SOLID WASTE SERVICE DISTRICT

FINANCIAL REPORT

June 30, 2025

Members of the Governing Body

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SingerLewak
Accountants & Consultants

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Solid Waste Service District
Tillamook, Oregon

Report on the Audit of the Financial Statements

Opinions
We have audited the financial statements of the Solid Waste Service District (the "District"), a component unit of Tillamook County, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position the District as of June 30, 2025, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions
We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter
As described in Note 3 to the financial statements, the District adopted the provisions of GASB Statement No. 101, *Compensated Absences*, effective July 1, 2024, which includes a change in accounting principle. Our opinions are not modified with respect to this matter.

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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

In performing an audit in accordance with GAAS, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Board of Directors
Solid Waste Service District
Tillamook, Oregon
November 5,2025

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages a – d, schedules of proportionate share of the net pension liability, pension contributions, proportionate share of the total other postemployment benefits liability, and other postemployment benefits contributions on pages 23 – 26 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Reporting Required by Oregon State Regulations

In accordance with Minimum Standards for audits of Oregon Municipal Corporations, we have also issued our report dated November 5, 2025, on our consideration of the District's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

Singer Lewak LLP

November 5, 2025

By:

Bradley G. Bingenheimer, Partner

MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Solid Waste Service District (the "District") is a component unit of Tillamook County. The District is included in the County's comprehensive annual financial report. This discussion and analysis presents the highlights of financial activities and financial position for the District.

FINANCIAL HIGHLIGHTS

The District's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at June 30, 2025, by $2,301,931 (net position). Of this amount $2,201,810 was invested in capital assets and $100,121 was unrestricted.

The District's net position increased by $291,611.

OVERVIEW OF THE FINANCIAL STATEMENTS

The District's annual financial report consists of various sections. Taken together they provide the annual financial report of the District. The components of the report include the following:

Management's Discussion and Analysis. This section of the report provides financial highlights, overview and economic factors affecting the District.

Basic Financial Statements. Includes statements of net position, revenues, expenses and changes in net position, and cash flows. The notes to the financial statements provide additional disclosures required by governmental accounting standards and provide information to assist the reader in understanding the District's financial condition.

Combining Statements and Individual Fund Schedules. Readers desiring additional information on the District's funds can find it in this section of this report. Included within this section are combining fund financial statements and schedules of revenues, expenditures and changes in fund balance – budget and actual for the Solid Waste, the Solid Waste Sinking and the Solid Waste Post-Closure Reserve Funds.

Independent Auditor's Report Required by State of Oregon Regulations. Supplemental communication on district compliance and internal controls as required by Oregon state regulations.

FINANCIAL SUMMARY AND ANALYSIS

As mentioned earlier, the District's net position as of June 30, 2025, is $2,301,931. Net position is comprised of the District's current assets plus capital assets less accounts payable and landfill post-closure care liability.

The condensed statement of net position of the District as of June 30, 2025 and 2024 are as follows:

NET POSITION

	2025	2024
Assets		
Current assets	$ 2,026,629	$ 1,608,408
Capital assets, net	2,201,810	2,355,262
Total assets	4,228,439	3,963,670
Total deferred outflows of resources	153,389	293,990
Liabilities		
Other liabilities	334,479	306,585
Long-term obligations	1,713,346	1,908,037
Total liabilities	2,047,825	2,214,622
Total deferred inflows of resources	32,072	32,718
Net position		
Investment in capital assets	2,201,810	2,355,262
Unrestricted	100,121	(344,942)
Total net position	$ 2,301,931	$ 2,010,320

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

The net position of the District increased during the year ended June 30, 2025 by $291,611. The key elements of the changes in net position for the years ended June 30, 2025 and 2024 are as follows:

CHANGE IN NET POSITION

	2025	2024
Operating revenues		
Charges for services	$3,976,521	$3,276,430
Miscellaneous	83,256	84,535
Total operating revenues	4,059,777	3,360,965
Operating expenses	4,165,980	3,831,767
Operating (loss)	(106,203)	(470,802)
Nonoperating revenues and capital contributions	401,338	312,109
Change in net position	295,135	(158,693)
Net position - beginning	2,010,320	2,169,013
Change in accounting principle	(3,524)	-
Net position - ending	$2,301,931	$2,010,320

FINANCIAL ANALYSIS OF FUNDS

As of June 30, 2025, the District's operating fund (Solid Waste Fund) had a budgetary basis fund balance of $481,949, which is an increase of $314,605 from June 30, 2024.

The District's other funds, Solid Waste Sinking and Post Closure Reserve, had budgetary basis fund balances of $271,046 and $1,090,864, respectively.

BUDGETARY HIGHLIGHTS

During the year, there was one transfer resolution which transferred appropriations totaling $255,000 from personnel services and contingencies to materials and services. The District's revenues exceeded expenditures by $414,605 and all expenditures were within budgeted amounts.

CAPITAL ASSETS AND DEBT ADMINISTRATION

During the year ended June 30, 2025, changes in capital assets included $92,099 for construction in progress and depreciation for the year of $245,551.

CAPITAL ASSETS AT JUNE 30, 2025 AND 2024, NET OF DEPRECIATION

	2025	2024
Land	$ 125,000	$ 125,000
Construction in progress	260,710	168,611
Land improvements	116,378	122,393
Buildings and equipment	1,699,722	1,939,258
	$ 2,201,810	$ 2,355,262

Additional information on the District's capital assets may be found in Note 6.

The District does not have any long-term debt.

ECONOMIC FACTORS

The primary purpose of the Solid Waste Service District is to collect and dispose of solid waste generated in Tillamook County. Increases in tourism and full-time population increase the amount of waste generated in the County. The District's funding sources are fees and assessments from property owners. These sources provide adequate funding for the program.

FINANCIAL CONTACT

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

If you have questions about the report or need additional financial information, please contact the County Treasurer's Office at 201 Laurel Ave., Tillamook, Oregon.

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BASIC FINANCIAL STATEMENTS

SOLID WASTE SERVICE DISTRICT

STATEMENT OF NET POSITION
PROPRIETARY FUND
June 30, 2025

	Enterprise Fund Solid Waste
Assets	
Current assets	
Cash and cash equivalents	$ 1,853,654
Receivables, net	172,975
Total current assets	2,026,629
Capital assets	
Land and construction in progress	385,710
Other capital assets, net	1,816,100
Total capital assets	2,201,810
Total assets	4,228,439
Deferred outflows of resources	
Pension related items	143,827
Other postemployment benefit related items	9,562
Total deferred outflows of resources	153,389
Liabilities	
Current liabilities	
Accounts payable and accrued liabilities	334,479
Long-term obligations due within one year	134,596
Total current liabilities	469,075
Long-term obligations due in more than one year	1,578,750
Total long-term obligations	1,578,750
Total liabilities	2,047,825
Deferred inflows of resources	
Pension related items	513
Other postemployment benefit related items	31,559
Total deferred inflows of resources	32,072
Net position	
Net investment in capital assets	2,201,810
Unrestricted	100,121
Total net position	**$ 2,301,931**

See notes to financial statements

SOLID WASTE SERVICE DISTRICT

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
PROPRIETARY FUND
Year Ended June 30, 2025

	Enterprise Fund
	Solid Waste
Operating revenues	
Charges for services	$ 3,976,521
Miscellaneous	83,256
Total operating revenues	4,059,777
Operating expenses	
Personnel services	496,826
Materials and services	3,423,603
Depreciation	245,551
Total operating expenses	4,165,980
Operating income (loss)	(106,203)
Nonoperating revenues	
Assessments	248,054
Interest income	71,627
Total nonoperating revenue	401,338
Change in net position	295,135
Net position - beginning, as originally reported	2,010,320
Change in accounting principle	(3,524)
Net position - beginning, as restated	2,006,796
Net position - ending	**$ 2,301,931**

SOLID WASTE SERVICE DISTRICT

STATEMENT OF CASH FLOWS
PROPRIETARY FUND
Year Ended June 30, 2025

	Enterprise Fund Solid Waste
Cash flows from operating activities	
Receipts from customers	$ 4,011,639
Payments to suppliers	(3,395,709)
Payments to employees	(555,086)
Net cash provided by (used in) operating activities	60,844
Cash flows from noncapital financing activities	
Assessments of property owners	248,054
Grants	81,657
Net cash provided by (used in) noncapital financing activities	329,711
Cash flows from capital and related financing activities	
Acquisition of capital assets	(92,099)
Cash flows from investing activities	
Interest on investments	71,627
Net increase (decrease) in cash and cash equivalents	370,083
Cash and cash equivalents - beginning of year	1,483,571
Cash and cash equivalents - end of year	**$ 1,853,654**
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities	
Operating income (loss)	$ (106,203)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities	
Depreciation	245,551
(Increase) decrease in assets and deferred outflows	
Receivables, net	(48,138)
Pension related items	140,956
Other postemployment benefit related items	(355)
Increase (decrease) in liabilities and deferred inflows	
Accounts payable and accrued liabilities	27,894
Compensated absences payable	(2,190)
Net pension liability	(187,400)
Net other postemployment benefits liability	(8,625)
Pension related items	(949)
Other postemployment benefit related items	303
Net cash provided by (used in) operating activities	**$ 60,844**

See notes to financial statements

NOTE 1 – FINANCIAL REPORTING ENTITY

The Solid Waste Service District (the "District") was formed in June 1976 to dispose of solid waste generated in Tillamook County (the "County"). The principal funding sources are transfer station collection fees and assessments to property owners. The District collects municipal solid waste at a transfer station in order to transport it to the Coffin Butte Landfill in Corvallis, Oregon. The operation of the transfer station and transport of solid waste to the landfill are performed by a private company under contract with the District.

The District is a component unit of Tillamook County. The following criteria from Governmental Accounting Standards Board Statement No. 61, *The Financial Reporting Entity*, regarding manifestation of oversight were considered by the County in its evaluation of the District's organization and activities:

- Financial interdependency – Tillamook County receives financial support or provides financial benefit to the organization.

- Authoritative appointment of governing authority – The Commissioners of Tillamook County are the organization's governing authority.

Tillamook County is financially accountable for the operations of the District. The criteria used in making this determination includes appointment of a voting majority, imposition of will, financial benefit or burden on the primary government, and fiscal dependency on the primary government. The management of Tillamook County has determined that the District should be included as a blended component unit, in the annual comprehensive financial report of Tillamook County for the year ended June 30, 2025.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

<u>Basis of accounting</u>
The District is accounted for in three proprietary funds for financial reporting purposes and its basic financial statements are prepared on the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

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 are charges to customers for services. Operating expenses for proprietary funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of accounting (continued)
The District reports the following major proprietary fund:

Solid Waste – accounts for disposal of solid waste generated in Tillamook County. The principal funding sources are collection fees and assessments from property owners.

Budgets
Generally, Oregon Local Budget Law requires annual budgets be adopted for all funds of the District. The District uses the cash basis of accounting for all budgets. All annual appropriations lapse at fiscal year end.

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

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

Budgeted amounts may be revised during the year. The governing body must authorize all appropriation transfers and supplementary budgetary appropriations.

Cash and cash equivalents
For purposes of the statement of cash flows, the District considers its equity in the County's pooled cash and investments in the State of Oregon Local Government Investment Pool to be cash and cash equivalents.

Property assessments
Each unit of property within the County is assessed an annual $12 fee to support solid waste collection and disposal operations. Assessments are recorded as revenues when levied.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital assets
Capital assets are stated at cost. Maintenance and repairs are expensed as incurred. Replacements which improve or extend the lives of property are capitalized. Depreciation is computed on the straight-line method over the estimated useful lives of the related assets. Upon disposal of such assets, the accounts are relieved of the related costs and accumulated depreciation, and resulting gains or losses are reflected in nonoperating revenue.

The estimated useful lives of capital assets are as follows:

Buildings and land improvements	5 to 20 years
Machinery and equipment	5 years

Long-term obligations
Accumulated compensated absences
Vacation leave – Employees may accumulate vacation leave up to one and one-half times the employees' annual accrual rate. The annual accrual rate is from 12 to 24 days. Vacation leave is accrued when earned.

Sick leave – Employees of the District earn sick leave at a rate of one day per month and may accumulate up to 180 days. The right to receive any payments for unused sick leave does not vest with employees during their employment, and no payments for unused sick leave are made upon termination of employment. However, in accordance with Tillamook County's collective bargaining agreements, upon retirement from the County or death, employees will be paid for up to 480 hours of unused sick leave. The County has accrued a liability for the estimated amount of these sick leave payments.

Net pension liability
The net pension liability, measured as of July 1, 2024, is the District's share of Tillamook County's portion of the actuarial present value of projected benefit payments that is attributed to past periods of employee service, net of the pension plan's fiduciary net position as of that date.

Other postemployment benefits liability
The District's share of Tillamook County's other postemployment benefits (OPEB) liability is based on actuarial valuations. The latest valuation used to determine the total other post-employment benefit liability was dated as of July 1, 2024.

Landfill post-closure care liability
The District has recorded a liability for the estimated cost of landfill post-closure care. Annually, the liability is evaluated by examining the estimated costs needed to perform the post-closure care over the remaining life and the liability is adjusted accordingly. The estimated future costs to maintain and monitor the landfill may change due to one or more of the following factors: inflation, deflation, changes in technology, or changes to applicable laws or regulations.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

<u>Long-term obligations (continued)</u>

Deferred outflows / inflow of resources

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

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

Retirement plan

Substantially all of the District's employees are participants in the Retirement Plan for Certain Employees of Tillamook County, Oregon (the Plan). Contributions to the Plan are made on a current basis as required by the Plan and are charged to expenditures or expenses when due and the employer has made a formal commitment to provide the contribution.

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

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

<u>Net position</u>

On the statement of net position, net position is displayed in three components:

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

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

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

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Risk management

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

NOTE 3 – CHANGE IN ACCOUNTING PRINCIPLE

During the year, the District adopted the provisions of GASB Statement No. 101, *Compensated Absences*. As a result, beginning net position for proprietary funds and the Solid Waste fund was reduced by $3,524.

NOTE 4 – CASH, CASH EQUIVALENTS AND INVESTMENTS

As a component unit of Tillamook County, the District's cash, cash equivalents and investments are comingled with the County's pool of cash, cash equivalents and investments that are available for use by all funds. Interest earned on pooled cash and investments is allocated to participating funds based upon their combined cash and investment balances.

The County's cash, cash equivalents and investments and the amount allocable to the District at June 30, 2025, are as follows:

	Tillamook County	Allocable to Solid Waste Service District
Cash and cash equivalents		
State of Oregon Local Government Investment Pool	$ 55,027,947	$ 1,731,219
Cash on hand	11,175	400
Cash with investment company	356,524	–
Deposits with financial institutions	5,397,124	122,035
Investments	148,202,379	–
Total cash, cash equivalents and investments	$ 208,995,149	$ 1,853,654

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

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

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

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

NOTE 5 – RECEIVABLES

The District's receivables at June 30, 2025, are as follows:

	Solid Waste
Property assessments	$ 12,507
Accounts	160,468
	$ 172,975

NOTE 6 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2025, was as follows:

	Balances July 1, 2024	Additions	Reclassifications and Deletions	Balances June 30, 2025
Capital assets not being depreciated				
Land	$ 125,000	$ -	$ -	$ 125,000
Construction in progress	168,611	92,099	-	260,710
Total capital assets not being depreciated	293,611	92,099	-	385,710
Capital assets being depreciated				
Land improvements	670,173	-	-	670,173
Buildings	4,305,690	-	-	4,305,690
Equipment	691,085	-	-	691,085
Total capital assets being depreciated	5,666,948	-	-	5,666,948
Less accumulated depreciation for:				
Land improvements	547,780	6,015	-	553,795
Buildings	2,677,345	168,863	-	2,846,208
Equipment	380,172	70,673	-	450,845
Total accumulated depreciation	3,605,297	245,551	-	3,850,848
Net capital assets being depreciated	2,061,651	(245,551)	-	1,816,100
Net business-type activities capital assets	$ 2,355,262	$ (153,452)	$ -	$ 2,201,810

NOTE 7 – LONG-TERM OBLIGATIONS

Long-term obligation transactions for the year ended June 30, 2025, are as follows:

	Balances July 1, 2024 (restated)	Additions	Reductions	Balances June 30, 2025	Balances Due Within One Year
Other long-term obligations					
Landfill post-closure care liability	$ 1,200,260	$ -	$ -	$ 1,200,260	$ 108,526
Other postemployment benefits liability	168,190	-	8,625	159,565	10,022
Net pension liability	524,873	-	187,400	337,473	-
Compensated absences	18,238	8,044	10,234	16,048	16,048
Total other long-term obligations	$ 1,911,561	$ 8,044	$206,259	$ 1,713,346	$ 134,596

NOTE 7 – LONG-TERM OBLIGATIONS (Continued)

Landfill post-closure care liability
The Tillamook County Landfill ceased accepting solid waste in January 1989 and final cover was applied subsequently in conformity with state regulations. The District received a closed landfill permit from the Oregon Department of Environmental Quality in November 1992. State and federal laws and regulations require the District to perform certain maintenance and monitoring functions at the site for thirty years following closure.

The District has recorded a liability for the estimated cost of landfill post-closure care. Annually, the District evaluates the liability by examining the estimated costs needed to perform the post-closure care over the remaining life and adjusts the liability accordingly. During the current fiscal year, there were no changes on an estimated liability of $1,200,260 at June 30, 2025. The estimated future costs to maintain and monitor the landfill may change due to inflation or deflation, technology or changes to applicable laws or regulations.

For the year ended June 30, 2025, the changes in the post-closure care costs are as follows:

	Post-closure Costs
Balance, July 1, 2024	$ 1,200,260
Additions	–
Balance, June 30, 2025	1,200,260
Current portion	108,526
Non-current portion	$ 1,091,734

Other postemployment benefits liability
Other postemployment benefits liability represents the total other postemployment benefits earned by County employees. The plan is discussed more fully in note 8 below.

Net pension liability
Net pension liability represents the difference between the total pension liability for benefits earned by County employees and the net position held in trust for pension benefits of the Tillamook County Retirement Plan for Employees Pension Trust as more fully discussed in Note 7 below.

NOTE 8 – DEFINED BENEFIT PENSION PLAN

Plan description

Substantially all employees of the District are provided pensions through the Retirement Plan for Certain Employees of Tillamook County (the Plan), a single employer defined benefit public employee retirement plan.

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

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

Plan membership - County wide

All full-time employees are eligible to participate in the Plan after six months of employment. Benefits generally vest after five years of continuous service. As of July 1, 2024, there were 243 active plan members, 48 inactive plan members entitled to but not yet receiving benefits, 2 disabled plan members receiving benefits, and 252 retired plan members receiving benefits for a total of 549 plan members. Of the 243 active employees covered by the Plan, 136 were non-vested, 97 were vested, and 10 were over retirement age. Of the 52 terminated members, 4 were entitled to their account balances only and 48 were members with vested accrued benefits.

Description of benefit terms

Normal retirement

Members are able to receive benefits after attaining age 60 for uniformed members (police) or age 65 for all other members and 5 years of vesting service. Retirement benefits are calculated using a formula of 2.4% for uniformed members or 2.25% for all other employees times the average highest three consecutive years' July 1 pay rate during the last ten years of employment times the years of service after July 1, 1973. Retirement benefits are subject to annual cost of living adjustments up to 1.5% per year.

Additionally, members receive benefits from voluntary or unit contributions, if any.

Early retirement

Members are able to receive early retirement benefits after attaining age 50 for uniformed members or age 55 for all other members and 5 years of vesting service. Members may also retire after 30 years of service. Retirement benefits are reduced based upon the members age at retirement from 92 percent to 60 percent for uniformed members and from 76 percent to 40 percent for all other members of the benefit that would result if they were of normal retirement age.

Late retirement

Members that continue working beyond the normal retirement age receive increases to their retirement benefits equal to the larger of benefit accruals past the normal retirement age or 7.2% for the first 5 years and 3.6% thereafter for each year the retirement date follows age 65.

NOTE 8 – DEFINED BENEFIT PENSION PLAN (Continued)

Disability
Uniformed members that become totally and permanently disabled in the course of duty or members with 10 years of service are entitled to disability benefits. The benefit is based on current monthly earnings rate of compensation as of the date of disability and years of service projected to the earliest retirement age, or the early retirement benefit available, whichever is greater but in no event less than $100 per month.

Death benefits
The beneficiaries of members who have not begun to receive benefits under the plan are entitled to a lump-sum payment of the member’s account. Otherwise, the beneficiaries are entitled to a monthly benefit equal to 25% of the life annuity actuarially equivalent to the monthly benefit payable to the member immediately before the member's death.

Contributions
The County is required by the Plan’s provisions to pay the employees’ contribution to the Plan of 7% of covered salaries (6% if monthly base pay is less than $1,500). In addition, the County will contribute additional amount necessary to fund the Plan sufficient to pay benefits when due based on annual actuarial valuations. Plan members are permitted to contribute up to 10% of their annual covered salary. County contributions to the plan for the year ended June 30, 2025, were $6,799,123, of which $121,458 were attributable to the District.

Net pension liability, changes in net pension liability, pension expense, deferred outflows of resources and deferred inflows of resources related to pensions
At June 30, 2025, Tillamook County reported a net pension liability of $18,891,497, of which $337,473 was allocable to the District. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date as follows:

Total pension liability	$ 120,739,909
Plan fiduciary net position	101,848,412
Net pension liability	$ 18,891,497
Allocable to the District	$ 337,473
Fiduciary net position as a percentage of total pension liability	84.35%

NOTE 8 – DEFINED BENEFIT PENSION PLAN (Continued)

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

For the year ended June 30, 2025, changes in the net pension liability for Tillamook County as a whole is as follows:

	Total Pension Liability	Fiduciary Net Position	Net Pension Liability
Beginning balances	$ 115,536,499	$ 90,490,910	$ 25,045,589
Changes for the year:			
Service cost	3,292,037	-	3,292,037
Interest on total pension liability	6,958,066	-	6,958,066
Effect of economic/demographic losses	674,842	-	674,842
Effect of assumption changes or inputs	-	-	-
Benefit payments	(6,359,454)	(6,359,454)	-
Administrative expenses	-	(33,472)	33,472
Member contributions	637,919	637,919	-
Net investment income	-	10,443,804	(10,443,804)
Employer contributions	-	6,668,705	(6,668,705)
Ending balances	$ 120,739,909	$ 101,848,412	$ 18,891,497

For the year ended June 30, 2025, the County and the District recognized pension expense of $520,407 and $47,393, respectively.

At June 30, 2025, 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	$ 982,530	$ –
Change of assumptions or inputs	–	28,727
Net difference between projected and actual earnings on pension plan investments	269,642	–
County's contributions subsequent to the measurement date	6,799,123	–
	$ 8,051,295	$ 28,727
Allocable to the District	$ 143,827	$ 513

NOTE 8 – DEFINED BENEFIT PENSION PLAN (Continued)

Net pension liability, changes in net pension liability, pension expense, deferred outflows of resources and deferred inflows of resources related to pensions (continued)
Deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date in the amount of $6,799,123, of which $121,458 is attributable to the District, will be recognized as a reduction of the net pension liability in the year ended June 30, 2025.

As of June 30, 2025, other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ends June 30,	Tillamook County	Allocable to District
2025	$ 869,515	$ 15,533
2026	2,384,891	42,603
2027	(1,033,574)	18,464
2028	(997,387)	(17,817)

Actuarial valuation
The County contributions are based on the accruing benefit costs measured using the individual entry age normal actuarial cost method. Under this method, a normal cost is determined for each active member. The normal cost is the annual contribution determined as a level percentage of base salary which would be paid from year of entry to year of retirement to fund the projected retirement benefit. The normal cost for the Plan is the sum of the individuals' normal costs. The actuarial accrued liability for active plan members is an accumulation of the normal costs from entry to the valuation date. The actuarial accrued liability for inactive members is the actuarial present value of the accrued benefits. The actuarial accrued liability for the Plan is the sum of the individual actuarial accrued liabilities. The unfunded actuarial liability is the difference between the actuarial accrued liability and the actuarial value of assets, which is amortized over 20 years on a closed level percent of projected payroll basis, assuming payroll increases 2.5% per year.

NOTE 8 – DEFINED BENEFIT PENSION PLAN (Continued)

Actuarial methods and assumptions used in developing total pension liability

Valuation Date	July 1, 2024
Actuarial Cost Method	Individual Entry Age Normal, Level Percentage of Pay
Amortization Method	Amortized as a level percent of projected payroll, assuming covered payroll increases 2.5% per year, over a closed period of 20 years.
Asset Valuation Method	Fair value of assets
Actuarial Assumptions:	
Inflation Rate	1.5%
Investment rate of return	6.0%
Projected Salary Increases	Salaries for individuals are assumed to grow at 1.5% plus assumed rates of merit/longevity increases based on service of 4%
Mortality	Pub-2010 General and Safety Non-Annuitant, Healthy Retiree and Disabled Retiree tables, sex distinct for members and dependents, with a one-year setback for male general service employees and female safety employees. Future mortality improvements projected generationally per Unisex Social Security Data Scale.

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

Discount Rate
The discount rate used to measure the total pension liability was 6.0%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Plan was applied to all periods of projected benefit payments to determine the total pension liability.

NOTE 8 – DEFINED BENEFIT PENSION PLAN (Continued)

Depletion Date Projection

GASB 67 generally requires that a blended discount rate be used to measure the Total Pension Liability (the Actuarial Accrued Liability calculated using the Individual Entry Age Normal Cost Method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan's Fiduciary Net Position (fair value of assets) is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the Fiduciary Net Position is not projected to cover benefit payments and administrative expenses. Determining the discount rate under GASB 67 will often require that the actuary perform complex projections of future benefit payments and asset values. GASB 67 (paragraph 43) does allow for alternative evaluations of projected solvency, if such evaluation can reliably be made. GASB 67 does not contemplate a specific method for making an alternative evaluation of sufficiency; it is left to professional judgment. Based on these circumstances, it is the Plan's independent actuary's opinion that the detailed depletion date projections outlined in GASB 67 would clearly indicate that the Fiduciary Net Position is always projected to be sufficient to cover benefit payments and administrative expenses. As such, the actuary's detailed projections were not developed.

Long-Term Expected Rate of Return

The long-term expected rate of return assumption of 6% is based on a blending of the projected return on plan assets and a 20-year tax-exempt, high quality general obligation municipal bond yield or index rate.

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

The following presents the County net pension liability calculated using the discount rate of 6%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5%) or 1-percentage-point higher (7%) than the current rate:

	1 Percentage Point Lower	Current Discount Rate	1 Percentage Point Higher
County's net pension (asset) or liability	$5,444,451	$18,891,497	$35,220,759

NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS

Plan description and benefits provided

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

Plan membership

As of June 30, 2024, there were 213 active employees and 150 eligible retirees for a total of 363 plan members.

Contributions

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

For retirees	$	794
For spouses of retirees		898

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

At June 30, 2025, the County reported a total OPEB liability of $9,890,960, of which $159,565 was allocable to the District. The total OPEB liability was measured as of June 30, 2024, and determined by an actuarial valuation as of that date.

For the year ended June 30, 2025, changes in the total OPEB liability of the County are as follows:

	Total OPEB Liability
Balances at June 30, 2024	$ 10,593,279
Changes for the year:	
Service cost	99,656
Interest on total OPEB liability	379,804
Effect of economic/demographic gains or losses	(273,744)
Changes in assumptions or other inputs	(328,155)
Benefit payments	(579,880)
Balances at June 30, 2025	$ 9,890,960

NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (Continued)

For the year ended June 30, 2025, the County and the District recognized OPEB expense of $727,546 and $8,677, respectively.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ –	$ 908,961
Changes of assumptions	–	1,047,253
County's contributions subsequent to the measurement date	592,709	–
	$ 592,709	$ 1,956,214
Allocable to the District	$ 9,562	$ 31,559

Total OPEB liability, changes in total OPEB liability, OPEB expense, deferred outflows of resources and deferred inflows of resources related to OPEB (continued)
Deferred outflows of resources related to OPEB resulting from County contributions subsequent to the measurement date in the amount of $592,709, of which $9,562 is attributable to the District, will be recognized as an adjustment to the Total OPEB liability in the year ended June 30, 2025.

As of June 30, 2025, other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ends June 30,	Tillamook County	Allocable to District
2025	$ (614,298)	$ (9,911)
2026	(614,298)	(9,911)
2027	(516,231)	(8,328)
2028	(119,568)	(1,929)
2029	(91,819)	(1,481)

NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (Continued)

Actuarial valuation

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

Actuarial methods and assumptions used in developing total OPEB liability

Valuation Date	July 1, 2024
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Inflation Rate	2.4%
Projected Salary Increases	3.4%
Mortality	Pub-2010 General and Safety Employee and Healthy Retiree tables, sex distinct for members and dependents, with a one-year setback for male general service employees and female safety employees
Election and Lapse Rates	30% of eligible employees. 60% of male members and 25% of female members will elect spouse coverage. 5% annual lapse rate

NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (Continued)

Actuarial methods and assumptions used in developing total OPEB liability (continued)
Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

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

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

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

Dental costs are assumed to increase 4% per year until 2071, then 3.75% thereafter.

NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

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

	1 Percentage Point Lower	Current Discount Rate	1 Percentage Point Higher
County's total OPEB liability	$ 11,032,345	$ 9,890,960	$ 8,937,318

	1 Percentage Point Lower	Current Trend Rate	1 Percentage Point Higher
County's total OPEB liability	$ 8,945,195	$ 9,890,960	$ 11,012,448

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REQUIRED SUPPLEMENTARY INFORMATION

SOLID WASTE SERVICE DISTRICT
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TILLAMOOK COUNTY RETIREMENT PLAN FOR EMPLOYEES
Last 10 Plan Years Ended June 30,

Year ended	Proportion of the collective net pension liability	Net pension liability	Covered payroll	Proportionate share of the collective net pension liability (asset) as a percentage of the covered payroll	Pension plan's fiduciary net position as a percentage of the total pension liability
2024	1.786375%	$ 337,473	$ 261,989	128.81%	84.354%
2023	2.095670%	524,873	294,865	178.00%	78.322%
2022	2.115299%	533,441	246,434	216.46%	77.000%
2021	1.903788%	202,272	198,297	102.00%	89.854%
2020	1.430434%	325,147	212,326	153.14%	77.480%
2019	1.636276%	362,516	170,598	212.50%	76.790%
2018	0.976705%	218,448	135,847	160.80%	75.260%
2017	0.946519%	182,656	128,926	141.68%	76.350%
2016	0.883532%	206,724	103,174	200.36%	69.860%
2015	0.883533%	194,086	85,966	225.77%	70.877%

SOLID WASTE SERVICE DISTRICT
SCHEDULE OF PENSION CONTRIBUTIONS
TILLAMOOK COUNTY RETIREMENT PLAN FOR EMPLOYEES
Last 10 Fiscal Years Ended June 30,

Year ended	Contractually required contributions	Contractually required contributions recognized by the pension plan	Difference	Covered payroll	Contractually required contributions as a percentage of covered payroll
2025	$ 121,458	$ 121,458	-	$ 312,467	38.871%
2024	136,905	136,905	-	261,989	52.256%
2023	126,608	126,608	-	294,865	42.938%
2022	114,508	114,508	-	246,434	46.466%
2021	87,942	87,942	-	198,297	44.349%
2020	78,790	78,790	-	212,326	37.108%
2019	43,286	43,286	-	170,598	25.373%
2018	40,116	40,116	-	135,847	29.530%
2017	35,877	35,877	-	128,926	27.828%
2016	20,566	20,566	-	103,174	19.933%

Notes to schedule

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Individual entry age normal, level percentage of pay
Amortization method	Effective July 1, 2018: Closed 20-year amortization, level percent of pay, assume covered payroll increases 2.5% per year Effective July 1, 2011: Closed 20-year amortization, level dollar
Asset valuation method	Effective July 1, 2008: Market value gains and losses smoothed over five years, with result not less than 80% or greater than 120% of market value
Mortality	Effective July 1, 2023: Pub-2010 General and Safety Non-Annuitant, Healthy Retiree, and Disabled Retiree tables, sex distinct for members and dependents, with a one-year setback for male general service employees and female safety employees. Future mortality improvement is projected generationally per the 207 Unisex Social Security Data Scale. See details in section 3. Effective July 1, 2015: RP-2000 blended 25% blue collar/75% white collar, sex distinct, set back 12 months for males and no set back for females, projected generationally using Scale BB Effective July 1, 2014: Healthy combined RP-2000 mortality projected to 2014 Effective July 1,2011: Healthy combined RP-2000 mortality projected to 2005
Cost of living increases	1.5% per year
Salary increases	Effective July 1, 2018: 4% per year Through July 1, 2017: 5% per year
Investment return	Effective July 1, 2018: 6% Effective July 1, 2015: 6.5% Effective July 1, 2011: 7%

SOLID WASTE SERVICE DISTRICT

SCHEDULE OF THE PROPORTIONATE SHARE OF THE TOTAL OTHER POSTEMPLOYMENT BENEFITS LIABILITY

TILLAMOOK COUNTY OTHER POSTEMPLOYMENT BENEFITS PLAN FOR EMPLOYEES

Last 10 Plan Years Ended June 30, *

Year ended	Proportion of the collective total OPEB liability	Proportionate share of the collective total OPEB liability	Covered payroll	Proportionate share of the collective net pension liability (asset) as a percentage of the covered payroll
2024	1.4670082%	$ 159,565	$ 261,989	60.91%
2023	1.5463047%	168,190	294,865	57.04%
2022	1.8488817%	201,101	246,434	81.60%
2021	1.6324310%	226,320	198,297	114.13%
2020	1.4080261%	196,832	212,356	92.69%
2019	1.5854466%	215,976	170,598	126.60%
2018	1.3605124%	175,958	135,847	129.53%
2017	1.1061086%	179,440	128,926	139.18%

* Information will be accumulated annually until 10 years is presented

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

Implicit rate subsidy

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

SOLID WASTE SERVICE DISTRICT

SCHEDULE OF OTHER POSTEMPLOYMENT BENEFITS CONTRIBUTIONS
TILLAMOOK COUNTY OPEB PLAN FOR EMPLOYEES
Last 10 Fiscal Years Ended June 30, *

Year ended	Contractually required contributions	Contractually required contributions recognized by the OPEB plan	Difference	Covered payroll	Contractually required contributions as a percentage of covered payroll
2025	$ 9,562	$ 9,562	-	$ 312,256	3.062%
2024	9,207	9,207	-	261,989	3.514%
2023	11,679	11,679	-	294,865	3.961%
2022	10,227	10,227	-	246,434	4.150%
2021	9,789	9,789	-	198,297	4.937%
2020	10,692	10,692	-	212,356	5.035%
2019	8,791	8,791	-	170,598	5.153%
2018	7,915	7,915	-	135,847	5.826%

* Information will be accumulated until 10 years are presented.

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SUPPLEMENTARY INFORMATION

SOLID WASTE SERVICE DISTRICT
COMBINING STATEMENT OF NET POSITION
SOLID WASTE FUND
June 30, 2025

	Solid Waste	Solid Waste Sinking	Solid Waste Post Closure Reserve	Total Solid Waste Fund
Assets				
Current assets				
Cash and cash equivalents	$ 491,744	$ 271,046	$ 1,090,864	$ 1,853,654
Receivables, net	159,541	13,434	-	172,975
Total current assets	651,285	284,480	1,090,864	2,026,629
Capital assets				
Land and construction in progress	385,710	-	-	385,710
Other capital assets, net	1,816,100	-	-	1,816,100
Total capital assets	2,201,810	-	-	2,201,810
Total assets	2,853,095	284,480	1,090,864	4,228,439
Deferred outflows of resources				
Pension related items	143,827	-	-	143,827
Other postemployment benefit related items	9,562	-	-	9,562
Total deferred outflows of resources	153,389	-	-	153,389
Liabilities				
Current liabilities				
Accounts payable and accrued liabilities	322,941	11,538	-	334,479
Current portion of landfill post-closure care liability	134,596	-	-	134,596
Total current liabilities	457,537	11,538	-	469,075
Long-term obligations due in more than one year	1,578,750	-	-	1,578,750
Total liabilities	2,036,287	11,538	-	2,047,825
Deferred inflows of resources				
Pension related items	513	-	-	513
Other postemployment benefit related items	31,559	-	-	31,559
Total deferred inflows of resources	32,072	-	-	32,072
Net position				
Net investment in capital assets	2,201,810	-	-	2,201,810
Unrestricted	(1,263,685)	272,942	1,090,864	100,121
Total net position	**$ 938,125**	**$ 272,942**	**$ 1,090,864**	**$ 2,301,931**

SOLID WASTE SERVICE DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
SOLID WASTE FUND
Year Ended June 30, 2025

	Solid Waste	Solid Waste Sinking	Solid Waste Post Closure Reserve	Eliminations	Total Solid Waste Fund
Operating revenues					
Charges for services	$ 3,976,521	$ -	$ -	$ -	$ 3,976,521
Miscellaneous	72,192	11,064	-	-	83,256
Total operating revenues	4,048,713	11,064	-	-	4,059,777
Operating expenses					
Personnel services	496,826	-	-	-	496,826
Materials and services	3,368,962	54,641	-	-	3,423,603
Depreciation	245,551	-	-	-	245,551
Total operating expenses	4,111,339	54,641	-	-	4,165,980
Operating income (loss)	(62,626)	(43,577)	-	-	(106,203)
Nonoperating revenues (expenses)					
Assessments	248,054	-	-	-	248,054
Grants	-	81,657	-		81,657
Interest income	61,579	10,048	-	-	71,627
Total nonoperating revenue (expenses)	309,633	91,705	-	-	401,338
Income (loss) before transfers	247,007	48,128	-	-	295,135
Transfers in	92,099	100,000	-	(192,099)	-
Transfers in (out)	(100,000)	(92,099)	-	192,099	-
Change in net position	239,106	56,029	-	-	295,135
Net position - beginning, as originally reported	702,543	216,913	1,090,864	-	2,010,320
Change in accounting principle	(3,524)	-	-	-	(3,524)
Net position - beginning, as restated	699,019	216,913	1,090,864	-	2,006,796
Net position - ending	**$ 938,125**	**$ 272,942**	**$ 1,090,864**	**$ -**	**$ 2,301,931**

	Solid Waste	Solid Waste Sinking	Solid Waste Post Closure Reserve	Eliminations	Total Solid Waste Fund
Cash flows from operating activities					
Receipts from customers	$ 4,014,009	$ (2,370)	$ -	$ -	$ 4,011,639
Payments to suppliers	(3,352,606)	(43,103)	-	-	(3,395,709)
Payments to employees	(555,086)	-	-	-	(555,086)
Net cash provided by (used in) operating activities	106,317	(45,473)	-	-	60,844
Cash flows from noncapital financing activities					
Assessments of property owners	248,054	-	-	-	248,054
Grants	-	81,657	-		81,657
Transfers in (out)	-	100,000	-	(100,000)	-
Transfers out	(100,000)	-	-	100,000	-
Net cash provided by (used in) noncapital financing activities	148,054	181,657	-	-	329,711
Cash flows from capital and related financing activities					
Acquisition of capital assets	-	(92,099)	-	-	(92,099)
Cash flows from investing activities					
Interest on investments	61,579	10,048	-	-	71,627
Net increase (decrease) in cash and cash equivalents	315,950	54,133	-	-	370,083
Cash and cash equivalents - beginning of year	175,794	216,913	1,090,864	-	1,483,571
Cash and cash equivalents - end of year	**$ 491,744**	**$ 271,046**	**$ 1,090,864**	**$ -**	**$ 1,853,654**
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities					
Operating income (loss)	$ (62,626)	$ (43,577)	$ -	$ -	$ (106,203)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities					
Depreciation	245,551	-	-	-	245,551
(Increase) decrease in assets and deferred outflows of resources					
Receivables, net	(34,704)	(13,434)	-	-	(48,138)
Pension related items	140,956	-	-	-	140,956
Other postemployment benefit related items	(355)	-	-	-	(355)
Increase (decrease) in liabilities and deferred inflows of resources					
Accounts payable and accrued liabilities	16,356	11,538	-	-	27,894
Compensated absences payable	(2,190)	-	-	-	(2,190)
Net pension liability	(187,400)	-	-	-	(187,400)
Net other postemployment benefits liability	(8,625)	-	-	-	(8,625)
Pension related items	(949)	-	-	-	(949)
Other postemployment benefit related items	303	-	-	-	303
Net cash provided by (used in) operating activities	**$ 106,317**	**$ (45,473)**	**$ -**	**$ -**	**$ 60,844**

SOLID WASTE SERVICE DISTRICT

SOLID WASTE - ENTERPRISE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET TO ACTUAL
Year Ended June 30, 2025

	Budget	Actual	Variance
Revenues			
Assessments	$ 235,000	$ 246,583	$ 11,583
Charges for services	3,443,000	3,939,318	496,318
Interest	30,000	61,579	31,579
Miscellaneous	60,000	76,162	16,162
Total revenues	3,768,000	4,323,642	555,642
Expenditures			
Personnel services	561,000	554,875	6,125
Materials and services	3,396,940	3,354,162	42,778
Capital outlay	5,000	-	5,000
Contingency	75,000	-	75,000
Total expenditures	4,037,940	3,909,037	128,903
Excess (deficiency) of revenues over expenditures	(269,940)	414,605	684,545
Other financing sources (uses)			
Transfers out	(100,000)	(100,000)	-
Total other financing sources (uses)	(100,000)	(100,000)	-
Net change in fund balance	(369,940)	314,605	684,545
Fund balance at beginning of year	595,520	167,344	(428,176)
Fund balance at end of year	**$ 225,580**	**$ 481,949**	**$ 256,369**

SOLID WASTE SERVICE DISTRICT

SOLID WASTE SINKING - ENTERPRISE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET TO ACTUAL
Year Ended June 30, 2025

	Budget	Actual	Variance
Revenues			
Intergovernmental	$ 260,000	$ 68,223	$ (191,777)
Interest	3,000	10,048	7,048
Miscellaneous	-	11,064	11,064
Total revenues	263,000	89,335	(173,665)
Expenditures			
Materials and services	311,150	43,103	268,047
Capital outlay	2,520,000	92,099	2,427,901
Contingency	150,000	-	150,000
Total expenditures	2,981,150	135,202	2,845,948
Excess (deficiency) of revenues over expenditures	(2,718,150)	(45,867)	2,672,283
Other financing sources (uses)			
Issuance of long-term obligations	2,520,000	-	(2,520,000)
Transfers in	100,000	100,000	-
Total other financing sources (uses)	2,620,000	100,000	(2,520,000)
Net change in fund balance	(98,150)	54,133	152,283
Fund balance at beginning of year	214,100	216,913	2,813
Fund balance at end of year	**$ 115,950**	**$ 271,046**	**$ 155,096**

SOLID WASTE SERVICE DISTRICT
SOLID WASTE POST CLOSURE RESERVE - ENTERPRISE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET TO ACTUAL
Year Ended June 30, 2025

	Budget	Actual	Variance
Fund balance at beginning of year	$ 1,076,000	$ 1,090,864	$ 14,864
Fund balance at end of year	**$ 1,076,000**	**$ 1,090,864**	**$ 14,864**

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COMPLIANCE SECTION

Singer Lewak
Accountants & Consultants

INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS

Board of Directors
Solid Waste Service District
Tillamook, Oregon

We have audited the basic financial statements of the Solid Waste Service District (the "District") as of and for the year ended June 30, 2025, and have issued our report thereon dated November 5, 2025, 2025. Our audit was conducted in accordance with auditing standards generally accepted in the United States of America.

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

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

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

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

1255 Lee Street SE, Unit 210, Salem, OR 97302
T: 503.585.7751 | F: 503.370.3781

Board of Directors
Solid Waste Service District
Tillamook, Oregon

Internal Control OAR 162-10-0230

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

Restriction on Use

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

Singer Lewak LLP

November 5, 2025

By:

Bradley G. Bingenheimer, Partner