

TILLAMOOK COUNTY, OREGON

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

For the Year Ended June 30, 2009

Prepared by the Office of County Treasurer

Karen L. Richards-Dye, Treasurer

TILLAMOOK COUNTY
BOARD OF COMMISSIONERS
For the Year Ended June 30, 2009

<u>Commissioners</u>	<u>Term Expires December 31,</u>
Charles J. Hurliman 12985 Highway 101 S Tillamook, OR 97141	2012
Tim Josi 6750 Baseline Road Tillamook, OR 97141	2010
Mark Labhart 9190 Mill Creek Road Tillamook, OR 97141	2012

County Counsel

William K. Sargent

Treasurer

Karen L. Richards-Dye

TILLAMOOK COUNTY

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INTRODUCTORY SECTION



TILLAMOOK COUNTY TREASURER'S OFFICE

Land of Cheese, Trees and Ocean Breeze

Karen Richards-Dye
County Treasurer
(503) 842-3425
FAX 842-1829

November 25, 2009

Board of Commissioners
Tillamook County, Oregon
201 Laurel Avenue
Tillamook, Oregon 97141

Members of the Board:

In accordance with state statutes, I hereby submit the Comprehensive Annual Financial Report (CAFR) of Tillamook County, Oregon, as of June 30, 2009. Responsibility for the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with Tillamook County. It is believed that the data, as presented, is accurate in all material aspects and is presented in a manner designed to present fairly the financial position and results of the operation of Tillamook County as measured by the financial activity of its various funds and component units. All disclosures necessary to enable the reader to gain the maximum understanding of Tillamook County's financial affairs have been included.

The management discussion and analysis (MD&A) contained in the financial section is required by generally accepted accounting principles. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the independent auditor's report.

Oregon State Law requires that every municipal corporation submits an annual financial report to the Secretary of State; to have its combined general purpose financial statements audited by an independent certified public accountant in accordance with generally accepted auditing standards and Minimum Standards for Audits of Oregon Municipal Corporations; and to have an independent auditor express an opinion upon the financial position, results of operations and cash flows for the period under audit. The accounting firm of Boldt, Carlisle, and Smith, LLC was selected by the County's Board of Commissioners to perform this work. The County complies with the aforementioned requirement, and the auditor's opinion has been included in this report.

The County is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act and US Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Information related to this single audit, including the schedule of expenditures of Federal awards, findings and questioned costs, and auditor's reports on the internal control over financial reporting and compliance with certain provisions of laws, regulations, contracts and grants is included in this document.

Tillamook County Government Profile

Tillamook County was established December 15, 1853 on lands that previously were part of Clatsop, Yamhill and Polk counties. The county was named after the Tillamook Indians who occupied the areas around the Tillamook and Nehalem Bays. The County is located on the Northern Oregon Coast and has a population of 24,927. The County's boundaries consist of 75 miles of coastline extending from Lincoln County on the south, to Clatsop County on the north. The Pacific Ocean is the County's western boundary and Yamhill and Washington Counties are the eastern boundaries. The city of Tillamook is the county seat and located in the central part of the county 75 miles west of Portland.

Tillamook County contains 713,600 acres, of which approximately 65% are public lands; of this, about 1/3 is federally owned and 2/3 is state owned or managed. Some 90% of all available land in the County is designated as forest resource land and 5% is designated agricultural with the remainder in urban and other uses.

There are eight major stream systems in Tillamook County. Each discharges the County's annual average 90 inches of precipitation into the Pacific Ocean by way of a coastal bay – five into Tillamook Bay, two into Nestucca Bay, and one into Nehalem Bay.

The majority of the population resides in or around the discontinuous coastal plain, running the entire length of the County. Seasonal population swells the County's population total in excess of 50% during peak periods.

The County has three full-time commissioners who are elected for four-year terms. The Commission is responsible for, enacting ordinances, adopting the budget, appointing committees and overseeing the daily operations of the government. The Commissioners are active at state and federal levels representing the concerns and interests of the county. The County also has an elected sheriff, surveyor, clerk, assessor, treasurer, district attorney and justice of the peace.

The financial reporting entity (the County) includes all funds and activities of the primary government (i.e., Tillamook County as legally defined), as well as all of its component units. Component units are legally separate entities for which the primary government is financially accountable. The County provides a full range of services, which include sheriff protection; the construction and maintenance of streets and related infrastructure; and other County public services. Blended component units, although legally separate entities, are, in substance, part of the primary government's operations and are included as part of the primary government. Accordingly, the Solid Waste Disposal Service District is reported as an enterprise fund of the primary government, and the 4-H and Extension Service District is reported as a special revenue fund of the primary government.

Factors Affecting Financial Condition

In June 2009, the unemployment rate for Tillamook County was 9.2 percent. Oregon's rate was 12.2 percent. Last year for the same period, Tillamook County's rate was 4.3 percent while Oregon's was 5.9 percent. The most frequently recruited positions were food and motel industry workers, farm workers, retail salespersons and housekeepers. These requests are consistent with the county's seasonal tourism industry.

Property taxes in the State of Oregon are no longer computed on real market values. Voters approved BM50 in 1997. This measure bases property taxation on rolled back assessed values and caps annual

increases in assessed value at 3 percent with additional increases allowed for major remodeling and new construction. The taxable assessed value of property within Tillamook County in January 2009 was \$3,602,971,157 and in 1999-2000 was \$2,226,419,225, or a 61.8 percent increase.

Tillamook County Government is primarily dependent on forestry revenues. The Tillamook State Forest consisting of 360,000 acres in Tillamook, Washington, Clatsop, Columbia and Yamhill counties is the largest block of public forest in the north Coast Range. The bulk of this forest (308,000 acres) is in Tillamook County. Local governments rely on these revenues to help fund schools and other essential services. In fiscal year 2008-09, Tillamook County taxing district revenues from timber sales totaled \$11,366,186. This amount represents a 25% decrease from the prior fiscal year.

A forest management plan allows for timber harvests using a “structured bases” management strategy. Current national and local economic factors are impacting sale prices of current and future timber sales. It is expected that revenue from this source will decrease significantly over the next three years.

Historically, Tillamook County’s Public Works department has received fifty (50) percent of its’ funding from the federal government. A federal law enacted in 1908 provided that harvest receipts on federal lands would be distributed to counties. Shared harvest revenues decreased when the Endangered Species Act curtailed logging in Western Oregon. Congress mitigated this revenue loss by enacting “safety net” funding through the Secure Rural School and Community Self-Determination Act.

Managers of the County are responsible for establishing internal control structures that ensure assets of the County are protected from loss, theft or misuse and to ensure adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Single Audit. As a recipient of federal and state financial assistance, the County also is responsible for ensuring that adequate internal controls are in place to ensure and document compliance with applicable laws and regulations related to those programs. These internal controls are subject to periodic evaluation by management.

As a part of the County’s single audit, described earlier, tests were made to determine the adequacy of the internal controls, including that portion related to federal financial assistance programs, as well as to determine that the County has complied with applicable laws and regulations. The auditor’s reports related specifically to the single audit are included in this report. Although this testing was not sufficient to support an opinion on the government’s internal controls or its compliance with laws and regulations related to federal financial assistance programs, the audit for the year ended June 30, 2009, disclosed no material internal control weaknesses or material violations of laws and regulations.

Budgeting Controls. In addition to internal controls, the County also maintains a variety of budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the County Board of Commissioners. Activities of most County funds are included in the annual appropriated budget. The resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations. Appropriations are set at the department level in the General Fund. Personal services,

materials and services, capital outlay and other expenditures is the appropriation level of control for all other funds.

As demonstrated by the statements and schedules included in the financial section of this report, the government continues its responsibility for sound financial management.

Enterprise Operations. The County's enterprise operation is comprised of the Solid Waste Service District. This District disposes of certain solid waste generated in Tillamook County. The District collects municipal solid waste at a transit station in order to transport it to the Coffin Butte Landfill in Corvallis, Oregon. The operations of the transit station and transport of solid waste to the Coffin Butte Landfill are performed by a private company under contract with the District.

In accordance with governmental accounting standards, the County has recognized a liability for post-closure care and maintenance of the Tillamook County landfill in the Solid Waste Disposal District Fund. State and federal laws require the County to perform maintenance and monitoring functions for 30 years after closure of the Landfill. The liability at June 30, 2009, amounted to \$979,300 and represents an estimate of the total cost of landfill monitoring and maintenance over the remaining post-closure care period of approximately 14 years. The County estimates that approximately \$86,600 in monitoring and maintenance costs will be paid each year. Although the estimate may be affected by inflation and changes in regulations, the County expects that transit station fees and assessments to property owners will be sufficient to cover these costs and other operating costs of the District in the future.

Pension Trust Fund Operations. The County provides a retirement program for its employees. All fulltime employees are eligible to participate in the program after six months of employment. The operations of the retirement plan remained stable in fiscal 2009. The County's combined contribution for 2009 was \$2,639,374.

Debt Administration. The County's long-term debt is comprised of bonds payable in the amount of \$2,995,000 relating to the Library General Obligation Bonds, \$2,875,000 relating to refunding bonds used to defease a portion of the bonds relating to the Jail and Justice Facility and \$4,910,000 relating to refunding bonds used to defease a portion of the bonds relating to the Hospital. Other long-term debt is comprised of capital lease obligations, accumulated unpaid vacation and sick leave, and notes payable.

Cash Management. The County invests excess funds considering state statutes, security of the investment, and cash flow requirements. Investments are comprised of the State of Oregon Treasurer's Investment Pool and U.S. Government Agencies. Interest earned on pooled cash and investments is allocated to participating funds based upon their combined cash and investment balances.

Risk Management. The County aggressively seeks to improve its awareness of claims liability. A safety committee provides inspections, training and equipment to create a safe working environment for its employees. A safe work environment reduces the risk of worker's compensation claims. Field employees received continued training in identifying and responding to hazardous materials sites. While the County is not self-insured, every effort is made to reduce costs, while still providing adequate coverage. An insurance agent of record provides counseling to the County on insurance matters. A wellness committee creates programs targeted to enhance the employees' physical condition and in return reduce sick leave usage. The Human Resource Director and County Counsel provide risk management by monitoring issues that may cause liability exposure to the County and advises the Board of County Commissioners regarding such matters.

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 Tillamook County for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2008. The Certificate of Achievement is a prestigious national award and recognizes conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. Tillamook County has received a Certificate of Achievement for twenty consecutive years. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

The preparation of this report on a timely basis could not have been accomplished without the efficient and dedicated services of the County's accounting staff. In addition, I would like to express my appreciation to all members of other departments who assisted and contributed to its preparation. Finally, I would also like to thank the County Commissioners for their interest and support in our continued effort to improve the County's financial reporting.

Respectfully submitted,

Karen Richards-Dye
County Treasurer

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Tillamook County
Oregon

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



A handwritten signature in black ink, appearing to read "M. L. R.", is written above the title "President".

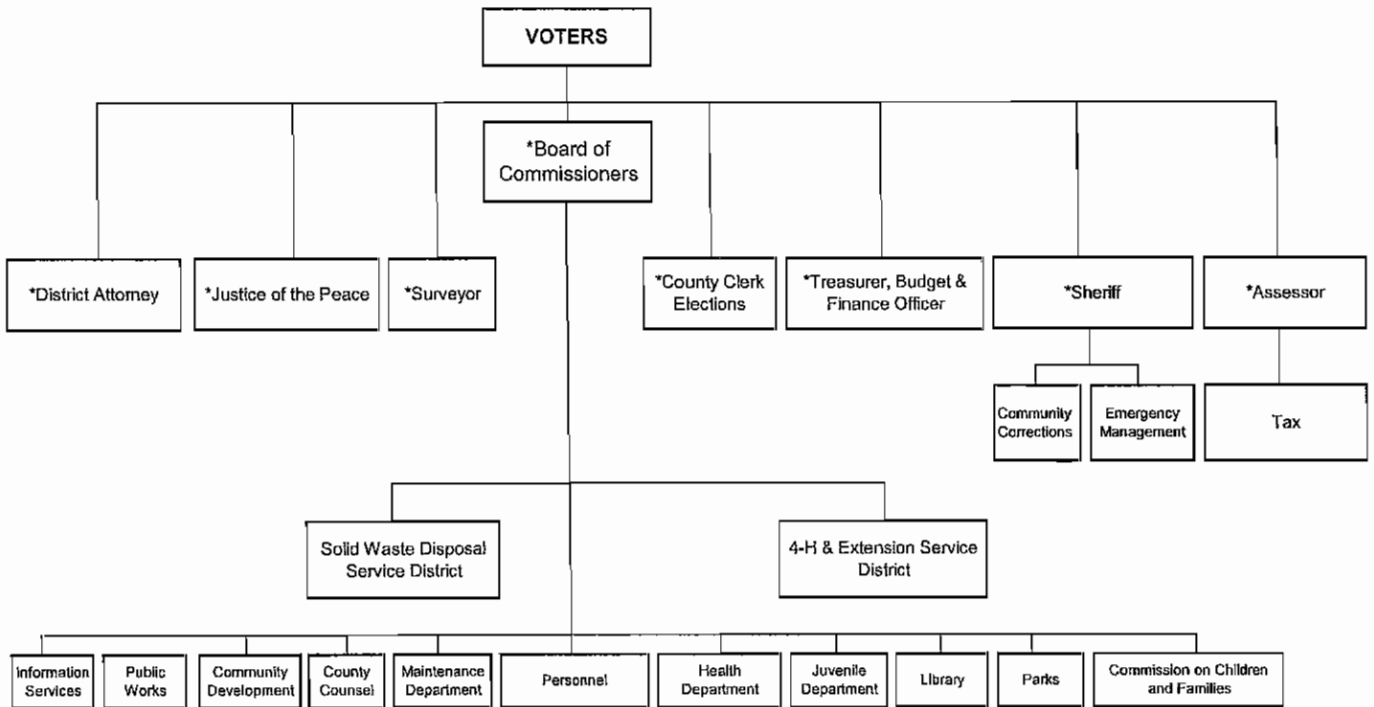
President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer", is written above the title "Executive Director".

Executive Director

Tillamook County

Organizational Chart
Year Ended June 30, 2009



*Elected Official

TILLAMOOK COUNTY
PRINCIPAL OFFICIALS
For the Year Ended June 30, 2009

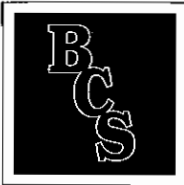
Board of County Commissioners

<u>Name</u>	<u>Term Expires December 31,</u>
Charles J. Hurliman	2012
Tim Josi	2010
Mark Labhart	2012

Other Elected Officials

Timothy Lutz, Assessor	2012
Tassi O'Neil, Clerk	2012
William Porter, District Attorney	2010
Neal Lemery, Justice of the Peace	2010
Todd Anderson, Sheriff	2012
Dan McNutt, Surveyor	2012
Karen L. Richards-Dye, Treasurer	2010

FINANCIAL SECTION



BOLDT, CARLISLE & SMITH LLC

CERTIFIED PUBLIC ACCOUNTANTS

PARTNERSHIP ■ ASSURANCE ■ INNOVATION

INDEPENDENT AUDITOR'S REPORT

Board of County Commissioners
TILLAMOOK COUNTY
Tillamook, Oregon

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 **TILLAMOOK COUNTY** as of and for the year ended June 30, 2009, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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 **TILLAMOOK COUNTY**, as of June 30, 2009, the respective changes in financial position, and cash flows, where applicable, thereof, and the respective budgetary comparisons for the General, Road, County School, Health Services, Library, Commission on Children and Families, and Community Corrections Funds, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 12, 2009, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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* and important for assessing the results of our audit.

A

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Established - 1968

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ALBANY: 321 1st AVENUE E STE 2A ■ ALBANY, OR 97321 ■ PHONE: (541) 928-6500 ■ FAX: (541) 928-6501

INDEPENDENT AUDITOR'S REPORT (Continued)

The management's discussion and analysis on pages *a* through *i* is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards as listed in the Grant Compliance – Single Audit section of the table of contents is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of **TILLAMOOK COUNTY**. The combining and individual fund financial statements and schedules and the Schedule of Expenditures of Federal Awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

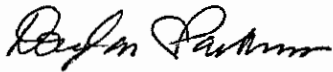
Boldt, Carlisle & Smith, LLC

Certified Public Accountants

Salem, Oregon

December 7, 2009

By:



Douglas C. Parham, Member

MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

This discussion and analysis presents the highlights of financial activities and financial position for Tillamook County. The analysis focuses on significant financial issues, major financial activities and resulting changes in financial position, budget changes and variances from the budget, and specific issues related to funds and the economic factors affecting the County. It includes all the activities of the County and its component units: *Solid Waste Service District* and *4H and Extension Service District*.

Please read this MD&A in conjunction with the Transmittal Letter (pages *i* through *v*) and the County's financial statements.

FINANCIAL HIGHLIGHTS

The County's assets exceeded its liabilities at June 30, 2009 by \$59,957,074 (*net assets*). Of this amount \$38,154,837 was invested in capital assets, net of related debt; \$4,423,745 was restricted for specific purposes and \$17,378,492 was unrestricted.

The County's net assets increased by \$4.2 million (or 7.5%) which was due primarily to increases from capital grants and contributions, unrestricted grants and contributions, property taxes, unrestricted investment earnings and miscellaneous disposition of property. Reduction in long term obligations and increase in unrestricted assets contributed to the overall increase.

The County's Governmental Funds experienced a decrease of \$964,030 in fund balances, with the General Fund experiencing a slight increase in its fund balance by \$60,863. The overall decrease in the County's Governmental Funds was primarily due to the activity in non-major governmental funds.

OVERVIEW OF THE FINANCIAL STATEMENTS

The County's annual financial report consists of several sections. Taken together they provide a comprehensive financial report of the County. 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 County.

Basic Financial Statements. Includes a Statement of Net Assets, a Statement of Activities, fund financial statements and the notes to basic financial statements.

Statements of Net Assets and Activities focus on entity-wide presentations using the accrual basis of accounting and provide both long-term and short-term information about the County's financial status.

Fund financial statements focus separately on major governmental and proprietary funds and types of fiduciary funds. Governmental fund statements follow the more traditional presentation of financial statements. The County's major governmental funds are presented in their own columns and the remaining funds are combined into a single column titled "Other Governmental Funds." Budgetary comparison statements are presented for the General, Road, Health Services, Library, Commission on Children and Families, Community Corrections and County School Funds. Statements for the County's proprietary funds follow the governmental funds and include statements of net assets, revenues, expenses and changes in fund net assets, and cash flows. Fiduciary funds account for resources held for the benefit of others and have not been reflected in the Statements of Net Assets and Activities as they are not available to the County.

The notes to basic financial statements provide additional disclosures required by governmental accounting standards and provide information to assist the reader in understanding the County's financial condition.

Combining and Individual Fund Financial Statements and Schedules. Readers desiring additional information on non-major funds can find it in this section of this report. Included within this section are:

- Combining Statements of other governmental funds which are classified as non-major. These statements include balance sheets and statements of revenues, expenditures and changes in fund balances.
- Budgetary Comparisons. Budgetary information for all funds, except General and the major Special Revenue Funds, which are presented within the Basic Financial Statements, are presented here.
- Fiduciary Fund statement for changes in assets and liabilities.
- Other Financial Schedules covering capital assets and long-term obligations complete the Financial Section of the report.

Statistical Section. Trend information and demographics.

Audit comments and disclosures required by state regulations. Supplemental communication on county compliance and internal controls as required by Oregon statutes.

Grant compliance – Single Audit. Additional reports by the county's independent auditor and the schedule of expenditures of federal awards as required by Government Auditing Standards and the Single Audit Act.

FINANCIAL SUMMARY AND ANALYSIS

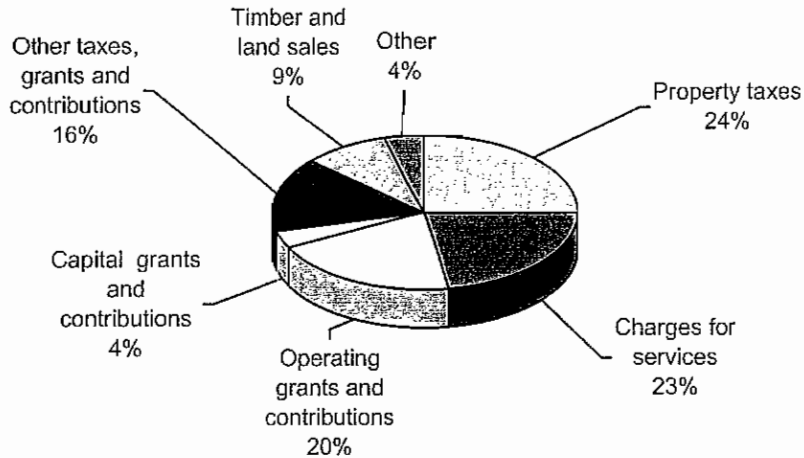
As mentioned earlier, the County's net assets as of June 30, 2009 were \$59,957,074. By far the largest portion of net assets is comprised of the county's investment in capital assets (e.g., land, buildings, equipment and public infrastructure), less any related debt outstanding that was used to acquire those assets. The County uses capital assets to provide services to citizens; therefore, these assets are not available for future spending. The resources to repay the related debt is not provided by capital assets, but will be provided from other sources.

	Governmental Activities		Business-type Activities		Totals	
	2009	2008	2009	2008	2009	2008
<u>ASSETS</u>						
Current and other assets	\$ 24,234,508	\$ 23,769,843	\$ 1,701,527	\$ 2,172,558	\$ 25,936,035	\$ 25,942,401
Capital assets	<u>48,217,196</u>	<u>45,287,721</u>	<u>2,112,011</u>	<u>1,633,850</u>	<u>50,329,207</u>	<u>46,921,571</u>
Total assets	<u>72,451,704</u>	<u>69,057,564</u>	<u>3,813,538</u>	<u>3,806,408</u>	<u>76,265,242</u>	<u>72,863,972</u>
<u>LIABILITIES</u>						
Other liabilities	2,077,478	1,546,989	123,892	183,000	2,201,370	1,729,989
Long-term liabilities	<u>13,099,141</u>	<u>14,390,096</u>	<u>1,007,657</u>	<u>984,550</u>	<u>14,106,798</u>	<u>15,374,646</u>
Total liabilities	<u>15,176,619</u>	<u>15,937,085</u>	<u>1,131,549</u>	<u>1,167,550</u>	<u>16,308,168</u>	<u>17,104,635</u>
<u>NET ASSETS</u>						
Invested in capital assets net of related debt	36,042,826	31,862,585	2,112,011	1,633,850	38,154,837	33,496,435
Restricted	4,423,745	4,756,637	-	-	4,423,745	4,756,637
Unrestricted	<u>16,808,514</u>	<u>16,501,257</u>	<u>569,978</u>	<u>1,005,008</u>	<u>17,378,492</u>	<u>17,506,265</u>
Total net assets	<u>\$ 57,275,085</u>	<u>\$ 53,120,479</u>	<u>\$ 2,681,989</u>	<u>\$ 2,638,858</u>	<u>\$ 59,957,074</u>	<u>\$ 55,759,337</u>

The unrestricted net assets of business-type activities represent the current assets of the Solid Waste Service District, which are offset by the liability for landfill post-closure care costs.

Total net assets increased by \$4,197,737. The revenue of the county comes primarily from property taxes, charges for services and operating grants and contributions. The county's expenses cover a wide variety of services, with general government, public safety, and health and welfare accounting for over half of the expenses.

Tillamook County Revenue



Property taxes, comprising 24% of Tillamook County's revenue, are derived from the Permanent Tax Rate, Local Option Taxes and General Obligation debt levies.

The permanent tax rate provides funding for general government. Countywide library services and Veterans Services are funded by the local option tax levies (expiring in 2012). General Obligation Debt consists of the Justice Facility Construction Debt, Hospital Construction Debt, Library Construction Debt and subsequent refundings.

For the year ended June 30, 2009, a large percentage of revenues comes from charges for services (23%) and operating grants and contributions (20%). This include such items as permits, licenses, recreation fees, recording fees, health services patient fees, other user fees, solid waste disposal fees and assessments and fines.

Operating grants and contributions primarily fund the Community Health Center, Public Works, Community Corrections, Children and Families Programs and Mental Health Services.

Timber and Land sales revenue is a major resource for the General, Road, and County School Funds.

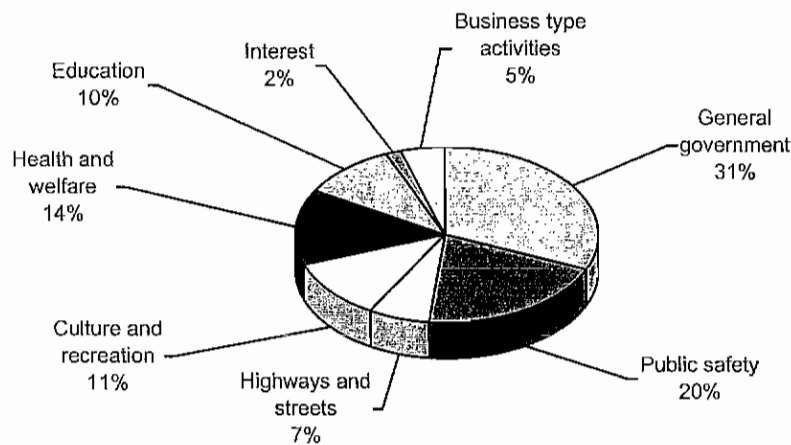
Expenses for General Government and Public Safety comprise 51% of total expenses. The County Justice Facility, opened in 1997, houses the Sheriff's Department, Community Corrections, State Police, Emergency Management and the jail.

General Government includes expenditures for Community Development, Information Services, Assessment and Taxation, Elections, Finance, Commissioners and Support Services. County Park System expenses are included in Culture and Recreation.

Health and Welfare expenses relate to the County's federally funded Community Health Center. Highways and Streets expenditures relate to repair and maintenance of infrastructure.

The Extension Service District and County School Fund comprise Education expenses and Business-type activities relate to the Solid Waste Service District. Interest expenses account for payments on the County's long-term debt.

Tillamook County Functional Expenses



Governmental activities increased the County's net assets by \$4,154,606 which represents 99 percent of the increase in net assets. The key elements of this increase are as follows:

TILLAMOOK COUNTY'S CHANGES IN NET ASSETS

	Governmental Activities		Business-type Activities		Totals	
	2009	2008	2009	2008	2009	2008
Revenues						
Program revenues:						
Charges for services	\$ 7,163,744	\$ 7,308,425	\$ 1,689,870	\$ 1,925,292	\$ 8,853,614	\$ 9,233,717
Operating grants and contributions	7,796,207	8,445,756	5,757	5,972	7,801,964	8,451,728
Capital grants and contributions	1,498,018	1,529,350	-	-	1,498,018	1,529,350
General revenues:						
Property taxes	9,786,714	9,206,760	-	-	9,786,714	9,206,760
Other taxes	197,973	177,285	-	-	197,973	177,285
Other grants and contributions	5,906,234	6,722,787	-	-	5,906,234	6,722,787
Timber and land sales	3,596,833	4,072,039	-	-	3,596,833	4,072,039
Other	1,585,956	2,839,967	47,050	99,048	1,633,006	2,939,015
Total revenues	37,531,679	40,302,369	1,742,677	2,030,312	39,274,356	42,332,681
Expenses						
General government	11,000,094	11,151,831	-	-	11,000,094	11,151,831
Public safety	7,119,266	7,356,213	-	-	7,119,266	7,356,213
Highways and streets	2,317,050	3,847,477	-	-	2,317,050	3,847,477
Culture and recreation	3,930,672	3,583,838	-	-	3,930,672	3,583,838
Health and welfare	4,836,871	4,673,434	-	-	4,836,871	4,673,434
Education	3,608,717	4,650,449	-	-	3,608,717	4,650,449
Interest on long-term debt	564,404	614,666	-	-	564,404	614,666
Solid waste	-	-	1,699,546	1,837,700	1,699,546	1,837,700
Total expenses	33,377,074	35,877,908	1,699,546	1,837,700	35,076,620	37,715,608
Change in net assets	4,154,605	4,424,461	43,131	192,612	4,197,736	4,617,073
Net assets - beginning	53,120,480	48,696,019	2,638,858	2,446,246	55,759,338	51,142,265
Net assets - ending	\$ 57,275,085	\$ 53,120,480	\$ 2,681,989	\$ 2,638,858	\$ 59,957,074	\$ 55,759,338

Governmental Activities

The growth in net assets is attributed to increased receipts from capital grants and contributions, unrestricted grants and contributions, property taxes, unrestricted investment earnings and miscellaneous disposition of property.

Business-type Activities

The Solid Waste Fund accounts for disposal of solid waste generated in Tillamook County. The growth in net assets is attributed to increased program revenue and reduction in post-closure liability.

FINANCIAL ANALYSIS OF FUNDS

As of June 30, 2009 the County's governmental funds reported a combined fund balance of \$20,579,908, which is a decrease of \$964,030 from June 30, 2008.

The general fund is the primary operating fund of the County. As of June 30, 2009, the general fund balance is \$6,882,209, which is an increase of \$60,863 from June 30, 2008.

The increase in the General Fund fund balance is related primarily to the effect of decreases in expenditures resulting decreases in revenues. Licenses, permits and fees revenue was down by \$321,977 from the prior year and timber and land sales were down \$241,487. General government expenditures were down \$608,620 from the prior year. The General Fund revenues were \$609,155 less than budgeted and expenditures were less than budget by \$1,887,216. The General Fund also transferred resources to other funds in the amount of \$186,900.

The Road Fund is primarily supported by state fuel taxes and federal forest fees. Its fund balance increased by \$1,322,210 during 2008-09 due primarily to an increase in intergovernmental revenues of \$768,541 and miscellaneous revenues of \$453,986.

The County School Fund receives state timber revenues which are passed on to public school districts within the County. Its fund balance may fluctuate depending upon state timber harvest; however its fund balance decreased \$175,808.

The Health Services Fund fund balance decreased \$108,968 from \$254,339 at June 30, 2008. This decrease was due to an increase in health and welfare expenditures. The General Fund transferred \$500,000 to the Health Services fund on June 30, 2005. The transfer from Health to General during this reporting period was \$55,000. It is anticipated that the Health Services Fund will make subsequent transfers to the General Fund on an annual basis.

The Library Fund had an increase in fund balance of \$426,538. This increase was due primarily to property taxes levied for library operations.

The Commission on Children and Families fund balance decreased \$30,801, which was primarily due to an increase in expenditures.

The Community Corrections fund experienced a slight increase in fund balances of \$13,907. The programs funding is determined biennially by the Oregon State Legislature.

The Oregon Community Development Block Grant fund was established to account for grant funds received for the purpose of construction of a child care center. During the year \$1,143,421 was expended for this purpose resulting in a decrease in fund balance of \$513,265.

Proprietary funds provide the same type of information as presented in the government-wide statements of net assets and activities, but in more detail. The proprietary funds net assets amounted to \$2,681,989 as of June 30, 2009.

BUDGETARY HIGHLIGHTS

The changes between the original and final budget of the general fund were enacted to transfer relatively small amounts between appropriation categories. A supplemental budget was adopted during the year to create appropriation for various grants.

CAPITAL ASSETS AND DEBT ADMINISTRATION

As of June 30, 2009, the County had invested \$50,329,207 in total capital assets, net of depreciation, which is a net increase of \$3,407,636 from June 30, 2008. This investment includes land and land improvements, buildings, equipment and public infrastructure of roads and bridges. The investment in governmental activities capital assets increased by \$2,929,475, and business-type activities increased by \$478,161. Significant additions during the year ended June 30, 2009 were as follows:

- Long Prairie Road improvements - \$729,233
- Bridges funded by OTIA - \$1,028,038
- County Fair grandstand replacement - \$326,948

Additional information on the County's capital assets may be found in Note 6 of the financial statements.

During the year the County issued \$168,200 of additional long-term debt under a loan agreement with the TLC Federal Credit Union. The credit union provided the loan at no interest to be used as partial financing for the County Fair grandstand replacement. The total obligations outstanding as of June 30, 2009 amounted to \$14,106,798. Additionally, the County's estimated liability for landfill post-closure care costs is reported as a long-term obligation.

During the year the County retired \$1,418,966 in principal on long-term debt, a reduction of 8.5 percent of the balance outstanding at the beginning of the year.

A summary of the County's long-term debt outstanding is as follows:

General Obligations Bonds	\$	10,780,000
Loans payable		1,383,855
Capital leases		10,515
Accumulated unpaid compensation		953,128
Landfill post-closure care liability		979,300

Additional information on the County's long-term obligations may be found in Note 8 to the financial statements.

ECONOMIC FACTORS

Oregon law limits increases in property tax revenue. Assessed values may increase 3% per year, plus the value of new construction. Tillamook County's tax increase each year is insufficient to cover the rising cost of services.

General Government operations rely heavily on timber revenues to support expenditures. The County is also very dependent on federal and state grants.

Rising costs of employee benefits challenge the county to reduce expenditures for materials and services and look at new ways to provide fair compensation to the workforce. The County continues to explore ways to combine and streamline service delivery.

Funding provided by the state legislature for county programs is subject to biennial appropriations. The state's funding source is primarily income taxes. Therefore the state is dependent on a strong economy to fund services. Local governments compete with schools and other services which make them vulnerable to funding reductions. During the next budget year the county will be evaluating its ability to provide citizens the services they are accustomed to with declining state and federal resources.

FINANCIAL CONTACT

The County's financial statements are designed to present users (citizens, taxpayers, customers, investors, and creditors) with a general overview of the County's finances and to demonstrate the County's accountability. Additionally, the component units have separately issued financial statements that are available to provide information on their finances and activities.

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.

BASIC FINANCIAL STATEMENTS

TILLAMOOK COUNTY
STATEMENT OF NET ASSETS
June 30, 2009

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Totals</u>
<u>ASSETS</u>			
Cash and investments	\$ 19,340,088	\$ 1,603,125	\$ 20,943,213
Restricted cash and investments	7,449	-	7,449
Receivables, net	2,774,947	98,402	2,873,349
Deferred charges	254,339	-	254,339
Net pension obligation	1,857,685	-	1,857,685
Capital assets			
Land, improvements, and construction in progress	10,002,261	193,447	10,195,708
Other capital assets, net	38,214,935	1,918,564	40,133,499
TOTAL ASSETS	<u>72,451,704</u>	<u>3,813,538</u>	<u>76,265,242</u>
<u>LIABILITIES</u>			
Accounts payable and accrued expenses	920,827	123,892	1,044,719
Accrued interest	176,866	-	176,866
Unearned revenue	125,812	-	125,812
Net other post-employment benefits	853,973	-	853,973
Long-term liabilities			
Due within one year	2,395,291	114,957	2,510,248
Due in more than one year	10,703,850	892,700	11,596,550
TOTAL LIABILITIES	<u>15,176,619</u>	<u>1,131,549</u>	<u>16,308,168</u>
<u>NET ASSETS</u>			
Invested in capital assets, net of related debt	36,042,826	2,112,011	38,154,837
Restricted for:			
Capital projects	486,551	-	486,551
Debt service	235,337	-	235,337
Highways and streets	3,560,895	-	3,560,895
Other purposes	140,962	-	140,962
Unrestricted	16,808,514	569,978	17,378,492
TOTAL NET ASSETS	<u>\$ 57,275,085</u>	<u>\$ 2,681,989</u>	<u>\$ 59,957,074</u>

See notes to basic financial statements

TILLAMOOK COUNTY
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2009

Functions/Programs	Program Revenue				Net (Expense) Revenue and Changes in Net Assets		Totals
	Expenses	Charges for	Operating	Capital Grants	Governmental	Business-type	
		Services	Grants and Contributions	and Contributions			
Governmental Activities							
General Government	\$ 11,000,094	\$ 2,491,513	\$ 1,094,754	\$ 460,639	\$ (6,953,188)		\$ (6,953,188)
Public Safety	7,119,266	713,007	2,191,571	-	(4,214,688)		(4,214,688)
Highways and Streets	2,317,050	437,649	1,494,924	794,193	409,716		409,716
Culture and Recreation	3,930,672	1,693,575	76,263	243,186	(1,917,648)		(1,917,648)
Health and Welfare	4,836,871	1,827,733	2,929,095	-	(80,043)		(80,043)
Education	3,608,717	267	9,600	-	(3,598,850)		(3,598,850)
Interest on Long-term debt	564,404	-	-	-	(564,404)		(564,404)
Total governmental activities	<u>33,377,074</u>	<u>7,163,744</u>	<u>7,796,207</u>	<u>1,498,018</u>	<u>(16,919,105)</u>		<u>(16,919,105)</u>
Business-type activities:							
Solid Waste	1,699,546	1,689,870	5,757	-	-	\$ (3,919)	(3,919)
Totals	<u>\$ 35,076,620</u>	<u>\$ 8,853,614</u>	<u>\$ 7,801,964</u>	<u>\$ 1,498,018</u>	<u>(16,919,105)</u>	<u>(3,919)</u>	<u>(16,923,024)</u>
General revenues							
Taxes:							
Property taxes levied for:							
General purposes					7,951,276	-	7,951,276
Debt service					1,835,438	-	1,835,438
Other taxes					197,973	-	197,973
Other grants and contributions not restricted for specific programs							
Timber and land sales					5,906,234	-	5,906,234
Unrestricted investment earnings					3,596,833	-	3,596,833
Miscellaneous					534,977	45,084	580,061
Gain on sale of capital assets					1,022,062	1,966	1,024,028
					28,917	-	28,917
TOTAL GENERAL REVENUES					<u>21,073,710</u>	<u>47,050</u>	<u>21,120,760</u>
CHANGES IN NET ASSETS					<u>4,154,605</u>	<u>43,131</u>	<u>4,197,736</u>
NET ASSETS - BEGINNING					<u>53,120,480</u>	<u>2,638,858</u>	<u>55,759,338</u>
NET ASSETS - ENDING					<u>\$ 57,275,085</u>	<u>\$ 2,681,989</u>	<u>\$ 59,957,074</u>

See notes to basic financial statements

TILLAMOOK COUNTY
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2009

	General	Road	County School	Health Services	Library	Commission on Children and Families
ASSETS						
Cash and cash equivalents	\$ 5,770,851	\$ 3,906,174	\$ -	\$ 113,366	\$ 1,539,942	\$ 274,364
Restricted cash and investments	-	-	-	-	-	-
Receivables, net	1,230,383	102,319	453,072	142,487	192,395	21,771
Due from other funds	426,400	-	-	-	-	-
TOTAL ASSETS	<u>\$ 7,427,634</u>	<u>\$ 4,008,493</u>	<u>\$ 453,072</u>	<u>\$ 255,853</u>	<u>\$ 1,732,337</u>	<u>\$ 296,135</u>
LIABILITIES						
Accounts payable	\$ 199,203	\$ 347,114	\$ -	\$ 110,482	\$ 27,315	\$ 52,703
Due to other funds	-	-	-	-	-	-
Deferred revenue	346,222	-	-	-	143,437	-
TOTAL LIABILITIES	<u>545,425</u>	<u>347,114</u>	<u>-</u>	<u>110,482</u>	<u>170,752</u>	<u>52,703</u>
FUND BALANCES						
Reserved for debt service	-	-	-	-	-	-
Unreserved, reported in						
General	6,882,209	-	-	-	-	-
Special revenue funds	-	3,661,379	453,072	145,371	1,561,585	243,432
Capital projects funds	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>6,882,209</u>	<u>3,661,379</u>	<u>453,072</u>	<u>145,371</u>	<u>1,561,585</u>	<u>243,432</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 7,427,634</u>	<u>\$ 4,008,493</u>	<u>\$ 453,072</u>	<u>\$ 255,853</u>	<u>\$ 1,732,337</u>	<u>\$ 296,135</u>

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

- Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds
- Deferred charges relating to debt issuances are not financial resources and therefore are not reported in the funds
- Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds
- Certain payments received are for services to be provided in future periods and therefore are reported as unearned in the statement of net assets
- The net pension obligation (asset) is reported in the statement of net assets but is not reported in the funds
- The net post-employment benefits obligations is reported in the statement of net assets but is not reported in the funds
- Some liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds

NET ASSETS OF GOVERNMENTAL ACTIVITIES

See notes to basic financial statements

	Oregon		
	Community	Other	
Community	Development	Governmental	
Corrections	Block Grant	Funds	Totals
\$ 220,384	\$ -	\$ 7,515,007	\$ 19,340,088
-	-	7,449	7,449
772	397,383	234,365	2,774,947
-	-	-	426,400
<u>\$ 221,156</u>	<u>\$ 397,383</u>	<u>\$ 7,756,821</u>	<u>\$ 22,548,884</u>
\$ 3,653	\$ 36,134	\$ 144,223	\$ 920,827
-	426,400	-	426,400
-	-	132,090	621,749
<u>3,653</u>	<u>462,534</u>	<u>276,313</u>	<u>1,968,976</u>
-	-	235,337	235,337
-	-	-	6,882,209
217,503	-	5,293,580	11,575,922
-	(65,151)	1,951,591	1,886,440
<u>217,503</u>	<u>(65,151)</u>	<u>7,480,508</u>	<u>20,579,908</u>
<u>\$ 221,156</u>	<u>\$ 397,383</u>	<u>\$ 7,756,821</u>	
			48,217,196
			254,339
			621,749
			(125,812)
			1,857,685
			(853,973)
			<u>(13,276,007)</u>
			<u>\$ 57,275,085</u>

TILLAMOOK COUNTY

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2009**

	General	Road	County School	Health Services	Library	Commission on Children and Families
REVENUES						
Property taxes	\$ 5,231,016	\$ -	\$ 597	\$ -	\$ 2,258,430	\$ -
Licenses, permits and fees	1,100,280	66,855	-	-	-	-
Intergovernmental	2,400,318	4,798,343	3,123,039	2,043,649	7,033	516,953
Charges for services	1,128,489	109,065	-	1,686,929	-	-
Fines and forfeitures	377,004	-	-	-	8,873	-
Timber and land sales	3,534,703	-	-	-	1,308	-
Interest	158,389	78,014	16,440	2,341	36,497	6,280
Intercounty charges	914,018	30,000	-	-	-	-
Miscellaneous	464,921	664,655	-	151,487	18,885	29,472
TOTAL REVENUES	15,309,138	5,746,932	3,140,076	3,884,406	2,331,026	552,705
EXPENDITURES						
Current						
General government	8,443,155	-	-	-	-	-
Public safety	5,610,701	-	-	-	-	615,006
Highways and streets	-	3,199,261	-	-	-	-
Culture and recreation	823,397	-	-	-	1,897,447	-
Health and welfare	54,750	-	-	4,033,634	-	-
Education	-	-	3,315,884	-	-	-
Capital outlay	94,950	1,272,161	-	-	6,626	-
Debt service						
Principal	93,198	36,906	-	3,862	-	-
Interest	18,420	1,694	-	878	-	-
TOTAL EXPENDITURES	15,138,571	4,510,022	3,315,884	4,038,374	1,904,073	615,006
Excess (deficiency) of revenues over expenditures	170,567	1,236,910	(175,808)	(153,968)	426,953	(62,301)
OTHER FINANCING SOURCES (USES)						
Transfers in	75,775	133,333	-	100,000	585	31,500
Sale of capital assets	1,421	-	-	-	-	-
Issuance of debt	-	-	-	-	-	-
Transfers out	(186,900)	(48,033)	-	(55,000)	(1,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	(109,704)	85,300	-	45,000	(415)	31,500
Net change in fund balances	60,863	1,322,210	(175,808)	(108,968)	426,538	(30,801)
Fund balances at beginning of year	6,821,346	2,339,169	628,880	254,339	1,135,047	274,233
Fund balances at end of year	\$ 6,882,209	\$ 3,661,379	\$ 453,072	\$ 145,371	\$ 1,561,585	\$ 243,432

See notes to basic financial statements

	Oregon		
Community	Community	Other	
Corrections	Development	Governmental	Totals
	Block Grant	Funds	
\$ -	\$ -	\$ 2,149,812	\$ 9,639,855
-	-	4,206	1,171,341
762,447	460,639	2,162,161	16,274,582
108,471	-	1,175,544	4,208,498
-	-	100,858	486,735
-	-	1,243	3,537,254
-	11,042	225,974	534,977
-	-	-	944,018
6,350	13,475	94,795	1,444,040
<u>877,268</u>	<u>485,156</u>	<u>5,914,593</u>	<u>38,241,300</u>
-	1,090,618	1,459,357	10,993,130
863,361	-	79,363	7,168,431
-	-	360,191	3,559,452
-	-	764,038	3,484,882
-	-	896,293	4,984,677
-	-	309,115	3,624,999
-	52,803	2,221,749	3,648,289
-	-	1,285,000	1,418,966
-	-	511,463	532,455
<u>863,361</u>	<u>1,143,421</u>	<u>7,886,569</u>	<u>39,415,281</u>
<u>13,907</u>	<u>(658,265)</u>	<u>(1,971,976)</u>	<u>(1,173,981)</u>
-	145,000	114,433	600,626
-	-	40,330	41,751
-	-	168,200	168,200
-	-	(309,693)	(600,626)
<u>-</u>	<u>145,000</u>	<u>13,270</u>	<u>209,951</u>
13,907	(513,265)	(1,958,706)	(964,030)
<u>203,596</u>	<u>448,114</u>	<u>9,439,214</u>	<u>21,543,938</u>
<u>\$ 217,503</u>	<u>\$ (65,151)</u>	<u>\$ 7,480,508</u>	<u>\$ 20,579,908</u>

TILLAMOOK COUNTY

**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, 2009**

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ (964,030)

Amounts reported for governmental activities in the Statement of Activities are different because of the following:

Governmental funds report outlays for capital assets as expenditures while governmental activities report depreciation expenses to allocate those expenditures over the estimated useful life of the assets. The difference between these two amounts is:

Capitalized expenditures	\$ 4,169,802	
Depreciation	<u>(1,227,493)</u>	2,942,309

In the Statement of Activities, only the gain on sale of capital assets is reported, whereas in the governmental funds, the proceeds from the sale increases financial resources. Thus the change in net asset differs by the depreciated cost of the capital assets disposed. (12,834)

In the Statement of Activities, property taxes are reported as revenues when assessed. However in the governmental funds, property taxes are reported when they are measurable and available. This revenue recognition results in differences in amounts reported for property tax revenues 146,859

Governmental funds report as revenues certain payments for services to be provided in future periods 161

Proceeds from long-term obligations provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. (168,200)

Debt issuance costs are reported as a reduction in the proceeds from long-term debt in the governmental funds. However in the statement of Net Assets these amounts are reported as deferred charges and amortized over the debt repayment period as additional interest expense. (54,530)

In the Statement of Activities, the change in the net pension obligation is reported as additional expenses for increases and a reduction of expenses for decreases. 1,637,107

For the year ended June 30, 2009, the County has implemented the requirements of GASB Statement 45 which requires the reporting of an obligation for net other post-employment benefits. (853,973)

Repayment of long-term obligations principal is an expenditure in the governmental funds, but the repayment reduces long-term obligations in the Statement of Net Assets. 1,418,966

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.

Accrued interest	22,581	
Compensated absences	<u>40,189</u>	<u>62,770</u>

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES \$ 4,154,605

See notes to basic financial statements

TILLAMOOK COUNTY

GENERAL

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL**

For the Year Ended June 30, 2009

	<u>Budget</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property taxes	\$ 5,145,000	\$ 5,145,000	\$ 5,199,610	\$ 54,610
Timber and land sales	4,225,000	4,225,000	3,755,900	(469,100)
Intergovernmental	2,115,191	2,115,191	2,431,290	316,099
Fines and forfeitures	425,000	425,000	377,004	(47,996)
Licenses, permits and fees	1,511,500	1,511,500	1,105,214	(406,286)
Charges for services	1,147,475	1,147,475	1,172,601	25,126
Investment earnings	325,000	325,000	158,389	(166,611)
Intercounty	937,500	937,500	914,018	(23,482)
Miscellaneous	356,436	356,436	464,921	108,485
TOTAL REVENUES	<u>16,188,102</u>	<u>16,188,102</u>	<u>15,578,947</u>	<u>(609,155)</u>
EXPENDITURES				
Board of County Commissioners	710,090	691,340	681,678	9,662
Land Sales	5,000	5,000	3,051	1,949
Justice Court	243,545	235,845	231,869	3,976
Juvenile Department	723,860	681,360	648,246	33,114
District Attorney	911,097	884,847	867,393	17,454
County Clerk	511,700	497,275	469,667	27,608
County Assessor	1,274,010	1,223,410	1,201,290	22,120
County Treasurer	416,890	407,890	399,913	7,977
Tax Department	174,940	161,440	160,094	1,346
Parks and Recreation	878,380	859,880	840,684	19,196
Courthouse Building	355,130	334,380	306,947	27,433
Sheriff - Criminal	2,847,080	2,779,755	2,678,531	101,224
Sheriff - Jail	2,720,400	2,507,575	2,410,687	96,888
Sheriff - Marine	294,500	290,150	276,914	13,236
Communications	245,200	203,900	75,686	128,214
Emergency Services	250,055	241,545	240,837	708
County Surveyor	241,935	237,635	233,656	3,979
Community Development	1,608,965	1,470,465	1,369,173	101,292
Information Services	895,555	797,305	775,043	22,262
General Government	762,950	732,950	702,823	30,127
Non-Departmental	342,050	327,050	320,451	6,599
Mental Health Services	64,000	59,000	55,000	4,000
Motorpool	1,000	1,000	260	740
Personnel	294,170	270,920	254,493	16,427
Operating Contingency	300,000	1,189,685	-	1,189,685
TOTAL EXPENDITURES	<u>17,072,502</u>	<u>17,091,602</u>	<u>15,204,386</u>	<u>1,887,216</u>

See notes to basic financial statements

Continued on page 9

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
GENERAL FUND (Continued)**

	<u>Budget</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
Excess (deficiency) of revenues over expenditures	\$ (884,400)	\$ (903,500)	\$ 374,561	\$ 1,278,061
OTHER FINANCING SOURCES (USES)				
Transfers in	80,000	80,000	75,775	(4,225)
Sale of assets	-	-	1,421	1,421
Transfers out	(206,000)	(186,900)	(186,900)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(126,000)</u>	<u>(106,900)</u>	<u>(109,704)</u>	<u>(2,804)</u>
Net change in fund balances	(1,010,400)	(1,010,400)	264,857	1,275,257
Fund balances - beginning	<u>6,010,400</u>	<u>6,010,400</u>	<u>5,843,782</u>	<u>(166,618)</u>
Fund balances - ending	<u>\$ 5,000,000</u>	<u>\$ 5,000,000</u>	<u>\$ 6,108,639</u>	<u>\$ 1,108,639</u>

See notes to basic financial statements

TILLAMOOK COUNTY

ROAD FUND

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL**

For the year ended June 30, 2009

	<u>Budget</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 2,876,408	\$ 2,876,408	\$ 4,918,088	\$ 2,041,680
Licenses, permits and fees	75,000	75,000	69,224	(5,776)
Charges for services	157,000	157,000	108,278	(48,722)
Investment earnings	28,000	28,000	78,014	50,014
Intercounty	30,000	30,000	30,000	-
Miscellaneous	<u>496,100</u>	<u>496,100</u>	<u>666,487</u>	<u>170,387</u>
TOTAL REVENUES	<u>3,662,508</u>	<u>3,662,508</u>	<u>5,870,091</u>	<u>2,207,583</u>
EXPENDITURES				
Personal services	1,848,054	1,848,054	1,807,071	40,983
Materials and services	1,466,440	1,816,440	1,423,451	392,989
Capital outlay	1,120,900	1,417,900	1,192,736	225,164
Contingency	<u>912,414</u>	<u>265,414</u>	<u>-</u>	<u>265,414</u>
TOTAL EXPENDITURES	<u>5,347,808</u>	<u>5,347,808</u>	<u>4,423,258</u>	<u>924,550</u>
Excess (deficiency) of revenues over expenditures	<u>(1,685,300)</u>	<u>(1,685,300)</u>	<u>1,446,833</u>	<u>3,132,133</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	133,334	133,333	(1)
Transfers out	<u>(64,700)</u>	<u>(64,700)</u>	<u>(48,033)</u>	<u>16,667</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(64,700)</u>	<u>68,634</u>	<u>85,300</u>	<u>16,666</u>
Net change in fund balance	(1,750,000)	(1,616,666)	1,532,133	3,148,799
Fund balance at beginning of year	<u>2,000,000</u>	<u>1,866,666</u>	<u>2,364,029</u>	<u>497,363</u>
Fund balance at end of year	<u>\$ 250,000</u>	<u>\$ 250,000</u>	<u>\$ 3,896,162</u>	<u>\$ 3,646,162</u>

See notes to basic financial statements

TILLAMOOK COUNTY

COUNTY SCHOOL FUND

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL**

For the Year Ended June 30, 2009

	Budget		Actual	Variance
	Original	Final		
REVENUES				
Property Taxes	\$ 1,000	\$ 1,000	\$ 597	\$ (403)
Intergovernmental	4,000,000	4,000,000	3,298,847	(701,153)
Investment earnings	20,000	20,000	16,440	(3,560)
TOTAL REVENUES	4,021,000	4,021,000	3,315,884	(705,116)
EXPENDITURES				
Materials and services	4,021,000	4,021,000	3,315,884	705,116
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See notes to basic financial statements

TILLAMOOK COUNTY

**HEALTH SERVICES FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2009**

	<u>Budget</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 1,896,379	\$ 1,896,379	\$ 2,091,823	\$ 195,444
Charges for services	2,539,348	2,549,348	1,664,587	(884,761)
Investment earnings	3,500	3,500	2,341	(1,159)
Miscellaneous	15,000	15,000	151,487	136,487
TOTAL REVENUES	<u>4,454,227</u>	<u>4,464,227</u>	<u>3,910,238</u>	<u>(553,989)</u>
EXPENDITURES				
Personal services	3,321,952	3,321,952	3,003,228	318,724
Materials and services	1,182,275	1,182,275	1,012,392	169,883
Capital outlay	5,000	5,000	4,740	260
TOTAL EXPENDITURES	<u>4,509,227</u>	<u>4,509,227</u>	<u>4,020,360</u>	<u>488,867</u>
Excess (deficiency) of revenues over expenditures	<u>(55,000)</u>	<u>(45,000)</u>	<u>(110,122)</u>	<u>(65,122)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	110,000	100,000	100,000	-
Transfers out	(55,000)	(55,000)	(55,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>55,000</u>	<u>45,000</u>	<u>45,000</u>	<u>-</u>
Net change in fund balance	-	-	(65,122)	(65,122)
Fund balance at beginning of year	-	-	156,399	156,399
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 91,277</u>	<u>\$ 91,277</u>

See notes to basic financial statements

TILLAMOOK COUNTY

**LIBRARY FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2009**

	<u>Budget</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property Taxes	\$ 2,205,000	\$ 2,205,000	\$ 2,244,599	\$ 39,599
Timber and land sales	-	-	1,308	1,308
Intergovernmental	5,000	5,000	7,033	2,033
Fines and forfeitures	12,000	12,000	8,873	(3,127)
Investment earnings	15,000	15,000	36,497	21,497
Miscellaneous	8,000	8,000	18,885	10,885
TOTAL REVENUES	<u>2,245,000</u>	<u>2,245,000</u>	<u>2,317,195</u>	<u>72,195</u>
EXPENDITURES				
Personal services	1,506,500	1,506,500	1,338,212	168,288
Materials and services	564,400	564,400	557,235	7,165
Capital outlay	41,600	41,600	6,626	34,974
Contingency	131,500	131,500	-	131,500
TOTAL EXPENDITURES	<u>2,244,000</u>	<u>2,244,000</u>	<u>1,902,073</u>	<u>341,927</u>
Excess (deficiency) of revenues over expenditures	<u>1,000</u>	<u>1,000</u>	<u>415,122</u>	<u>414,122</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	585	585
Transfers out	(1,000)	(1,000)	(1,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,000)</u>	<u>(1,000)</u>	<u>(415)</u>	<u>585</u>
Net change in fund balance	-	-	414,707	414,707
Fund balance at beginning of year	400,000	400,000	1,114,065	714,065
Fund balance at end of year	<u>\$ 400,000</u>	<u>\$ 400,000</u>	<u>\$ 1,528,772</u>	<u>\$ 1,128,772</u>

See notes to basic financial statements

TILLAMOOK COUNTY

**COMMISSION ON CHILDREN AND FAMILIES FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2009**

	<u>Budget</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 601,100	\$ 601,100	\$ 544,386	\$ (56,714)
Investment earnings	4,500	4,500	6,280	1,780
Miscellaneous	<u>52,400</u>	<u>52,400</u>	<u>29,472</u>	<u>(22,928)</u>
TOTAL REVENUES	<u>658,000</u>	<u>658,000</u>	<u>580,138</u>	<u>(77,862)</u>
EXPENDITURES				
Personal services	251,000	251,000	238,663	12,337
Materials and services	523,300	523,300	328,164	195,136
Capital outlay	<u>100</u>	<u>100</u>	<u>-</u>	<u>100</u>
TOTAL EXPENDITURES	<u>774,400</u>	<u>774,400</u>	<u>566,827</u>	<u>207,573</u>
Excess (deficiency) of revenues over expenditures	(116,400)	(116,400)	13,311	129,711
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>35,000</u>	<u>31,500</u>	<u>31,500</u>	<u>-</u>
Net change in fund balance	(81,400)	(84,900)	44,811	129,711
Fund balance at beginning of year	<u>81,400</u>	<u>84,900</u>	<u>227,722</u>	<u>142,822</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 272,533</u>	<u>\$ 272,533</u>

See notes to basic financial statements

TILLAMOOK COUNTY

COMMUNITY CORRECTIONS FUND
 STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
 For the Year Ended June 30, 2009

	Budget		Actual	Variance
	Original	Final		
REVENUES				
Intergovernmental	\$ 807,000	\$ 807,000	\$ 762,447	\$ (44,553)
Charges for services	85,000	85,000	108,471	23,471
Miscellaneous	5,000	5,000	5,578	578
TOTAL REVENUES	<u>897,000</u>	<u>897,000</u>	<u>876,496</u>	<u>(20,504)</u>
EXPENDITURES				
Personal services	618,360	618,360	534,955	83,405
Materials and services	444,200	444,200	332,307	111,893
Capital outlay	10,500	10,500	-	10,500
Contingency	23,940	23,940	-	23,940
TOTAL EXPENDITURES	<u>1,097,000</u>	<u>1,097,000</u>	<u>867,262</u>	<u>229,738</u>
Net change in fund balance	(200,000)	(200,000)	9,234	209,234
Fund balance at beginning of year	<u>200,000</u>	<u>200,000</u>	<u>208,336</u>	<u>8,336</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 217,570</u>	<u>\$ 217,570</u>

See notes to basic financial statements

TILLAMOOK COUNTY
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
June 30, 2009

	<u>Business-type Activities / Enterprise Funds</u>		
	<u>Solid Waste</u>	<u>Sinking</u>	<u>Totals</u>
<u>ASSETS</u>			
Current assets			
Cash and investments	\$ 761,459	\$ 841,666	\$ 1,603,125
Receivables	98,402	-	98,402
Total current assets	859,861	841,666	1,701,527
Capital assets			
Land and construction in progress	193,447	-	193,447
Other capital assets, net	1,918,564	-	1,918,564
TOTAL ASSETS	2,971,872	841,666	3,813,538
<u>LIABILITIES</u>			
Current liabilities			
Accounts payable and accrued expenses	119,824	4,068	123,892
Accumulated compensated absences	28,357	-	28,357
Current portion of landfill post-closure care liability	86,600	-	86,600
Total current liabilities	234,781	4,068	238,849
Landfill post-closure care liability	892,700	-	892,700
TOTAL LIABILITIES	1,127,481	4,068	1,131,549
<u>NET ASSETS</u>			
Invested in capital assets, net of related debt	2,112,011	-	2,112,011
Unrestricted	(267,620)	837,598	569,978
TOTAL NET ASSETS	\$ 1,844,391	\$ 837,598	\$ 2,681,989

See notes to basic financial statements

TILLAMOOK COUNTY

**STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
For the Year Ended June 30, 2009**

	<u>Business-type Activities / Enterprise Funds</u>		
	<u>Solid Waste</u>	<u>Sinking</u>	<u>Totals</u>
REVENUES			
Charges for services	\$ 1,487,102	\$ -	\$ 1,487,102
OPERATING EXPENSES			
Personal services	93,761	-	93,761
Other supplies and expenses	1,487,317	51,756	1,539,073
Depreciation	66,712	-	66,712
Total operating expenses	1,647,790	51,756	1,699,546
Operating (loss)	(160,688)	(51,756)	(212,444)
NON-OPERATING REVENUES (EXPENSES)			
Assessments	202,768	-	202,768
Intergovernmental	5,757	-	5,757
Interest and investment earnings	20,264	24,820	45,084
Miscellaneous	1,966	-	1,966
Total non-operating revenue (expenses)	230,755	24,820	255,575
Income (loss) before transfers	70,067	(26,936)	43,131
Transfers in	324,873	(324,873)	-
Change in net assets	394,940	(351,809)	43,131
Total net assets - beginning	1,449,451	1,189,407	2,638,858
Total net assets - ending	\$ 1,844,391	\$ 837,598	\$ 2,681,989

See notes to basic financial statements

TILLAMOOK COUNTY
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2009

	Business-type Activities/Enterprise Funds		
	Solid Waste	Solid Waste Sinking	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 1,490,311	\$ -	\$ 1,490,311
Payments to suppliers	(1,505,839)	(51,756)	(1,557,595)
Payments to employees	(64,749)	-	(64,749)
Other	1,966	-	1,966
	(78,311)	(51,756)	(130,067)
Net cash (used in) operating activities			
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Assessments of property owners	220,184	-	220,184
Grants	5,757	-	5,757
Transfers in	-	220,000	220,000
Transfers out	(220,000)	-	(220,000)
	5,941	220,000	225,941
Net cash provided by non-capital financing activities			
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchases of capital assets	-	(591,364)	(591,364)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest	20,264	24,820	45,084
	(52,106)	(398,300)	(450,406)
Net (decrease) in cash and cash equivalents	(52,106)	(398,300)	(450,406)
Cash and cash equivalents - beginning of year	813,565	1,239,966	2,053,531
	\$ 761,459	\$ 841,666	\$ 1,603,125
Cash and cash equivalents - end of year			
Reconciliation of operating (loss) to net cash (used in) operating activities			
Operating (loss)	\$ (160,688)	\$ (51,756)	\$ (212,444)
Adjustments to reconcile operating (loss) to net cash (used in) operating activities			
Depreciation	66,712	-	66,712
Other	1,966	-	1,966
Decrease in accounts receivable	3,209	-	3,209
Increase (decrease) in liabilities			
Accounts payable and accrued expenses	(12,617)	-	(12,617)
Accumulated compensated absences	28,357	-	28,357
Landfill post-closure care liability	(5,250)	-	(5,250)
	(78,311)	(51,756)	(130,067)
Net cash (used in) operating activities	\$ (78,311)	\$ (51,756)	\$ (130,067)

See notes to basic financial statements

TILLAMOOK COUNTY

STATEMENT OF FIDUCIARY NET ASSETS

FIDUCIARY FUNDS

June 30, 2009

	Tillamook County Oregon Retirement Plan for Employees	
	Pension Trust	Agency
	<u> </u>	<u> </u>
ASSETS		
Cash and investments	\$ 746,670	\$ 760,628
Receivables, net	-	3,834,779
Investments, at fair value:		
Fixed income securities	13,442,446	-
Mutual funds	<u>17,569,344</u>	<u>-</u>
TOTAL ASSETS	31,758,460	<u>\$ 4,595,407</u>
LIABILITIES		
Due to other governments	<u>-</u>	<u>\$ 4,595,407</u>
NET ASSETS		
Held in trust for pension benefits	<u>\$ 31,758,460</u>	

See notes to basic financial statements

TILLAMOOK COUNTY

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS

FIDUCIARY FUNDS

For the Year Ended June 30, 2009

	Tillamook County Oregon Retirement Plan for Employees Pension Trust
ADDITIONS	
Employer contributions	\$ 2,639,374
Investment earnings	<u>(2,325,063)</u>
Total additions	<u>314,311</u>
DEDUCTIONS	
Benefits	1,559,803
Administrative	<u>166,394</u>
Total deductions	<u>1,726,197</u>
Change in net assets	(1,411,886)
Net assets - beginning of year	<u>33,170,346</u>
Net assets - end of year	<u>\$ 31,758,460</u>

See notes to basic financial statements

**NOTES TO BASIC
FINANCIAL STATEMENTS**

TILLAMOOK COUNTY

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2009

1. Summary of Significant Accounting Policies

The Reporting Entity

Tillamook County was established December 15, 1853. A three-member Board of County Commissioners governs the County under provisions of ORS 203.230.

The accompanying basic financial statements present all activities, funds, and component units for which the County is considered to be financially accountable. 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. Based upon the evaluation of this criteria, the County is a primary government with the following blended component units:

Solid Waste Service District

The Solid Waste Service District was formed in June 1976 to dispose of solid waste generated in Tillamook County. The principal funding source is user charges and assessments. The Solid Waste Fund and the Solid Waste Sinking Fund make up the Solid Waste Service District.

Tillamook County 4-H and Extension Service District

The Tillamook County 4-H and Extension Service District was formed on February 12, 1986, under the provisions of ORS Chapter 451 to provide Oregon State University extension educational programs, training and information to Tillamook County residents.

Since the County is financially accountable for, significantly influences the operations and the Board of County Commissioners acts as the governing board of each component unit, these entities have been included as blended component units in the basic financial statements of the County. Complete financial statements of the individual component units can be obtained from the Tillamook County Treasurer at the courthouse.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

1. Summary of Significant Accounting Policies (continued)

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the County (the primary government) and its component units. 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 segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

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. Major governmental funds and major proprietary funds are reported in separate columns in the respective fund financial statements.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. 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.

The government-wide statements and proprietary funds have applied all Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the Committee on Accounting Procedure issued on or before November 30, 1989, unless those pronouncements conflict with or contradict Governmental Accounting Standards Board (GASB) pronouncements. The County has elected to not follow FASB pronouncements issued after November 30, 1989.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the functions of the County, the elimination of which would distort the direct costs and program revenues reported for the various functions concerned.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

1. Summary of Significant Accounting Policies (continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, 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 are charges to customers for sales and services. Operating expenses for proprietary 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.

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.

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 government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Significant revenues, which are susceptible to accrual under the modified accrual basis of accounting, include property taxes and federal and state grants. Other revenue items are considered to be measurable and available when received by the County. 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.

The bases of accounting described above are in accordance with accounting principles generally accepted in the United States of America.

The County reports the following major governmental funds:

General – accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Road – accounts for maintenance activities related to maintaining and inspecting the County's highways and roads.

County School – accounts for State timber and Federal Forest Fees revenues which are distributed to school districts within the County.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

1. Summary of Significant Accounting Policies (continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)

Health Services – accounts for the revenues and expenditures of the County's Health Department which provides medical assistance to residents of the County.

Library – accounts for the operation of the County's public library.

Commission on Children and Families – accounts for Oregon Children and Youth Services Commission grants for the development, administration and evaluation of an annual Comprehensive Juvenile Services Plan for the County.

Community Corrections – accounts for the custodial and supervisory services for offenders adjudicated through the criminal justice system of the County.

Oregon Community Development Block Grant – accounts for grant funds received for the purpose of construction of a child care center.

The County 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.

The County reports the following fiduciary funds:

Tillamook County Oregon Retirement Plan for Employee Pension Trust – accounts for the assets held, contributions to and benefit payments of Tillamook County's pension plan to provide retirement benefits to its employees.

Agency – account for resources received and held by the County in a fiduciary capacity. Disbursements from these funds are made in accordance with the trust agreement or applicable legislative enactment for each particular fund.

Additionally, the County reports the following fund types:

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

Debt service – account for the resources accumulated and payments made for principal and interest on long-term debt of governmental funds.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

1. Summary of Significant Accounting Policies (continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued)

Capital projects – account for expenditures on major construction projects or equipment acquisition. The principal sources of revenues are proceeds from certificates of participation issued to finance capital acquisitions, proceeds from the sale of County owned property, general obligation bond proceeds, full faith and credit bonds, and revenue bonds.

Enterprise – account for the operations of predominantly self-supporting activities. Enterprise funds account for services rendered to the public on a user charge basis, and internal service funds account for services provided to other departments or agencies of the government, or to other governments, on a cost reimbursement basis.

Budget Policies and Budgetary Control

Generally, Oregon Local Budget Law requires annual budgets be adopted for all funds of the County except agency funds and the pension trust fund. The County uses the cash basis of accounting for all budgets. All annual appropriations lapse at fiscal year end.

The County 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 County Commissioners adopt the budget, make appropriations, and declare the tax levy 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 County 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 except the General Fund budgetary control is established at the department level.

Budget amounts shown in the financial statements have been revised since the original budget amounts were adopted. The County Commissioners must authorize all appropriation transfers and supplementary budgetary appropriations.

Risk Management

The County 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 County 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.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

1. Summary of Significant Accounting Policies (continued)

Property Taxes

Uncollected property taxes in governmental funds are reported in governmental funds balance sheet as receivables; the portion which is available to finance expenditures of the current period is recorded as revenue and the remaining balance is recorded as deferred revenue. Property taxes are collected within 60 days of the end of the current period are considered measurable and available and are recognized as revenue. All property taxes receivable are due from property owners within the County.

Property taxes receivable in the agency funds are offset by amounts held in trust and, accordingly, have not been recorded as revenue.

Under state law, county governments are responsible for extending authorized property tax levies, computing tax rates, billing and collecting all property taxes, and making periodic remittances of collections to entities levying taxes. Real and personal property taxes are levied upon all taxable property within the County and become a lien against the property as of July 1 of each year and are payable in three installments which are due on November 15, February 15 and May 15 following the lien date.

Assessments

The Solid Waste Service District (an Enterprise Fund) assesses each unit of property within the County a \$12 fee to support waste collection and disposal operations. Assessments are recorded as levied.

Grants and Entitlements

Receivables for federal and state grants and state shared revenue are recorded as revenue in all fund types as earned.

Other Receivables

In governmental fund types, the portion of the receivable which is available to finance expenditures of the current period is recorded as revenue and the remaining balance is recorded as deferred revenue. Revenues are recorded when earned in proprietary fund types.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

1. Summary of Significant Accounting Policies (continued)

Capital Assets

Capital assets, which include property, equipment, infrastructure assets (e.g., roads, bridges, sidewalks, sewers, street lighting, and similar items), and their improvements, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than \$5,000 and an estimated useful life of at least one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, and equipment of the County, as well as the component units, are depreciated using the straight-line method over estimated useful lives as follows:

• Motor vehicles	5 to 10 years
• Equipment, including software	5 to 15 years
• Buildings	45 to 50 years
• Buildings improvements	20 years
• Public domain infrastructure	50 to 75 years

Upon disposal of such assets, the accounts are relieved of the related costs and accumulated depreciation and resulting gains or losses are reflected in the statement of activities.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

1. Summary of Significant Accounting Policies (continued)

Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs and the excess of bond amounts issued to refund previously issued debt over the refunded debt are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Compensated Absences

Accumulated Vacation – Employees of the County are permitted to 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 per year. Accumulated vacation is accrued when incurred in the government-wide and proprietary fund financial statements

Sick Leave – Employees of the County 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 the 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 in the government-wide and proprietary fund statements.

Interfund Loans

Lending and borrowing arrangements between funds, which are outstanding at the end of the year, are presented as either "interfund receivables/payables" for the current portion or advances to/from other funds" for the non-current portion of the interfund loan. All other outstanding balances between funds are reported as due to/from other funds. Advances to other funds are offset by a reservation of fund equity to indicate that they are not available financial resources.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

1. Summary of Significant Accounting Policies (continued)

Retirement Plan

Substantially all of the County's employees are participants in the Tillamook County, Oregon Retirement Plan for Employees. 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.

Solid Waste 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 Solid Waste Service 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 after 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. Due to increasing costs associated with post-closure care, the estimated liability increased by \$81,850. During the current fiscal year, the balance was decreased by \$87,100 to reflect an estimated liability of \$979,300 at June 30, 2009.

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.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

2. Reconciliation of Generally Accepted Accounting Principles Basis to Budgetary Basis

The budget of the County is prepared differently from accounting principles generally accepted in the United States of America. Therefore, the Statements of Revenues, Expenditures and Changes in Fund Balances (Budgetary Basis) – Budget and Actual for governmental funds is presented on the budgetary basis and is adjusted to the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds in accordance with accounting principles generally accepted in the United States of America. The following is a reconciliation of the differences between the budgetary basis and accounting principles generally accepted in the United States of America for revenues and other financing sources over (under) expenditures and other financing uses for the aforementioned financial statements:

	General	Road	County School	Health Services	Library	Commission on Children and Families	Community Corrections
Net change in fund balances - generally accepted accounting principles basis	<u>\$ 60,863</u>	<u>\$ 1,322,210</u>	<u>\$ (175,808)</u>	<u>\$(108,968)</u>	<u>\$ 426,538</u>	<u>\$ (30,801)</u>	<u>\$ 13,907</u>
Revenues:							
(Increase) decrease in property taxes and other receivables susceptible to accrual, recognized as revenues on the generally accepted accounting principles basis	191,269	123,159	175,808	25,832	(51,365)	27,433	(772)
Increase (decrease) in deferred revenues	<u>78,540</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,534</u>	<u>-</u>	<u>-</u>
	<u>269,809</u>	<u>123,159</u>	<u>175,808</u>	<u>25,832</u>	<u>(13,831)</u>	<u>27,433</u>	<u>(772)</u>
Expenditures:							
Increase (decrease) in accounts and accrued expenditures recognized as expenditures on the generally accepted accounting principles basis	<u>(65,815)</u>	<u>86,764</u>	<u>-</u>	<u>18,014</u>	<u>2,000</u>	<u>48,179</u>	<u>(3,901)</u>
Net change in fund balances - budgetary basis	<u>\$ 264,857</u>	<u>\$ 1,532,133</u>	<u>\$ -</u>	<u>\$ (65,122)</u>	<u>\$ 414,707</u>	<u>\$ 44,811</u>	<u>\$ 9,234</u>

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

3. Deposits and Investments

The County maintains a pool of cash and investments that are available for use by all funds, except for the Tillamook County Oregon Retirement Plan for Employees Pension Trust (a pension trust fund) and the County Fair fund (a non-major special revenue fund). Each fund's portion of this pool is displayed on the financial statements as cash and investments. Interest earned on pooled cash and investments is allocated to participating funds based upon their combined cash and investment balances.

Investments, including amounts held in pooled cash and investments, are stated at fair value. In accordance with Governmental Accounting Standards Board (GASB) Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, investments with a remaining maturity of more than one year, at the time of purchase 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 in a forced liquidation sale. Investments in the State of Oregon Local Government Investment Pool (LGIP) are stated at fair value.

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 fund. 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 County's position in the LGIP is the same as the value of the pool shares.

For purposes of reporting cash flows, cash and cash equivalents include cash on hand, checking, savings and money market accounts, and any highly liquid debt instruments purchased with a maturity of three months or less.

Credit Risk. The County's policy on the credit risk of investments is based on Oregon statutes which authorize the County to invest in obligations of the U. S. Treasury and U. S. agencies, bankers' acceptances, repurchase agreements, commercial paper rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record, and the state treasurer's investment pool. The pension trust is authorized to invest in a variety of debt and equity securities.

As of June 30, 2009, the County had the following investments:

	<u>Maturities</u>	<u>Rating</u>	<u>Fair Value</u>
State Treasurer's Investment Pool	N/A	Not Rated	\$ 12,701,034
Money market funds	N/A	Not Rated	209,931
Federal Home Loan Mortgage Corporation	10/28/10	AAA/AAA	1,289,725
First Star Bank National Association	12/01/09	Aa2/A+	1,028,285
Wachovia Corporation	6/01/10	A1/AA-	1,027,674
Certificates of Deposit	9/10/09-10/29/10	Not Rated	2,355,691
Pension Trust Investments:			
Certificates of Deposit	9/24/10-12/10/13	Not Rated	3,985,737
U.S. Treasury Notes	4/30/12-2/15/17	AAA	9,456,708
Mutual Funds	N/A	Not Rated	<u>17,569,344</u>
Total			<u>\$ 49,624,129</u>

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

3. Deposits and Investments (continued)

Interest Rate Risk. The County does not have a formal policy that limits investment maturities as a means of managing its exposure to fair-value losses arising from increases in interest rates.

Concentration of Credit Risk. The County does not have a formal policy that places a limit on the amount that may be invested in any one issuer. 68 percent of the County's investments, other than the Pension Trust investments, are in the State Treasurer's Investment Pool.

Custodial Credit Risk – Investments. This is the risk that, in the event of the failure of a counterparty, the County will not be able to recover the value of its investments that are in the possession of an outside party. Investments, other than the Pension Trust investments, amounting to \$18,612,340 has custodial credit risk because the related securities are uninsured, unregistered and held by the County's brokerage firm, which is the counterparty to those securities. The County does not have a policy which limits the amount of investments that can be held by counterparties.

Custodial Credit Risk – Deposits. This is the risk that in the event of a bank failure, the County's deposits may not be returned. The Federal Depository Insurance Corporation (FDIC) provides insurance for the County'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. Deposits in excess of FDIC coverage with institutions participating in the Oregon Public Funds Collateralization Program are considered fully collateralized. As of June 30, 2009, none of the County's bank balances were exposed to custodial credit risk.

A. The County's deposits and investments at June 30, 2009, are as follows:

Total investments	\$ 49,624,129
Cash on hand	11,310
Deposits with financial institutions	<u>3,834,311</u>
Total deposits and investments	<u>\$ 53,469,750</u>

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

3. Deposits and Investments (continued)

B. Cash and investments by fund:

Governmental activities/funds

Unrestricted

General	\$ 5,770,851
Road	3,906,174
Health Services	113,366
Library	1,539,942
Commission on Children and Families	274,364
Community Corrections	220,384
Other governmental funds	<u>7,515,007</u>

Total unrestricted 19,340,088

Restricted

Other governmental funds	<u>7,449</u>
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Total governmental activities/funds 19,347,537

Business-type activities/Enterprise funds

Unrestricted

Solid Waste	761,459
Solid Waste Sinking	<u>841,666</u>

Total business-type activities/Enterprise funds 1,603,125

Fiduciary funds

Tillamook County, Oregon Retirement Plan for

Employees Pension Trust	31,758,460
Agency	<u>760,628</u>

Total fiduciary funds 32,519,088

Total cash and investments \$ 53,469,750

4. Receivables

A. The County's receivables at June 30, 2009, are as follows:

	General	Road	County		Health Services	Library	Commission on Children and Families	Community Corrections	Oregon	Other Governmental Funds	Total Governmental Activities
			School	Development Block Grant							
Property taxes	\$ 423,877	\$ -	\$ -	\$ -	\$ 175,069	\$ -	\$ -	\$ -	\$ 162,271	\$ 761,217	
Unsegregated taxes	41,644	-	-	-	17,326	-	-	-	16,020	74,990	
Assessments	-	-	-	-	-	-	-	-	-	-	
Accounts	-	102,319	-	376,021	-	-	-	-	-	478,340	
State timber allotment	596,055	-	453,072	-	-	-	-	-	10,078	1,059,205	
Other	796,668	-	-	-	-	21,771	772	397,383	45,996	1,262,590	
Less: allowance for uncollectible accounts	<u>(627,861)</u>	<u>-</u>	<u>-</u>	<u>(233,534)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(861,395)</u>	
	<u>\$ 1,230,383</u>	<u>\$ 102,319</u>	<u>\$ 453,072</u>	<u>\$ 142,487</u>	<u>\$ 192,395</u>	<u>\$ 21,771</u>	<u>\$ 772</u>	<u>\$ 397,383</u>	<u>\$ 234,365</u>	<u>\$ 2,774,947</u>	

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

4. Receivables (continued)

	Totals from Prior Page	Solid Waste	Agency Funds	Totals
Property taxes	\$ 761,217	\$ -	\$ 2,287,611	\$ 3,048,828
Unsegregated taxes	74,990	1,752	225,507	302,249
Assessments	-	17,929	-	17,929
Accounts	478,340	78,721	-	557,061
State timber allotment	1,059,205	-	954,448	2,013,653
Other	1,262,590	-	2,643,289	3,905,879
Less: allowance for uncollectible accounts	(861,395)	-	(2,276,076)	(3,137,471)
	<u>\$ 2,774,947</u>	<u>\$ 98,402</u>	<u>\$ 3,834,779</u>	<u>\$ 6,708,128</u>

B. Property taxes

i. Collection procedures

Taxes are levied on July 1 and are payable in three installments due November 15, February 15 and May 15.

ii. Transactions

	Balances July 1, 2008	2008-09 Levies	Adjustments	Net Interest (Discounts)	Collections	Balances June 30, 2009
Current	\$ -	\$ 39,906,624	\$ (35,094)	\$ (929,294)	\$ (37,075,919)	\$ 1,866,317
2008-09	1,451,845	-	(8,606)	241	(713,148)	730,332
2007-08	487,923	-	(1,402)	28	(169,466)	317,083
2006-07	253,374	-	(1,129)	12	(157,972)	94,285
2005-06	66,652	-	(766)	-	(45,431)	20,455
2004-05	5,796	-	(631)	-	71	5,236
Prior	15,478	-	(358)	-	-	15,120
	<u>\$ 2,281,068</u>	<u>\$ 39,906,624</u>	<u>\$ (47,986)</u>	<u>\$ (929,013)</u>	<u>\$ (38,161,865)</u>	<u>\$ 3,048,828</u>

iii. Ensuing year's levies

The permanent tax rates per \$1,000 of assessed value for the various funds are as follows:

General	\$ 1.4986
Tillamook County 4-H and Extension Service District	.0690

The tax rate limit of \$10.00 per thousand of assessed value imposed by the Oregon Constitution is not expected to affect these levies.

In addition, the County will levy \$1,821,000 for the retirement of long-term debt principal and interest due in 2009-10.

Also, the voters of the County approved local option taxes for the County Library and Veteran's Services of \$.65 and \$.03 per thousand of assessed value, respectively.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

5. Interfund Balances and Transfers

As of June 30, 2009 \$426,400 was due from the Oregon Community Development Block Grant fund to the General fund for cash advances on grant programs that operate on a reimbursement basis.

Interfund transfers used to reallocate financial resources to funds where they will be expended were as follows:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer out</u>
General	\$ 75,775	\$ 186,900
Road	133,333	48,033
Health Services	100,000	55,000
Library	585	1,000
Commission on Children and Families	31,500	--
Oregon Community Development Block Grant	145,000	--
Other Governmental Funds	114,433	309,693
Solid Waste – Cash	--	220,000
– Non-cash	544,873	--
Solid Waste Sinking – Cash	220,000	--
– Non-cash	--	544,873
	<u>\$ 1,365,499</u>	<u>\$ 1,365,499</u>

Non-cash transfer result from the Solid Waste Sinking fund purchasing capital assets which are reported in the Solid Waste fund.

6. Capital Assets

Capital asset activity for the year ended June 30, 2009 was as follows:

	<u>Balances</u> <u>July 1, 2008</u>	<u>Additions</u>	<u>Reclassifications</u> <u>and Deletions</u>	<u>Balances</u> <u>June 30, 2009</u>
<i>Governmental Activities</i>				
Capital assets not being depreciated				
Land	\$ 5,263,140	\$ 114,142	\$ -	\$ 5,377,282
Construction in progress	3,029,672	3,449,375	1,854,068	4,624,979
Total capital assets not being depreciated	<u>\$ 8,292,812</u>	<u>\$ 3,563,517</u>	<u>\$ 1,854,068</u>	<u>\$ 10,002,261</u>
Capital assets being depreciated				
Land improvements	\$ 1,705,568	\$ 108,923	\$ -	\$ 1,814,491
Buildings	28,388,286	1,748,367	-	30,136,653
Equipment	8,491,744	584,457	58,208	9,017,993
Infrastructure	17,176,838	18,606	-	17,195,444
Total capital assets being depreciated	<u>55,762,436</u>	<u>2,460,353</u>	<u>58,208</u>	<u>58,164,581</u>
Less accumulated depreciation for:				
Land improvements	736,919	29,401	-	766,320
Buildings	6,141,292	588,642	-	6,729,934
Equipment	6,004,286	458,815	45,374	6,417,727
Infrastructure	5,885,030	150,635	-	6,035,665
Total accumulated depreciation	<u>18,767,527</u>	<u>1,227,493</u>	<u>45,374</u>	<u>19,949,646</u>
Total capital assets being depreciated	<u>\$ 36,994,909</u>	<u>\$ 1,232,860</u>	<u>\$ 12,834</u>	<u>\$ 38,214,935</u>

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

6. Capital Assets (continued)

	Balances July 1, 2008	Additions	Reclassifications and Deletions	Balances June 30, 2009
<i>Business-type Activities</i>				
Capital assets not being depreciated				
Land	\$ 125,000	\$ -	\$ -	\$ 125,000
Construction in progress	<u>105,515</u>	<u>68,447</u>	<u>105,515</u>	<u>68,447</u>
Total capital assets not being depreciated	<u>\$ 230,515</u>	<u>\$ 68,447</u>	<u>\$ 105,515</u>	<u>\$ 193,447</u>
Capital assets being depreciated				
Land improvements	\$ 688,775	\$ 264,865	\$ -	\$ 953,640
Buildings	2,159,924	249,324	-	2,409,248
Equipment	<u>121,841</u>	<u>67,752</u>	<u>-</u>	<u>189,593</u>
Total capital assets being depreciated	<u>2,970,540</u>	<u>581,941</u>	<u>-</u>	<u>3,552,481</u>
Less accumulated depreciation for:				
Land improvements	311,704	22,110	-	333,814
Buildings	1,147,795	44,172	-	1,191,967
Equipment	<u>107,706</u>	<u>430</u>	<u>-</u>	<u>108,136</u>
Total accumulated depreciation	<u>1,567,205</u>	<u>66,712</u>	<u>-</u>	<u>1,633,917</u>
Total capital assets being depreciated	<u>\$ 1,403,335</u>	<u>\$ 515,229</u>	<u>\$ -</u>	<u>\$ 1,918,564</u>

Depreciation expense charged to functions/programs of the County was as follows:

<i>Governmental activities</i>	
General government	\$ 136,589
Public safety	357,809
Highways and streets	272,283
Culture and recreation	432,226
Health and welfare	21,297
Education	<u>7,289</u>
Total governmental activities	<u>\$1,227,493</u>
<i>Business-type activities</i>	
Solid waste	<u>\$ 66,712</u>

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

7. Deferred Revenue

Resources owned by the County, which are measurable but not available, and are deferred in the governmental funds consist of the following:

	General	Library	Other Governmental Funds	Totals
Property taxes	\$ 346,222	\$ 143,437	\$ 132,090	\$ 621,749

8. Long-Term Obligations

a. Long-term obligation transactions for the year ended June 30, 2009, are as follows:

<i>Governmental activities</i>	Balances July 1, 2008	Additions	Reductions	Balances June 30, 2009	Balances Due Within One Year
<u>Bonded Debt</u>					
1999 General Obligation					
Refunding Bonds – original issue \$5,115,000, 15 years, interest from 3.2 to 4.7 percent					
Principal	\$ 3,380,000	\$ -	\$ 505,000	\$ 2,875,000	\$ 525,000
Interest	75,003	140,286	150,835	64,454	
	<u>3,455,003</u>	<u>140,286</u>	<u>655,835</u>	<u>2,939,454</u>	
2002 General Obligation					
Refunding Bonds – original issue \$6,580,000, 14 years, interest from 1.8 to 4.7 percent					
Principal	5,540,000	-	630,000	4,910,000	655,000
Interest	108,594	225,519	236,695	97,418	
	<u>5,648,594</u>	<u>225,519</u>	<u>866,695</u>	<u>5,007,418</u>	
2003 General Obligation – original issue \$3,700,000, 20 years, interest from 2.0 to 4.5 percent					
Percent	3,145,000	-	150,000	2,995,000	155,000
Interest	5,181	123,730	123,933	4,978	
	<u>3,150,181</u>	<u>123,730</u>	<u>273,933</u>	<u>2,999,978</u>	
Total bonded debt	12,253,778	489,535	1,796,463	10,946,850	
Interest	188,778	489,535	511,463	166,850	
Principal	12,065,000	-	1,285,000	10,780,000	1,335,000

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

8. Long-Term Obligations (continued)

a. (Continued)

<i>Governmental activities (con't)</i>	Balances			Balances	Balances
	July 1, 2008	Additions	Reductions	June 30, 2009	Due Within One Year
<u>Loans</u>					
Oregon Economic Development Department (OEDD) - annual installments of \$36,617.51, including interest at 6 percent					
Principal	\$ 306,995	\$ -	\$ 18,198	\$ 288,797	\$ 19,290
Interest	10,669	17,767	18,420	10,016	
	<u>317,664</u>	<u>17,767</u>	<u>36,618</u>	<u>298,813</u>	
Oregon Department of Transportation (ODOT) - annual installments of \$65,833.07, including interest at 0.5 percent					
Principal	338,764	-	36,906	301,858	37,091
Interest	-	1,694	1,694	-	
	<u>338,764</u>	<u>1,694</u>	<u>38,600</u>	<u>301,858</u>	
TLC Federal Credit Union - annual installments of \$70,000 with no interest					
Principal	700,000	168,200	75,000	793,200	75,000
Total loans	1,356,428	187,661	150,218	1,393,871	
Interest	10,669	19,461	20,114	10,016	
Principal	<u>1,345,759</u>	<u>168,200</u>	<u>130,104</u>	<u>1,383,855</u>	<u>131,381</u>
<u>Capital Leases</u>					
Ford Motor Credit Co. - monthly installments of \$397.97, including interest at 6.95 percent					
Principal	14,377	-	3,862	10,515	4,139
Interest	-	878	878	-	
	<u>14,377</u>	<u>878</u>	<u>4,740</u>	<u>10,515</u>	
Compensated absences	<u>964,960</u>	<u>924,771</u>	<u>964,960</u>	<u>924,771</u>	<u>924,771</u>
Total long-term obligations	14,589,543	1,602,845	2,916,381	13,276,007	\$ 2,395,291
Interest	199,447	509,874	532,455	176,866	
Principal	<u>\$ 14,390,096</u>	<u>\$ 1,092,971</u>	<u>\$ 2,383,926</u>	<u>\$ 13,099,141</u>	
<u>Business-type activities</u>					
Landfill post-closure care liability	\$ 984,550	\$ 81,850	\$ 87,100	\$ 979,300	\$ 86,600
Compensated absences	-	28,357	-	28,357	28,357
	<u>\$ 984,550</u>	<u>\$ 110,207</u>	<u>\$ 87,100</u>	<u>\$ 1,007,657</u>	<u>\$ 114,957</u>

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

8. Long-Term Obligations (continued)

b. Compensated absences

As described in Note 1, employees of the County are allowed to accumulate vacation up to amounts equal to one and one-half times the employee’s annual accrual rate. Employees also accumulate ‘comp’ time and holidays as permitted by County employment policies and agreements. Amounts so accumulated are vested and will be paid out upon termination or retirement. The General, Road, Health Services and Library funds have typically been used to liquidate the liability for compensated absences.

c. Future maturities

The future maturities of obligation outstanding as of June 30, 2009, are as follows:

i. Bonded debt:

Fiscal Year	1999 Refunding		2002 Refunding		2003		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2010	\$ 525,000	\$ 129,625	\$ 655,000	\$ 212,440	\$ 155,000	\$ 119,133	\$ 1,335,000	\$ 461,198
2011	550,000	107,050	680,000	186,240	155,000	114,289	1,385,000	407,579
2012	575,000	82,850	710,000	158,360	160,000	108,970	1,445,000	350,180
2013	600,000	56,975	745,000	128,540	170,000	103,110	1,515,000	288,625
2014	625,000	29,375	775,000	96,505	175,000	96,769	1,575,000	222,649
2015-19	-	-	1,345,000	87,550	980,000	374,059	2,325,000	461,609
2020-24	-	-	-	-	1,200,000	139,500	1,200,000	139,500
	<u>\$ 2,875,000</u>	<u>\$ 405,875</u>	<u>\$ 4,910,000</u>	<u>\$ 869,635</u>	<u>\$ 2,995,000</u>	<u>\$ 1,055,830</u>	<u>\$10,780,000</u>	<u>\$2,331,340</u>

ii. Loans:

Fiscal Year	OEDD		ODOT		TLC	Totals	
	Principal	Interest	Principal	Interest	Principal	Principal	Interest
2010	\$ 19,290	\$ 17,328	\$ 37,091	\$ 1,509	\$ 75,000	\$ 131,381	\$ 18,837
2011	20,447	16,170	37,276	1,324	75,000	132,723	17,494
2012	21,674	14,944	37,459	1,141	75,000	134,133	16,085
2013	22,974	13,643	37,650	950	75,000	135,624	14,593
2014	24,353	12,265	37,838	762	75,000	137,191	13,027
2015-19	145,515	37,573	114,544	1,149	300,000	560,059	38,722
2020-24	34,544	2,073	-	-	118,200	152,744	2,073
	<u>\$ 288,797</u>	<u>\$ 113,996</u>	<u>\$ 301,858</u>	<u>\$ 6,835</u>	<u>\$ 793,200</u>	<u>\$ 1,383,855</u>	<u>\$ 120,831</u>

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

8. Long-Term Obligations (continued)

d. Future maturities (continued)

iii. Capital Lease:

Year Ending June 30,	FMC	
	Principal	Interest
2010	4,139	601
2011	4,436	304
2012	<u>1,940</u>	<u>35</u>
	<u>\$ 10,515</u>	<u>\$ 940</u>

e. Other long-term obligations

Compensated absences amounting to \$924,771 for governmental activities and \$28,357 for business-type activities are expected to mature and be retired within the ensuing fiscal year.

The landfill post-closure care liability of \$979,300 does not have established future maturities. Currently management estimates that \$86,600 will mature and be retired within the ensuing fiscal year. However, future maturities are subject to changes due to inflation, changes in technology or changes to applicable laws or regulations.

9. Defined Benefit Pension Plan

Plan Description

Substantially all employees are participants in the defined benefit retirement plan of Tillamook County, Oregon (the Plan), a single employer defined benefit public employee retirement system.

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. Retirement is allowed at the ages of 50, 55, and 60 depending upon whether the employee is uniformed (fire and police) or nonuniformed and is included or excluded from a bargaining unit. Retirement benefits are reduced if retirement occurs prior to the age of 50 (uniformed employees) or 55 (nonuniformed employees), and the employee has less than 25 years of service (uniformed employees) or 30 years of service (nonuniformed employees). Employees may work after their normal retirement date with employer consent.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

9. Defined Benefit Pension Plan (continued)

Retirement benefits are calculated using a formula based on salary and length of service and are payable in a lump sum or monthly. The Plan also provides death and disability benefits. These benefit provisions, contributions and other requirements are established by state statutes.

The total Plan membership at July 1, 2008, of 334 includes 212 active employees, 6 disabled employees, 25 terminated employees entitled to benefits and 92 retired employees with deferred benefits. Of the 212 active employees covered by the Plan, 62 were non-vested, 139 were vested, and 11 were over retirement age. Of the 25 terminated members, one was entitled to their account balance only and 24 were members with vested accrued benefits.

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

Funding Policy

Plan members are permitted to contribute up to ten percent of their annual covered salary. The County is required by the Plan's provisions to pay the employees' contribution to the Plan of seven percent of covered salaries in addition to the remaining amount necessary to fund the Plan. Costs of administering the Plan are paid by the Plan.

Annual Pension Cost

The Plan's funding policy provides for actuarially determined periodic contributions that are sufficient to pay benefits when due. The actuarial costing method used to determine the contribution required for formula benefits in excess of employee and employer account balances was the "individual entry age method." The actuarial values of the Plan assets are determined by the fair value of the mutual fund investments of the Plan as of the actuarial valuation date. The July 1, 2008, actuarial assumptions included:

- Future investment earnings of the assets of the plan will accrue at a net annual rate of 7.25%.
- Interest on member contributions will accrue at a net annual rate of 8%.
- Projected salary increases of 5 percent per annum (includes both merit and cost of living increases).
- Post-retirement benefit increases of 1.5 percent per year.

The unfunded actuarial accrued liability is being amortized as a level percentage of base salary on an open basis over twelve years.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

9. Defined Benefit Pension Plan (continued)

The following table presents a schedule of the County's required annual contributions:

Year Ended June 30,	Annual Required Contributions	Employer Contributions	Percentage Contributed
2009	\$ 987,382	\$ 2,639,374	267%
2008	1,696,744	2,206,855	130%
2007	1,973,585	2,047,728	104%
2006	1,818,310	1,767,869	97%
2005	1,765,601	1,659,665	94%
2004	1,856,843	1,708,295	92%
2003	1,684,691	1,885,456	95%
2002	1,196,311	1,240,426	104%
2001	1,053,505	1,149,637	109%
2000	825,557	1,070,940	130%

The following table presents a schedule of funding progress for the County:

Actuarial Valuation as of July 1,	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Actuarial Accrued Liability as a Percent of Covered Payroll
2008	\$ 34,815,703	\$ 37,449,276	\$ 2,633,573	93%	\$ 9,426,660	28%
2007	31,906,678	34,117,986	2,211,308	94%	9,767,064	23%
2006	27,006,079	31,325,724	4,319,645	86%	9,624,036	45%
2005	23,979,112	27,451,673	3,472,561	87%	9,428,172	37%
2004	20,883,296	24,904,338	4,028,403	84%	9,628,464	42%
2003	16,879,927	22,026,636	5,146,709	77%	9,312,900	55%
2002	15,601,685	19,594,076	3,992,391	80%	9,083,832	44%
2001	14,830,542	15,415,448	584,906	96%	8,452,824	7%
2000	13,180,056	13,611,176	431,120	97%	8,192,196	5%
1999	11,986,412	11,789,666	(196,746)	102%	6,939,300	(3%)

The following table presents the annual pension cost and change in net pension obligation for the County estimated as of June 30, 2009 and 2008

	2009	2008
Annual Required Contribution (ARC)	\$ 987,382	\$ 1,696,744
Interest on Net Pension Obligation	(52,833)	(15,992)
Adjustment to Annual Required Contribution	<u>566,646</u>	<u>27,175</u>
Annual Pension Cost	1,501,195	1,707,927
Contributions made	<u>(2,639,374)</u>	<u>(2,206,855)</u>
Change in Net Pension Obligation	(1,138,179)	(498,928)
Net Pension Obligation (Asset) - beginning of year	<u>(719,506)</u>	<u>(220,578)</u>
Net Pension Obligation (Asset) - end of year	<u><u>\$(1,857,685)</u></u>	<u><u>\$(719,506)</u></u>

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

9. Defined Benefit Pension Plan (continued)

Three-year trend information

	<u>Annual Pension Cost</u>	<u>Amount Contributed</u>	<u>Percentage Contributed</u>	<u>Net Pension Obligation</u>
June 30, 2009	\$ 1,501,195	\$ 2,639,374	175.8%	\$ (1,857,685)
June 30, 2008	1,707,927	2,206,855	129.2%	(719,506)
June 30, 2007	1,982,339	2,030,246	102.4%	(220,578)

10. Contingency – Sick Leave

Portions of amounts accumulated at any point in time can be expected to be redeemed before termination of employment; however, such redemptions cannot be reasonably estimated. As of June 30, 2009, employees of the County had accumulated 8,580 days of sick leave.

11. Litigation

The County, in the regular course of business, is named as a defendant in various lawsuits. The likely outcome of these suits is not determinable at this time and the County does not believe that the ultimate resolution of these lawsuits will have a material adverse effect on the County's General Fund.

12. Other Post-Employment Benefits

For the year ended June 30, 2009, Tillamook County has implemented the provisions of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions* (GASB 45). This pronouncement requires the County to report a *net other post-employment benefit obligation* (NOPEBO) as of June 30, 2009. The County has implemented the requirements of GASB 45 on a prospective basis. The NOPEBO is, in general, the cumulative difference between the actuarial required contributions and actual contributions since July 1, 2008.

Plan description and benefits provided

The County provides *other post-employment benefits* (OPEB) for employees, retirees, spouses and dependents through a single employer defined contribution plan in the form of group health insurance benefits. For employees hired before July 1, 2003 the County will pay the group health insurance for retired employees. 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 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 45. The plan does not issue a separate stand-alone financial report.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

12. Other Post-Employment Benefits (continued)

Membership

The County's membership in the plan at August 1, 2006 (the date of the first actuarial valuation) consisted of the following:

Active employees	203
Retirees, spouses or dependents	<u>85</u>
Total	<u>288</u>

Funding policy and contributions

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

For retirees hired before July 1, 2003	\$ 419
For retirees hired after July 1, 2003	170

The County has not established an irrevocable trust to accumulate assets to fund the cost of the net OPEB obligation that arises from the implicit subsidy.

Annual OPEB cost and net OPEB Obligation

The County had its first actuarial valuation performed as of August 1, 2006 to determine the *unfunded accrued actuarial liability* (UAAL), *annual required contribution* (ARC) and NOPEBO as of that date. The ARC represents a level funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The annual OPEB cost is equal to the ARC as follows:

Normal cost	\$ 591,925
Amortization of UAAL	<u>757,032</u>
Annual required contribution	<u>\$1,348,957</u>

The net OPEB obligation as of June 30, 2009 was calculated as follows:

Annual required contribution	\$1,348,957
Contributions made	<u>(494,984)</u>
Increase in net OPEB obligation	853,973
Net OPEB obligation at beginning of year	<u>--</u>
Net OPEB obligation at end of year	<u>\$ 853,973</u>

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

12. Other Post-Employment Benefits (continued)

The County's annual OPEB cost, percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation as of June 30, 2009 is as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
June 30, 2009	\$ 1,348,957	\$ 36.69%	\$ 853,973

In future years the above information will be accumulated until 3 years of information is presented.

13. Net Assets Restricted Through Enabling Legislation

Net assets which are restricted through enabling legislation are as follows:

Capital projects:

Oregon Transportation Improvement Act was enacted by the State of Oregon to provide funding to the County for the repair or replacement of bridges	\$ 203,996
The Board of Commissioners of Tillamook County enacted a fee charged to logging operators using Trask Road for use in making repairs and improvements to Trask Road	<u>282,555</u>
Total	<u>\$ 486,551</u>

Highways and streets:

Oregon and Federal laws restrict the usage of state gas tax and Federal Forest Fees for road repairs and improvements	<u>\$ 3,560,895</u>
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Other projects:

Oregon law restricts the usage of fines collected under SB 1065	\$ 126,624
The voters of Tillamook County approved a local option tax to provide improvements in emergency communication systems	<u>14,338</u>
Total	<u>\$ 140,962</u>

14. Deficit Fund Balances

The Oregon Community Development Block Grant Fund has a deficit fund balance of \$65,151 as of June 30, 2009. This deficit will be eliminated as grant funds are requested and received from the State of Oregon.

The BPS Surcharge Fund has a deficit fund balance of \$5,174 as of June 30, 2009. This deficit is the result of the recognition of expenditures for generally accepted accounting principles in excess of amounts actually paid.

TILLAMOOK COUNTY

**OREGON COMMUNITY DEVELOPMENT BLOCK GRANT
CAPITAL PROJECTS FUND (A MAJOR FUND)
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2009**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Intergovernmental	\$ 1,550,000	\$ 63,256	\$ (1,486,744)
Investment earnings	-	11,042	11,042
Miscellaneous	<u>-</u>	<u>52,624</u>	<u>52,624</u>
TOTAL REVENUES	<u>1,550,000</u>	<u>126,922</u>	<u>(1,423,078)</u>
EXPENDITURES			
Materials and services	1,054,600	1,054,484	116
Capital outlay	<u>895,400</u>	<u>52,803</u>	<u>842,597</u>
TOTAL EXPENDITURES	<u>1,950,000</u>	<u>1,107,287</u>	<u>842,713</u>
Excess (deficiency) of revenues over expenditures	(400,000)	(980,365)	(580,365)
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>160,000</u>	<u>145,000</u>	<u>15,000</u>
Net change in fund balance	(240,000)	(835,365)	(595,365)
Fund balance at beginning of year	<u>240,000</u>	<u>408,965</u>	<u>168,965</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ (426,400)</u>	<u>\$ (426,400)</u>

OTHER GOVERNMENTAL FUNDS (NON-MAJOR)

Special Revenue Funds

Special revenue funds account for revenues derived from specific taxes or other earmarked revenue sources, including federal and state grant awards, which are restricted to finance particular functions or activities. Funds included in this category are:

GENERAL GOVERNMENT

Mitigation Grants – accounts for grant funds related to a Corps of Engineers feasibility study.

Video Lottery – accounts for revenues received from state video lottery funds for gambling enforcement activities, gambling addiction programs and economic development.

Forest Timber Trust – accounts for the distributions of monies to certain agencies for protection of the County's forest lands.

Juvenile Trust – accounts for donated revenues to the Juvenile Department. The revenues are to be used for incentives to help juveniles.

Law Library – accounts for fees in accordance with state statute to provide legal research and reference materials.

Building, Planning and Sanitation (BPS) Surcharge – accounts for surcharges and certain permit fees charged by the state which the County collects.

Public Land Corners Preservation (PLCP) – accounts for fees for the remonumentation of government survey corners.

Vehicle Reserve – accounts for funds set aside for replacement of County general fund vehicles.

Parks Operations – accounts for the operations of the County Parks Department.

Clerks Records – to account for monies accumulated to preserve County records.

Federal Title III – to account for grant monies received and expended under Federal Oregon and California Land Grant Title III and Federal Forest Fees Title III.

Revenue Stabilization – to account for funds set aside to provide financial resources to future periods should other sources of revenue not be available.

Veteran's Services – to account for funds from a five-year local option tax levy for programs that benefit veterans who reside in Tillamook County.

Post Employment Liability Reserve – to account for funds set aside to provide financial resources for future post-employment benefits.

OTHER GOVERNMENTAL FUNDS (NON-MAJOR)

Special Revenue Funds (continued)

PUBLIC SAFETY

Court Security – accounts for revenues and expenditures mandated by the state legislature. The revenues are to be used to develop a court security plan for the courthouse and fund expenditures related to implementation.

Law Enforcement – accounts for fines and forfeitures in accordance with State statute to provide the District Attorney with funds for investigative purposes relating to liquor related offenses.

Sheriff Trust – accounts for donations received by the County Sheriff.

SB 1065 Assessment and Conviction – accounts for fines received by the court systems for purposes of planning, operating and maintaining County juvenile and adult corrections programs and facilities and approved drug and alcohol programs.

Emergency Fire and Radio Local Option Tax – accounts for property tax revenues from a voter approved local option tax levy to finance the construction of an emergency radio communications system.

Tillamook Narcotics Team – accounts for revenues received from drug forfeitures for expenditures for drug enforcement activities by the Tillamook County Narcotics Team (TNT).

HIGHWAYS AND STREETS

Bike Path – accounts for maintenance activities related to constructing and maintaining bike paths and County roads.

CULTURE AND RECREATION

County Fair – accounts for the operations and management of the fairground facilities and provides various services to the public, including the annual County Fair.

Library Sinking – provides a reserve for future capital needs of County Library for replacement of the County Bookmobile.

HEALTH AND WELFARE

Mental Health – accounts for funds received related to the County's responsibility for Mental Health Services.

Mediation Program – accounts for program costs related to a court program for settling domestic disputes outside of the courtroom setting.

OTHER GOVERNMENTAL FUNDS (NON-MAJOR)

Special Revenue Funds (continued)

EDUCATION

Tillamook County 4-H and Extension Service District – accounts for property tax revenues raised to fund the educational and training activities of the Tillamook County 4-H and Extension Service District.

Debt Service Funds

Debt service funds account for the payment of principal and interest on the County's general obligation bonds. Revenue is mainly derived from property taxes levied against property owners. Funds included in this category are:

Hospital – accounts for payment of general obligation bond principal and interest related to the construction and remodel of the Tillamook County Hospital.

Jail – accounts for payment of general obligation bond principal and interest related to the construction of a new correctional facility and the remodel of the existing facility.

Library – accounts for payment of general obligation bond principal and interest related to the construction of a new County library.

Capital Projects Funds

These funds account for the resources used for the acquisition, construction or major improvement of County buildings, office meeting rooms and education facilities. Funds included in this category are:

Building Improvement – accounts for revenues and transfers from the General Fund for the purpose of developing a reserve for future building maintenance and other capital improvements.

Tillamook County 4-H and Extension Building Reserve – accounts for resources to acquire or construct offices, meeting rooms and educational facilities.

Library Construction – accounts for the construction of a new public library funded by proceeds from long-term debt.

Fair – accounts for resources to acquire or construct fairground improvements.

Oregon Community Development Block Grant – accounts for grant funds received for the purpose of construction of a child care center.

Trask Road Project – accounts for fees received from the Oregon Department of Forestry assessed on Timber sales to be used for repair and maintenance of Trask River Road.

OTIA Bridge Construction – accounts for funds provided by the Oregon Department of Transportation for reconstruction of bridges within the County.

TILLAMOOK COUNTY
COMBINING BALANCE SHEET
OTHER GOVERNMENTAL FUNDS (NON-MAJOR)
June 30, 2009

	<u>Special Revenue Funds</u>					
	<u>General Government</u>	<u>Public Safety</u>	<u>Highways and Streets - Bike Path</u>	<u>Culture and Recreation</u>	<u>Health and Welfare - Mediation Program</u>	<u>Education - Tillamook County 4-H and Extension Service District</u>
<u>ASSETS</u>						
Cash and investments	\$ 3,934,840	\$ 596,734	\$ 161,219	\$ 328,785	\$ 100,248	\$ 223,625
Restricted cash and investments	7,449	-	-	-	-	-
Receivables	-	98	-	45,999	-	30,963
TOTAL ASSETS	<u>\$ 3,942,289</u>	<u>\$ 596,832</u>	<u>\$ 161,219</u>	<u>\$ 374,784</u>	<u>\$ 100,248</u>	<u>\$ 254,588</u>
<u>LIABILITIES</u>						
Accounts payable and accrued expenditures	\$ 76,722	\$ 3,405	\$ -	\$ 35,115	\$ 772	\$ 4,738
Deferred revenue	-	98	-	-	-	15,530
TOTAL LIABILITIES	<u>76,722</u>	<u>3,503</u>	<u>-</u>	<u>35,115</u>	<u>772</u>	<u>20,268</u>
<u>FUND BALANCES</u>						
Reserved for debt service	-	-	-	-	-	-
Unreserved	3,865,567	593,329	161,219	339,669	99,476	234,320
TOTAL FUND BALANCES	<u>3,865,567</u>	<u>593,329</u>	<u>161,219</u>	<u>339,669</u>	<u>99,476</u>	<u>234,320</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 3,942,289</u>	<u>\$ 596,832</u>	<u>\$ 161,219</u>	<u>\$ 374,784</u>	<u>\$ 100,248</u>	<u>\$ 254,588</u>

Debt Service Funds

Capital Projects Funds

**Tillamook
County 4-H
and Extension**

<u>Hospital</u>	<u>Jail</u>	<u>Library</u>	<u>Building Improvement</u>	<u>Building Reserve</u>	<u>OTIA Bridge Construction</u>	<u>Trask Road Project</u>	<u>Totals</u>
\$ 110,089	\$ 76,341	\$ 8,064	\$ 1,394,081	\$ 70,959	\$ 227,467	\$ 282,555	\$ 7,515,007
-	-	-	-	-	-	-	7,449
<u>75,585</u>	<u>58,342</u>	<u>23,378</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>234,365</u>
<u>\$ 185,674</u>	<u>\$ 134,683</u>	<u>\$ 31,442</u>	<u>\$ 1,394,081</u>	<u>\$ 70,959</u>	<u>\$ 227,467</u>	<u>\$ 282,555</u>	<u>\$ 7,756,821</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,471	\$ -	\$ 144,223
<u>56,063</u>	<u>43,276</u>	<u>17,123</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>132,090</u>
<u>56,063</u>	<u>43,276</u>	<u>17,123</u>	<u>-</u>	<u>-</u>	<u>23,471</u>	<u>-</u>	<u>276,313</u>
129,611	91,407	14,319	-	-	-	-	235,337
<u>-</u>	<u>-</u>	<u>-</u>	<u>1,394,081</u>	<u>70,959</u>	<u>203,996</u>	<u>282,555</u>	<u>7,245,171</u>
<u>129,611</u>	<u>91,407</u>	<u>14,319</u>	<u>1,394,081</u>	<u>70,959</u>	<u>203,996</u>	<u>282,555</u>	<u>7,480,508</u>
<u>\$ 185,674</u>	<u>\$ 134,683</u>	<u>\$ 31,442</u>	<u>\$ 1,394,081</u>	<u>\$ 70,959</u>	<u>\$ 227,467</u>	<u>\$ 282,555</u>	<u>\$ 7,756,821</u>

TILLAMOOK COUNTY

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
OTHER GOVERNMENTAL FUNDS (NON-MAJOR)
For the Year Ended June 30, 2009

	Special Revenue Funds						
	General Government	Public Safety	Highways and Streets -		Culture and Recreation	Health and Welfare	Education - Tillamook County 4-H and Extension Service District
			Bike Path				
REVENUES							
Property taxes	\$ 102,405	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 239,226
Timber and land sales	60	-	-	-	-	-	138
Fines and forfeitures	-	100,858	-	-	-	-	-
Licenses, permits and fees	4,206	-	-	-	-	-	-
Intergovernmental	914,781	7,947	-	279,077	883,446	-	66,910
Charges for services	93,362	-	-	836,729	13,724	-	-
Interest	109,953	11,926	3,711	11,521	2,375	-	7,025
Miscellaneous	32,064	13,642	-	24,938	-	-	18,013
TOTAL REVENUES	1,256,831	134,373	3,711	1,152,265	899,545	-	331,312
EXPENDITURES							
Current:							
General government	1,441,874	-	-	-	-	-	-
Public safety	-	79,363	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	896,293	-	-
Culture and recreation	-	-	-	763,855	-	-	-
Education	-	-	-	-	-	-	309,115
Capital outlay	74,433	-	-	414,951	-	-	-
Debt service							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
TOTAL EXPENDITURES	1,516,307	79,363	-	1,178,806	896,293	-	309,115
Excess (deficiency) of revenues over expenditures	(259,476)	55,010	3,711	(26,541)	3,252	-	22,197
OTHER FINANCING SOURCES (USES)							
Transfers in	88,733	-	14,700	1,000	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Issuance of debt	-	-	-	-	-	-	-
Transfers out	(133,333)	(20,766)	-	-	-	-	(10,000)
TOTAL OTHER FINANCING SOURCES (USES)	(44,600)	(20,766)	14,700	1,000	-	-	(10,000)
Net change in fund balances	(304,076)	34,244	18,411	(25,541)	3,252	-	12,197
Fund balances - beginning	4,169,643	559,085	142,808	365,210	96,224	-	222,123
Fund balances - ending	\$ 3,865,567	\$ 593,329	\$ 161,219	\$ 339,669	\$ 99,476	\$ -	\$ 234,320

Debt Service Funds

Capital Projects Funds

		Tillamook County								
		Building	4-H and Extension	Library	OTIA Bridge	Trask Road				
Hospital	Jail	Library	Improvement	Building Reserve	Construction	Fair	Construction	Project	Totals	
\$ 867,276	\$ 675,359	\$ 265,546	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,149,812
501	391	153	-	-	-	-	-	-	-	1,243
-	-	-	-	-	-	-	-	-	-	100,858
-	-	-	-	-	-	-	-	-	-	4,206
-	-	-	-	-	-	10,000	-	-	-	2,162,161
-	-	-	-	-	-	-	-	231,729	-	1,175,544
5,216	1,714	1,285	39,602	1,538	-	1,073	24,986	4,049	-	225,974
-	-	-	1,000	-	-	5,138	-	-	-	94,795
<u>872,993</u>	<u>677,464</u>	<u>266,984</u>	<u>40,602</u>	<u>1,538</u>	<u>-</u>	<u>16,211</u>	<u>24,986</u>	<u>235,778</u>	<u>-</u>	<u>5,914,593</u>
530	530	530	15,893	-	-	-	-	-	-	1,459,357
-	-	-	-	-	-	-	-	-	-	79,363
-	-	-	-	-	-	-	227,278	132,913	-	360,191
-	-	-	-	-	-	-	-	-	-	896,293
-	-	-	-	-	-	183	-	-	-	764,038
-	-	-	-	-	-	-	-	-	-	309,115
-	-	-	76,599	-	-	388,419	1,267,347	-	-	2,221,749
630,000	505,000	150,000	-	-	-	-	-	-	-	1,285,000
<u>236,695</u>	<u>150,835</u>	<u>123,933</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>511,463</u>
<u>867,225</u>	<u>656,365</u>	<u>274,463</u>	<u>92,492</u>	<u>-</u>	<u>-</u>	<u>388,602</u>	<u>1,494,625</u>	<u>132,913</u>	<u>-</u>	<u>7,886,569</u>
<u>5,768</u>	<u>21,099</u>	<u>(7,479)</u>	<u>(51,890)</u>	<u>1,538</u>	<u>-</u>	<u>(372,391)</u>	<u>(1,469,639)</u>	<u>102,865</u>	<u>-</u>	<u>(1,971,976)</u>
-	-	-	-	10,000	-	-	-	-	-	114,433
-	-	-	-	-	-	40,330	-	-	-	40,330
-	-	-	-	-	-	168,200	-	-	-	168,200
-	-	-	(145,000)	-	(585)	(9)	-	-	-	(309,693)
-	-	-	(145,000)	10,000	(585)	208,521	-	-	-	13,270
5,768	21,099	(7,479)	(196,890)	11,538	(585)	(163,870)	(1,469,639)	102,865	-	(1,958,706)
<u>123,843</u>	<u>70,308</u>	<u>21,798</u>	<u>1,590,971</u>	<u>59,421</u>	<u>585</u>	<u>163,870</u>	<u>1,673,635</u>	<u>179,690</u>	<u>-</u>	<u>9,439,214</u>
<u>\$ 129,611</u>	<u>\$ 91,407</u>	<u>\$ 14,319</u>	<u>\$ 1,394,081</u>	<u>\$ 70,959</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 203,996</u>	<u>\$ 282,555</u>	<u>\$ -</u>	<u>\$ 7,480,508</u>

TILLAMOOK COUNTY

**COMBINING BALANCE SHEET
OTHER GOVERNMENTAL SPECIAL REVENUE FUNDS
GENERAL GOVERNMENT FUNDS
June 30, 2009**

	Mitigation Grants	Video Lottery	Forest Timber Trust	Juvenile Trust	Law Library	BPS Surcharge	PLCP
<u>ASSETS</u>							
Cash and investments	\$ 310,897	\$ 234,985	\$ 24,340	\$ 15,232	\$ 23,982	\$ 13,654	\$ 157,625
Restricted cash and investments	7,449	-	-	-	-	-	-
TOTAL ASSETS	\$ 318,346	\$ 234,985	\$ 24,340	\$ 15,232	\$ 23,982	\$ 13,654	\$ 157,625
 <u>LIABILITIES</u>							
Accounts payable and accrued expenditures	\$ 46,253	\$ -	\$ 2,319	\$ -	\$ 4,689	\$ 18,828	\$ 1,160
 <u>FUND BALANCES</u>							
Unreserved	272,093	234,985	22,021	15,232	19,293	(5,174)	156,465
TOTAL LIABILITIES AND FUND BALANCES	\$ 318,346	\$ 234,985	\$ 24,340	\$ 15,232	\$ 23,982	\$ 13,654	\$ 157,625

<u>Vehicle Reserve</u>	<u>Clerks Records</u>	<u>Federal Title III</u>	<u>Revenue Stabilization</u>	<u>Veteran's Services</u>	<u>Post Employment Liability Reserve</u>	<u>Totals</u>
\$ 348,575	\$ 15,610	\$ 102,913	\$ 2,019,647	\$ 66,025	\$ 601,355	\$ 3,934,840
-	-	-	-	-	-	7,449
<u>\$ 348,575</u>	<u>\$ 15,610</u>	<u>\$ 102,913</u>	<u>\$ 2,019,647</u>	<u>\$ 66,025</u>	<u>\$ 601,355</u>	<u>\$ 3,942,289</u>
\$ -	\$ 1,373	\$ -	\$ -	\$ 2,100	\$ -	\$ 76,722
<u>348,575</u>	<u>14,237</u>	<u>102,913</u>	<u>2,019,647</u>	<u>63,925</u>	<u>601,355</u>	<u>3,865,567</u>
<u>\$ 348,575</u>	<u>\$ 15,610</u>	<u>\$ 102,913</u>	<u>\$ 2,019,647</u>	<u>\$ 66,025</u>	<u>\$ 601,355</u>	<u>\$ 3,942,289</u>

TILLAMOOK COUNTY

**COMBINING BALANCE SHEET
OTHER GOVERNMENTAL SPECIAL REVENUE FUNDS
PUBLIC SAFETY FUNDS
June 30, 2009**

	<u>Court Security</u>	<u>Law Enforcement</u>	<u>Sheriff Trust</u>	<u>SB 1065 Assessment and Conviction</u>	<u>Emergency Fire and Radio Local Option Tax</u>	<u>Tillamook Narcotics Team</u>	<u>Totals</u>
<u>ASSETS</u>							
Cash and investments	\$ 344,575	\$ 69,892	\$ 7,965	\$ 126,624	\$ 14,338	\$ 33,340	\$ 596,734
Receivables	-	-	-	-	98	-	98
TOTAL ASSETS	<u>\$ 344,575</u>	<u>\$ 69,892</u>	<u>\$ 7,965</u>	<u>\$ 126,624</u>	<u>\$ 14,436</u>	<u>\$ 33,340</u>	<u>\$ 596,832</u>
<u>LIABILITIES</u>							
Accounts payable and accrued expenditures	\$ 341	\$ 3,064	\$ -	\$ -	\$ -	\$ -	\$ 3,405
Deferred revenue	-	-	-	-	98	-	98
TOTAL LIABILITIES	<u>341</u>	<u>3,064</u>	<u>-</u>	<u>-</u>	<u>98</u>	<u>-</u>	<u>3,503</u>
<u>FUND BALANCES</u>							
Unreserved	<u>344,234</u>	<u>66,828</u>	<u>7,965</u>	<u>126,624</u>	<u>14,338</u>	<u>33,340</u>	<u>593,329</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 344,575</u>	<u>\$ 69,892</u>	<u>\$ 7,965</u>	<u>\$ 126,624</u>	<u>\$ 14,436</u>	<u>\$ 33,340</u>	<u>\$ 596,832</u>

TILLAMOOK COUNTY

**COMBINING BALANCE SHEET
OTHER GOVERNMENTAL SPECIAL REVENUE FUNDS
CULTURE AND RECREATION FUNDS
June 30, 2009**

	<u>County Fair</u>	<u>Library Sinking</u>	<u>Parks Operations</u>	<u>Totals</u>
<u>ASSETS</u>				
Cash and investments	\$ 188,336	\$ 16,410	\$ 124,039	\$ 328,785
Receivables	-	-	45,999	45,999
TOTAL ASSETS	\$ 188,336	\$ 16,410	\$ 170,038	\$ 374,784
 <u>LIABILITIES</u>				
Accounts payable and accrued expenditures	\$ -	\$ -	\$ 35,115	\$ 35,115
 <u>FUND BALANCES</u>				
Unreserved	188,336	16,410	134,923	339,669
TOTAL LIABILITIES AND FUND BALANCES	\$ 188,336	\$ 16,410	\$ 170,038	\$ 374,784

TILLAMOOK COUNTY

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
OTHER GOVERNMENTAL SPECIAL REVENUE FUNDS
GENERAL GOVERNMENT FUNDS
For the Year Ended June 30, 2009**

	Mitigation Grants	Video Lottery	Forest Timber Trust	Juvenile Trust	Law Library	BPS Surcharge
REVENUES						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Timber and land sales	-	-	-	-	-	-
Licenses, permits and fees	-	-	-	-	-	-
Intergovernmental	507,868	204,871	-	-	-	68,064
Charges for services	-	-	-	-	22,334	-
Interest	24,115	6,706	-	364	-	-
Miscellaneous	30,800	25	-	816	-	-
TOTAL REVENUES	<u>562,783</u>	<u>211,602</u>	<u>-</u>	<u>1,180</u>	<u>22,334</u>	<u>68,064</u>
EXPENDITURES						
General government	777,569	212,000	25,762	208	30,303	83,521
Capital outlay	291	74,142	-	-	-	-
TOTAL EXPENDITURES	<u>777,860</u>	<u>286,142</u>	<u>25,762</u>	<u>208</u>	<u>30,303</u>	<u>83,521</u>
Excess (deficiency) of revenues over expenditures	<u>(215,077)</u>	<u>(74,540)</u>	<u>(25,762)</u>	<u>972</u>	<u>(7,969)</u>	<u>(15,457)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	5,000	-
Transfers out	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,000</u>	<u>-</u>
Net change in fund balances	(215,077)	(74,540)	(25,762)	972	(2,969)	(15,457)
Fund balances - beginning	487,170	309,525	47,783	14,260	22,262	10,283
Fund balances - ending	<u>\$ 272,093</u>	<u>\$ 234,985</u>	<u>\$ 22,021</u>	<u>\$ 15,232</u>	<u>\$ 19,293</u>	<u>\$ (5,174)</u>

PLCP	Vehicle Reserve	Clerks Records	Federal Title III	Revenue Stabilization	Veteran's Services	Post Employment Liability Reserve	Totals
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 102,405	\$ -	\$ 102,405
-	-	-	-	-	60	-	60
-	-	4,206	-	-	-	-	4,206
-	-	-	101,901	-	32,077	-	914,781
71,028	-	-	-	-	-	-	93,362
3,982	7,242	414	1,669	49,121	1,714	14,626	109,953
85	-	-	-	-	338	-	32,064
<u>75,095</u>	<u>7,242</u>	<u>4,620</u>	<u>103,570</u>	<u>49,121</u>	<u>136,594</u>	<u>14,626</u>	<u>1,256,831</u>
81,413	-	10,639	54,878	-	165,581	-	1,441,874
-	-	-	-	-	-	-	74,433
<u>81,413</u>	<u>-</u>	<u>10,639</u>	<u>54,878</u>	<u>-</u>	<u>165,581</u>	<u>-</u>	<u>1,516,307</u>
(6,318)	7,242	(6,019)	48,692	49,121	(28,987)	14,626	(259,476)
-	33,333	-	-	-	50,400	-	88,733
-	(133,333)	-	-	-	-	-	(133,333)
-	(100,000)	-	-	-	50,400	-	(44,600)
(6,318)	(92,758)	(6,019)	48,692	49,121	21,413	14,626	(304,076)
<u>162,783</u>	<u>441,333</u>	<u>20,256</u>	<u>54,221</u>	<u>1,970,526</u>	<u>42,512</u>	<u>586,729</u>	<u>4,169,643</u>
<u>\$ 156,465</u>	<u>\$ 348,575</u>	<u>\$ 14,237</u>	<u>\$ 102,913</u>	<u>\$ 2,019,647</u>	<u>\$ 63,925</u>	<u>\$ 601,355</u>	<u>\$ 3,865,567</u>

TILLAMOOK COUNTY
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
OTHER GOVERNMENTAL SPECIAL REVENUE FUNDS
PUBLIC SAFETY FUNDS
For the Year Ended June 30, 2009

	Court Security	Law Enforcement	Sheriff Trust	SB 1065 Assessment and Conviction	Emergency Fire and Radio Local Option Tax	Tillamook Narcotics Team	Totals
REVENUES							
Fines and forfeitures	\$ 40,602	\$ 19,667	\$ 4,784	\$ 31,796	\$ -	\$ 4,009	\$ 100,858
Intergovernmental	-	-	-	-	-	7,947	7,947
Interest	7,818	-	172	3,143	349	444	11,926
Miscellaneous	-	5,297	-	-	-	8,345	13,642
TOTAL REVENUES	48,420	24,964	4,956	34,939	349	20,745	134,373
EXPENDITURES							
Public safety	17,396	34,778	3,040	19,200	-	4,949	79,363
Excess (deficiency) of revenues over expenditures	31,024	(9,814)	1,916	15,739	349	15,796	55,010
OTHER FINANCING SOURCES (USES)							
Transfers out	(5,766)	-	-	(15,000)	-	-	(20,766)
Net change in fund balances	25,258	(9,814)	1,916	739	349	15,796	34,244
Fund balances - beginning	318,976	76,642	6,049	125,885	13,989	17,544	559,085
Fund balances - ending	\$ 344,234	\$ 66,828	\$ 7,965	\$ 126,624	\$ 14,338	\$ 33,340	\$ 593,329

TILLAMOOK COUNTY

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
OTHER GOVERNMENTAL SPECIAL REVENUE FUNDS
CULTURE AND RECREATION FUNDS
For the Year Ended June 30, 2009**

	<u>County Fair</u>	<u>Library Sinking</u>	<u>Parks Operations</u>	<u>Totals</u>
REVENUES				
Intergovernmental	\$ 49,405	\$ -	\$ 229,672	\$ 279,077
Charges for services	661,059	-	175,670	836,729
Interest	8,242	385	2,894	11,521
Miscellaneous	<u>18,329</u>	<u>-</u>	<u>6,609</u>	<u>24,938</u>
TOTAL REVENUES	<u>737,035</u>	<u>385</u>	<u>414,845</u>	<u>1,152,265</u>
EXPENDITURES				
Culture and recreation	696,250	-	67,605	763,855
Capital outlay	<u>63,740</u>	<u>-</u>	<u>351,211</u>	<u>414,951</u>
TOTAL EXPENDITURES	<u>759,990</u>	<u>-</u>	<u>418,816</u>	<u>1,178,806</u>
Excess (deficiency) of revenues over expenditures	(22,955)	385	(3,971)	(26,541)
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>-</u>	<u>1,000</u>	<u>-</u>	<u>1,000</u>
Net change in fund balances	(22,955)	1,385	(3,971)	(25,541)
Fund balances - beginning	<u>211,291</u>	<u>15,025</u>	<u>138,894</u>	<u>365,210</u>
Fund balances - ending	<u>\$ 188,336</u>	<u>\$ 16,410</u>	<u>\$ 134,923</u>	<u>\$ 339,669</u>

TILLAMOOK COUNTY

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
OTHER GOVERNMENTAL SPECIAL REVENUE FUNDS
HEALTH AND WELFARE FUNDS
For the Year Ended June 30, 2009**

	<u>Mental Health</u>	<u>Mediation Program</u>	<u>Totals</u>
REVENUES			
Intergovernmental	\$ 883,446	\$ -	\$ 883,446
Charges for services	-	13,724	13,724
Interest	-	2,375	2,375
	<hr/>	<hr/>	<hr/>
TOTAL REVENUES	883,446	16,099	899,545
EXPENDITURES			
Health and welfare	885,088	11,205	896,293
	<hr/>	<hr/>	<hr/>
Net change in fund balances	(1,642)	4,894	3,252
Fund balances - beginning	1,642	94,582	96,224
	<hr/>	<hr/>	<hr/>
Fund balances - ending	<u>\$ -</u>	<u>\$ 99,476</u>	<u>\$ 99,476</u>

TILLAMOOK COUNTY

**MITIGATION GRANTS - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2009**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Intergovernmental	\$ 1,778,250	\$ 507,868	\$ (1,270,382)
Investment earnings	-	24,115	24,115
Miscellaneous	<u>15,000</u>	<u>30,800</u>	<u>15,800</u>
 TOTAL REVENUES	 <u>1,793,250</u>	 <u>562,783</u>	 <u>(1,230,467)</u>
 EXPENDITURES			
Materials and services	2,002,250	733,149	1,269,101
Capital outlay	<u>276,000</u>	<u>291</u>	<u>275,709</u>
 TOTAL EXPENDITURES	 <u>2,278,250</u>	 <u>733,440</u>	 <u>1,544,810</u>
 Net change in fund balance	 (485,000)	 (170,657)	 314,343
Fund balance at beginning of year	<u>485,000</u>	<u>489,003</u>	<u>4,003</u>
 Fund balance at end of year	 <u>\$ -</u>	 <u>\$ 318,346</u>	 <u>\$ 318,346</u>

TILLAMOOK COUNTY

**VIDEO LOTTERY - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2009**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Intergovernmental	\$ 175,000	\$ 204,871	\$ 29,871
Investment earnings	4,500	6,706	2,206
Miscellaneous	<u>-</u>	<u>25</u>	<u>25</u>
TOTAL REVENUES	<u>179,500</u>	<u>211,602</u>	<u>32,102</u>
EXPENDITURES			
Materials and services	294,500	212,000	82,500
Capital outlay	<u>100,000</u>	<u>74,142</u>	<u>25,858</u>
TOTAL EXPENDITURES	<u>394,500</u>	<u>286,142</u>	<u>108,358</u>
Net change in fund balance	(215,000)	(74,540)	140,460
Fund balance at beginning of year	<u>275,000</u>	<u>309,525</u>	<u>34,525</u>
Fund balance at end of year	<u>\$ 60,000</u>	<u>\$ 234,985</u>	<u>\$ 174,985</u>

TILLAMOOK COUNTY

**FOREST TIMBER TRUST - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2009**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Intergovernmental	\$ 50,000	\$ -	\$ (50,000)
EXPENDITURES			
Materials and services	<u>95,000</u>	<u>23,443</u>	<u>71,557</u>
Net change in fund balance	(45,000)	(23,443)	21,557
Fund balance at beginning of year	<u>45,000</u>	<u>47,783</u>	<u>2,783</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 24,340</u>	<u>\$ 24,340</u>

TILLAMOOK COUNTY

**JUVENILE TRUST - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2009**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Investment earnings	\$ 200	\$ 364	\$ 164
Miscellaneous	<u>2,100</u>	<u>816</u>	<u>(1,284)</u>
TOTAL REVENUES	<u>2,300</u>	<u>1,180</u>	<u>(1,120)</u>
EXPENDITURES			
Materials and services	<u>12,800</u>	<u>208</u>	<u>12,592</u>
Net change in fund balance	(10,500)	972	11,472
Fund balance at beginning of year	<u>14,000</u>	<u>14,260</u>	<u>260</u>
Fund balance at end of year	<u>\$ 3,500</u>	<u>\$ 15,232</u>	<u>\$ 11,732</u>

TILLAMOOK COUNTY

**LAW LIBRARY - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2009**

	Budget	Actual	Variance
REVENUES			
Charges for services	\$ 20,000	\$ 22,334	\$ 2,334
EXPENDITURES			
Materials and services	43,500	30,080	13,420
Capital outlay	1,500	-	1,500
TOTAL EXPENDITURES	45,000	30,080	14,920
Excess (deficiency) of revenues over expenditures	(25,000)	(7,746)	17,254
OTHER FINANCING SOURCES (USES)			
Transfers in	5,000	5,000	-
Net change in fund balance	(20,000)	(2,746)	17,254
Fund balance at beginning of year	20,000	26,728	6,728
Fund balance at end of year	\$ -	\$ 23,982	\$ 23,982

TILLAMOOK COUNTY

**BUILDING, PLANNING AND SANITATION (BPS) SURCHARGE
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2009**

	Budget	Actual	Variance
REVENUES			
Intergovernmental	\$ 100,000	\$ 68,407	\$ (31,593)
EXPENDITURES			
Materials and services	100,000	67,573	32,427
Net change in fund balance	-	834	834
Fund balance at beginning of year	-	12,820	12,820
Fund balance at end of year	\$ -	\$ 13,654	\$ 13,654

TILLAMOOK COUNTY

**PUBLIC LAND CORNER PRESERVATION (PLCP) - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2009**

	Budget	Actual	Variance
REVENUES			
Charges for services	\$ 90,000	\$ 71,028	\$ (18,972)
Investment earnings	5,000	3,982	(1,018)
Miscellaneous	-	85	85
	95,000	75,095	(19,905)
EXPENDITURES			
Personal services	79,135	74,644	4,491
Materials and services	105,865	6,697	99,168
Capital outlay	30,000	-	30,000
Contingency	25,000	-	25,000
	240,000	81,341	158,659
Net change in fund balance	(145,000)	(6,246)	138,754
Fund balance at beginning of year	145,000	162,828	17,828
Fund balance at end of year	\$ -	\$ 156,582	\$ 156,582

TILLAMOOK COUNTY

**VEHICLE RESERVE - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2009**

	Budget	Actual	Variance
REVENUES			
Investment earnings	\$ 10,000	\$ 7,242	\$ (2,758)
EXPENDITURES			
Capital outlay	406,666	-	406,666
Excess (deficiency) of revenues over expenditures	(396,666)	7,242	403,908
OTHER FINANCING SOURCES (USES)			
Transfers in	50,000	33,333	(16,667)
Transfers out	(133,334)	(133,333)	1
TOTAL OTHER FINANCING SOURCES (USES)	(83,334)	(100,000)	(16,666)
Net change in fund balance	(480,000)	(92,758)	387,242
Fund balance at beginning of year	480,000	441,333	(38,667)
Fund balance at end of year	\$ -	\$ 348,575	\$ 348,575

TILLAMOOK COUNTY

**CLERKS RECORDS - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2009**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Licenses, permits and fees	\$ 6,000	\$ 4,206	\$ (1,794)
Investment earnings	500	414	(86)
TOTAL REVENUES	<u>6,500</u>	<u>4,620</u>	<u>(1,880)</u>
EXPENDITURES			
Materials and services	20,500	9,266	11,234
Capital outlay	5,000	-	5,000
TOTAL EXPENDITURES	<u>25,500</u>	<u>9,266</u>	<u>16,234</u>
Net change in fund balance	(19,000)	(4,646)	14,354
Fund balance at beginning of year	<u>19,000</u>	<u>20,256</u>	<u>1,256</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 15,610</u>	<u>\$ 15,610</u>

TILLAMOOK COUNTY

**FEDERAL TITLE III - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2009**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Intergovernmental	\$ -	\$ 101,901	\$ 101,901
Investment earnings	-	1,669	1,669
TOTAL REVENUES	-	103,570	103,570
EXPENDITURES			
Materials and services	100,000	54,878	45,122
Net change in fund balance	(100,000)	48,692	148,692
Fund balance at beginning of year	100,000	54,221	(45,779)
Fund balance at end of year	<u>\$ -</u>	<u>\$ 102,913</u>	<u>\$ 102,913</u>

TILLAMOOK COUNTY

**REVENUE STABILIZATION - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2009**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Investment earnings	\$ 80,000	\$ 49,121	\$ (30,879)
Net change in fund balance	80,000	49,121	(30,879)
Fund balance at beginning of year	<u>1,975,000</u>	<u>1,970,526</u>	<u>(4,474)</u>
Fund balance at end of year	<u>\$ 2,055,000</u>	<u>\$ 2,019,647</u>	<u>\$ (35,353)</u>

TILLAMOOK COUNTY

**VETERAN'S SERVICES - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2009**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Property taxes	\$ 108,600	\$ 102,405	\$ (6,195)
Timber and land sales	-	60	60
Intergovernmental	32,000	32,077	77
Investment earnings	-	1,714	1,714
Miscellaneous	-	338	338
	<u>140,600</u>	<u>136,594</u>	<u>(4,006)</u>
TOTAL REVENUES			
EXPENDITURES			
Personal services	129,010	122,062	6,948
Materials and services	47,030	46,366	664
Capital outlay	1,500	-	1,500
	<u>177,540</u>	<u>168,428</u>	<u>9,112</u>
TOTAL EXPENDITURES			
Excess (deficiency) of revenues over expenditures	(36,940)	(31,834)	5,106
OTHER FINANCING SOURCES (USES)			
Transfers in	50,400	50,400	-
	<u>13,460</u>	<u>18,566</u>	<u>5,106</u>
Net change in fund balance	13,460	18,566	5,106
Fund balance at beginning of year	-	45,998	45,998
	<u>13,460</u>	<u>64,564</u>	<u>51,104</u>
Fund balance at end of year	\$ 13,460	\$ 64,564	\$ 51,104

TILLAMOOK COUNTY

POST EMPLOYMENT LIABILITY RESERVE - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2009

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Investment earnings	\$ 25,000	\$ 14,626	\$ (10,374)
Net change in fund balance	25,000	14,626	(10,374)
Fund balance at beginning of year	<u>585,000</u>	<u>586,729</u>	<u>1,729</u>
Fund balance at end of year	<u>\$ 610,000</u>	<u>\$ 601,355</u>	<u>\$ (8,645)</u>

TILLAMOOK COUNTY

**COURT SECURITY - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2009**

	Budget	Actual	Variance
REVENUES			
Fines and forfeitures	\$ 45,000	\$ 40,602	\$ (4,398)
Investment earnings	10,000	7,818	(2,182)
TOTAL REVENUES	55,000	48,420	(6,580)
EXPENDITURES			
Materials and services	20,000	17,973	2,027
Capital outlay	340,000	-	340,000
TOTAL EXPENDITURES	360,000	17,973	342,027
Excess (deficiency) of revenues over expenditures	(305,000)	30,447	335,447
OTHER FINANCING SOURCES (USES)			
Transfers out	(10,000)	(5,766)	4,234
Net change in fund balance	(315,000)	24,681	339,681
Fund balance at beginning of year	315,000	319,894	4,894
Fund balance at end of year	\$ -	\$ 344,575	\$ 344,575

TILLAMOOK COUNTY

**LAW ENFORCEMENT - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2009**

	Budget	Actual	Variance
REVENUES			
Fines and forfeitures	\$ 30,000	\$ 19,667	\$ (10,333)
Miscellaneous	-	5,297	5,297
TOTAL REVENUES	30,000	24,964	(5,036)
EXPENDITURES			
Materials and services	71,000	34,933	36,067
Contingency	30,000	-	30,000
TOTAL EXPENDITURES	101,000	34,933	66,067
Net change in fund balance	(71,000)	(9,969)	61,031
Fund balance at beginning of year	71,000	79,861	8,861
Fund balance at end of year	\$ -	\$ 69,892	\$ 69,892

TILLAMOOK COUNTY

**SHERIFF TRUST - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2009**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Fines and forfeitures	\$ 15,500	\$ 4,784	\$ (10,716)
Investment earnings	<u>-</u>	<u>172</u>	<u>172</u>
TOTAL REVENUES	15,500	4,956	(10,544)
EXPENDITURES			
Materials and services	<u>15,500</u>	<u>3,776</u>	<u>11,724</u>
Net change in fund balance	-	1,180	1,180
Fund balance at beginning of year	<u>-</u>	<u>6,785</u>	<u>6,785</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 7,965</u>	<u>\$ 7,965</u>

TILLAMOOK COUNTY

**SB 1065 ASSESSMENT AND CONVICTION - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2009**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Fines and forfeitures	\$ 35,000	\$ 31,796	\$ (3,204)
Investment earnings	3,500	3,143	(357)
TOTAL REVENUES	<u>38,500</u>	<u>34,939</u>	<u>(3,561)</u>
EXPENDITURES			
Materials and services	138,500	19,200	119,300
Contingency	10,000	-	10,000
TOTAL EXPENDITURES	<u>148,500</u>	<u>19,200</u>	<u>129,300</u>
Excess (deficiency) of revenues over expenditures	(110,000)	15,739	125,739
OTHER FINANCING SOURCES (USES)			
Transfers out	(15,000)	(15,000)	-
Net change in fund balance	(125,000)	739	125,739
Fund balance at beginning of year	<u>125,000</u>	<u>125,885</u>	<u>885</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 126,624</u>	<u>\$ 126,624</u>

TILLAMOOK COUNTY

**EMERGENCY FIRE AND RADIO LOCAL OPTION TAX - SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
 For the Year Ended June 30, 2009**

	Budget	Actual	Variance
REVENUES			
Property Taxes	\$ 500	\$ -	\$ (500)
Investment earnings	500	349	(151)
TOTAL REVENUES	1,000	349	(651)
EXPENDITURES			
Materials and services	16,000	-	16,000
Net change in fund balance	(15,000)	349	15,349
Fund balance at beginning of year	15,000	13,989	(1,011)
Fund balance at end of year	\$ -	\$ 14,338	\$ 14,338

TILLAMOOK COUNTY

**TILLAMOOK NARCOTICS TEAM - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2009**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Intergovernmental	\$ 5,000	\$ 7,947	\$ 2,947
Fines and forfeitures	12,000	4,009	(7,991)
Investment earnings	500	444	(56)
Miscellaneous	<u>-</u>	<u>8,345</u>	<u>8,345</u>
TOTAL REVENUES	17,500	20,745	3,245
EXPENDITURES			
Materials and services	<u>28,500</u>	<u>4,979</u>	<u>23,521</u>
Net change in fund balance	(11,000)	15,766	26,766
Fund balance at beginning of year	<u>11,000</u>	<u>17,574</u>	<u>6,574</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 33,340</u>	<u>\$ 33,340</u>

TILLAMOOK COUNTY

**BIKE PATH - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2009**

	Budget	Actual	Variance
REVENUES			
Investment earnings	\$ -	\$ 3,711	\$ 3,711
OTHER FINANCING SOURCES (USES)			
Transfers in	14,700	14,700	-
Net change in fund balance	14,700	18,411	3,711
Fund balance at beginning of year	150,000	142,808	(7,192)
Fund balance at end of year	\$ 164,700	\$ 161,219	\$ (3,481)

TILLAMOOK COUNTY

**COUNTY FAIR - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2009**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Intergovernmental	\$ 49,400	\$ 49,405	\$ 5
Charges for services	676,150	661,059	(15,091)
Investment earnings	8,000	8,242	242
Miscellaneous	<u>13,750</u>	<u>18,329</u>	<u>4,579</u>
TOTAL REVENUES	<u>747,300</u>	<u>737,035</u>	<u>(10,265)</u>
EXPENDITURES			
Personal services	242,950	242,291	659
Materials and services	470,850	453,959	16,891
Capital outlay	68,500	63,740	4,760
Contingency	<u>40,000</u>	<u>-</u>	<u>40,000</u>
TOTAL EXPENDITURES	<u>822,300</u>	<u>759,990</u>	<u>62,310</u>
Net change in fund balance	(75,000)	(22,955)	52,045
Fund balance at beginning of year	<u>75,000</u>	<u>211,291</u>	<u>136,291</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 188,336</u>	<u>\$ 188,336</u>

TILLAMOOK COUNTY

**LIBRARY SINKING - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2009**

	Budget	Actual	Variance
REVENUES			
Investment earnings	\$ 500	\$ 385	\$ (115)
EXPENDITURES			
Capital outlay	13,000	-	13,000
Excess (deficiency) of revenues over expenditures	(12,500)	385	12,885
OTHER FINANCING SOURCES (USES)			
Transfers in	1,000	1,000	-
Net change in fund balance	(11,500)	1,385	12,885
Fund balance at beginning of year	11,500	15,025	3,525
Fund balance at end of year	\$ -	\$ 16,410	\$ 16,410

TILLAMOOK COUNTY

**PARKS OPERATIONS - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2009**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Intergovernmental	\$ 345,125	\$ 228,037	\$ (117,088)
Charges for services	183,500	180,157	(3,343)
Investment earnings	2,000	2,894	894
Miscellaneous	-	6,609	6,609
	<u>530,625</u>	<u>417,697</u>	<u>(112,928)</u>
TOTAL REVENUES			
EXPENDITURES			
Materials and services	45,245	39,011	6,234
Capital outlay	585,380	344,690	240,690
	<u>630,625</u>	<u>383,701</u>	<u>246,924</u>
TOTAL EXPENDITURES			
Net change in fund balance	(100,000)	33,996	133,996
Fund balance at beginning of year	100,000	90,043	(9,957)
	<u>100,000</u>	<u>90,043</u>	<u>(9,957)</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 124,039</u>	<u>\$ 124,039</u>

TILLAMOOK COUNTY

**MENTAL HEALTH - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2009**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Intergovernmental	\$ 2,000,000	\$ 883,446	\$ (1,116,554)
EXPENDITURES			
Materials and services	<u>2,000,000</u>	<u>885,088</u>	<u>1,114,912</u>
Net change in fund balance	-	(1,642)	(1,642)
Fund balance at beginning of year	<u>-</u>	<u>1,642</u>	<u>1,642</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

TILLAMOOK COUNTY

**MEDIATION PROGRAM - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2009**

	Budget	Actual	Variance
REVENUES			
Charges for services	\$ 15,000	\$ 13,724	\$ (1,276)
Investment earnings	2,500	2,375	(125)
TOTAL REVENUES	17,500	16,099	(1,401)
EXPENDITURES			
Materials and services	115,500	10,508	104,992
Net change in fund balance	(98,000)	5,591	103,591
Fund balance at beginning of year	98,000	94,657	(3,343)
Fund balance at end of year	\$ -	\$ 100,248	\$ 100,248

TILLAMOOK COUNTY

**TILLAMOOK COUNTY 4-H AND EXTENSION SERVICE DISTRICT
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2009**

	Budget	Actual	Variance
REVENUES			
Property taxes	\$ 222,500	\$ 237,810	\$ 15,310
Timber and land sales	-	138	138
Intergovernmental	53,500	70,659	17,159
Investment earnings	4,000	7,025	3,025
Miscellaneous	13,000	18,013	5,013
TOTAL REVENUES	293,000	333,645	40,645
EXPENDITURES			
Personal services	229,600	200,520	29,080
Materials and services	148,800	106,472	42,328
Capital outlay	9,600	-	9,600
Contingency	24,500	-	24,500
TOTAL EXPENDITURES	412,500	306,992	105,508
Excess (deficiency) of revenues over expenditures	(119,500)	26,653	146,153
OTHER FINANCING SOURCES (USES)			
Transfers out	(10,000)	(10,000)	-
Net change in fund balance	(129,500)	16,653	146,153
Fund balance at beginning of year	184,500	206,972	22,472
Fund balance at end of year	\$ 55,000	\$ 223,625	\$ 168,625

TILLAMOOK COUNTY

**HOSPITAL - DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2009**

	Budget	Actual	Variance
REVENUES			
Property taxes	\$ 870,195	\$ 862,473	\$ (7,722)
Timber and land sales	-	501	501
Investment earnings	<u>5,000</u>	<u>5,216</u>	<u>216</u>
TOTAL REVENUES	<u>875,195</u>	<u>868,190</u>	<u>(7,005)</u>
EXPENDITURES			
Materials and services	2,500	530	1,970
Debt service	<u>866,695</u>	<u>866,695</u>	<u>-</u>
TOTAL EXPENDITURES	<u>869,195</u>	<u>867,225</u>	<u>1,970</u>
Net change in fund balance	6,000	965	(5,035)
Fund balance at beginning of year	<u>100,000</u>	<u>109,124</u>	<u>9,124</u>
Fund balance at end of year	<u><u>\$ 106,000</u></u>	<u><u>\$ 110,089</u></u>	<u><u>\$ 4,089</u></u>

TILLAMOOK COUNTY

**JAIL - DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2009**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Property taxes	\$ 671,335	\$ 671,425	\$ 90
Timber and land sales	-	391	391
Investment earnings	<u>2,000</u>	<u>1,714</u>	<u>(286)</u>
TOTAL REVENUES	<u>673,335</u>	<u>673,530</u>	<u>195</u>
EXPENDITURES			
Materials and services	2,500	530	1,970
Debt service	<u>655,835</u>	<u>655,835</u>	<u>-</u>
TOTAL EXPENDITURES	<u>658,335</u>	<u>656,365</u>	<u>1,970</u>
Net change in fund balance	15,000	17,165	2,165
Fund balance at beginning of year	<u>50,000</u>	<u>59,176</u>	<u>9,176</u>
Fund balance at end of year	<u>\$ 65,000</u>	<u>\$ 76,341</u>	<u>\$ 11,341</u>

TILLAMOOK COUNTY

**LIBRARY - DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2009**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Property taxes	\$ 264,500	\$ 264,263	\$ (237)
Timber and land sales	-	153	153
Investment earnings	<u>1,000</u>	<u>1,285</u>	<u>285</u>
TOTAL REVENUES	<u>265,500</u>	<u>265,701</u>	<u>201</u>
EXPENDITURES			
Materials and services	1,500	530	970
Debt service	<u>274,000</u>	<u>273,933</u>	<u>67</u>
TOTAL EXPENDITURES	<u>275,500</u>	<u>274,463</u>	<u>1,037</u>
Net change in fund balance	(10,000)	(8,762)	1,238
Fund balance at beginning of year	<u>10,000</u>	<u>16,826</u>	<u>6,826</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 8,064</u>	<u>\$ 8,064</u>

TILLAMOOK COUNTY

**BUILDING IMPROVEMENT - CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2009**

	Budget	Actual	Variance
REVENUES			
Timber and land sales	\$ 260,000	\$ -	\$ (260,000)
Investment earnings	50,000	39,602	(10,398)
Miscellaneous	-	1,000	1,000
TOTAL REVENUES	310,000	40,602	(269,398)
EXPENDITURES			
Materials and services	310,000	15,893	294,107
Capital outlay	1,440,000	76,599	1,363,401
TOTAL EXPENDITURES	1,750,000	92,492	1,657,508
Excess (deficiency) of revenues over expenditures	(1,440,000)	(51,890)	1,388,110
OTHER FINANCING SOURCES (USES)			
Transfers out	(160,000)	(145,000)	15,000
Net change in fund balance	(1,600,000)	(196,890)	1,403,110
Fund balance at beginning of year	1,600,000	1,590,971	(9,029)
Fund balance at end of year	\$ -	\$ 1,394,081	\$ 1,394,081

TILLAMOOK COUNTY

**TILLAMOOK COUNTY 4-H EXTENSION BUILDING RESERVE
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2009**

	Budget	Actual	Variance
REVENUES			
Investment earnings	\$ 1,000	\$ 1,538	\$ 538
EXPENDITURES			
Capital outlay	70,000	-	70,000
Excess (deficiency) of revenues over expenditures	(69,000)	1,538	70,538
OTHER FINANCING SOURCES (USES)			
Transfers in	10,000	10,000	-
Net change in fund balance	(59,000)	11,538	70,538
Fund balance at beginning of year	59,000	59,421	421
Fund balance at end of year	\$ -	\$ 70,959	\$ 70,959

TILLAMOOK COUNTY

**LIBRARY CONSTRUCTION - CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2009**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	\$ -	\$ (585)	\$ 585
Net change in fund balance	-	(585)	(585)
Fund balance at beginning of year	-	585	585
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

TILLAMOOK COUNTY

**FAIR - CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2009**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Intergovernmental	\$ -	\$ 10,000	\$ 10,000
Investment earnings	-	1,073	1,073
Miscellaneous	-	5,138	5,138
	<u>-</u>	<u>16,211</u>	<u>16,211</u>
TOTAL REVENUES	<u>-</u>	<u>16,211</u>	<u>16,211</u>
EXPENDITURES			
Materials and services	3,500	943	2,557
Capital outlay	746,500	464,115	282,385
	<u>750,000</u>	<u>465,058</u>	<u>284,942</u>
TOTAL EXPENDITURES	<u>750,000</u>	<u>465,058</u>	<u>284,942</u>
Excess (deficiency) of revenues over expenditures	<u>(750,000)</u>	<u>(448,847)</u>	<u>301,153</u>
OTHER FINANCING SOURCES (USES)			
Sale of capital assets	-	40,330	40,330
Issuance of debt	750,000	168,200	(581,800)
Transfers out	-	(9)	(9)
	<u>750,000</u>	<u>208,521</u>	<u>(541,479)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>750,000</u>	<u>208,521</u>	<u>(541,479)</u>
Net change in fund balance	-	(240,326)	(240,326)
Fund balance at beginning of year	-	240,326	240,326
	<u>-</u>	<u>240,326</u>	<u>240,326</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

TILLAMOOK COUNTY

**OTIA BRIDGE CONSTRUCTION - CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2009**

	Budget	Actual	Variance
REVENUES			
Investment earnings	\$ 15,000	\$ 24,986	\$ 9,986
EXPENDITURES			
Materials and services	232,742	232,659	83
Capital outlay	2,113,123	1,693,748	419,375
Contingency	157,000	-	157,000
TOTAL EXPENDITURES	2,502,865	1,926,407	576,458
Net change in fund balance	(2,487,865)	(1,901,421)	586,444
Fund balance at beginning of year	2,487,865	2,128,888	(358,977)
Fund balance at end of year	\$ -	\$ 227,467	\$ 227,467

TILLAMOOK COUNTY

**TRASK ROAD PROJECT - CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2009**

	Budget	Actual	Variance
REVENUES			
Charges for services	\$ 200,000	\$ 231,729	\$ 31,729
Investment earnings	-	4,049	4,049
TOTAL REVENUES	200,000	235,778	35,778
EXPENDITURES			
Materials and services	322,000	132,913	189,087
Net change in fund balance	(122,000)	102,865	224,865
Fund balance at beginning of year	182,000	179,690	(2,310)
Fund balance at end of year	<u>\$ 60,000</u>	<u>\$ 282,555</u>	<u>\$ 222,555</u>

Proprietary Funds

Proprietary funds provide services and charge for those services on a cost recovery basis, including capital costs. The comparison of actual to budget to actual for those funds is presented to comply with legal requirements.

TILLAMOOK COUNTY

**SOLID WASTE - ENTERPRISE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2009**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Assessments	\$ 215,000	\$ 220,184	\$ 5,184
Intergovernmental	66,000	5,757	(60,243)
Charges for services	1,700,000	1,490,311	(209,689)
Investment earnings	20,000	20,264	264
Miscellaneous	<u>2,500</u>	<u>1,966</u>	<u>(534)</u>
TOTAL REVENUES	<u>2,003,500</u>	<u>1,738,482</u>	<u>(265,018)</u>
EXPENDITURES			
Personal services	83,815	65,404	18,411
Materials and services	1,792,450	1,505,839	286,611
Contingency	<u>527,235</u>	<u>-</u>	<u>527,235</u>
TOTAL EXPENDITURES	<u>2,403,500</u>	<u>1,571,243</u>	<u>832,257</u>
Excess (deficiency) of revenues over expenditures	(400,000)	167,239	567,239
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(220,000)</u>	<u>(220,000)</u>	<u>-</u>
Net change in fund balance	(620,000)	(52,761)	567,239
Fund balance at beginning of year	<u>800,000</u>	<u>813,006</u>	<u>13,006</u>
Fund balance at end of year	<u>\$ 180,000</u>	760,245	<u>\$ 580,245</u>
Reconciliation to generally accepted accounting principles:			
Receivables		98,402	
Capital assets, net		2,112,011	
Accounts payable and accrued expenses		(146,967)	
Landfill post-closure costs		<u>(979,300)</u>	
Net assets at end of year		<u>\$ 1,844,391</u>	

TILLAMOOK COUNTY

**SOLID WASTE SINKING - ENTERPRISE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2009**

	Budget	Actual	Variance
REVENUES			
Investment earnings	\$ 20,000	\$ 24,820	\$ 4,820
EXPENDITURES			
Materials and services	101,575	51,701	49,874
Capital outlay	591,425	591,419	6
Contingency	447,000	-	447,000
TOTAL EXPENDITURES	1,140,000	643,120	496,880
Excess (deficiency) of revenues over expenditures	(1,120,000)	(618,300)	501,700
OTHER FINANCING SOURCES (USES)			
Transfers in	220,000	220,000	-
Net change in fund balance	(900,000)	(398,300)	501,700
Fund balance at beginning of year	1,100,000	1,239,966	139,966
Fund balance at end of year	\$ 200,000	841,666	\$ 641,666
Reconciliation to generally accepted accounting principles:			
Accounts payable and accrued expenses		(4,068)	
Net assets at end of year		\$ 837,598	

Agency Fund

This fund accounts for resources received and held by the County in a fiduciary capacity. The fund accounts for various monies and other assets held by the County Treasurer for other taxing districts and other departments.

TILLAMOOK COUNTY

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUND

For the Year Ended June 30, 2009

	<u>Balances</u> <u>June 30, 2008</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balances</u> <u>June 30, 2009</u>
<u>ASSETS</u>				
Cash and investments	\$ 814,282	\$ 42,962,478	\$ 43,016,132	\$ 760,628
Receivables	3,579,575	39,906,624	39,651,420	3,834,779
	<u>\$ 4,393,857</u>	<u>\$ 82,869,102</u>	<u>\$ 82,667,552</u>	<u>\$ 4,595,407</u>
<u>LIABILITIES</u>				
Due to other governments	<u>\$ 4,393,857</u>	<u>\$ 82,869,102</u>	<u>\$ 82,667,552</u>	<u>\$ 4,595,407</u>

**CAPITAL ASSETS USED IN THE OPERATION
OF GOVERNMENTAL FUNDS**

TILLAMOOK COUNTY

SCHEDULE OF CAPITAL ASSETS
GOVERNMENTAL ACTIVITIES

June 30, 2009

CAPITAL ASSETS

Land	\$ 5,377,282
Land improvements	1,814,491
Buildings	30,136,653
Equipment	9,017,993
Infrastructure	17,195,444
Construction in progress	<u>4,624,979</u>

TOTAL CAPITAL ASSETS \$ 68,166,842

INVESTMENT IN CAPITAL ASSETS

General fund	\$ 9,793,989
Special revenue funds	24,683,859
Capital project funds	<u>33,688,994</u>

TOTAL INVESTMENT IN CAPITAL ASSETS \$ 68,166,842

TILLAMOOK COUNTY

SCHEDULE OF CAPITAL ASSETS BY FUNCTION AND ACTIVITY
 GOVERNMENTAL ACTIVITIES
 June 30, 2009

<u>Function and Activity</u>	<u>Totals</u>	<u>Land</u>	<u>Land Improvements</u>	<u>Buildings</u>	<u>Equipment</u>	<u>Infrastructure</u>	<u>Construction in Progress</u>
General government:							
Board of County Commissioners	\$ 29,203	\$ -	\$ -	\$ -	\$ 29,203	\$ -	\$ -
District Attorney	72,611	-	-	-	72,611	-	-
County Clerk	253,541	-	-	-	253,541	-	-
County Assessor	162,386	-	-	-	162,386	-	-
Courthouse Building	1,372,412	702,367	-	642,279	27,766	-	-
County Surveyor	55,991	-	-	-	55,991	-	-
Community Development	723,912	550,186	-	-	173,726	-	-
Data Processing	456,741	-	-	33,782	422,959	-	-
Juvenile	53,993	-	-	-	53,993	-	-
Personnel	18,578	-	-	-	18,578	-	-
Other - unclassified	1,939,850	345,056	-	705,187	784,607	-	105,000
Total general government	5,139,218	1,597,609	-	1,381,248	2,055,361	-	105,000
Public safety							
County Sheriff	1,483,576	-	42,678	67,628	1,373,270	-	-
Communications	76,842	-	-	20,808	56,034	-	-
Commission on Children and Families	17,332	-	-	-	17,332	-	-
Corrections	8,421,310	-	-	7,884,067	537,243	-	-
Courts	241,579	-	-	225,316	16,263	-	-
Total public safety	10,240,639	-	42,678	8,197,819	2,000,142	-	-
Highways and streets	26,985,045	1,475,557	11,560	85,103	3,898,879	17,195,444	4,318,502
Culture and recreation							
Parks	4,919,409	2,227,960	1,444,525	750,780	294,667	-	201,477
Library	4,593,276	22,000	-	4,444,962	126,314	-	-
Fair	3,589,499	54,156	88,128	3,072,323	374,892	-	-
Total culture and recreation	13,102,184	2,304,116	1,532,653	8,268,065	795,873	-	201,477
Health and welfare	12,054,572	-	-	11,792,303	262,269	-	-
Education	645,184	-	227,600	412,115	5,469	-	-
Total capital assets	\$68,166,842	\$5,377,282	\$ 1,814,491	\$30,136,653	\$ 9,017,993	\$ 17,195,444	\$ 4,624,979

TILLAMOOK COUNTY

SCHEDULE OF CHANGES IN CAPITAL ASSETS BY FUNCTION AND ACTIVITY
 GOVERNMENT ACTIVITIES
 For the Year Ended June 30, 2009

Function and Activity	Balances				Balances June 30, 2009
	June 30, 2008	Additions	Deletions	Transfers	
General government					
Board of County Commissioners	\$ 9,789	\$ -	\$ -	\$ 19,414	\$ 29,203
District Attorney	59,397	-	-	13,214	72,611
County Clerk	245,975	-	-	7,566	253,541
County Assessor	162,386	-	-	-	162,386
Tax Department	7,144	-	7,144	-	-
Courthouse Building	1,134,424	-	-	237,988	1,372,412
County Surveyor	93,412	-	-	(37,421)	55,991
Community Development	132,960	17,942	-	573,010	723,912
Data Processing	390,383	14,116	-	52,242	456,741
Juvenile	11,014	-	-	42,979	53,993
Motorpool	55,429	-	-	(55,429)	-
Personnel	18,578	-	-	-	18,578
Other - unclassified	2,535,640	150,741	7,566	(738,965)	1,939,850
Total general government	4,856,531	182,799	14,710	114,598	5,139,218
Public safety					
County Sheriff	1,683,535	46,396	-	(246,355)	1,483,576
Communications	262,842	-	-	(186,000)	76,842
Commission on Children and Families	17,332	-	-	-	17,332
Corrections	8,241,999	-	-	179,311	8,421,310
Courts	200,654	-	-	40,925	241,579
Total public safety	10,406,362	46,396	-	(212,119)	10,240,639
Highways and streets	23,904,532	3,080,513	-	-	26,985,045
Culture and recreation					
Parks	4,722,072	316,227	-	(118,890)	4,919,409
Library	4,586,650	6,626	-	-	4,593,276
Fair	3,137,076	537,241	43,498	(41,320)	3,589,499
Total culture and recreation	12,445,798	860,094	43,498	(160,210)	13,102,184
Health and welfare	12,124,900	-	-	(70,328)	12,054,572
Education	317,125	-	-	328,059	645,184
Total capital assets	\$ 64,055,248	\$ 4,169,802	\$ 58,208	\$ -	\$ 68,166,842

OTHER FINANCIAL SCHEDULES

TILLAMOOK COUNTY

**SCHEDULE OF GENERAL OBLIGATION BONDS
PRINCIPAL AND INTEREST TRANSACTIONS
For the Year Ended June 30, 2009**

General Obligation Bond Issues	Interest Rates	Date of Issue	Principal		Interest Matured and Paid
			Outstanding June 30, 2008	Matured and Paid	
1999 Refunding	3.2% - 4.7%	3/11/1999	\$ 3,380,000	\$ 505,000	\$ 150,835
2002 Refunding	1.8% - 4.7%	5/2/2002	5,540,000	630,000	236,695
2003	2.0% - 4.5%	12/17/2003	3,145,000	150,000	123,933
Totals			<u>\$ 12,065,000</u>	<u>\$ 1,285,000</u>	<u>\$ 511,463</u>

TILLAMOOK COUNTY

**SCHEDULE OF LONG-TERM OBLIGATION FUTURE REQUIREMENTS
June 30, 2009**

	Bonded Debt					
	1999 Refunding		2002 Refunding		2003	
	Principal	Interest	Principal	Interest	Principal	Interest
2009-10	\$ 525,000	\$ 129,625	\$ 655,000	\$ 212,440	\$ 155,000	\$ 119,132
2010-11	550,000	107,050	680,000	186,240	155,000	114,289
2011-12	575,000	82,850	710,000	158,360	160,000	108,970
2012-13	600,000	56,975	745,000	128,540	170,000	103,110
2013-14	625,000	29,375	775,000	96,505	175,000	96,769
2014-15	-	-	810,000	62,405	180,000	90,112
2015-16	-	-	535,000	25,145	190,000	83,033
2016-17	-	-	-	-	195,000	75,379
2017-18	-	-	-	-	205,000	67,125
2018-19	-	-	-	-	210,000	58,410
2019-20	-	-	-	-	220,000	49,050
2019-21	-	-	-	-	230,000	38,925
2019-22	-	-	-	-	240,000	28,350
2019-23	-	-	-	-	250,000	17,325
2019-24	-	-	-	-	260,000	5,851
	<u>\$ 2,875,000</u>	<u>\$ 405,875</u>	<u>\$ 4,910,000</u>	<u>\$ 869,635</u>	<u>\$ 2,995,000</u>	<u>\$ 1,055,830</u>

OEDD		Loans		TLC	Capital Lease		Compensated Absences	Totals	
Principal	Interest	Principal	Interest	Principal	Principal	Interest		Principal	Interest
\$ 19,290	\$ 17,328	\$ 37,091	\$ 1,509	\$ 75,000	\$ 4,139	\$ 601	\$ 924,771	\$ 2,395,291	\$ 480,635
20,447	16,170	37,276	1,324	75,000	4,436	304	-	1,522,159	425,377
21,674	14,944	37,460	1,141	75,000	1,940	35	-	1,581,074	366,300
22,974	13,643	37,650	951	75,000	-	-	-	1,650,624	303,219
24,353	12,265	37,838	761	75,000	-	-	-	1,712,191	235,675
25,814	10,804	38,027	573	75,000	-	-	-	1,128,841	163,894
27,363	9,255	38,216	384	75,000	-	-	-	865,579	117,817
29,004	7,612	38,300	192	75,000	-	-	-	337,304	83,183
30,745	5,873	-	-	75,000	-	-	-	310,745	72,998
32,589	4,028	-	-	75,000	-	-	-	317,589	62,438
34,544	2,074	-	-	43,200	-	-	-	297,744	51,124
-	-	-	-	-	-	-	-	230,000	38,925
-	-	-	-	-	-	-	-	240,000	28,350
-	-	-	-	-	-	-	-	250,000	17,325
-	-	-	-	-	-	-	-	260,000	5,851
<u>\$ 288,797</u>	<u>\$ 113,996</u>	<u>\$ 301,858</u>	<u>\$ 6,835</u>	<u>\$ 793,200</u>	<u>\$ 10,515</u>	<u>\$ 940</u>	<u>\$ 924,771</u>	<u>\$ 13,099,141</u>	<u>\$ 2,453,111</u>

TILLAMOOK COUNTY

SCHEDULE OF CASH RECEIPTS AND TURNSOVERS FOR ELECTED OFFICIALS

As of and for the Year Ended June 30, 2009

Elected Officials	Cash and Investments		Cash Turnovers and Disbursements to County Treasurer and Others	Cash and Investments
	Balances June 30, 2008	Cash Receipts		Balances June 30, 2009
Clerk	\$ -	\$ 270,133	\$ 270,133	\$ -
Justice of the Peace	-	334,232	334,232	-
Sheriff	20,689	50,443	51,736	19,396
Surveyor	-	26,622	26,622	-
Tax Collector	8,301	38,661,638	38,664,744	5,195
Treasurer	22,982,107	128,879,736	130,380,086	21,481,757
Total cash and investments	\$ 23,011,097	\$168,222,804	\$ 169,727,553	\$ 21,506,348
Cash and investments as of June 30, 2008				
Deposits with financial institutions				\$ 2,921,472
Cash on hand				11,310
Money market funds				209,931
Certificates of deposit				2,355,691
U.S. Government Agencies				1,289,725
Corporate Debt Obligation Securities				2,055,959
State Treasurer's Investment Pool				<u>12,662,260</u>
Cash and investments for elected officials				21,506,348
Cash held by County Fair Board				188,336
Restricted cash held in escrow for Army Corp of Engineers				7,449
Restricted cash held for Employee Benefits				9,157
Held by custodian under pension plan, primarily mutual funds				<u>31,758,460</u>
Total cash and investments				<u>\$ 53,469,750</u>
Reported in the Basic Financial Statements as:				
Governmental activities				
Cash and investments				\$ 19,340,088
Restricted cash and investments				7,449
Business-type activities - cash and investments				1,603,125
Pension trust				
Cash and investments				746,670
Investments in fixed income securities				13,442,446
Investments in mutual funds				17,569,344
Agency funds - cash and investments				<u>760,628</u>
				<u>\$ 53,469,750</u>

STATISTICAL SECTION

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

Financial Trends

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

These schedules contain information to help the reader assess the factors affecting the County's ability to generate its most significant revenue source, property taxes.

Debt Capacity

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

These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place and to help make comparisons over time and with other governments.

Operating Information

These schedules contain information about the County's operations and resources to help the reader understand how the County's financial information relates to the services the County provides and the activities it performs.

TILLAMOOK COUNTY

**Changes in Net Assets
Last Seven Fiscal Years***

	Fiscal Year Ended June 30,						
	2009	2008	2007	2006	2005	2004	2003
Expenses							
Governmental activities							
General government	\$ 11,000,094	\$ 11,151,831	\$ 10,329,572	\$ 10,017,377	\$ 8,482,212	\$ 7,789,199	\$ 8,334,185
Public safety	7,119,266	7,356,213	7,626,060	7,094,277	6,993,692	6,072,669	6,512,903
Highways and streets	2,317,050	3,847,477	3,810,554	4,610,247	4,391,196	3,440,140	3,126,249
Culture and recreation	3,930,672	3,583,838	2,989,953	2,809,252	3,118,685	2,807,429	2,797,993
Health and welfare	4,836,871	4,673,434	5,141,431	5,324,185	6,067,370	6,323,321	5,707,406
Education	3,608,717	4,650,449	4,260,607	4,827,179	3,513,958	3,103,404	2,893,407
Interest on long-term debt	564,404	614,666	634,634	719,839	805,846	760,816	756,084
Total governmental activities expenses	33,377,074	35,877,908	34,792,811	35,402,356	33,372,959	30,296,978	30,128,227
Business-type activities							
Solid waste	1,699,546	1,837,700	1,748,418	1,379,511	1,277,275	1,132,552	1,074,485
Total expenses	\$ 35,076,620	\$ 37,715,608	\$ 36,541,229	\$ 36,781,867	\$ 34,650,234	\$ 31,429,530	\$ 31,202,712
Program revenues							
Governmental activities							
Charges for services							
General government	\$ 2,491,513	\$ 2,846,402	\$ 3,479,240	\$ 3,197,562	\$ 2,932,916	\$ 2,773,203	\$ 2,546,269
Public safety	713,007	734,387	803,006	890,652	869,356	996,560	894,651
Highways and streets	437,649	204,262	485,292	804,708	283,674	138,638	147,362
Culture and recreation	1,693,575	1,672,903	1,554,426	1,508,389	1,329,529	1,255,443	1,158,231
Health and welfare	1,827,733	1,850,471	1,651,769	1,954,317	2,052,064	1,952,027	963,946
Education	267	-	-	-	-	-	-
Operating grants and contributions	7,796,207	8,445,756	7,956,196	8,108,624	7,243,113	7,773,742	7,436,582
Capital grants and contributions	1,498,018	1,529,350	489,909	417,834	8,518,424	845,177	935,609
Total governmental activities program revenues	16,457,969	17,283,531	16,419,838	16,882,086	23,229,076	15,734,790	14,082,650
Business-type activities							
Charges for services	1,689,870	1,925,292	1,828,136	1,678,723	1,279,263	1,105,658	1,114,952
Operating grants	5,757	5,972	34,093	16,416	-	-	-
Total program revenues	\$ 18,153,596	\$ 19,214,795	\$ 18,282,067	\$ 18,577,225	\$ 24,508,339	\$ 16,840,448	\$ 15,197,602
Net (expense) / revenue							
Governmental activities	\$ (16,919,105)	\$ (18,594,377)	\$ (18,372,973)	\$ (18,520,270)	\$ (10,143,883)	\$ (14,562,188)	\$ (16,045,577)
Business-type activities	(3,919)	93,564	113,811	315,628	1,988	(26,894)	40,467
Total net (expense) / revenue	\$ (16,923,024)	\$ (18,500,813)	\$ (18,259,162)	\$ (18,204,642)	\$ (10,141,895)	\$ (14,589,082)	\$ (16,005,110)
General revenues and other changes in net assets							
Governmental activities							
Property taxes	\$ 9,786,714	\$ 9,206,760	\$ 8,278,392	\$ 7,867,969	\$ 7,982,592	\$ 7,096,992	\$ 7,527,695
Other taxes	197,973	177,285	179,739	167,918	156,096	157,012	153,151
Unrestricted grants and contributions	5,906,234	6,722,787	7,017,641	7,840,581	6,445,884	6,074,788	5,693,656
Timber and land sales	3,596,833	4,072,039	4,517,564	5,639,887	4,644,545	3,237,047	3,077,861
Unrestricted investment earnings	534,977	977,682	1,057,756	902,182	308,439	126,296	180,227
Assessments	-	-	-	-	37,600	-	-
Miscellaneous	1,022,062	1,127,360	1,243,564	1,134,351	857,047	99,497	607,947
Gain (Loss) on disposition of property	28,917	734,925	-	(11,550)	(24,619)	-	-
Transfers	-	-	8,102	-	-	-	13,293
Prior period adjustments	-	-	487,293	(403,621)	(493,545)	-	-
Total governmental activities	21,073,710	23,018,838	22,790,051	23,137,717	19,914,039	16,791,632	17,253,830
Business-type activities							
Assessments	-	-	-	-	15,930	210,021	183,840
Unrestricted investment earnings	45,084	97,007	85,932	54,826	211,262	10,678	16,166
Miscellaneous	1,966	2,041	2,844	2,214	3,170	1,862	780
(Loss) on disposition of property	-	-	-	-	-	-	(9,067)
Transfers	-	-	-	-	-	-	(13,293)
Total business-type activities	47,050	99,048	88,776	57,040	230,362	222,561	178,426
Total general revenues and other changes in net assets	\$ 21,120,760	\$ 23,117,886	\$ 22,878,827	\$ 23,194,757	\$ 20,144,401	\$ 17,014,193	\$ 17,432,256
Change in net assets							
Governmental activities	\$ 4,154,605	\$ 4,424,461	\$ 4,417,078	\$ 4,617,447	\$ 9,770,156	\$ 2,229,444	\$ 1,208,253
Business-type activities	43,131	192,612	202,587	372,668	232,350	195,667	218,893
Total change in net assets	\$ 4,197,736	\$ 4,617,073	\$ 4,619,665	\$ 4,990,115	\$ 10,002,506	\$ 2,425,111	\$ 1,427,146

* The County implemented the requirements of GASB 34 during the year ended June 30, 2003, which required the reporting of revenues and expenses in the above classifications. The above information will be accumulated yearly until 10 years are reported

TILLAMOOK COUNTY

Net Assets by Component
Last Seven Fiscal Years*

	Fiscal Year Ended June 30,						
	2009	2008	2007	2006	2005	2004	2003
Governmental activities							
Invested in capital assets, net of related debt	\$ 36,042,826	\$ 31,862,585	\$ 28,288,674	\$ 22,952,895	\$ 19,415,441	\$ 15,073,481	\$ 16,553,927
Restricted	4,423,745	4,756,637	5,995,709	8,618,799	10,457,167	2,271,966	3,300,578
Unrestricted	<u>16,808,514</u>	<u>16,501,257</u>	<u>14,411,635</u>	<u>12,707,246</u>	<u>9,788,885</u>	<u>12,545,890</u>	<u>7,807,388</u>
Total governmental activities net assets	<u>57,275,085</u>	<u>53,120,479</u>	<u>\$ 48,696,018</u>	<u>\$ 44,278,940</u>	<u>\$ 39,661,493</u>	<u>\$ 29,891,337</u>	<u>\$ 27,661,893</u>
Business-type activities							
Invested in capital assets, net of related debt	\$ 2,112,011	\$ 1,633,850	\$ 1,454,638	\$ 1,520,162	\$ 1,585,686	\$ 1,626,812	1,612,165
Unrestricted	<u>569,978</u>	<u>1,005,008</u>	<u>991,608</u>	<u>723,497</u>	<u>285,305</u>	<u>11,829</u>	<u>(169,191)</u>
Total business-type activities net assets	<u>2,681,989</u>	<u>2,638,858</u>	<u>\$ 2,446,246</u>	<u>\$ 2,243,659</u>	<u>\$ 1,870,991</u>	<u>\$ 1,638,641</u>	<u>\$ 1,442,974</u>
Totals - all activities							
Invested in capital assets, net of related debt	\$ 38,154,837	\$ 33,496,435	\$ 29,743,312	\$ 24,473,057	\$ 21,001,127	\$ 16,700,293	\$ 18,166,092
Restricted	4,423,745	4,756,637	5,995,709	8,618,799	10,457,167	2,271,966	3,300,578
Unrestricted	<u>17,378,492</u>	<u>17,506,265</u>	<u>15,403,243</u>	<u>13,430,743</u>	<u>10,074,190</u>	<u>12,557,719</u>	<u>7,638,197</u>
Total net assets	<u>\$ 59,957,074</u>	<u>\$ 55,759,337</u>	<u>\$ 51,142,264</u>	<u>\$ 46,522,599</u>	<u>\$ 41,532,484</u>	<u>\$ 31,529,978</u>	<u>\$ 29,104,867</u>

* The County implemented the requirements of GASB 34 during the year ended June 30, 2003, which requires the reporting of net assets by component. The above information will be accumulated yearly, until 10 years are reported.

TILLAMOOK COUNTY

**Fund Balances of Governmental Funds
Last Ten Fiscal Years**

	Fiscal Year Ended June 30,									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
General fund										
Unreserved	\$ 6,882,209	\$ 6,821,346	\$ 7,337,984	\$ 7,812,327	\$ 6,138,135	\$ 5,626,426	\$ 5,318,223	\$ 4,981,773	\$ 4,368,713	\$ 5,391,484
All other governmental funds										
Reserved	235,337	215,949	322,142	470,259	556,992	358,143	392,881	462,708	469,502	428,595
Unreserved, reported in:										
Special revenue funds	11,575,922	10,390,356	9,476,705	7,512,996	5,602,952	5,132,411	5,241,612	5,784,748	3,863,331	3,877,802
Capital projects funds	1,886,440	4,116,286	4,174,993	6,922,753	11,667,869	3,761,538	149,358	364,345	393,678	497,248
Total all other governmental fund:	13,697,699	14,722,591	13,973,840	14,906,008	17,827,813	9,252,092	5,783,851	6,611,801	4,726,511	4,803,645
Total all governmental funds	\$ 20,579,908	\$ 21,543,937	\$ 21,311,824	\$ 22,718,335	\$ 23,965,948	\$ 14,878,518	\$ 11,102,074	\$ 11,593,574	\$ 9,095,224	\$ 10,195,129

The significant increase in the fund balance of capital project funds in 2005 was the result of the County receiving Oregon Transportation Improvement Act funds to be used for the repair and replacement of bridges. The decrease in 2006 is the result of the use of these funds.

TILLAMOOK COUNTY

**Governmental Activities Tax Revenues by Source
Last Seven Fiscal Years***

Fiscal Year Ended June 30,	Property Taxes	State Fuel Taxes	Other Taxes	Totals
2003	\$ 7,527,695	\$ 1,153,640	\$ 153,151	\$8,834,486
2004	7,096,992	1,396,239	157,012	8,650,243
2005	7,982,592	1,430,267	156,096	9,568,955
2006	7,867,969	1,484,109	167,918	9,519,996
2007	8,278,392	1,464,705	179,739	9,922,836
2008	9,206,760	1,477,664	177,285	10,861,709
2009	9,786,714	1,217,874	197,973	11,202,561

* The above information is presented on the accrual basis of accounting. For the year ended June 30, 2003, the County implemented the requirements of GASB 34 which required the reporting of the above items on the accrual basis of accounting. The above information will be accumulated yearly until 10 years are presented.

TILLAMOOK COUNTY

**Assessed Value and Estimated Actual Value of Taxable Property
For the Last Ten Fiscal Years**

Fiscal Year Ended June 30,	Real Property		Personal Property	Less Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate Per \$1,000	Estimated True Cash Value	Total Taxable Assessed Value as a Percent of Estimated True Cash Value
	Residential	Commercial						
2000	\$ 2,577,025,126	\$ 96,564,448	\$ 60,808,629	\$ 507,978,978	\$2,226,419,225	\$ 2.54980	\$ 2,917,096,928	76.32%
2001	2,606,854,432	161,667,623	50,485,749	454,397,582	2,364,610,222	2.69240	3,009,358,490	78.58%
2002	n/a	n/a	n/a	n/a	2,504,055,848	2.62760	3,137,406,189	79.81%
2003	2,622,972,703	191,793,587	48,217,134	249,537,942	2,613,445,482	2.81960	3,212,407,213	81.35%
2004	2,746,188,927	184,816,314	45,667,931	264,608,553	2,712,064,619	2.56770	3,315,641,286	81.80%
2005	2,863,731,929	194,607,847	43,546,749	252,462,220	2,849,424,305	2.76816	3,582,116,191	79.55%
2006	3,019,269,563	205,177,567	47,507,858	262,940,467	3,009,014,521	2.60088	3,573,714,064	84.20%
2007	3,199,178,598	210,113,615	37,436,764	251,192,873	3,195,536,104	2.45830	5,278,805,832	60.54%
2008	3,385,980,549	223,595,793	37,844,699	241,726,113	3,405,694,928	2.66218	6,656,583,154	51.16%
2009	3,551,626,421	236,873,215	38,814,289	224,342,768	3,602,971,157	2.67210	6,993,018,810	51.52%

(1) A property tax limitation measure became effective in fiscal 1998. The measure limited taxes on each property to 90 percent of its 1995-96 value. The measure also limits future growth of taxable value to 3 percent per year with certain exceptions as well as establishing permanent tax rates for Oregon's local taxing districts, which replace the former tax base amounts of the districts. The financial impact of the measure to the County was approximately \$2,363,000 during 1997-98.

Source: Tillamook County Department of Assessment and Taxation

n/a - The detail of this information is not currently available from the Department of Assessment and Taxation.

TILLAMOOK COUNTY

Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years

	Fiscal Year Ended June 30,									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Revenues										
Property taxes	\$ 9,639,855	\$ 9,106,933	\$ 8,271,003	\$ 7,930,381	\$ 8,059,139	\$ 7,189,829	\$ 7,641,537	\$ 6,626,688	\$ 6,407,769	\$ 5,734,610
Licences, permits and fees	1,171,341	1,494,431	2,075,166	1,946,936	1,558,172	1,438,510	1,280,774	1,079,496	1,159,103	1,126,019
Intergovernmental	16,274,582	17,116,589	16,111,821	16,668,427	22,323,685	15,106,846	14,720,679	14,242,350	10,389,364	11,299,237
Charges for services	4,208,498	4,150,954	4,071,257	4,843,870	4,261,631	3,973,124	2,696,291	3,411,457	3,100,334	3,056,861
Fines and forfeitures	486,735	569,179	607,473	445,869	459,416	451,661	477,587	465,055	337,717	447,469
Timber and land sales	3,537,254	3,996,788	4,306,537	5,471,766	4,483,877	3,084,565	2,940,354	3,122,884	2,176,499	3,464,035
Interest	534,977	977,682	1,057,756	902,182	308,439	126,296	180,227	288,138	555,612	557,138
Assessments	-	-	-	-	37,600	-	-	37,325	12,531	28,968
Intercounty charges	944,018	906,294	922,130	903,355	1,056,203	998,251	845,570	815,652	722,423	683,506
Miscellaneous	1,444,040	1,163,559	1,304,906	1,381,282	1,180,136	197,529	695,060	638,028	966,379	704,161
Total revenues	38,241,300	39,482,409	38,728,049	40,494,068	43,728,298	32,566,611	31,478,079	30,727,073	25,827,731	27,102,004
Expenditures										
General government	10,993,130	11,164,760	9,977,228	8,786,171	8,376,287	7,705,725	7,477,199	7,783,699	7,641,436	7,850,822
Public safety	7,168,431	7,196,260	7,230,929	6,704,170	6,662,805	5,808,071	6,229,987	5,408,506	5,460,881	4,851,361
Highways and streets	3,559,452	3,914,600	3,525,984	4,317,729	4,074,452	3,228,909	2,905,702	2,823,944	2,823,944	2,945,586
Culture and recreation	3,484,882	3,349,109	2,959,789	2,750,275	2,894,294	2,720,726	2,608,819	2,377,388	2,227,708	2,004,804
Health and welfare	4,984,677	4,685,745	5,125,135	5,295,462	5,831,335	6,072,876	5,440,020	4,875,662	4,240,394	3,889,903
Education	3,624,999	4,650,241	4,255,495	4,820,624	3,510,257	3,098,897	2,888,900	2,860,133	2,120,741	2,671,236
Capital outlay	3,648,289	3,873,732	5,152,551	7,181,096	1,297,647	1,901,943	2,165,485	1,601,147	1,719,543	3,078,729
Debt service										
Principal	1,418,966	1,292,489	1,301,064	1,196,623	1,184,860	1,227,674	1,626,662	907,743	869,517	1,233,059
Interest	532,455	580,997	634,573	689,531	813,994	652,918	640,043	826,931	863,466	828,163
Total expenditures	39,415,281	40,707,933	40,162,748	41,741,681	34,645,931	32,417,739	31,982,817	29,465,153	27,967,630	29,353,663
Excess (deficiency) of revenues over expenditures	(1,173,981)	(1,225,524)	(1,434,699)	(1,247,613)	9,082,367	148,872	(504,738)	1,261,920	(2,139,899)	(2,251,659)
Other financing sources (uses)										
Transfers in	600,626	880,100	1,885,220	1,424,161	1,061,538	430,975	241,793	290,673	319,000	278,000
Transfers (out)	(600,626)	(880,100)	(1,877,118)	(1,424,161)	(1,061,538)	(430,975)	(228,500)	(290,673)	(319,000)	(278,000)
Issuance of debt	168,200	700,000	20,086	-	-	3,627,572	-	-	-	-
Refunding bonds issued	-	-	-	-	-	-	-	6,580,000	-	-
Payments to refund bond escrow agent	-	-	-	-	-	-	-	(6,450,047)	-	-
Proceeds from sale of capital assets	41,751	757,637	-	-	-	-	-	-	-	-
Total other financing sources (uses)	209,951	1,457,637	28,188	-	-	3,627,572	13,293	129,953	-	-
Net change in fund balances	\$ (964,030)	\$ 232,113	\$ (1,406,511)	\$ (1,247,613)	\$ 9,082,367	\$ 3,776,444	\$ (491,445)	\$ 1,391,873	\$ (2,139,899)	\$ (2,251,659)
Debt service as a percentage of non-capital expenditures	5.46%	5.09%	5.53%	5.46%	5.99%	6.16%	7.60%	6.23%	6.60%	7.84%

TILLAMOOK COUNTY

PRINCIPAL TAXPAYERS

June 30, 2009 and 2000

Taxpayer	2008-2009 Assessed Valuation	Rank	Percentage of Total Assessed Value	1999-2000 Assessed Valuation	Rank	Percentage of Total Assessed Value
Private Enterprises:						
Tillamook County Creamery Association	\$ 49,613,318	2	1.377 %	\$ 22,400,356	2	1.006 %
Green Diamond Resource Company	24,876,487	3	0.690	n/a	n/a	n/a
Hampton Lumber	22,170,540	4	0.615	n/a	n/a	n/a
Stimson Lumber	18,313,850	6	0.508	n/a	n/a	n/a
Port of Tillamook Bay	17,714,372	7	0.492	7,075,355	8	0.318
Texas Commerce Bank National Associati	12,656,360	8	0.351	6,321,695	10	0.284
Farm Credit Leasing Services	n/a	n/a	n/a	8,408,560	5	0.378
Willamina Lumber	n/a	n/a	n/a	9,152,322	4	0.411
Simpson Timber Company	n/a	n/a	n/a	6,839,636	9	0.307
Tillamook Country Smoker Inc.	9,645,370	9	0.268	n/a	n/a	n/a
Port of Garibaldi	8,688,210	10	0.241	7,461,502	7	0.335
Subtotal	<u>163,678,507</u>		<u>4.543</u>	<u>67,659,426</u>		<u>3.039</u>
Public Utilities:						
Tillamook Public Utility District	62,185,260	1	1.726	32,061,402	1	1.440
United Telephone Co. of NW	18,447,300	5	0.512	14,921,440	3	0.670
Pacific Telecom Cable	n/a	n/a	n/a	7,755,090	6	0.348
Subtotal	<u>80,632,560</u>		<u>2.238</u>	<u>54,737,932</u>		<u>2.459</u>
All other	<u>3,358,660,090</u>		<u>93.219</u>	<u>2,104,021,867</u>		<u>94.503</u>
Total	<u>\$3,602,971,157</u>		<u>100.000 %</u>	<u>\$2,226,419,225</u>		<u>100.000 %</u>

Source: Tillamook County Assessor's Department

n/a - not applicable

TILLAMOOK COUNTY

**PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
PER \$1,000 OF ASSESSED VALUATION
For the Last Ten Fiscal Years**

Fiscal Year Ended June 30,	Tillamook County			Overlapping Rates			Total Direct and Overlapping Tax Rates
	Operating	Debt Service	Total	Cities	Schools	Other Districts	
2000	1.9677	0.5821	2.5498	0.5651	5.1714	1.6042	9.8905
2001	2.0187	0.6737	2.6924	0.5464	5.2108	1.7979	10.2475
2002	2.0031	0.6245	2.6276	0.5456	5.2135	1.8607	10.2474
2003	2.2704	0.5492	2.8196	0.5297	5.5380	1.8154	10.7027
2004	2.0202	0.5475	2.5677	0.5753	5.5147	1.8542	10.5119
2005	2.0324	0.7358	2.7682	0.5806	5.4477	1.5179	10.3144
2006	2.0344	0.5665	2.6009	0.5626	5.9489	1.5477	10.6601
2007	2.0361	0.5184	2.5545	0.5372	5.8591	1.5901	10.5409
2008	2.1444	0.5037	2.6481	0.5336	5.9876	1.7710	10.9403
2009	2.1718	0.5303	2.7021	0.4891	5.9704	1.6992	10.8608

Source: Tillamook County Department of Assessment and Taxation

Overlapping rates are those of other governments that apply to property owners within Tillamook County. Not all overlapping rates apply to all property owners within the County as rates for cities, schools and other districts apply only to the proportion of the County's property owners whose property is located within the geographic boundaries of those governments.

TILLAMOOK COUNTY

**RATIO OF OUTSTANDING DEBT BY TYPE
For the Last Ten Years**

Fiscal Year Ended June 30,	Governmental Activities				Percentage of Personal Income	Debt Per Capita
	General Obligation Bonds	Loans and Notes	Capital Leases	Total		
2000	\$ 15,740,000	\$2,207,628	\$ 82,803	\$ 18,030,431	3.36%	\$ 748.15
2001	15,025,000	2,114,573	37,367	17,176,940	3.03%	707.98
2002	14,835,000	2,019,515	-	16,854,515	2.73%	685.14
2003	13,890,000	1,337,853	-	15,227,853	2.45%	618.69
2004	16,695,000	985,086	-	17,680,086	2.62%	709.42
2005	15,615,000	880,226	-	16,495,226	2.32%	661.13
2006	14,485,000	813,613	-	15,298,613	2.08%	606.97
2007	13,300,000	699,644	17,981	14,017,625	1.79%	552.31
2008	12,065,000	1,345,759	14,377	13,425,136	n/a	536.19
2009	10,780,000	1,220,655	10,515	12,011,170	n/a	481.85

Sources: Department of Human Resources, State of Oregon, Tillamook County Assessor's Office and Comprehensive Annual Financial Reports.

Percentage of Personal Income and Per Capita information derived from demographic information presented on page 118.

The County has not had any debt associated with business-type activities in the last 10 years.

n/a - Personal income information not available

TILLAMOOK COUNTY

PROPERTY TAX LEVIES AND COLLECTIONS
For the Last Ten Fiscal Years

Fiscal Year Ended June 30,	Certified Taxes Levies				Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
	General	Special/ Local Option Levies (2)	Debt Service	Totals	Amount	Percent of Levy		Amount	Percentage of Levy
2000	\$ 3,178,741	\$ 1,202,266	\$ 1,295,861	\$ 5,676,868	\$ 5,165,992	91.0	\$ 509,911	\$ 5,675,903	99.98
2001	3,496,471	1,276,890	1,593,177	6,366,538	5,815,825	91.3	549,748	6,365,573	99.98
2002	3,664,311	1,351,638	1,563,786	6,579,735	6,028,513	91.6	550,257	6,578,770	99.99
2003	3,869,637	2,063,801	1,435,305	7,368,743	6,815,892	92.5	551,823	7,367,715	99.99
2004	4,014,898	1,464,006	1,484,855	6,963,759	6,462,531	92.8	499,893	6,962,424	99.98
2005	4,252,989	1,538,072	2,096,604	7,887,665	6,777,166	85.9	1,105,275	7,882,441	99.93
2006	4,497,252	1,624,238	1,704,606	7,826,096	6,819,481	87.1	983,600	7,803,081	99.71
2007	4,781,050	1,725,278	1,656,568	8,162,896	7,908,010	96.9	177,959	8,085,969	99.06
2008	5,089,615	2,213,408	1,715,611	9,018,634	8,667,941	96.1	174,282	8,842,223	98.04
2009	5,375,313	2,449,708	1,910,687	9,735,708	9,280,397	95.3	-	9,280,397	95.32

Source: Tillamook County Assessment and Taxation Department

NOTE: This schedule does not include the Tillamook County 4-H and Extension Service District

TILLAMOOK COUNTY

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

June 30, 2009

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percent Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Cannon Beach RFPD	\$ 670,000	1.1836	\$ 7,930
North Lincoln Fire and Rescue District #1	6,615,000	1.4000	92,610
Tillamook Fire District	385,000	100.0000	385,000
North County Recreation District	40,000	100.0000	40,000
City of Bay City	618,111	100.0000	618,111
City of Garibaldi	538,504	100.0000	538,504
City of Rockaway Beach	30,000	100.0000	30,000
City of Wheeler	1,092,132	100.0000	1,092,132
Tillamook Co. School District No. 9	10,230,000	100.0000	10,230,000
Tillamook Co. School District No. 56	14,965,000	100.0000	14,965,000
Tillamook Co. School District No. 101	10,850,000	100.0000	10,850,000
Tillamook Bay Community College	9,435,000	100.0000	9,435,000
Yamhill Co. School District No. 30J	2,655,000	0.7308	19,403
Willamette Education Service District	2,420,000	0.0079	191
Total overlapping debt			48,303,881
Tillamook County direct debt	13,300,000	100.0000	13,300,000
Total			<u>\$ 61,603,881</u>

Source: Oregon State Treasury, Debt Management Division

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 governments that is borne by the residents and businesses of Tillamook County. This process recognizes that, when considering the government'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.

TILLAMOOK COUNTY

**Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years
(Amounts expressed in thousands, except for per capita amount)**

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Totals	Percentage of Estimated Actual Taxable Value of Property	Per Capita
2000	\$ 15,740,000	\$ 428,595	\$ 15,311,405	0.688%	\$ 635
2001	15,025,000	487,208	14,537,792	0.615%	599
2002	14,835,000	462,708	14,372,292	0.574%	584
2003	13,890,000	392,881	13,497,119	0.516%	548
2004	16,695,000	358,143	16,336,857	0.602%	656
2005	15,615,000	551,929	15,063,071	0.529%	604
2006	14,485,000	470,259	14,014,741	0.466%	556
2007	13,300,000	322,142	12,977,858	0.406%	511
2008	12,065,000	215,949	11,849,051	0.348%	473
2009	10,780,000	235,337	10,544,663	0.293%	423

Per Capita information is derived from demographic statistics presented on page 118.

TILLAMOOK COUNTY

**DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Fiscal Years**

Fiscal Year	Population	Personal Income (amounts expressed in thousands)	Per Capita Personal Income	Public School Enrollment	Unemployment Rate
2000	24,100	\$ 536,683	\$ 22,269	3,798	5.1%
2001	24,262	566,736	23,359	3,766	6.1%
2002	24,600	617,583	25,105	3,739	6.6%
2003	24,613	620,494	25,210	3,654	7.3%
2004	24,922	675,112	27,089	3,478	7.1%
2005	24,950	709,803	28,449	3,444	6.3%
2006	25,205	734,171	29,128	3,422	5.1%
2007	25,380	783,278	30,862	3,437	4.8%
2008	25,038	n/a	n/a	3,332	4.3%
2009	24,927	n/a	n/a	3,301	9.2%

n/a - Information is not currently available

Source: Population, Personal Income and Per Capita Personal Income estimates are from the U.S. Census Bureau. Public School Enrollment is from the Oregon Department of Education.

TILLAMOOK COUNTY

**Legal Debt Margin Information
Last Ten Fiscal Years**

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Debt limit	\$ 58,341,939	\$ 60,187,170	\$ 62,748,124	\$ 64,248,144	\$ 66,312,826	\$ 71,642,324	\$ 71,474,281	\$ 105,576,117	\$ 133,131,663	\$ 139,860,376
Total net debit applicable to limit	<u>15,740,000</u>	<u>15,025,000</u>	<u>14,835,000</u>	<u>13,890,000</u>	<u>16,695,000</u>	<u>15,615,000</u>	<u>14,485,000</u>	<u>13,300,000</u>	<u>12,065,000</u>	<u>10,780,000</u>
Legal debt margin	<u>\$ 42,601,939</u>	<u>\$ 45,162,170</u>	<u>\$ 47,913,124</u>	<u>\$ 50,358,144</u>	<u>\$ 49,617,826</u>	<u>\$ 56,027,324</u>	<u>\$ 56,989,281</u>	<u>\$ 92,276,117</u>	<u>\$ 121,066,663</u>	<u>\$ 129,080,376</u>

Total net debt applicable to the limit
as a percentage of debt limit

Legal Debt Margin Calculation for Fiscal Year 2005

Total true cash value	\$ 6,993,018,810
Legal debt margin:	
Debt limitation - 2 percent of true cash value	<u>\$ 139,860,376</u>

Under Oregon law, the County's outstanding general obligation debt may not exceed 2 percent of the total true cash value of property assessed for taxation.

TILLAMOOK COUNTY

**Full-time Equivalent County Government Employees by Function
Last Ten Fiscal Years**

<u>Function</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
General government	69.50	66.50	61.50	63.00	62.50	63.00	72.50	68.40	73.00	70.00
Public safety	78.00	81.00	81.00	80.80	84.30	93.00	85.50	89.55	84.00	85.00
Highways and streets	39.00	35.00	35.00	35.00	35.00	35.00	30.00	30.50	30.50	26.00
Culture and recreatio	24.00	26.33	23.31	26.31	25.25	27.00	25.00	25.56	25.50	29.00
Health and welfare	50.50	58.50	59.90	57.80	50.00	50.00	32.75	36.40	38.80	40.00
Solid waste	<u>0.50</u>	<u>0.50</u>	<u>0.50</u>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>
	<u>261.50</u>	<u>267.83</u>	<u>261.21</u>	<u>263.91</u>	<u>258.05</u>	<u>269.00</u>	<u>246.75</u>	<u>251.41</u>	<u>252.80</u>	<u>251.00</u>

Source: Tillamook County Human Resources

TILLAMOOK COUNTY

Principal Employers
Current Year and Nine Years Ago

Employer	2009			2000		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Tillamook County Creamery Association	650	1	5.11%	400	1	4.79%
Tillamook County General Hospital	313	2	2.46%	260	2	3.12%
Tillamook Country Smoker	300	3	2.36%	200	3	2.40%
Tillamook County	300	4	2.36%	250	4	3.00%
Tillamook School District #9	300	5	2.36%	n/a	n/a	n/a
Fred Meyer	218	6	1.71%	102	6	1.22%
Tillamook Lumber	216	7	1.70%	152	5	1.82%
Nestucca Ridge Development	148	10	1.16%	n/a	n/a	n/a
Fallon Logging	140	9	1.10%	n/a	n/a	n/a
Neah-Kah-Nie School District	138	8	1.08%	n/a	n/a	n/a
Stimson Lumber Co.	120	11	0.94%	n/a	n/a	n/a
Total number of individuals employed	12,728			8,344		

Source: Tillamook County Almanac

n/a - information is not available

TILLAMOOK COUNTY

Operating Indicators by Function
Last Ten Fiscal Years

Function	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Public safety										
Arrests	1,188	1,100	1,576	1,282	529	765	1,015	1,606	1,547	1,765
Highways and streets										
Resurfacing (miles)	5.4	7.1	3.9	4.8	4.7	*18.2	*12.33	4.0	8.9	2.6
Culture and recreation										
Library books checked out	314,046	315,162	335,728	221,610	344,290	321,610	312,592	323,053	327,328	379,740
County fair attendance	61,321	62,547	63,485	64,881	66,308	69,679	71,180	73,193	71,198	73,333
Health and welfare										
Health department encounters	15,191	15,642	15,796	16,560	17,770	18,487	20,991	19,742	20,646	18,356
Solid waste										
Refuse collected (tons)	17,446	17,807	18,324	18,405	19,538	17,000	23,567	24,201	26,092	21,655

* Includes miles paved by federal and state agencies
 Indicators are not available for the general government function
 Source: Various County departments and State of Oregon

TILLAMOOK COUNTY

Capital Asset Statistics by Function Last Ten Fiscal Years

Function	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Public safety										
Justice centers	1	1	1	1	1	1	1	1	1	1
Patrol units	13	16	18	18	18	20	20	20	32	32
Inmate beds	97	97	97	120	120	120	120	120	120	120
Highways and streets										
Miles of paved roads	281	281	281	281	281	281	281	281	281	283
Miles of gravel roads	97	97	97	97	97	97	97	97	97	97
Bridges	96	96	96	96	96	96	96	96	96	96
Culture and recreation										
Parks acreage	2,760	2,760	2,760	2,760	2,760	2,760	2,760	2,760	2,760	2,760
Library branches	6	6	6	6	6	6	6	6	6	6
Library book titles	120,043	120,284	120,524	138,300	129,292	129,292	113,650	142,550	155,053	120,492
Museums	1	1	1	1	1	1	1	1	1	1
Fairground acreage	65	65	65	65	65	65	65	65	63	63
Health and welfare										
Clinics	1	2	2	2	3	3	3	3	3	3
Solid waste										
Transfer stations	3	3	3	3	3	3	3	3	3	3

Source: Various County departments

No capital asset indicators are available for the general government function

**REQUIRED DISCLOSURES AND INDEPENDENT AUDITOR'S
COMMENTS AS OUTLINED IN OREGON ADMINISTRATIVE
RULES CHAPTER 162 [SECRETARY OF STATE, AUDITS
DIVISION], DIVISION 10 [MINIMUM STANDARDS FOR
AUDITS OF OREGON MUNICIPAL CORPORATIONS]**

Oregon Administrative Rules 162-10-050 through 162-10-320 incorporated in 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, and comments and disclosures required in audit reports. The required statements and schedules are set forth in preceding sections of this report. Required comments and disclosures related to our audit of such statements and schedules are set forth in the following pages.

- *Accounting Records and Internal Controls*
- *Collateral*
- *Indebtedness*
- *Budget*
- *Insurance and Fidelity Bonds*
- *Programs Funded from Outside Sources*
- *Investments*
- *Highway Funds*
- *Public Contracts and Purchasing*



BOLDT, CARLISLE & SMITH LLC

CERTIFIED PUBLIC ACCOUNTANTS

PARTNERSHIP ■ ASSURANCE ■ INNOVATION

TILLAMOOK COUNTY

REQUIRED DISCLOSURES AND INDEPENDENT AUDITOR'S COMMENTS AS OUTLINED IN OREGON ADMINISTRATIVE RULES CHAPTER 162 [SECRETARY OF STATE, AUDITS DIVISION], DIVISION 10 [MINIMUM STANDARDS FOR AUDITS OF OREGON MUNICIPAL CORPORATIONS]

For the Year Ended June 30, 2009

162-10-230 – ACCOUNTING RECORDS AND INTERNAL CONTROLS

1. Accounting records

The County's accounting records were reasonably maintained and adequate to support our audit of the basic financial statements.

Through other reports and communications to management and those charged with governance, we have identified situations or practices that could be improved.

2. Internal control

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

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with accounting principles generally accepted in the United States of America such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the County's internal control.

**REQUIRED DISCLOSURES AND INDEPENDENT AUDITOR'S COMMENTS
AS OUTLINED IN OREGON ADMINISTRATIVE RULES CHAPTER 162 [SECRETARY OF
STATE, AUDITS DIVISION], DIVISION 10 [MINIMUM STANDARDS FOR AUDITS OF
OREGON MUNICIPAL CORPORATIONS] (Continued)**

162-10-230 - ACCOUNTING RECORDS AND INTERNAL CONTROLS (continued)

2. Internal control (continued)

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

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

162-010-0240 – COLLATERAL

ORS 295 requires deposits with financial institutions in excess of the amount insured by the Federal Deposit Insurance Corporation be held at qualifying institutions under the Public Funds Collateralization Program and that public officials provide the Office of the Oregon State Treasurer with the names of all bank depositories in which the County currently deposits public funds.

The County has complied with the provisions of ORS 295 as it pertains to the collateralization of public funds.

162-010-0250 – INDEBTEDNESS

1. Limitations on the amount incurred

The general obligation bonded debt of the entity is in compliance with the limitation imposed by ORS.

2. Liquidation provisions, debt agreement provisions, and restricted assets

We noted no defaults in principal, interest, sinking fund, or redemption provisions with respect to any of the entity's long-term debt issues, and no breach of the debt agreements at June 30, 2009.

**REQUIRED DISCLOSURES AND INDEPENDENT AUDITOR'S COMMENTS
AS OUTLINED IN OREGON ADMINISTRATIVE RULES CHAPTER 162 [SECRETARY OF
STATE, AUDITS DIVISION], DIVISION 10 [MINIMUM STANDARDS FOR AUDITS OF
OREGON MUNICIPAL CORPORATIONS] (Continued)**

162-010-0260 – BUDGET

1. Current year

A. Preparation and adoption

The budget was prepared and adopted in compliance with legal requirements.

B. Execution

The budget was executed in compliance with legal requirements,

2. Subsequent year

The budget was prepared and adopted in compliance with legal requirements except clerical errors occurred in the preparation of budget forms LB-1, LB-2 and LB-3 for the 4H and Extension Service District component unit.

3. Financial or organizational level of appropriations

The County established the levels of budgetary control by department for the general fund and the objects of personal services, materials and services, capital outlay, debt service, transfers out and contingency for all other funds.

162-010-0270 – INSURANCE AND FIDELITY BONDS

1. Insurance

The County's insurance agent has confirmed that the following insurance coverage was adequate and in force at June 30, 2009:

Company	Policy No.	Coverage	Limit	Term
City County Insurance	08LTILC	General & Auto Liability	\$ 500,000	7/1/08 - 6/30/09
	08LTILC	Auto Physical Damage	500,000	7/1/08 - 6/30/09
	08LTILC	Excess Liability	4,500,000	7/1/08 - 6/30/09
	08PTILC	Building & Personal Property	56,512,713	7/1/08 - 6/30/09
	08BTILC	Boiler & Machinery	Various	7/1/08 - 6/30/09

**REQUIRED DISCLOSURES AND INDEPENDENT AUDITOR'S COMMENTS
AS OUTLINED IN OREGON ADMINISTRATIVE RULES CHAPTER 162 [SECRETARY OF
STATE, AUDITS DIVISION], DIVISION 10 [MINIMUM STANDARDS FOR AUDITS OF
OREGON MUNICIPAL CORPORATIONS] (Continued)**

162-010-0270 – INSURANCE AND FIDELITY BONDS (continued)

2. Fidelity bonds

ORS 210.120 to 220.150 establishes bonding requirements for County officials and employees. The County's Board of Commissioners has established the following bonds:

Treasurer	\$ 40,000
Assessor	40,000
Clerk	10,000
Sheriff	10,000
Commissioner Hurliman	20,000
Commissioner Josi	20,000
Commissioner Labhart	20,000
Justice of the Peace	30,000
Public Employee Performance Bond	20,000

162-010-0280 – PROGRAMS FUNDED FROM OUTSIDE SOURCES

1. General compliance

The County operates various programs funded wholly or partially by governmental agencies. In addition to our audit, these grants and projects are subject to further review by federal audit agencies.

2. Single Audit Act Compliance

Our reports on compliance with laws and regulations and on internal controls used in administering federal financial assistance programs appear on pages 128 through 137 of this report.

162-010-0300 – INVESTMENTS

Funds of the County were invested in compliance with ORS 294.035.

162-010-0295 – HIGHWAY FUNDS

1. Revenue from taxes on motor vehicle use and fuel

The County has complied with the legal requirements contained in Article IX, section 3a of the Oregon Constitution pertaining to the use of revenue from taxes on motor vehicle use and fuel.

2. Use of Road Funds

The County has complied with the statutory requirements contained in ORS 294, 368, and 373 pertaining to the use of road funds.

**REQUIRED DISCLOSURES AND INDEPENDENT AUDITOR'S COMMENTS
AS OUTLINED IN OREGON ADMINISTRATIVE RULES CHAPTER 162 [SECRETARY OF
STATE, AUDITS DIVISION], DIVISION 10 [MINIMUM STANDARDS FOR AUDITS OF
OREGON MUNICIPAL CORPORATIONS] (Continued)**

162-010-0310 – PUBLIC CONTRACTS AND PURCHASING

1. Awarding of public contracts

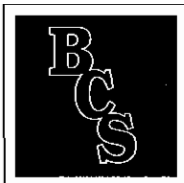
The County properly awarded public contracts during the year as defined by ORS 279.

2. Construction of public improvements

The County properly constructed public improvements during the year as defined by ORS 279.

Boldt, Carlisle & Smith, LLC
Certified Public Accountants
Salem, Oregon
December 7, 2009

GRANT COMPLIANCE – SINGLE AUDIT



BOLDT, CARLISLE & SMITH LLC

CERTIFIED PUBLIC ACCOUNTANTS

PARTNERSHIP ■ ASSURANCE ■ INNOVATION

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

Board of County Commissioners
TILLAMOOK COUNTY
Tillamook, Oregon

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 **TILLAMOOK COUNTY** as of and for the year ended June 30, 2009, which collectively comprise the County's basic financial statements and have issued our report thereon dated December 7, 2009. 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.

Internal Control Over Financial Reporting

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

A *control deficiency* 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 misstatements on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the County's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the County's financial statements that is more than inconsequential will not be prevented or detected by the County's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the County's internal control.

Board of County Commissioners
TILLAMOOK COUNTY
Tillamook, Oregon

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS* (Continued)**

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

Compliance and Other Matters

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

This report is intended solely for the information and use of management, the Board of County Commissioners, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Boldt, Carlisle & Smith, LLC

Salem, Oregon
December 7, 2009



BOLDT, CARLISLE & SMITH LLC

CERTIFIED PUBLIC ACCOUNTANTS

PARTNERSHIP ■ ASSURANCE ■ INNOVATION

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Board of County Commissioners
TILLAMOOK COUNTY
Tillamook, Oregon

Compliance

We have audited the compliance of **TILLAMOOK COUNTY** with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2009. The County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the County's compliance with those requirements.

In our opinion, **TILLAMOOK COUNTY** complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009.

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133 (Continued)**

Internal Control Over Compliance

The management of TILLAMOOK COUNTY is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

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

This report is intended solely for the information and use of management, the Board of County Commissioners, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Boldt, Carlisle & Smith, LLC

Salem, Oregon
December 7, 2009

TILLAMOOK COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2009

Section I Summary of Auditors' Results

Financial Statements

Type of auditor's report issued: Unqualified
Internal controls over financial reporting:
Material weakness(es) identified? No
Significant deficiencies identified that are not considered to be material weakness(es)? None reported
Noncompliance material to financial statements noted? No

Federal awards

Internal control over major programs:
Material weakness(es) identified? No
Significant deficiencies identified that are not considered to be material weakness(es)? None reported
Type of auditor's report issued on compliance for major programs: Unqualified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? No

Identification of major programs:

Table with 2 columns: CFDA Number(s) and Name of Federal Program or Cluster. Rows include 20.205 Highway Planning and Construction, 93.224 Consolidated Health Center, and 97.078 Buffer Zone Protection.

Dollar threshold used to distinguish between type A and type B programs: \$ 300,000
Auditee qualified as a low-risk auditee: Yes

Section II - Financial Statement Findings

None

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

Section III - Federal Award Findings and Questioned Costs

None

TILLAMOOK COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2009

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
<i>Department of Agriculture</i>			
Food and Nutrition Service			
Passed through Oregon State Health Division Special Supplemental Nutrition Program for Women, Infants and Children	10.557		\$ 109,246
Forest Service			
Passed through Oregon Department of Administrative Services Schools and Roads - Grants to Counties	10.666		2,268,888
Total Department of Agriculture			2,378,134
<i>Department of Commerce</i>			
National Oceanic and Atmospheric Administration			
Passed through Oregon Department of Land Conservation and Development Coastal Zone Management Administration Awards	11.419	CZM-08-032 CZM-09-031	14,000 28,000
Total Department of Commerce			42,000
<i>Department of Housing and Urban Development</i>			
Office of Community Planning and Development			
Passed through Oregon Economic and Community Development Department Community Development Block Grant	14.228	C05018 P05047	427,383 63,256
Total Department of Housing and Urban Development			490,639
<i>Department of the Interior</i>			
Bureau of Land Management			
Distribution of Receipts to State and Local Governments	15.227		497,341
Payment in Lieu of Tax	15.226		123,491
Total Department of the Interior			620,832
<i>Department of Justice</i>			
Office of Juvenile Justice and Delinquency Prevention			
Passed through Oregon State Criminal Justice Services Division Juvenile Accountability Incentive Block Grant	16.523		10,000
Passed through Oregon Commission on Children and Families Juvenile Justice and Delinquency Prevention - Allocation to States	16.540		41,531

Continued on pages 134 and 135

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
<i>Department of Justice (continued)</i>			
Bureau of Justice Assistance			
Passed through Oregon State Criminal Justice Services Division Byrne Formula Grant Program	16.579	06-019	\$ 99,569
Passed through Oregon State Criminal Justice Division Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	16.580		7,947
State Criminal Alien Assistance Program	16.606		17,916
Bulletproof Vest Partnership Program	16.607		4,128
Office of Victims of Crime			
Passed through Oregon State Criminal Justice Division Crime Victims Assistance	16.575	VOCA 07-2939 VOCA 08-3208	9,141 17,854
Total Department of Justice			<u>208,086</u>
<i>Department of Transportation</i>			
Federal Highway Administration			
Passed through Oregon Department of Transportation Highway Planning and Construction	20.205	23925 25042	340,379 244,587
National Highway Traffic Safety Administration			
Passed through Oregon State Sheriff's Association Occupant Protection	20.602		4,117
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.605		713
Total Department of Transportation			<u>589,796</u>
<i>Environmental Protection Agency</i>			
Office of Water			
Passed through Oregon Department of Human Services State Public Water System Supervision	66.432		15,404
<i>Department of Homeland Security</i>			
Passed through Oregon State Police Office of Emergency Management Emergency Management Performance Grants	97.042	05-181	143,552
Citizens Corp	97.053		8,730
Buffer Zone Protection Program	97.078		189,894
Total Department of Homeland Security			<u>342,176</u>

Continued on page 135

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
<i>Department of Health and Human Services</i>			
Office of Population Affairs			
Passed through Oregon Department of Human Services Service Division			
Family Planning - Services	93.217		\$ 33,099
Administration for Children and Families			
Passed through Oregon Commission on Children and Families			
Promoting Safe and Stable Families	93.556		10,897
Child Care and Development Block Grant	93.575		20,000
Social Services Block Grant	93.667		34,393
Passed through Oregon State Adult and Family Services Division			
Child Support Enforcement	93.563		111,987
Passed through Oregon Department of Human Services			
Social Services Block Grant	93.667		27,011
Centers for Medicare and Medicaid Services			
Passed through Oregon Commission on Children and Families			
Medical Assistance Program	93.778		26,873
Centers for Disease Control and Prevention -			
Passed through Oregon Department of Human Services			
Service Division			
Public Health Emergency Preparedness	93.069		102,801
Immunization Grants	93.268		600
Centers for Disease Control and Prevention -			
Investigations and Technical Assistance	93.283		7,623
HIV Prevention Activities Health Department Based	93.940		337
Health Resources and Services Administration			
Community Health Centers	93.224		1,434,835
ARRA - Health Center Integrated Services Development Initiative	93.703		52,400
Passed through Oregon Department of Human Services			
Service Division			
HIV Care Formula Grants	93.917		7,756
Substance Abuse and Mental Health Services Administration			
Passed through Oregon Department of Human Services			
Service Division			
Block Grants for Community Mental Health Services	93.958		24,377
Block Grants for Prevention and Treatment of Substance Abuse	93.959		63,517
			<hr/>
Total Department of Health and Human Services			1,958,506
			<hr/>
Total Expenditures of Federal Awards			\$ 6,645,573
			<hr/> <hr/>

TILLAMOOK COUNTY

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 30, 2009

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards is a summary of the County's federal award programs presented on the modified accrual basis of accounting in accordance with generally accepted accounting principles.

TILLAMOOK COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS

For the Year Ended June 30, 2009

2008-01 15.227 Distributions of Receipts to State and Local Governments

U.S. Department of the Interior

10.665 Schools and Roads - Grants to Counties

U.S. Department of Agriculture

This finding related to subrecipient monitoring for Title III funds passed through to other governmental entities. The County had not obtained documentation that funds were expended for allowable costs prior to reimbursements being made to the other governmental entities.

The County now obtains appropriate documentation from other governmental entities prior to reimbursement.

2008-02 14.228 Community Development Block Grant (CDBG)

U.S. Department of Housing and Urban Development

This finding related to the County requesting reimbursement prior to funds being expended.

The County now reviews all requests for reimbursement under this program for accuracy.