.

We explain why as follows:

When the budget for FY 2024-2025 was adopted mid-June of 2024, the correct "surplus" was a number that could be easily estimated through June 30, 2024, if the *exact* number was not already known at that time.

Therefore, in the Adopted Budget for Fiscal Year 2024-2025, the Beginning Fund Balance should be equal, or very close to the Actual Amount of that "surplus".

And, most certainly by December of 2024, the [CAFR](#) prepared by CPAs published the exact "surplus" as of June 30, 2024. And, that exact "surplus" should be known and verifiable long before mid-June 2025.

If there is any discrepancy between the published CAFR and the County's internal accounting systems, the County Commissioners could easily "revise" their Adopted Budget for FY 2024-2025 so that both accounting systems report the same "surplus".

Commissioners have about six months to approve such a revision. And any required revision *should occur* promptly after the CAFR is published.

Fast forward now to June of 2025. Because an exact "surplus" was already published in the [CAFR](#) on or about December 2024, that "surplus" should be exactly equal to the Total Beginning Fund Balance showing in the Adopted Budget for Fiscal Year 2024-2025.

Instead of honoring standard accounting practices, however, that NOTICE OF BUDGET HEARING dated June 2, 2025, shows a large discrepancy exceeding \$27 Million U.S. Dollars. (See line item 3.)

Without any reasonable or rational explanation(s), the actual "surplus" shrunk by \$27 Million in the Adopted Budget for Fiscal Year 2024-2025.

What happened to that large sum of U.S. Dollars?

To date, not one Douglas County official has offered *any* reasonable or rational explanation(s) for this comparatively large discrepancy.

A careful comparison of [CAFR](#) figures for Fiscal Year 2023-2024 with the corresponding figures in the NOTICE OF BUDGET HEARING also reveals further *substantial* discrepancies.

In the latter NOTICE, we find:

- | | | |
|----|---|---------------|
| 4. | Total Beginning Fund Balance (Actual Amount): | \$156,903,013 |
| 5. | Total Unappropriated Ending Fund Balance: | \$143,720,901 |

In the latter CAFR, we find:

- | | | |
|----|---------------------------|---------------|
| 6. | Fund Balances, beginning: | \$128,770,239 |
| 7. | Fund Balances, ending: | \$118,200,487 |

The differences are so large, they require further reasonable and rational explanations that do explain why the CAFR totals are so much smaller.

Now, with a focus on *all service reductions* to date, such as the decision by the local transit district ("UPTD") to stop Saturday bus service, let us postulate a different and very realistic scenario, again using DoCo's NOTICE OF BUDGET HEARING dated 6/2/2025.

For brevity, we abbreviate "Total Unappropriated Ending Fund Balance" with the single word "surplus". The recent history of that one line item now follows:

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|-----|--|---------------|---------------|
| 8. | Actual Amount, Last Year, 2023-2024: | \$143,720,901 | (see item 1.) |
| 9. | Adopted Budget, This Year, 2024-2025: | \$68,050,988 | |
| 10. | Approved Budget, Next Year, 2025-2026: | \$54,484,527 | |

At face value, the trend shown by the latter surplus amounts is obviously downward, removing almost \$100 Million between FY2024 and the current Fiscal Year.

We believe this is an appropriate and very useful trend.

If we repair the discrepancy that results from subtracting Total Beginning Fund Balance in the Adopted Budget for FY2025 (item 2.) from the Actual Amount of the surplus for FY2024 (item 1.), the net result is a New Surplus for FY2025:

11. Adopted Budget, 2024-2025:	\$68,050,988	(see item 9.)
12. add computed discrepancy:	+\$27,054,901	(see item 3.)
13. New Surplus for FY2025:	<u>\$95,105,889</u>	

Now, compare that New Surplus for FY2025 with the Total Beginning Fund Balance in the Approved Budget for the current FY2026: \$94,610,000

Not only does this simple scenario highlight a larger surplus that *should have been adopted* for FY2025 e.g. by means of routine budget revisions.

This simple scenario also raises a host of serious questions about the fiscal impacts on *other* special districts, like the public transit district.

In particular, it is a routine matter for DoCo Commissioners to approve one or more official "revisions" to their Adopted Budgets.

And, there is ample justification to require all Adopted Budgets to maintain consistency with all available CAFRs. However, CAFRs are not required by Oregon's Local Budget Law. See instead Oregon's Municipal Audit Law.

Such a requirement can be satisfied with a single budget revision that is authorized as soon as possible after the CAFR is published annually in the month of December.

The transit district's official budgetary reasons for reducing services were not available while this memo was being drafted.

As such, that district would need to disclose an approximate total dollar amount that would be required to restore all of the services that have been reduced recently. (See link below to UPTD's [Form LB-1](#), hearing date May 27, 2025.)

As a general observation, nevertheless, DoCo's very own NOTICE OF BUDGET HEARING does show an approved surplus for FY2026 of \$54,484,527 (see item 10.)

The latter figure is 21% of the Total Requirements of \$257,782,638 showing in DoCo's Approved Budget for FY2026.

The New Surplus for FY2025 (item 13.) is 33% of the Total Requirements of \$285,661,453 showing in DoCo's Adopted Budget for FY2025.

Why are such large DoCo surpluses categorized as "Requirements"?

We do honestly and sincerely hope we are not out of line to question why Douglas County Commissioners cannot appropriate a portion of that *Approved Budget* surplus in order to restore some, if not all of the transit district's cancelled services.

Further reading:

PRELIMINARY TABLE OF ACCOUNTING DISCREPANCIES:

15 x NOTICE OF BUDGET HEARING (Douglas County)

Version 4

<http://supremelaw.org/cc/DoCo/2021budget/discrepancy.table.Version-4.htm>

PRELIMINARY TABLE OF ACCOUNTING DISCREPANCIES:

16 x NOTICE OF BUDGET HEARING (Douglas County)

Version 5

<https://supremelaw.org/cc/DoCo/2021budget/discrepancy.table.Version-5.htm>

Timeline of Three Consecutive Fiscal Years:

<http://supremelaw.org/cc/DoCo/2026budget/3xFY.timeline.2.gif>

UPTD's NOTICE OF BUDGET HEARING, Form LB-1, May 27, 2025:

<http://supremelaw.org/cc/uptd/Legal.Notice.5.27.2025.LB-1.pdf>