

# Tillamook County, Oregon



## Comprehensive Annual Financial Report

For the Year Ended June 30, 2013



**TILLAMOOK COUNTY, OREGON**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**For the Year Ended June 30, 2013**

**Prepared by the Office of County Treasurer**

**Debbie Clark, Treasurer**

# Tillamook County



*Land of Cheese, Trees and Ocean Breeze*

**TILLAMOOK COUNTY**  
**BOARD OF COMMISSIONERS**  
**For the Year Ended June 30, 2013**

<b><u>Commissioners</u></b>	<b><u>Term Expiration December 31,</u></b>
William Baertlein 4980 Sollie Smith Rd Tillamook, OR 97141	2016
Tim Josi 6750 Baseline Road Tillamook, OR 97141	2014
Mark Labhart 9190 Mill Creek Road Tillamook, OR 97141	2016
Charles J. Hurliman 12985 Highway 101 S Tillamook, OR 97141	2012

# Tillamook County



*Land of Cheese, Trees and Ocean Breeze*

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## **INTRODUCTORY SECTION**





## TILLAMOOK COUNTY TREASURER'S OFFICE

*Land of Cheese, Trees and Ocean Breeze*

Debbie Clark  
County Treasurer  
(503) 842-3439  
FAX (503) 842-1829

December 02, 2013

To the Board of County Commissioners and the  
Citizens of Tillamook County, Oregon

I am pleased to submit the Comprehensive Annual Financial Report (CAFR) of Tillamook County, Oregon, for the fiscal year ended June 30, 2013. This CAFR is published to fulfill the requirements of Oregon Revised Statute 297.415 and other state and local laws. The financial statements presented herein conform to generally accepted accounting principles. 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.

### **INTRODUCTION**

The Management Discussion and Analysis (MD&A) contained in the financial section is required by Generally Accepted Accounting Principles (GAAP). 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 Board of County Commissioners to perform this work. The County complies with the aforementioned requirement, and the auditor's opinion on the fair presentation of the financial statements is unqualified.

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.

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 GAAP. 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.

## **TILLAMOOK COUNTY 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 an estimated population of 25,287 as per the US Census Bureau. 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.

According to the US Census Bureau, Tillamook County has a total area of 1,333 square miles, of which 1,102 square miles is land and 231 square miles is water. Per the 2010 US Census Bureau, there are 22.9 persons per square mile. At 3,706 feet in elevation, Rogers Peak is the highest point in Tillamook County and the highest in the Northern Oregon Coast Range. The State of Oregon, the US Bureau of Land management, the US Forest Service, County of Tillamook and private timber companies control more than ninety percent (90%) of the land. The Tillamook State Forest is a key aspect of the county's economy. The 500,000-acre forest which was destroyed by disastrous fires in the 1930s and 1940s has now begun to come of age. This helps drive growth in timber harvesting and processing which supports local education through timber revenues. Five percent (5%) of the land in Tillamook County is designated agricultural and the remainder is in urban and other uses.

There are eight (8) major stream systems in Tillamook County. Each discharges the County's annual average ninety (90) inches of precipitation into the Pacific Ocean by way of a coastal bay – five (5) into Tillamook Bay, two (2) into Nestucca Bay, and one (1) into Nehalem Bay. Mild summers and wet winters characterize the climate. Average temperatures range from forty-two (42) degrees in January to fifty-eight (58) degrees in July.

The county encompasses seven (7) incorporated cities and three (3) school districts. 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 fifty percent (50%) during peak periods. There are 376 miles of roads and 100 bridges under County jurisdiction.

Tillamook County is governed under the provisions of ORS 203.230 by a Board of Commissioners, consisting of three (3) commissioners who are elected to four-year staggered terms. The Board elects a chair at the beginning of the calendar year, who serves until the first Monday in January of the following year. The Board of Commissioners conduct all legislative business of the County and are responsible for setting County policy, general administration of the County and holding public hearings on certain issues required by law. 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.

Tillamook County prepares an annual budget in accordance with Oregon Local Budget Law. ORS Chapter 294 provides standard procedures for the preparation, presentation, administration and appraisal of budgets for all Oregon local governments. The law mandates public involvement in the budget preparation and public exposure of its proposed programs. The law also requires that the budget be balanced. The County budgets all funds except trust and agency funds. The County's Budget Officer evaluates the budget requests of the County departments to determine the funding levels. The budget is presented to the public through public hearings held by a budget committee consisting of the Board and three (3) laypersons. After due consideration to the input received from the citizens, the Board adopts a resolution which adopts the budget, authorizes the levying of taxes and sets appropriations. The budget resolution must be adopted no later than June 30 of each fiscal year.

The level of budgetary control is established by department within the general fund and by expenditure category with the other individual funds. The expenditure appropriations lapse at the end of the fiscal year. Additional resources and corresponding appropriations may be added to the budget during the fiscal year through a supplemental budget process. Appropriation transfers may be made throughout the fiscal year and, if required, are approved by the Board of Commissioners in public meetings.

## **FINANCIAL CONDITIONS AND OUTLOOK**

In June 2013, the unemployment rate for Tillamook County was 7.5 percent. Oregon's rate was 8.0 percent. Last year for the same period, Tillamook County's rate was 8.5 percent while Oregon's was 8.7 percent. Tillamook County's economic base includes lumber and wood products. Farming plays a major economic role where cattle herds form the basis for a dairy and milk product industry. Fishing and seafood processing industries also contribute to the economy with the associated tourism. The Real market Value of property in Tillamook County is \$5,467,447,448 and the Assessed Value is \$4,134,296,384 for the 2012/2013 tax year.

Tillamook County, like other local governments in Oregon continues to struggle with the impacts of Property Tax Limitation Measures that passed in the 1990's. With the passage of BM5 and in 1997 BM50, rates were capped at \$10.00 per thousand dollars of value for general government and phased in a limit of \$5.00 per thousand dollars for schools. Growth of property tax revenues is limited to three percent (3%) per year, except for new construction, which now results in new revenues rather than an adjustment in the tax rate.

The Oregon Department of Forestry (ODF) manages 290,781 acres of forest land in Tillamook County. ODF grows and harvests timber to produce revenue as the primary use of forest lands. ODF uses a structured basis management strategy plan for timber harvests. Once the sales are held, the ODF has three (3) years to produce income. This revenue source fluctuates annually based on economics, price

and demand. This practice represents approximately one-fifth (1/5) of Tillamook County's General Fund revenues and local governments rely on these revenues to help fund schools and other essential services.

Tillamook County receives a share, based on population, of the revenues the State of Oregon receives from taxing motor vehicle fuels. The Oregon Constitution requires that these revenues be used only to pay for costs of public roads. Tillamook County also receives a share of the revenues the State of Oregon receives from tobacco and liquor taxes. The State of Oregon is generally not obligated to continue to provide these revenues to local governments.

A major economic impact on the County's finances is the elimination of federal funding through the Payment in Lieu of Taxes (PILT) program. The PILT program provides payments to counties and other local governments to offset losses in tax revenues due to the presence of tax-exempt federal land in their jurisdictions. PILT was first signed into law October 1976. The Act was amended in 1994 to provide for a more equitable authorization level in light of disparities that existed between property values and current PILT payments. The Emergency Economic Stabilization Act (PL110-343) was enacted in 2008. The Act included language that modified the PILT program from a discretionary program to a fully funded mandatory entitlement program. Congress provided five (5) years of mandatory funding for PILT, from 2008-2012. The Moving Ahead for Progress in the 21<sup>st</sup> Century Act (MAP-21), enacted in July 2012, included mandatory PILT funding for 2013. Unless Congress acts, counties will have received their last fully funded PILT disbursement in June 2013. Without additional mandatory funding, PILT will revert to a discretionary program subject to the appropriations process.

In response to the continued economic downturn, the County's Management Team holds a strategic planning session once a year. Out of this session come project priorities. This list is a large part of the budget planning discussions and creates a focal point for administration and finance as the budget allocations are determined. Projects of greatest priority are allocated resources in the next budget cycle and "lesser" priorities are reviewed in the subsequent years for continued inclusion on, upgrade of status within, or potential removal from the list.

Tillamook County's road system is among the worst in the State with a Condition Pavement Index of forty eight (48). The County Roads Advisory Committee (CRAC) and a local political action committee recommended that the County submit a General Obligation Bond measure to the voters. On May 21, 2013, there was a Special Election that included Measure 29-130, Tillamook County General Obligation Road Bond for County road improvements not exceeding \$15,000,000. This measure passed with 3,720 or 51.28% yes votes and 3,534 or 48.72% no votes. Total number voting, 7,254 or 49.78% of registered voters. Tillamook County issued a portion of the authorized bonds (\$7,200,000) in September 2013 and expects to issue the remainder (\$7,800,000) in or about 2018. The Bond proceeds will fund identified projects utilizing the CRAC as an oversight group.

At the May 15, 2012 Primary Election, Tillamook County voters approved the renewal of five (5) year Veteran's Services and Library local operating levies. The Veteran's Services measure passed with 6,217 or 82.21% yes votes and 1,345 or 17.79% no votes. The Library measure passed with 4,073 or 53.04% yes votes and 3,606 or 46.96% no votes. Total voter turnout was 8,109 or 56.57% of registered voters.

Management successfully negotiated the collective bargaining agreement between Tillamook County and Oregon AFSCME Local 2734 with a new pay plan effective January 1, 2012, composed of twenty (20) ranges of six (6) steps and shall provide for a five percent (5%) step increase (based on an annual



satisfactory performance evaluation) and five percent (5%) between the ranges. Bargaining Unit employees transitioned to this pay schedule on January 1, 2012. Effective July 1, 2012, the five (5) by five (5) pay plan reflects a two and a half percent (2.5%) across the board uniform increase.

Management also negotiated an extension agreement between Tillamook County, the Tillamook County Sheriff and Teamsters Local Union No. 223. The parties mutually agreed to the same two and a half percent (2.5%) across the board increase for all pay grades of the bargaining unit effective July 1, 2012.

### **OTHER FINANCIAL INFORMATION**

The County's enterprise operation is comprised of the Solid Waste Service District. This district is included in the CAFR as a component unit of Tillamook County. The Board of County Commissioners serves as its governing body. The District is responsible for countywide solid waste management planning, recycling education and coordination, illegal dumping cleanup and prevention, as well as enforcement coordination. 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.

The County recognizes a liability for post-closure care and maintenance of the Tillamook County closed landfill. A Solid Waste Post Closure Reserve fund was established in FY2011-2012 to satisfy DEQ requirements of financial assurance. The County, on behalf of the District, files an Annual Financial Assurance Update and Recertification with DEQ no later than December 31 each year. The County expects that transfer station fees and assessments to property owners will continue to be sufficient to cover the post-closure costs.

The Tillamook County 4-H Extension Service district is included in the CAFR as a component unit of Tillamook County. The Board of County Commissioners serves as its governing body, making appointments and approving the budget. The District was formed in 1986 under the provisions of ORS Chapter 451 to provide Oregon State University Extension education programs, training and information to residents of Tillamook County.

The County provides a defined benefit retirement plan (the Pension Plan) for its employees. All fulltime employees are eligible to participate in the Pension Plan after six (6) full months of employment. Pension Plan members are permitted to contribute up to ten percent (10%) of their annual covered salary. Tillamook County is required by the Pension Plan's provisions to pay the employees' contribution to the Pension Plan of seven percent (7%) of covered salaries in addition to the remaining amount necessary to fund the pension Plan.

Tillamook County provides other post-employment benefits (OPEB) through a single employer defined benefit plan in the form of group health insurance benefits. For employees hired before July 1, 2003, Tillamook County will pay the group health insurance for retired employees. Retirees who were hired July 1, 2003 and after are allowed to continue, at retirees' expense, coverage under the group health insurance plan until age 65.

The County issues various types of debt. This debt is comprised of capital lease obligations, accumulated unpaid vacation and sick leave, notes payable and bonds payable relating to three General Obligations Bonds. Outstanding debts on the bonds payable relate to the Library General Obligation Bonds, Refunding Bonds for the Jail and Justice Facility and Refunding Bonds for the Hospital.

Tillamook County previously issued its General Obligation Bonds Series 2003 for construction of the main library. In September 2013, Tillamook County refunded the callable maturities of the Series 2003 Bonds providing an approximate net savings to the tax payers of \$195,000.

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.

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 US Government Agencies. Interest earned on pooled cash and investments is allocated to participating funds based upon their combined cash and investment balances.

## **AWARDS**

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, 2012. 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 (1) year only. Tillamook County has received a Certificate of Achievement for twenty-four (24) consecutive years. We believe our current report continues to conform to the Certificate of Achievement program requirements, and are submitting it to GFOA to determine its eligibility for another certificate.

## **ACKNOWLEDGEMENTS**

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 Board of County Commissioners for their interest and support in our continued effort to improve Tillamook County's financial reporting.

Respectfully submitted,

Debbie Clark  
Tillamook County Treasurer



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Tillamook County  
Oregon**

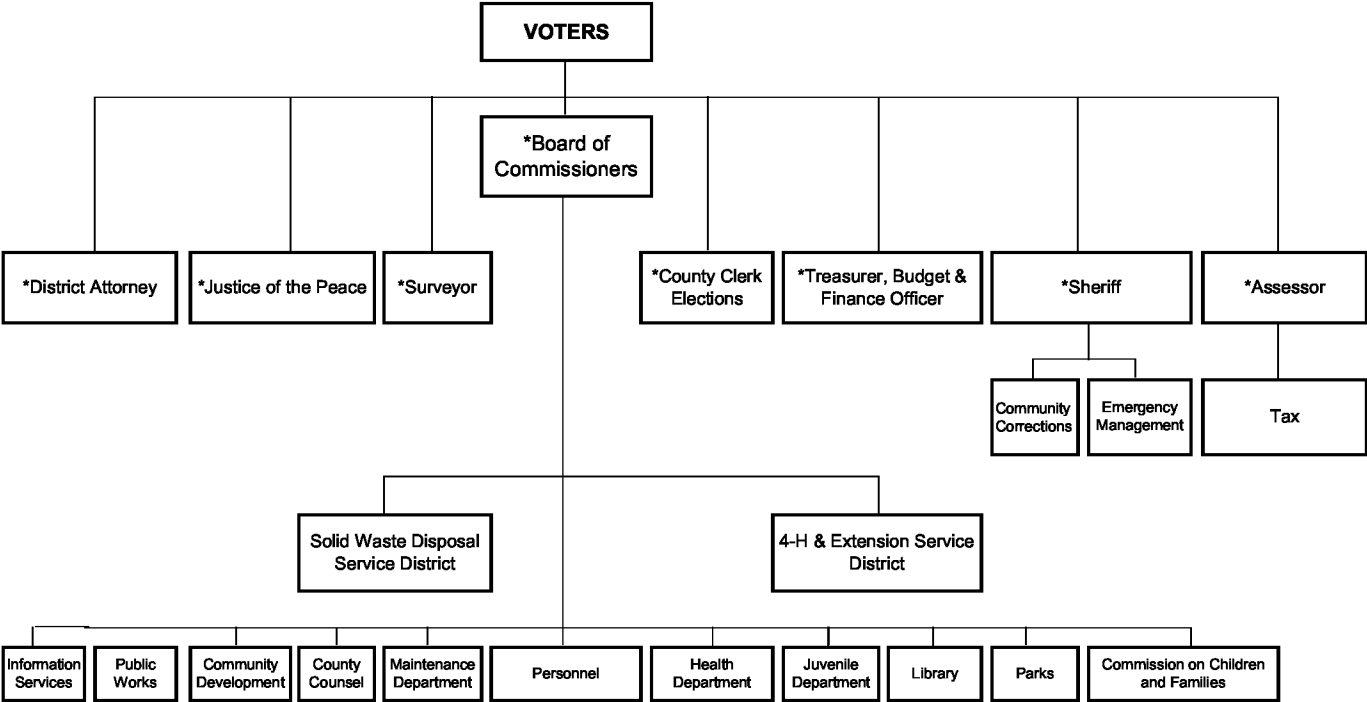
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2012**

Executive Director/CEO

# Tillamook County

## Organizational Chart Year Ended June 30, 2013



\*Elected Official

**TILLAMOOK COUNTY**  
**PRINCIPAL OFFICIALS**  
**For the Year Ended June 30, 2013**

**Board of Commissioners**

<b><u>Name</u></b>	<b><u>Term Expiration</u></b>
William Baertlein	December 31, 2016
Tim Josi	December 31, 2014
Mark Labhart	December 31, 2016
Charles J. Hurliman	December 31, 2012

**Other Elected Officials**

Denise Vandecouvering, Assessor	December 31, 2016
Tassi O'Neil, County Clerk	December 31, 2016
William Porter, District Attorney	December 31, 2014
Joel Stevens, Justice of the Peace	December 31, 2018
Wm. Andy Long, Sheriff	December 31, 2016
Dan McNutt, Surveyor	December 31, 2016
Debbie Clark, Treasurer	December 31, 2016

# Tillamook County



*Land of Cheese, Trees and Ocean Breeze*

## **FINANCIAL SECTION**







## INDEPENDENT AUDITOR'S REPORT

Board of County Commissioners  
**TILLAMOOK COUNTY**  
Tillamook, Oregon

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of TILLAMOOK COUNTY as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of TILLAMOOK COUNTY as of June 30, 2013, and the respective changes in financial position, and, where applicable, cash flows 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 accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages *a-i* be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The 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 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.

The combining and individual fund financial statements and schedules and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements 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 do not express an opinion or provide any assurance on them.

## **Reports on Other Legal and Regulatory Requirements**

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 02, 2013 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

### **Other reporting Required by Oregon Minimum Standards**

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have also issued our report dated December 02, 2013, on our consideration of the County's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

**Boldt Carlisle + Smith**  
Certified Public Accountants  
Salem, Oregon  
December 02, 2013

By:



Bradley G. Bingenheimer, Member

# Tillamook County



*Land of Cheese, Trees and Ocean Breeze*

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

# Tillamook County



*Land of Cheese, Trees and Ocean Breeze*

# 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 *vi*) and the County's financial statements.

## FINANCIAL HIGHLIGHTS

The County's assets exceeded its liabilities at June 30, 2013 by \$62,718,627 (*net position*). Of this amount \$45,080,422 was the net investment in capital assets; \$9,997,128 was restricted for specific purposes and \$7,641,077 was unrestricted.

The County's net positions decreased by \$(760,456) (or 1.2%) which was due primarily to the reductions of capital and net pension obligation assets.

The County's Governmental Funds increased fund balances by \$200,808, with the General Fund experiencing a decrease in its fund balance by \$229,806 and the Road, County School, Health Services, Library, Commission on Children and Families, Community Corrections, and Other Governmental Funds having a combined increase in fund balance of \$430,614.

## 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 Position, a Statement of Activities, fund financial statements and the notes to basic financial statements.

Statements of Net Position 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, County School, Health Services, Library, Commission on Children and Families, and Community Corrections Funds. Statements for the County's proprietary funds follow the governmental funds and include statements of net position, revenues, expenses and changes in net position, and cash flows. Fiduciary funds account for resources held for the benefit of others and have not been reflected in the Statements of Net Position 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 the 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

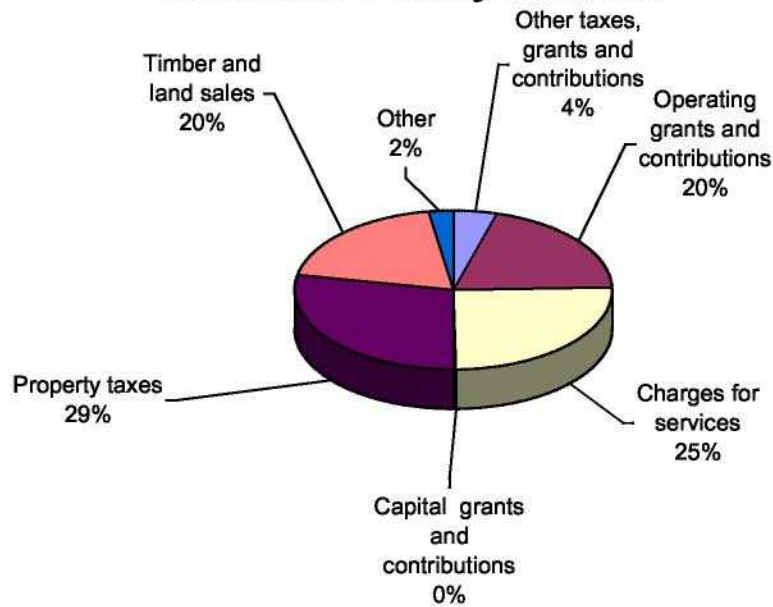
As mentioned earlier, the County's net position as of June 30, 2013 was \$62,718,627. By far the largest portion of net assets is comprised of the county's investment in capital assets (e.g., land, buildings, equipment and public infrastructure), less any related debt outstanding that was used to acquire 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	
	2013	2012	2013	2012	2013	2012
<b><u>ASSETS</u></b>						
Current and other assets	\$ 23,716,292	\$ 23,825,154	\$ 1,449,875	\$ 1,389,745	\$ 25,166,167	\$ 25,214,899
Capital assets, net	48,718,361	50,247,632	2,360,555	2,455,401	51,078,916	52,703,033
<b>Total assets</b>	<b>72,434,653</b>	<b>74,072,786</b>	<b>3,810,430</b>	<b>3,845,146</b>	<b>76,245,083</b>	<b>77,917,932</b>
<b><u>LIABILITIES</u></b>						
Other liabilities	834,751	1,125,383	126,660	133,185	961,411	1,258,568
Long-term obligations	11,364,076	12,142,810	1,200,969	1,037,471	12,565,045	13,180,281
<b>Total liabilities</b>	<b>12,198,827</b>	<b>13,268,193</b>	<b>1,327,629</b>	<b>1,170,656</b>	<b>13,526,456</b>	<b>14,438,849</b>
<b><u>NET POSITION</u></b>						
Net investment in capital assets	42,719,867	42,615,214	2,360,555	2,455,401	45,080,422	45,070,615
Restricted	9,997,128	9,150,515	-	-	9,997,128	9,150,515
Unrestricted	7,518,831	9,038,864	122,246	219,089	7,641,077	9,257,953
<b>Total net position</b>	<b>\$ 60,235,826</b>	<b>\$ 60,804,593</b>	<b>\$ 2,482,801</b>	<b>\$ 2,674,490</b>	<b>\$ 62,718,627</b>	<b>\$ 63,479,083</b>

The unrestricted net position 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 position decreased by \$760,456. The revenue of the county comes primarily from property taxes, charges for services, operating grants and contributions. The county's expenses cover a wide variety of services, with general government, public safety, and health, welfare, and sanitation accounting for over half of the expenses.

## Tillamook County Revenue



Property taxes, comprising 29% 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 Veteran's Services are funded by the local option tax levies (expiring in 2017). 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, 2013, a large percentage of revenues come from property taxes (29%), charges for services (25%) and operating grants and contributions (20%). This includes 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.

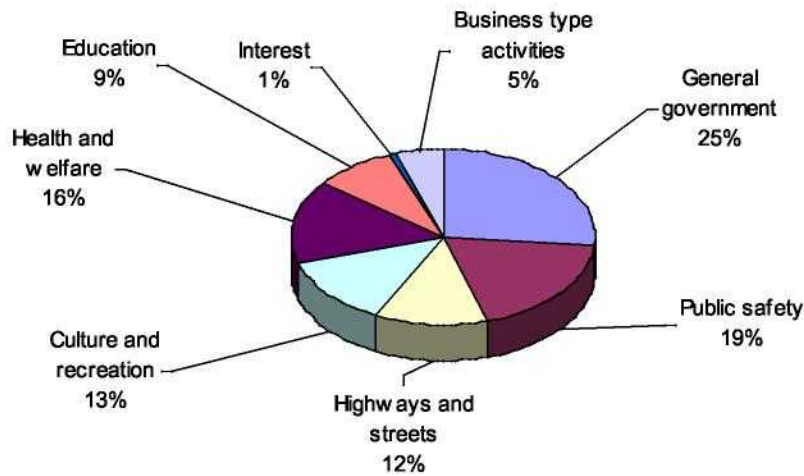
Expenses for General Government and Public Safety comprise 45% of total expenses. The County Justice Facility, opened in 1997, houses the Sheriff's Department, Community Corrections, State Police, Emergency Management and the jail.

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 decreased the County's net assets by \$568,767 which represents 75 percent of the decrease in net position. The key elements of this decrease are as follows:

**TILLAMOOK COUNTY'S CHANGES IN NET POSITION**

	Governmental Activities		Business-type Activities		Totals	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 8,103,176	\$ 8,245,493	\$ 1,768,038	\$ 1,778,065	\$ 9,871,214	\$ 10,023,558
Operating grants and contributions	7,846,715	8,194,060	-	1,000	7,846,715	8,195,060
Capital grants and contributions	125,774	2,506,529	19,800	70,000	145,574	2,576,529
General revenues:						
Property taxes	10,907,719	10,712,390	-	-	10,907,719	10,712,390
Other taxes	187,171	179,630	-	-	187,171	179,630
Other grants and contributions	1,506,904	3,465,267	-	-	1,506,904	3,465,267
Timber and land sales	7,636,245	2,342,060	-	-	7,636,245	2,342,060
Other	946,153	1,338,505	7,339	6,327	953,492	1,344,832
<b>Total revenues</b>	<u>37,259,857</u>	<u>36,983,934</u>	<u>1,795,177</u>	<u>1,855,392</u>	<u>39,055,034</u>	<u>38,839,326</u>
<b>Expenses</b>						
General government	10,451,617	9,934,062	-	-	10,451,617	9,934,062
Public safety	7,616,317	7,719,096	-	-	7,616,317	7,719,096
Highways and streets	4,746,759	4,431,828	-	-	4,746,759	4,431,828
Culture and recreation	5,028,281	4,951,190	-	-	5,028,281	4,951,190
Health, welfare and sanitation	6,199,816	5,703,431	-	-	6,199,816	5,703,431
Education	3,420,184	2,355,043	-	-	3,420,184	2,355,043
Interest on long-term obligations	365,650	393,364	-	-	365,650	393,364
Solid waste	-	-	1,986,866	1,997,550	1,986,866	1,997,550
<b>Total expenses</b>	<u>37,828,624</u>	<u>35,488,014</u>	<u>1,986,866</u>	<u>1,997,550</u>	<u>39,815,490</u>	<u>37,485,564</u>
Change in net position	(568,767)	1,495,920	(191,689)	(142,158)	(760,456)	1,353,762
Net position - beginning	<u>60,804,593</u>	<u>59,308,673</u>	<u>2,674,490</u>	<u>2,816,648</u>	<u>63,479,083</u>	<u>62,125,321</u>
Net position - ending	<u>\$ 60,235,826</u>	<u>\$ 60,804,593</u>	<u>\$ 2,482,801</u>	<u>\$ 2,674,490</u>	<u>\$ 62,718,627</u>	<u>\$ 63,479,083</u>

**Governmental Activities**

The decrease in net position is attributed to increased expenditures for general government, public safety, health, welfare and education programs.

**Business-type Activities**

The Solid Waste Fund accounts for disposal of solid waste generated in Tillamook County. The decrease in net position is attributed to a decline in program revenues.

## **FINANCIAL ANALYSIS OF FUNDS**

As of June 30, 2013 the County's governmental funds reported a combined fund balance of \$21,169,189, which is an increase of \$200,808 from June 30, 2012.

The General Fund is the primary operating fund of the County. As of June 30, 2013, the General Fund balance is \$10,187,134, which is a decrease of \$229,806 from June 30, 2012. The County has two funds, Revenue Stabilization and Post Employment Liability Reserve, which are separately budgeted, that do not qualify to be presented as separate funds in accordance with accounting principles generally accepted in the United States of America. Accordingly, these funds have been combined with the General Fund.

The Road Fund is primarily supported by state fuel taxes and federal forest fees. Its fund balance increased by \$96,134 during 2012-13 due primarily to a reduction in capital expenditures.

The County School Fund receives state timber revenues which are passed on to public school districts within the County. The fund balance increased \$400,709 due to timing of pass-through distributions.

The Health Services Fund balance decreased to \$62,566 from \$445,179 at June 30, 2013. This decrease was due to combining the Health Services Fund and the Commission on Children and Families (CCF) Fund. The Health Services Fund transferred \$31,597 to CCF for a negative cash balance. The General Fund transferred \$158,000 to the Health Services Fund for public health support during the year. The transfer from Health Service Fund to the General Fund during this reporting period was \$55,000. It is anticipated that the Health Services Fund will make transfers to the General Fund on an annual basis.

The Library Fund had an increase in fund balance of \$295,785. This increase was due primarily to property taxes levied for library operations.

The Commission on Children and Families had no fund balance as of June 30, 2013 as the ending balance was moved to the Health Services Fund.

The Community Corrections fund experienced an increase in fund balance of \$77,271. The programs funding is determined biennially by the Oregon State Legislature.

Proprietary funds provide the same type of information as presented in the government-wide statements of net position and activities, but in more detail. The proprietary funds net position amounted to \$2,482,801 as of June 30, 2013.

## **BUDGETARY HIGHLIGHTS**

The County prepares its budget on the cash receipts and disbursements basis of accounting.

The changes between the original and final budget of the General Fund were enacted to transfer relatively small amounts between appropriation categories including \$208,500 transferred from contingency to other appropriation categories. Actual revenues in the General Fund were \$925,871 more than anticipated and actual expenditures were \$1,044,114 less than appropriations, demonstrating a generally prudent spending policy.

A supplemental budget was adopted during the year to create appropriation for unanticipated revenue for special revenue and capital projects funds.

## **CAPITAL ASSETS AND DEBT ADMINISTRATION**

As of June 30, 2013, the County had invested \$51,078,916 in total capital assets, net of depreciation, which is a net decrease of \$1,624,117 from June 30, 2012. This investment includes land and land improvements, buildings, equipment, and public infrastructure of roads and bridges. The investment in governmental activities capital assets had a decrease of \$1,529,271 and business-type activities decreased by \$94,846. Additional information on the County's capital assets may be found in Note 6 of the financial statements.

The total long-term obligations outstanding as of June 30, 2013 amounted to \$12,565,045. These obligations include bonded debt, loans, capital leases, compensated absences, net other post-employment benefits, and landfill post-closure care liability.

During the year the County retired \$2,538,882 in principal on long-term obligations, a reduction of 19 percent of the balance outstanding at the beginning of the year.

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

General obligations bonds	\$	5,100,000
Loans payable		881,794
Capital leases		16,700
Compensated absences		1,182,934
Net other post-employment benefits		4,183,357
Landfill post-closure care liability		1,200,260

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

## **ECONOMIC FACTORS**

Oregon law limits annual increases in the assessed value of property subject to taxation. Assessed values may increase up to 3% per year, plus the value of new construction. Increases in the County's property tax revenue each year are insufficient to cover the rising cost of services.

General Government operations rely heavily on timber allotments 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 capital outlay while maintaining a viable, fairly compensated 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 finances and to demonstrate 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 Avenue, Tillamook, Oregon 97141.

# Tillamook County



*Land of Cheese, Trees and Ocean Breeze*



## **BASIC FINANCIAL STATEMENTS**

# Tillamook County



*Land of Cheese, Trees and Ocean Breeze*

**TILLAMOOK COUNTY**

**STATEMENT OF NET POSITION**

**June 30, 2013**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Totals</b>
<b><u>ASSETS</u></b>			
Cash and investments	\$ 17,935,856	\$ 1,259,095	\$ 19,194,951
Receivables, net	4,613,689	190,780	4,804,469
Net pension obligation asset	1,166,747	-	1,166,747
Capital assets:			
Land, improvements, and construction in progress	7,014,538	125,000	7,139,538
Other capital assets, net	41,703,823	2,235,555	43,939,378
<b>TOTAL ASSETS</b>	<b>72,434,653</b>	<b>3,810,430</b>	<b>76,245,083</b>
<b><u>LIABILITIES</u></b>			
Accounts payable and accrued expenses	618,768	126,660	745,428
Accrued interest	70,244	-	70,244
Unearned revenue	145,739	-	145,739
Long-term obligations:			
Due within one year	2,899,976	109,235	3,009,211
Due in more than one year	8,464,100	1,091,734	9,555,834
<b>TOTAL LIABILITIES</b>	<b>12,198,827</b>	<b>1,327,629</b>	<b>13,526,456</b>
<b><u>NET POSITION</u></b>			
Net investment in capital assets	42,719,867	2,360,555	45,080,422
Restricted for:			
Debt service	314,328	-	314,328
Highways and streets	2,600,165	-	2,600,165
Schools and education	1,394,430	-	1,394,430
Health services	155,201	-	155,201
County library	3,146,880	-	3,146,880
Grants	484,736	-	484,736
Public safety	813,833	-	813,833
County fair	258,847	-	258,847
Parks	424,442	-	424,442
Other purposes	404,266	-	404,266
Unrestricted	7,518,831	122,246	7,641,077
<b>TOTAL NET POSITION</b>	<b>\$ 60,235,826</b>	<b>\$ 2,482,801</b>	<b>\$ 62,718,627</b>

*See accompanying notes*

# Tillamook County



*Land of Cheese, Trees and Ocean Breeze*

**TILLAMOOK COUNTY**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended June 30, 2013**

Functions/Programs	Program Revenue				Net (Expense) Revenue and Changes in Net Position		Totals
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	
<b>Governmental activities:</b>							
General Government	\$ 10,451,617	\$ 2,730,216	\$ 477,115	\$ -	\$ (7,244,286)		\$ (7,244,286)
Public Safety	7,616,317	916,654	1,431,194	-	(5,268,469)		(5,268,469)
Public Works	4,746,759	549,505	2,093,997	98,604	(2,004,653)		(2,004,653)
Culture and Recreation	5,028,281	2,123,390	55,144	27,170	(2,822,577)		(2,822,577)
Health, Welfare and Sanitation	6,199,816	1,783,411	3,789,265	-	(627,140)		(627,140)
Education	3,420,184	-	-	-	(3,420,184)		(3,420,184)
Interest on Long-term obligations	365,650	-	-	-	(365,650)		(365,650)
Total governmental activities	<u>37,828,624</u>	<u>8,103,176</u>	<u>7,846,715</u>	<u>125,774</u>	<u>(21,752,959)</u>		<u>(21,752,959)</u>
<b>Business-type activities:</b>							
Solid Waste	1,986,866	1,768,038	-	19,800		\$ (199,028)	(199,028)
Totals	<u>\$ 39,815,490</u>	<u>\$ 9,871,214</u>	<u>\$ 7,846,715</u>	<u>\$ 145,574</u>	<u>(21,752,959)</u>	<u>(199,028)</u>	<u>(21,951,987)</u>
<b>General revenues</b>							
Taxes:							
Property taxes levied for:							
General purposes					9,125,524	-	9,125,524
Debt service					1,782,195	-	1,782,195
Other taxes					187,171	-	187,171
Other grants and contributions not restricted for specific programs					1,506,904	-	1,506,904
Timber and land sales					7,636,245	-	7,636,245
Unrestricted investment earnings					86,255	5,056	91,311
Miscellaneous					859,898	2,283	862,181
TOTAL GENERAL REVENUES					<u>21,184,192</u>	<u>7,339</u>	<u>21,191,531</u>
CHANGES IN NET POSITION					(568,767)	(191,689)	(760,456)
NET POSITION - BEGINNING					<u>60,804,593</u>	<u>2,674,490</u>	<u>63,479,083</u>
NET POSITION - ENDING					<u>\$ 60,235,826</u>	<u>\$ 2,482,801</u>	<u>\$ 62,718,627</u>

*See accompanying notes*

**TILLAMOOK COUNTY**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**June 30, 2013**

	<u>General</u>	<u>Road</u>	<u>County School</u>	<u>Health Services</u>	<u>Library</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 8,592,377	\$ 2,101,798	\$ -	\$ -	\$ 2,579,243
Receivables, net	2,199,073	324,844	1,018,003	236,347	320,870
Due from other funds	13,626	-	-	-	-
<b>TOTAL ASSETS</b>	<u>\$ 10,805,076</u>	<u>\$ 2,426,642</u>	<u>\$ 1,018,003</u>	<u>\$ 236,347</u>	<u>\$ 2,900,113</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 191,802	\$ 132,539	\$ -	\$ 162,258	\$ 22,768
Due to other funds	-	-	-	11,523	-
<b>TOTAL LIABILITIES</b>	<u>191,802</u>	<u>132,539</u>	<u>-</u>	<u>173,781</u>	<u>22,768</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue	426,140	-	-	-	181,421
<b>FUND BALANCES</b>					
Restricted	-	2,294,103	1,018,003	62,566	2,695,924
Assigned	2,678,311	-	-	-	-
Unassigned	7,508,823	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<u>10,187,134</u>	<u>2,294,103</u>	<u>1,018,003</u>	<u>62,566</u>	<u>2,695,924</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<u>\$ 10,805,076</u>	<u>\$ 2,426,642</u>	<u>\$ 1,018,003</u>	<u>\$ 236,347</u>	<u>\$ 2,900,113</u>

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

- Capital assets used in governmental activities are not financial resources and therefore are not reported in the 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 position
- The net pension obligation (asset) is reported in the statement of net position but is not reported in the funds
- The net post-employment benefits obligations is reported in the statement of net position 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 POSITION OF GOVERNMENTAL ACTIVITIES

*See accompanying notes*

<b>Community Corrections</b>	<b>Other Governmental Funds</b>	<b>Totals</b>
\$ 128,942	\$ 4,533,496	\$ 17,935,856
132,117	382,435	4,613,689
-	-	13,626
<u>\$ 261,059</u>	<u>\$ 4,915,931</u>	<u>\$ 22,563,171</u>
\$ 4,813	\$ 104,588	\$ 618,768
-	2,103	13,626
<u>4,813</u>	<u>106,691</u>	<u>632,394</u>
-	154,027	761,588
256,246	3,065,303	9,392,145
-	1,589,910	4,268,221
-	-	7,508,823
<u>256,246</u>	<u>4,655,213</u>	21,169,189
<u>\$ 261,059</u>	<u>\$ 4,915,931</u>	
		48,718,361
		761,588
		(145,739)
		1,166,747
		(4,183,357)
		<u>(7,250,963)</u>
		<u>\$ 60,235,826</u>

**TILLAMOOK COUNTY**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**For the Year Ended June 30, 2013**

	<u>General</u>	<u>Road</u>	<u>County School</u>	<u>Health Services</u>	<u>Library</u>
<b>REVENUES</b>					
Property taxes	\$ 6,100,924	\$ -	\$ 505	\$ -	\$ 2,649,190
Licenses, permits and fees	1,131,650	38,028	-	-	-
Intergovernmental	1,728,416	2,695,355	200,453	2,327,881	4,235
Charges for services	467,935	290,054	-	2,065,088	-
Fines and forfeitures	231,702	-	-	-	12,345
Timber and land sales	4,202,512	-	3,320,206	-	-
Interest	47,438	7,746	2,874	363	10,715
Intercounty charges	1,183,233	30,000	-	-	-
Miscellaneous	342,424	228,982	-	68,355	134,504
<b>TOTAL REVENUES</b>	<u>15,436,234</u>	<u>3,290,165</u>	<u>3,524,038</u>	<u>4,461,687</u>	<u>2,810,989</u>
<b>EXPENDITURES</b>					
Current					
General government	9,208,708	-	-	-	-
Public safety	5,719,966	-	-	-	-
Highways and streets	-	2,842,017	-	-	-
Culture and recreation	-	-	-	-	2,490,204
Health and welfare	55,000	-	-	4,800,355	-
Education	-	-	3,123,329	-	-
Capital outlay	315,255	320,414	-	5,900	-
Debt service					
Principal	97,974	37,650	-	5,224	-
Interest	13,643	950	-	1,223	-
<b>TOTAL EXPENDITURES</b>	<u>15,410,546</u>	<u>3,201,031</u>	<u>3,123,329</u>	<u>4,812,702</u>	<u>2,490,204</u>
Excess (deficiency) of revenues over expenditures	<u>25,688</u>	<u>89,134</u>	<u>400,709</u>	<u>(351,015)</u>	<u>320,785</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	254,369	25,000	-	157,999	-
Sale of capital assets	1,137	-	-	-	-
Transfers out	(511,000)	(18,000)	-	(189,597)	(25,000)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(255,494)</u>	<u>7,000</u>	<u>-</u>	<u>(31,598)</u>	<u>(25,000)</u>
Net change in fund balances	(229,806)	96,134	400,709	(382,613)	295,785
Fund balances at beginning of year	<u>10,416,940</u>	<u>2,197,969</u>	<u>617,294</u>	<u>445,179</u>	<u>2,400,139</u>
Fund balances at end of year	<u>\$ 10,187,134</u>	<u>\$ 2,294,103</u>	<u>\$ 1,018,003</u>	<u>\$ 62,566</u>	<u>\$ 2,695,924</u>

*See accompanying notes*



<b>Commission on Children and Families</b>	<b>Community Corrections</b>	<b>Other Governmental Funds</b>	<b>Totals</b>
\$ -	\$ -	\$ 2,192,911	\$ 10,943,530
-	-	10,996	1,180,674
113,792	693,781	1,766,370	9,530,283
-	80,382	2,245,513	5,148,972
-	-	192,698	436,745
-	-	-	7,522,718
97	-	17,117	86,350
-	-	-	1,213,233
20,579	2,380	294,130	1,091,354
<u>134,468</u>	<u>776,543</u>	<u>6,719,735</u>	<u>37,153,859</u>
-	-	772,005	9,980,713
357,340	699,272	71,460	6,848,038
-	-	413,356	3,255,373
-	-	1,908,815	4,399,019
-	-	1,147,342	6,002,697
-	-	290,211	3,413,540
-	-	452,950	1,094,519
-	-	1,515,000	1,655,848
-	-	288,625	304,441
<u>357,340</u>	<u>699,272</u>	<u>6,859,764</u>	<u>36,954,188</u>
<u>(222,872)</u>	<u>77,271</u>	<u>(140,029)</u>	<u>199,671</u>
154,597	-	396,000	987,965
-	-	-	1,137
-	-	(244,368)	(987,965)
<u>154,597</u>	<u>-</u>	<u>151,632</u>	<u>1,137</u>
(68,275)	77,271	11,603	200,808
<u>68,275</u>	<u>178,975</u>	<u>4,643,610</u>	<u>20,968,381</u>
<u>\$ -</u>	<u>\$ 256,246</u>	<u>\$ 4,655,213</u>	<u>\$ 21,169,189</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, 2013**

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS		\$ 200,808
<p>Amounts reported for governmental activities in the Statement of Activities are different because of the following:</p>		
<p>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:</p>		
Capitalized expenditures	\$ 158,605	
Depreciation	<u>(1,669,681)</u>	(1,511,076)
<p>The net effect of transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net position</p>		
		(18,195)
<p>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</p>		
		(35,811)
<p>Governmental funds report, as revenues, certain payments for services to be provided in future periods</p>		
		161,538
<p>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 Position these amounts are reported as deferred charges and amortized over the debt repayment period as additional interest expense.</p>		
		(90,749)
<p>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.</p>		
		(83,556)
<p>The change in other post-employment benefits are reported as additional expenses in the Statement of Activities</p>		
		(836,504)
<p>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 Position.</p>		
		1,655,848
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.</p>		
Accrued interest	29,540	
Compensated absences	<u>(40,610)</u>	<u>(11,070)</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES		<u>\$ (568,767)</u>

*See accompanying notes*

**TILLAMOOK COUNTY**

**GENERAL FUND**

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

**For the Year Ended June 30, 2013**

	Budget		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Property taxes	\$ 6,153,000	\$ 6,153,000	\$ 6,092,313	\$ (60,687)
Licenses, permits and fees	1,464,000	1,464,000	1,233,731	(230,269)
Intergovernmental	1,612,484	1,612,484	1,906,037	293,553
Charges for services	337,500	337,500	449,650	112,150
Fines and forfeitures	435,000	435,000	250,800	(184,200)
Timber and land sales	2,735,000	2,735,000	3,699,125	964,125
Investment earnings	50,000	50,000	36,291	(13,709)
Intercounty charges	1,194,400	1,194,400	1,183,232	(11,168)
Miscellaneous	220,450	220,450	276,526	56,076
<b>TOTAL REVENUES</b>	<b>14,201,834</b>	<b>14,201,834</b>	<b>15,127,705</b>	<b>925,871</b>
<b>EXPENDITURES</b>				
Board of County Commissioners	836,300	836,300	795,407	40,893
Land Sales	10,800	10,800	10,288	512
Justice Court	342,150	342,150	319,106	23,044
Juvenile Department	610,100	610,100	522,623	87,477
District Attorney	1,034,380	1,034,380	1,006,649	27,731
County Clerk	545,205	545,205	499,920	45,285
County Assessor	1,421,712	1,421,712	1,306,302	115,410
County Treasurer	573,600	573,600	491,401	82,199
Tax Department	208,050	215,350	214,134	1,216
Courthouse Building	437,250	487,750	468,713	19,037
Sheriff - Criminal	2,899,050	2,899,050	2,748,134	150,916
Sheriff - Jail	2,874,400	2,874,400	2,696,486	177,914
Sheriff - Marine	254,850	254,850	243,136	11,714
Communications	80,460	80,460	69,514	10,946
Emergency Services	189,500	189,500	176,458	13,042
Community Development	1,134,405	1,134,405	1,056,174	78,231
County Surveyor	295,550	304,950	296,805	8,145
Information Services	968,700	968,700	931,211	37,489
General Government	734,500	817,400	810,143	7,257
Non-Departmental	316,841	320,191	317,913	2,278
Mental Health Services	59,000	59,000	55,000	4,000
Motorpool	500	650	631	19
Personnel	381,200	436,100	378,241	57,859
Operating Contingency	250,000	41,500	-	41,500
<b>TOTAL EXPENDITURES</b>	<b>16,458,503</b>	<b>16,458,503</b>	<b>15,414,389</b>	<b>1,044,114</b>

*Continued on next page*

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

	<u>Budget</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
Excess (deficiency) of revenues over expenditures	\$ (2,256,669)	\$ (2,256,669)	\$ (286,684)	\$ 1,969,985
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,050,000	1,050,000	254,369	(795,631)
Sale of assets	-	-	1,137	1,137
Transfers out	<u>(511,000)</u>	<u>(511,000)</u>	<u>(511,000)</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>539,000</u>	<u>539,000</u>	<u>(255,494)</u>	<u>(794,494)</u>
Net change in fund balances	(1,717,669)	(1,717,669)	(542,178)	1,175,491
Fund balances - beginning	<u>6,500,000</u>	<u>6,500,000</u>	<u>6,352,573</u>	<u>(147,427)</u>
Fund balances - ending	<u>\$ 4,782,331</u>	<u>\$ 4,782,331</u>	<u>\$ 5,810,395</u>	<u>\$ 1,028,064</u>

*See accompanying notes*

**TILLAMOOK COUNTY**

**ROAD FUND**

**STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL  
For the Year Ended June 30, 2013**

	<u>Budget</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Licenses, permits and fees	\$ 20,000	\$ 20,000	\$ 38,028	\$ 18,028
Intergovernmental	2,171,531	2,171,531	2,693,439	521,908
Charges for services	96,000	96,000	204,825	108,825
Investment earnings	10,000	10,000	7,746	(2,254)
Intercounty charges	30,000	30,000	30,000	-
Miscellaneous	<u>100,000</u>	<u>100,000</u>	<u>198,518</u>	<u>98,518</u>
<b>TOTAL REVENUES</b>	<u>2,427,531</u>	<u>2,427,531</u>	<u>3,172,556</u>	<u>745,025</u>
<b>EXPENDITURES</b>				
Personal services	2,058,234	2,058,234	1,769,776	288,458
Materials and services	1,053,312	1,222,612	1,123,086	99,526
Capital outlay	167,500	387,000	381,676	5,324
Contingency	<u>476,435</u>	<u>87,635</u>	<u>-</u>	<u>87,635</u>
<b>TOTAL EXPENDITURES</b>	<u>3,755,481</u>	<u>3,755,481</u>	<u>3,274,538</u>	<u>480,943</u>
Excess (deficiency) of revenues over expenditures	<u>(1,327,950)</u>	<u>(1,327,950)</u>	<u>(101,982)</u>	<u>1,225,968</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	25,000	25,000	25,000	-
Transfers out	<u>(18,000)</u>	<u>(18,000)</u>	<u>(18,000)</u>	<u>-</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>7,000</u>	<u>7,000</u>	<u>7,000</u>	<u>-</u>
Net change in fund balance	(1,320,950)	(1,320,950)	(94,982)	1,225,968
Fund balance at beginning of year	<u>2,406,123</u>	<u>2,406,123</u>	<u>2,176,601</u>	<u>(229,522)</u>
Fund balance at end of year	<u>\$ 1,085,173</u>	<u>\$ 1,085,173</u>	<u>\$ 2,081,619</u>	<u>\$ 996,446</u>

*See accompanying notes*

**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, 2013**

	<u>Budget</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ 505	\$ 505
Intergovernmental	-	-	200,453	200,453
Timber and land sales	3,400,000	3,400,000	2,918,960	(481,040)
Investment earnings	<u>5,000</u>	<u>5,000</u>	<u>2,874</u>	<u>(2,126)</u>
<b>TOTAL REVENUES</b>	3,405,000	3,405,000	3,122,792	(282,208)
<b>EXPENDITURES</b>				
Materials and services	<u>3,405,000</u>	<u>3,405,000</u>	<u>3,123,329</u>	<u>281,671</u>
Net change in fund balance	-	-	(537)	(537)
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>537</u>	<u>537</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

*See accompanying notes*

**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, 2013**

	<u>Budget</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Intergovernmental	\$ 2,585,835	\$ 2,585,835	\$ 2,378,246	\$ (207,589)
Charges for services	2,267,080	2,267,080	2,186,000	(81,080)
Investment earnings	-	-	363	363
Miscellaneous	<u>54,511</u>	<u>54,511</u>	<u>43,507</u>	<u>(11,004)</u>
<b>TOTAL REVENUES</b>	<u>4,907,426</u>	<u>4,907,426</u>	<u>4,608,116</u>	<u>(299,310)</u>
<b>EXPENDITURES</b>				
Personal services	3,600,366	3,475,966	3,283,964	192,002
Materials and services	1,395,260	1,519,660	1,504,154	15,506
Capital outlay	<u>14,800</u>	<u>14,800</u>	<u>12,347</u>	<u>2,453</u>
<b>TOTAL EXPENDITURES</b>	<u>5,010,426</u>	<u>5,010,426</u>	<u>4,800,465</u>	<u>209,961</u>
Excess (deficiency) of revenues over expenditures	<u>(103,000)</u>	<u>(103,000)</u>	<u>(192,349)</u>	<u>(89,349)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	158,000	158,000	157,999	1
Transfers out	<u>(55,000)</u>	<u>(55,000)</u>	<u>(189,597)</u>	<u>134,597</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>103,000</u>	<u>103,000</u>	<u>(31,598)</u>	<u>134,598</u>
Net change in fund balance	-	-	(223,947)	(223,947)
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>174,493</u>	<u>174,493</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (49,454)</u>	<u>\$ (49,454)</u>

*See accompanying notes*

**TILLAMOOK COUNTY**

**LIBRARY FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL  
For the Year Ended June 30, 2013**

	<u>Budget</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Property taxes	\$ 2,575,000	\$ 2,575,000	\$ 2,645,338	\$ 70,338
Intergovernmental	5,000	5,000	4,235	(765)
Fines and forfeitures	7,500	7,500	11,923	4,423
Investment earnings	25,000	25,000	10,715	(14,285)
Miscellaneous	112,500	112,500	66,771	(45,729)
<b>TOTAL REVENUES</b>	<u>2,725,000</u>	<u>2,725,000</u>	<u>2,738,982</u>	<u>13,982</u>
<b>EXPENDITURES</b>				
Personal services	1,641,100	1,670,600	1,642,515	28,085
Materials and services	821,950	858,180	851,891	6,289
Capital outlay	5,000	5,000	-	5,000
Contingency	263,950	198,220	-	198,220
<b>TOTAL EXPENDITURES</b>	<u>2,732,000</u>	<u>2,732,000</u>	<u>2,494,406</u>	<u>237,594</u>
Excess (deficiency) of revenues over expenditures	(7,000)	(7,000)	244,576	251,576
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(25,000)	(25,000)	(25,000)	-
Net change in fund balance	(32,000)	(32,000)	219,576	251,576
Fund balance at beginning of year	<u>1,512,000</u>	<u>1,512,000</u>	<u>2,348,287</u>	<u>836,287</u>
Fund balance at end of year	<u>\$ 1,480,000</u>	<u>\$ 1,480,000</u>	<u>\$ 2,567,863</u>	<u>\$ 1,087,863</u>

*See accompanying notes*



**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, 2013**

	<u>Budget</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Intergovernmental	\$ 266,200	\$ 266,200	\$ 113,792	\$ (152,408)
Investment earnings	200	200	97	(103)
Miscellaneous	<u>24,500</u>	<u>24,500</u>	<u>20,579</u>	<u>(3,921)</u>
<b>TOTAL REVENUES</b>	<u>290,900</u>	<u>290,900</u>	<u>134,468</u>	<u>(156,432)</u>
<b>EXPENDITURES</b>				
Personal services	128,100	157,050	149,313	7,737
Materials and services	<u>269,500</u>	<u>240,550</u>	<u>225,763</u>	<u>14,787</u>
<b>TOTAL EXPENDITURES</b>	<u>397,600</u>	<u>397,600</u>	<u>375,076</u>	<u>22,524</u>
Excess (deficiency) of revenues over expenditures	(106,700)	(106,700)	(240,608)	(133,908)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	<u>20,000</u>	<u>20,000</u>	<u>154,597</u>	<u>134,597</u>
Net change in fund balance	(86,700)	(86,700)	(86,011)	689
Fund balance at beginning of year	<u>86,700</u>	<u>86,700</u>	<u>86,011</u>	<u>(689)</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

*See accompanying notes*

**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, 2013**

	<u>Budget</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Intergovernmental	\$ 560,746	\$ 560,746	\$ 561,664	\$ 918
Charges for services	85,000	85,000	80,382	(4,618)
Miscellaneous	5,000	5,000	2,380	(2,620)
<b>TOTAL REVENUES</b>	<u>650,746</u>	<u>650,746</u>	<u>644,426</u>	<u>(6,320)</u>
<b>EXPENDITURES</b>				
Personal services	418,900	418,900	415,907	2,993
Materials and services	372,280	372,280	283,347	88,933
Capital outlay	500	500	-	500
Contingency	59,066	59,066	-	59,066
<b>TOTAL EXPENDITURES</b>	<u>850,746</u>	<u>850,746</u>	<u>699,254</u>	<u>151,492</u>
Net change in fund balance	(200,000)	(200,000)	(54,828)	145,172
Fund balance at beginning of year	<u>200,000</u>	<u>200,000</u>	<u>180,383</u>	<u>(19,617)</u>
<b>Fund balance at end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 125,555</u>	<u>\$ 125,555</u>

*See accompanying notes*

**TILLAMOOK COUNTY**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**June 30, 2013**

	<b>Business-type Activities</b>			<b>Total Enterprise Funds</b>
	<b>Solid Waste</b>	<b>Solid Waste Sinking</b>	<b>Solid Waste Post Closure Reserve</b>	
<b><u>ASSETS</u></b>				
Current assets				
Cash and investments	\$ 201,052	\$ 664,176	\$ 393,867	\$ 1,259,095
Receivables	190,780	-	-	190,780
Total current assets	<u>391,832</u>	<u>664,176</u>	<u>393,867</u>	<u>1,449,875</u>
Capital assets				
Land and construction in progress	125,000	-	-	125,000
Other capital assets, net	2,235,555	-	-	2,235,555
Total capital assets, net	<u>2,360,555</u>	<u>-</u>	<u>-</u>	<u>2,360,555</u>
<b>TOTAL ASSETS</b>	<u>2,752,387</u>	<u>664,176</u>	<u>393,867</u>	<u>3,810,430</u>
<b><u>LIABILITIES</u></b>				
Current liabilities				
Accounts payable and accrued expenses	126,660	-	-	126,660
Accumulated compensated absences	709	-	-	709
Current portion of landfill post-closure care liability	108,526	-	-	108,526
Total current liabilities	<u>235,895</u>	<u>-</u>	<u>-</u>	<u>235,895</u>
Landfill post-closure care liability	<u>1,091,734</u>	<u>-</u>	<u>-</u>	<u>1,091,734</u>
<b>TOTAL LIABILITIES</b>	<u>1,327,629</u>	<u>-</u>	<u>-</u>	<u>1,327,629</u>
<b><u>NET POSITION</u></b>				
Net investment in capital assets	2,360,555	-	-	2,360,555
Unrestricted	<u>(935,797)</u>	<u>664,176</u>	<u>393,867</u>	<u>122,246</u>
<b>TOTAL NET POSITION</b>	<u>\$ 1,424,758</u>	<u>\$ 664,176</u>	<u>\$ 393,867</u>	<u>\$ 2,482,801</u>

*See accompanying notes*

**TILLAMOOK COUNTY**  
**STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**For the Year Ended June 30, 2013**

	<b>Business-type Activities</b>			<b>Total Enterprise Funds</b>
	<b>Solid Waste</b>	<b>Solid Waste Sinking</b>	<b>Solid Waste Post Closure Reserve</b>	
	<b>Solid Waste</b>	<b>Sinking</b>	<b>Reserve</b>	
<b>REVENUES</b>				
Charges for services	\$ 1,706,291	\$ -	\$ -	\$ 1,706,291
<b>OPERATING EXPENSES</b>				
Personal services	109,057	-	-	109,057
Other supplies and expenses	1,763,963	-	-	1,763,963
Depreciation	113,846	-	-	113,846
Total operating expenses	1,986,866	-	-	1,986,866
Operating (loss)	(280,575)	-	-	(280,575)
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Assessments	61,747	-	-	61,747
Grants	19,800	-	-	19,800
Interest and investment earnings	897	2,765	1,394	5,056
Miscellaneous	2,283	-	-	2,283
Total nonoperating revenue (expenses)	84,727	2,765	1,394	88,886
Income (loss) before transfers	(195,848)	2,765	1,394	(191,689)
Transfers	(100,000)	-	100,000	-
Change in net position	(295,848)	2,765	101,394	(191,689)
Total net position - beginning	1,720,606	661,411	292,473	2,674,490
Total net position - ending	<u>\$ 1,424,758</u>	<u>\$ 664,176</u>	<u>\$ 393,867</u>	<u>\$ 2,482,801</u>

*See accompanying notes*

TILLAMOOK COUNTY

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 For the Year Ended June 30, 2013

	Business-type Activities			Total Enterprise Funds
	Solid Waste	Solid Waste Sinking	Solid Waste Post Closure Reserve	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers and users	\$ 1,795,435	\$ -	\$ -	\$ 1,795,435
Payments to suppliers	(1,607,699)	-	-	(1,607,699)
Payments to employees	(108,348)	-	-	(108,348)
Other	2,283	-	-	2,283
Net cash provided by operating activities	81,671	-	-	81,671
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>				
Assessments of property owners	61,747	-	-	61,747
Transfers in	-	-	100,000	100,000
Transfers out	(100,000)	-	-	(100,000)
Net cash provided by (used in) non-capital financing activities	(38,253)	-	100,000	61,747
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Grants	19,800	-	-	19,800
Purchases of capital assets	(19,000)	-	-	(19,000)
Net cash provided by capital and related financing activities	800	-	-	800
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest	897	2,765	1,394	5,056
Net increase in cash and cash equivalents	45,115	2,765	101,394	149,274
Cash and cash equivalents - beginning of year	155,937	661,411	292,473	1,109,821
Cash and cash equivalents - end of year	\$ 201,052	\$ 664,176	\$ 393,867	\$ 1,259,095
<b>Reconciliation of operating (loss) to net cash provided by operating activities</b>				
Operating (loss)	\$ (280,575)	\$ -	\$ -	\$ (280,575)
Adjustments to reconcile operating (loss) to net cash provided by operating activities				
Depreciation	113,846	-	-	113,846
Other	2,283	-	-	2,283
(Increase) in accounts receivable	89,144	-	-	89,144
Increase (decrease) in liabilities				
Accounts payable and accrued expenses	(6,525)	-	-	(6,525)
Accumulated compensated absences	709	-	-	709
Landfill post-closure care liability	162,789	-	-	162,789
Net cash provided by operating activities	\$ 81,671	\$ -	\$ -	\$ 81,671

See accompanying notes

**TILLAMOOK COUNTY**

**STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
June 30, 2013**

	<b>Tillamook County Retirement Plan for Employees Pension</b>	
	<b>Trust</b>	<b>Agency</b>
<b>ASSETS</b>		
Cash and investments	\$ 310,122	\$ 1,028,522
Receivables, net	-	5,878,809
Investments, at fair value:		
Fixed income securities	7,461,144	-
Mutual funds	38,538,004	-
<b>TOTAL ASSETS</b>	<b>46,309,270</b>	<b>6,907,331</b>
<b>LIABILITIES</b>		
Due to other governments	-	\$ 6,907,331
<b>NET POSITION</b>		
Net position held in trust for pension benefits	<b>\$ 46,309,270</b>	

*See accompanying notes*

**TILLAMOOK COUNTY**

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
For the Year Ended June 30, 2013**

	<b>Tillamook County Retirement Plan for Employees Pension Trust</b>
<b>ADDITIONS</b>	
Employer contributions	\$ 2,790,924
Investment earnings, net	<u>3,849,812</u>
Total additions	<u>6,640,736</u>
<b>DEDUCTIONS</b>	
Benefits	2,322,273
Administrative expenses	<u>126,555</u>
Total deductions	<u>2,448,828</u>
Change in net position	4,191,908
Net position - beginning of year	<u>42,117,362</u>
Net position - end of year	<u>\$ 46,309,270</u>

*See accompanying notes*

## TILLAMOOK COUNTY

### NOTES TO BASIC FINANCIAL STATEMENTS June 30, 2013

#### 1. Summary of Significant Accounting Policies

##### A. The Reporting Entity

Tillamook County was established December 15, 1853. A three-member Board of 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, Solid Waste Sinking Fund and Post Closure Reserve 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 in February 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 Commissioners act as the governing body 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.



## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 1. Summary of Significant Accounting Policies (continued)

#### B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) 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.

#### C. 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, except for the agency funds which have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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)

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

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.

Governmental fund financial statements (balance sheet and statement of revenues, expenditures and changes in fund balance) 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. The primary revenue for this fund is taxes on motor vehicle fuel.

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

*Health Services* – accounts for the revenues and expenditures of the County's Health Department which provides medical assistance to residents of the County. The fund's activities are largely supported by federal and state grants.

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 1. Summary of Significant Accounting Policies (continued)

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

*Library* – accounts for the operation of the County’s public library which is supported by a local option property tax levy.

*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. The State of Oregon provides a significant amount of the financial resources for these activities.

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.

*Solid Waste Sinking* – accounts for resources held for future costs associated with solid waste facilities

*Post Closure Reserve* – accounts for resources held for future costs associated with the closed landfill.

The County reports the following fiduciary funds:

*Tillamook County 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.

*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.

## **NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**

### **1. Summary of Significant Accounting Policies (continued)**

#### **D. 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.

#### **E. 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)**

#### **F. 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.

#### **G. 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. In the financial statements for business-type activities and the proprietary funds Assessments are recognized as revenue when levied.

#### **H. Grants and Entitlements**

Federal and state grants and state shared revenue are recorded as revenue in all fund types as earned.

#### **I. Other Receivables**

In governmental fund types, the portion of receivables 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)

#### J. 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.

#### K. Deferred outflows / inflows of resources

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future periods and so will *not* be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 1. Summary of Significant Accounting Policies (continued)

#### L. 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.

#### M. Compensated Absences

*Accumulated Vacation* – Employees may accumulate vacation leave up to one and one-half times the employees' annual accrual rate. The annual accrual rate is from 12 to 24 days 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.

#### N. 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)

#### O. 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.

#### P. 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. A closed landfill permit was issued by the Oregon Department of Environmental Quality in November 1992. State and federal laws and regulations require certain maintenance and monitoring functions at the site for thirty years after closure.

The County has recorded a liability for the estimated cost of landfill post-closure care. Annually, the liability is evaluated by examining the estimated costs needed to perform the post-closure care over the remaining life and the liability is adjusted accordingly. During the current fiscal year, the balance was increased by \$162,789 to reflect an estimated liability of \$1,200,260 at June 30, 2013.

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.

#### Q. Equity Classification

##### Government-wide statements

On the Statement of Net Assets, equity is classified as net position and displayed in three components:

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

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

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

In the government-wide and proprietary fund financial statements, when the County has restricted and unrestricted resources available, it is the County's policy to expend restricted resources first and then unrestricted resources as needed in determining the amounts to report as restricted – net position and unrestricted – net position.



## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 1. Summary of Significant Accounting Policies (continued)

#### Q. Equity Classification (continued)

##### Governmental Fund Type Fund Balance Reporting

The Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54) requires governmental type fund balance amounts to be properly reported within one of the fund balance categories list below:

***Non-spendable*** — Amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

***Restricted*** — Amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

***Committed*** — Fund balance amounts that represents resources whose use is subject to a legally binding constraint by ordinance that is imposed by the Board of County Commissioners, the highest level of decision-making authority for Tillamook County. The same type of formal action that created the constraint is required to change or remove the specified use.

***Assigned*** — Amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The County Commissioners have given the County Treasurer has the authority to assign fund balance amounts. The County Commissioners also make assignments when the annual budget is adopted by specifying the intended use of resources.

***Unassigned*** — the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications. Additionally, other funds may report negative unassigned fund balance in certain circumstances.

In the governmental fund financial statements, when the County has restricted and unrestricted (Committed, Assigned or Unassigned) resources available, it is the County's policy to expend restricted resources first. Unrestricted resources are then expended in the order of committed, assigned, and unassigned as needed, unless otherwise provided for in actions to commit or assign resources, in determining the amounts to be reported in each of the fund balance categories.

#### R. New accounting standards implemented

During the year the County implemented the provisions of GASB 63 *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and GASB 65 *Items Previously Reported as Assets and Liabilities*.

## 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 are presented on the budgetary basis and are 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	\$ (229,806)	\$ 96,134	\$ 400,709	\$ (382,613)	\$ 295,785	\$ (68,275)	\$ 77,271
<b>Revenues:</b>							
Revenues of separately budgeted funds which are included in the general fund on the governmental fund statements	(11,147)	-	-	-	-	-	-
(Increase) decrease in property taxes and other receivables susceptible to accrual, recognized as revenues on the generally accepted accounting principles basis	(272,964)	(117,517)	(401,246)	147,245	(64,615)	-	(132,117)
Increase (decrease) in deferred revenues	(18,187)	-	-	-	(7,424)	-	-
	<u>(302,298)</u>	<u>(117,517)</u>	<u>(401,246)</u>	<u>147,245</u>	<u>(72,039)</u>	<u>-</u>	<u>(132,117)</u>
<b>Expenditures:</b>							
Increase (decrease) in accounts and accrued expenditures recognized as expenditures on the generally accepted accounting principles basis	(10,074)	(73,599)	-	11,421	(4,170)	(17,736)	18
Net change in fund balances - budgetary basis	\$ (542,178)	\$ (94,982)	\$ (537)	\$ (223,947)	\$ 219,576	\$ (86,011)	\$ (54,828)

In addition, a reconciliation of the differences between budgetary basis and accounting principles generally accepted in the United States of America in beginning and ending fund balances is as follows:

Beginning fund balances - generally accepted accounting principles basis	\$ 10,416,940	\$ 2,197,969	\$ 617,294	\$ 445,179	\$ 2,400,139	\$ 68,275	\$ 178,975
Beginning balances of separately budgeted funds which are included in the general fund on the governmental fund statements	(2,667,164)	-	-	-	-	-	-
Differences in revenue recognition	(1,481,782)	(207,327)	(616,757)	(383,592)	(67,410)	-	-
Difference in expenditure recognition	84,579	185,959	-	112,906	15,558	17,736	1,408
Beginning fund balance - budgetary basis	\$ 6,352,573	\$ 2,176,601	\$ 537	\$ 174,493	\$ 2,348,287	\$ 86,011	\$ 180,383
Ending fund balances - generally accepted accounting principles basis	\$ 10,187,134	\$ 2,294,103	\$ 1,018,003	\$ 62,566	\$ 2,695,924	\$ -	\$ 256,246
Ending balances of separately budgeted funds which are included in the general fund on the governmental fund statements	(2,678,311)	-	-	-	-	-	-
Differences in revenue recognition	(1,772,933)	(324,844)	(1,018,003)	(236,347)	(139,449)	-	(132,117)
Difference in expenditure recognition	74,505	112,360	-	124,327	11,388	-	1,426
Ending fund balance - budgetary basis	\$ 5,810,395	\$ 2,081,619	\$ -	\$ (49,454)	\$ 2,567,863	\$ -	\$ 125,555

## 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, 2013, 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	\$ 14,287,526
RMA Government Portfolio	N/A	Not Rated	1,841,738
Wells Fargo & Co.	4/15/14	A3/A	1,041,689
Credit Suisse First Boston USA Inc.	8/15/13	A1/A+	1,025,053
Pension Trust Investments:			
Certificates of Deposit	12/5/13-12/10/13	Not Rated	255,346
Money Market Fund	N/A	Not Rated	54,776
U.S. Treasury Notes	8/15/13-2/15/17	AAA	7,461,144
Mutual Funds	N/A	Not Rated	<u>38,538,004</u>
Total			<u>\$ 64,505,316</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. 87 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 \$2,068,168 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 demand deposit accounts and the aggregate of all time and savings accounts at each institution. Deposits in excess of FDIC coverage with institutions participating in the Oregon Public Funds Collateralization Program are collateralized with securities held by the Federal Home Loan Bank of Seattle in the name of the institution. As of June 30, 2013, \$1,315,103 of the County's bank balances were exposed to custodial credit risk as they were collateralized with securities held by the pledging financial institution's agent but not in the County's name.

A. The County's deposits and investments at June 30, 2013, are as follows:

Total investments	\$ 64,505,316
Cash on hand	54,306
Deposits with financial institutions	<u>1,973,121</u>
Total deposits and investments	<u>\$ 66,532,743</u>

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 3. Deposits and Investments (continued)

#### B. Cash and investments by fund:

<u>Governmental activities/funds</u>	
General	\$ 8,592,377
Road	2,101,798
Library	2,579,243
Community Corrections	128,942
Other governmental funds	<u>4,533,496</u>
Total governmental activities/funds	<u>17,935,856</u>
<u>Business-type activities/Enterprise funds</u>	
Solid Waste	201,052
Solid Waste Sinking	664,176
Post Closure Reserve	<u>393,867</u>
Total business-type activities/Enterprise funds	<u>1,259,095</u>
<u>Fiduciary funds</u>	
Tillamook County Retirement Plan for Employees Pension Trust	46,309,270
Agency	<u>1,028,522</u>
Total fiduciary funds	<u>47,337,792</u>
Total cash and investments	<u>\$ 66,532,743</u>

### 4. Receivables

#### A. The County's receivables at June 30, 2013, are as follows:

##### Governmental Funds / Activities

	General	Road	County School	Health Services	Library	Community Corrections	Other Governmental Funds	Totals
Property taxes	\$ 535,246	\$ -	\$ -	\$ -	\$ 228,029	\$ -	\$ 193,714	\$ 956,989
Unsegregated taxes	54,196	-	-	-	23,154	-	19,565	96,915
Accounts	212,629	153,367	-	303,524	45,136	132,117	104,340	951,113
State timber allotment	1,283,804	-	1,018,003	-	-	-	-	2,301,807
Other	113,198	171,477	-	-	24,551	-	64,816	374,042
Less: allowance for uncollectible accounts	<u>-</u>	<u>-</u>	<u>-</u>	<u>(67,177)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(67,177)</u>
	<u>\$ 2,199,073</u>	<u>\$ 324,844</u>	<u>\$ 1,018,003</u>	<u>\$ 236,347</u>	<u>\$ 320,870</u>	<u>\$ 132,117</u>	<u>\$ 382,435</u>	<u>\$ 4,613,689</u>

**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**

**4. Receivables (continued)**

A. The County's receivables at June 30, 2013, are as follows: (continued)

	Business-type	
	Activities/ Enterprise Fund	Fiduciary Fund
	Solid Waste	Agency
Property taxes	\$ -	\$ 2,974,047
Unsegregated taxes	-	302,928
Assessments	22,526	-
Accounts	168,254	-
State timber allotment	-	2,200,751
Other	-	2,989,928
Less: allowance for uncollectible accounts	-	(2,588,845)
	<u>\$ 190,780</u>	<u>\$ 5,878,809</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

Levy Year	Balances July 1, 2012	2012-13 Levies	Adjustments	Net Interest (Discounts)	Collections	Balances June 30, 2013
Current	\$ -	\$ 46,120,252	\$ (50,714)	\$ (1,090,678)	\$ 42,981,221	\$ 1,997,639
2010-11	1,841,216	-	78,284	3,511	952,752	970,259
2009-10	916,767	-	36,015	3,527	392,245	564,064
2008-09	661,782	-	(10,793)	3,524	415,441	239,072
2007-08	206,451	-	(10,266)	3,432	133,957	65,660
2006-07	40,657	-	(2,910)	71	793	37,025
Prior	60,834	-	(1,685)	35	1,867	57,317
	<u>\$ 3,727,707</u>	<u>\$ 46,120,252</u>	<u>\$ 37,931</u>	<u>\$ (1,076,578)</u>	<u>\$ 44,878,276</u>	<u>\$ 3,931,036</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 \$1,749,600 for the retirement of long-term debt principal and interest due in 2013-14.

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### B. Property taxes (continued)

#### iii. Ensuing year's levies (continued)

Also, in May 2012 voters of the County approved five-year local option tax levies for the County Library and Veteran's Services of \$.65 and \$.03 per thousand of assessed value, respectively.

### 5. Interfund Balances and Transfers

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	\$ 254,369	\$ 511,000
Road	25,000	18,000
Health Services	157,999	189,597
Library	--	25,000
Commission on Children and Families	154,597	--
Other Governmental Funds	396,000	244,368
Solid Waste	--	100,000
Post Closure Reserve	100,000	--
	<u>\$ 1,087,965</u>	<u>\$ 1,087,965</u>

### 6. Capital Assets

A. Capital asset activity for governmental activities for the year ended June 30, 2013 was as follows:

	<u>Balances July 1, 2012</u>	<u>Additions</u>	<u>Reclassifications and Deletions</u>	<u>Balances June 30, 2013</u>
Capital assets not being depreciated				
Land	\$ 5,377,282	\$ -	\$ -	\$ 5,377,282
Construction in progress	3,169,494	539,345	2,071,583	1,637,256
Total capital assets not being depreciated	<u>\$ 8,546,776</u>	<u>\$ 539,345</u>	<u>\$ 2,071,583</u>	<u>\$ 7,014,538</u>
Capital assets being depreciated				
Land improvements	\$ 1,973,344	\$ -	\$ -	\$ 1,973,344
Buildings	31,766,138	912,109	-	32,678,247
Equipment	9,612,787	239,115	147,475	9,704,427
Infrastructure	22,286,905	539,619	-	22,826,524
Total capital assets being depreciated	<u>65,639,174</u>	<u>1,690,843</u>	<u>147,475</u>	<u>67,182,542</u>
Less accumulated depreciation for:				
Land improvements	828,444	36,859	-	865,303
Buildings	8,620,844	682,570	-	9,303,414
Equipment	7,543,153	608,618	129,280	8,022,491
Infrastructure	6,945,877	341,634	-	7,287,511
Total accumulated depreciation	<u>23,938,318</u>	<u>1,669,681</u>	<u>129,280</u>	<u>25,478,719</u>
Total capital assets being depreciated	<u>\$ 41,700,856</u>	<u>\$ 21,162</u>	<u>\$ 18,195</u>	<u>\$ 41,703,823</u>

**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**

**6. Capital Assets (continued)**

B. Capital asset activity for business type activities for the year ended June 30, 2013 was as follows:

	Balances July 1, 2012	Additions	Reclassifications and Deletions	Balances June 30, 2013
Capital assets not being depreciated				
Land	\$ 125,000	\$ -	\$ -	\$ 125,000
Construction in progress	<u>16,793</u>	<u>-</u>	<u>16,793</u>	<u>-</u>
Total capital assets not being depreciated	<u>\$ 141,793</u>	<u>\$ -</u>	<u>\$ 16,793</u>	<u>\$ 125,000</u>
Capital assets being depreciated				
Land improvements	\$ 1,026,790	\$ -	\$ -	\$ 1,026,790
Buildings	2,999,456	35,793	-	3,035,249
Equipment	<u>215,698</u>	<u>-</u>	<u>-</u>	<u>215,698</u>
Total capital assets being depreciated	<u>4,241,944</u>	<u>35,793</u>	<u>-</u>	<u>4,277,737</u>
Less accumulated depreciation for:				
Land improvements	406,218	25,147	-	431,365
Buildings	1,400,928	83,478	-	1,484,406
Equipment	<u>121,190</u>	<u>5,221</u>	<u>-</u>	<u>126,411</u>
Total accumulated depreciation	<u>1,928,336</u>	<u>113,846</u>	<u>-</u>	<u>2,042,182</u>
Total capital assets being depreciated	<u>\$ 2,313,608</u>	<u>\$ (78,053)</u>	<u>\$ -</u>	<u>\$ 2,235,555</u>

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

*Governmental activities*

General government	\$ 178,102
Public safety	440,911
Public works	509,925
Culture and recreation	504,732
Health, welfare and sanitation	29,367
Education	<u>6,644</u>

Total governmental activities \$ 1,669,681

*Business-type activities*

Solid waste	<u>\$ 113,846</u>
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**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**

**7. Unavailable Revenue**

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

	<u>General</u>	<u>Library</u>	<u>Other Governmental Funds</u>	<u>Totals</u>
Property taxes	\$ 426,140	\$ 181,421	\$ 154,027	\$ 761,588

**8. Long-Term Obligations**

A. Long-term obligation transactions for the year ended June 30, 2013, are as follows:

<i>Governmental activities</i>	<u>Balances July 1, 2012</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balances June 30, 2013</u>	<u>Balances Due Within One Year</u>
<b><u>Bonded Debt</u></b>					
1999 General Obligation					
Refunding Bonds – original					
issue \$5,115,000, 15 years,					
interest from 3.2 to 4.7					
percent					
Principal	\$ 1,225,000	\$ -	\$ 600,000	\$ 625,000	\$ 625,000
Interest	28,488	43,176	56,976	14,688	
	<u>1,253,488</u>	<u>43,176</u>	<u>656,976</u>	<u>639,688</u>	
2002 General Obligation					
Refunding Bonds – original					
issue \$6,580,000, 14 years,					
interest from 1.8 to 4.7					
percent					
Principal	2,865,000	-	745,000	2,120,000	775,000
Interest	58,914	113,858	128,540	44,232	
	<u>2,923,914</u>	<u>113,858</u>	<u>873,540</u>	<u>2,164,232</u>	
2003 General Obligation –					
original issue \$3,700,000,					
20 years, interest from 2.0					
to 4.5 percent					
Percent	2,525,000	-	170,000	2,355,000	175,000
Interest	4,424	102,855	103,110	4,169	
	<u>2,529,424</u>	<u>102,855</u>	<u>273,110</u>	<u>2,359,169</u>	

**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**

**8. Long-Term Obligations (continued)**

**A. Long-term obligation transactions (Continued)**

<i>Governmental activities (continued)</i>	Balances July 1, 2012	Additions	Reductions	Balances June 30, 2013	Balances Due Within One Year
<u>Loans</u>					
Oregon Economic Development Department (OEDD) - annual installments of \$36,617.51, including interest at 6 percent					
Principal	\$ 227,386	\$ -	\$ 22,974	\$ 204,412	\$ 24,353
Interest	7,958	12,840	13,643	7,155	
	<u>235,344</u>	<u>12,840</u>	<u>36,617</u>	<u>211,567</u>	
Oregon Department of Transportation (ODOT) - annual installments of \$65,833.07, including interest at 0.5 percent					
Principal	190,032	-	37,650	152,382	37,838
Interest	-	950	950	-	
	<u>190,032</u>	<u>950</u>	<u>38,600</u>	<u>152,382</u>	
TLC Federal Credit Union - annual installments of \$75,000 with no interest					
Principal	600,000	-	75,000	525,000	75,000
<u>Capital Lease</u>					
Ford Motor Credit Co. - monthly installments of \$537.21, including interest at 6.25 percent					
Principal	21,924	-	5,224	16,700	5,560
Interest	-	1,222	1,222	-	
	<u>21,924</u>	<u>1,222</u>	<u>6,446</u>	<u>16,700</u>	
Compensated absences	<u>1,141,615</u>	<u>921,593</u>	<u>880,983</u>	<u>1,182,225</u>	1,182,225
Net other post-employment benefits	<u>3,346,853</u>	<u>836,504</u>	-	<u>4,183,357</u>	-
Total long-term obligations	12,242,594	2,032,998	2,841,272	11,434,320	<u>\$ 2,899,976</u>
Interest	<u>99,784</u>	<u>274,901</u>	<u>304,441</u>	<u>70,244</u>	
Principal	<u>\$ 12,142,810</u>	<u>\$ 1,758,097</u>	<u>\$ 2,536,831</u>	<u>\$ 11,364,076</u>	

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 8. Long-Term Obligations (continued)

#### A. Long-term obligation transactions (Continued)

<i>Business-type activities</i>	July 1, 2012	Additions	Reductions	June 30, 2013	Due Within One Year
Landfill post-closure care liability	\$ 1,037,471	\$ 162,789	\$ -	\$ 1,200,260	\$ 108,526
Compensated absences	-	2,760	2,051	709	709
	<u>\$ 1,037,471</u>	<u>\$ 165,549</u>	<u>\$ 2,051</u>	<u>\$ 1,200,969</u>	<u>\$ 109,235</u>

#### B. Future maturities

The future maturities of obligation outstanding as of June 30, 2013, are as follows:

##### i. Bonded debt:

Fiscal Year	1999 Refunding		2002 Refunding		2003		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2014	\$ 625,000	\$ 29,375	\$ 775,000	\$ 96,505	\$ 175,000	\$ 96,769	\$ 1,575,000	\$ 222,649
2015	-	-	810,000	62,405	180,000	90,112	990,000	152,517
2016	-	-	535,000	25,145	190,000	83,033	725,000	108,178
2017	-	-	-	-	195,000	75,379	195,000	75,379
2018	-	-	-	-	205,000	67,125	205,000	67,125
2019-23	-	-	-	-	1,150,000	192,060	1,150,000	192,060
2024	-	-	-	-	260,000	5,850	260,000	5,850
	<u>\$ 625,000</u>	<u>\$ 29,375</u>	<u>\$ 2,120,000</u>	<u>\$ 184,055</u>	<u>\$ 2,355,000</u>	<u>\$ 610,328</u>	<u>\$ 5,100,000</u>	<u>\$ 823,758</u>

##### ii. Loans:

Fiscal Year	OEDD		ODOT		TLC	Totals	
	Principal	Interest	Principal	Interest	Principal	Principal	Interest
2014	\$ 24,353	\$ 12,265	\$ 37,838	\$ 762	\$ 75,000	\$ 137,191	\$ 13,027
2015	25,814	10,804	38,027	573	75,000	138,841	11,377
2016	27,363	9,255	38,216	384	75,000	140,579	9,639
2017	29,005	7,613	38,301	192	75,000	142,306	7,805
2018	30,745	5,873	-	-	75,000	105,745	5,873
2019-22	67,132	6,101	-	-	150,000	217,132	6,101
	<u>\$ 204,412</u>	<u>\$ 51,911</u>	<u>\$ 152,382</u>	<u>\$ 1,911</u>	<u>\$ 525,000</u>	<u>\$ 881,794</u>	<u>\$ 53,822</u>

##### iii. Capital Lease:

Year Ending June 30,	FMC	
	Principal	Interest
2014	\$ 5,560	\$ 887
2015	5,918	529
2016	5,222	150
	<u>\$ 16,700</u>	<u>\$ 1,566</u>

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 8. Long-Term Obligations (continued)

#### C. Other long-term obligations

##### 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 upon termination or retirement. The General, Road, Health Services, Parks, and Library funds have typically been used to liquidate the liability for compensated absences.

Compensated absences amounted to \$1,182,225 for the governmental activities and \$709 for the business-type activities. The County expects these amounts to mature and be retired within the ensuing fiscal year and therefore are reported as due within one year.

##### Net other post-employment benefits

Net other post-employment benefits represents the accumulated differences between the annual required contribution to the other post-employment benefit plan and the amounts actually contributed to the plan as discussed more fully in note 12 below. The General, Road, Health Services, Parks, and Library funds have typically been used to liquidate the liability for net other post-employment benefits.

##### Landfill post-closure care liability

The landfill post-closure care liability of \$1,200,260 does not have established future maturities. Currently, management estimates that \$108,526 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)

#### *Plan Description (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, 2012, of 394 includes 209 active employees, 8 disabled employees, 41 terminated employees entitled to benefits and 136 retired employees with deferred benefits. Of the 209 active employees covered by the Plan, 79 were non-vested, 121 were vested, and 9 were over retirement age. Of the 41 terminated members, 9 were entitled to their account balances only and 32 were members with vested accrued benefits.

The County does not issue a separate 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, 2012, actuarial assumptions included:

- Future investment earnings of the assets of the plan will accrue at a net annual rate of 7%.
- 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).
- Inflation rate of 1.5 percent each year.
- 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 twenty years.

**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**

**9. Defined Benefit Pension Plan (continued)**

*Annual Pension Cost (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
2013	\$ 2,394,720	\$ 2,311,164	97%
2012	2,576,363	1,955,331	76%
2011	2,305,985	2,308,343	100%
2010	2,349,149	2,360,441	100%
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%

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
2012	\$ 42,742,098	\$ 53,442,438	\$ 10,700,340	80%	\$ 10,846,140	99%
2011	40,962,939	49,198,990	8,236,051	83%	10,509,420	78%
2010	38,715,898	43,997,559	5,281,661	88%	10,050,564	53%
2009	36,825,432	40,405,515	3,580,083	91%	9,884,760	36%
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%

The following table presents the annual pension cost and change in net pension obligation for the County estimated as of June 30, 2013 and 2012

	2013	2012
Annual Required Contribution (ARC)	\$ 1,961,749	\$ 1,978,993
Interest on Net Pension Obligation	(58,456)	(102,566)
Adjustment to Annual Required Contribution	<u>491,427</u>	<u>699,936</u>
Annual Pension Cost	2,394,720	2,576,363
Contributions made	<u>(2,311,164)</u>	<u>(1,955,331)</u>
Change in Net Pension Obligation	83,556	621,032
Net Pension Obligation (Asset) - beginning of year	<u>(1,250,303)</u>	<u>(1,871,335)</u>
Net Pension Obligation (Asset) - end of year	<u><u>\$(1,166,747)</u></u>	<u><u>\$(1,250,303)</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, 2013	\$ 2,394,720	\$ 2,311,164	96.50%	\$ (1,166,747)
June 30, 2012	2,576,363	1,955,331	75.90%	(1,250,303)
June 30, 2011	2,305,985	2,308,343	100.10%	(1,871,335)

**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, 2013, employees of the County had accumulated 8,286 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**

Plan description and benefits provided

The County provides *other post-employment benefits* (OPEB) for employees, retirees, spouses and dependents through a single employer defined benefit 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.

Membership

The County's membership in the plan at August 1, 2012 (the date of the latest actuarial valuation) consisted of the following:

Active employees	201
Retirees, spouses or dependents	<u>150</u>
Total	<u><u>351</u></u>

**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**

**12. Other Post-Employment Benefits (continued)**

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 average monthly premium requirements for the County are as follows:

For retirees hired before July 1, 2003 and less than age 65	\$ 778
For retirees hired before July 1, 2003 and age 65 or over	197

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	\$ 628,284
Amortization of UAAL	<u>1,140,489</u>
Annual required contribution	<u>\$1,768,773</u>

The net OPEB obligation as of June 30, 2013 was calculated as follows:

Annual required contribution	\$1,768,773
Interest on prior year Net OPEB	133,874
Adjustment to ARC	227,449
Contributions made	<u>(838,694)</u>
Increase in net OPEB obligation	836,504
Net OPEB obligation at beginning of year	<u>3,346,853</u>
Net OPEB obligation at end of year	<u>\$4,183,357</u>

Three-year trend information

The County's annual OPEB cost, percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation as of June 30, 2013, 2012 and 2011 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, 2013	\$ 1,675,198	50.07%	\$ 4,183,357
June 30, 2012	1,630,926	45.58%	3,346,853
June 30, 2011	1,299,143	43.32%	2,459,330



**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**

**12. Other Post-Employment Benefits (continued)**

Actuarial methods and assumptions

Actuarial valuations will be performed every two years for the County's other post-employment benefit plan. Projections of benefits for financial reporting purposes are based on the plan as understood by the County and plan members, and include the types of benefits provided at the time of the valuation and historical patterns of sharing of benefit costs between the County and the plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets consistent with the long-term perspective of the calculations.

In the August 1, 2012 actuarial valuation, the projected unit credit cost method was used to determine contributions levels comprised of normal cost and amortization payments. The actuarial assumptions included a 3.5 percent rate for discounting future liabilities, a payroll growth of 2.75 percent per year, annual premium rate decreases from 7.25 percent initially to 5.25 percent in 2044, and participation rate of 100 percent of future retirees hired after July 1, 2003 electing coverage under the plan. The unfunded actuarial liability is being amortized using the level-dollar method over a rolling period of 15 years.

Funded status and funding progress

The schedule of funding progress presents information about the actuarial value of plan assets and the unfunded actuarial liability.

Actuarial Valuation as of August 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
2012	\$	\$ 19,366,295	\$ 19,366,295	0%	\$ 10,509,420	184%
2010	--	15,137,898	15,137,898	0%	10,050,564	151%
2008	--	10,623,438	10,623,438	0%	9,426,660	113%
2006	--	9,928,424	9,928,424	0%	9,624,036	103%

**13. Net Position Restricted Through Enabling Legislation**

Net position restricted through enabling legislation is as follows:

Highways and streets:

The Board of Commissioners enacted a fee, charged to logging operators using Trask Road, for use in making repairs and improvements	\$ 234,980
Oregon and Federal laws restrict the use of state gas tax and a portion of Federal Forest Fees for road repairs and improvements	<u>2,365,185</u>
<b>Total</b>	<b><u>\$ 2,600,165</u></b>

Schools and education:

Federal laws requires a portion of Federal Forest Fees to be distributed to schools	\$ 1,018,003
The 4H Extension Service District has its own taxing authority	<u>376,427</u>
<b>Total</b>	<b><u>\$ 1,394,430</u></b>

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 13. Net Position Restricted Through Enabling Legislation (continued)

County library:

The voters of Tillamook County approved a separate levy for library operations \$ 2,877,345

Public safety

Oregon law restricts the use of funds for Community Corrections, Court Security and fines collected under SB 1065 \$ 668,706

Other purposes:

The voters of Tillamook County approved a separate levy for veteran's services \$ 29,114

### 14. Governmental Fund Balances

Categories

Fund balance amount for governmental funds have been reported in the categories of nonspendable, restricted, committed, assigned and unassigned. The specific purposes for these amounts are as follows:

<b>Fund balances:</b>	General	Road	County School	Health Services	Library	Community Corrections	Other Governmental Funds	Total
<b>Restricted for:</b>								
Highways and streets	\$ -	\$ 2,294,103	\$ -	\$ -	\$ -	\$ -	\$ 306,062	\$ 2,600,165
Schools and education	-	-	1,018,003	-	-	-	357,224	1,375,227
Health services	-	-	-	62,566	-	-	92,635	155,201
County library	-	-	-	-	2,695,924	-	-	2,695,924
Grants	-	-	-	-	-	-	484,736	484,736
Public safety	-	-	-	-	-	256,246	557,587	813,833
County fair	-	-	-	-	-	-	258,847	258,847
Parks	-	-	-	-	-	-	424,442	424,442
Debt service	-	-	-	-	-	-	187,741	187,741
Other purposes	-	-	-	-	-	-	396,029	396,029
<b>Assigned for:</b>								
Capital projects	-	-	-	-	-	-	1,589,910	1,589,910
Revenue stabilization	2,063,808	-	-	-	-	-	-	2,063,808
Post employment liabilities	614,503	-	-	-	-	-	-	614,503
<b>Unassigned:</b>	<u>7,508,823</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,508,823</u>
<b>Total fund balances</b>	<u>\$ 10,187,134</u>	<u>\$ 2,294,103</u>	<u>\$ 1,018,003</u>	<u>\$ 62,566</u>	<u>\$ 2,695,924</u>	<u>\$ 256,246</u>	<u>\$ 4,655,213</u>	<u>\$ 21,169,189</u>

The County has established the revenue stabilization fund to provide financial resources in future periods. The County may provide access to those funds during its budget process.

Deficit fund balances of nonmajor funds

The Building, Planning and Sanitation Surcharge and the Nestucca Valley Community Campus funds ended the year with deficits of \$4,456 and \$2,103, respectively. The deficits will be corrected in subsequent periods as revenues become available to liquidate the accounts payable balances causing the deficits.

### 15. Subsequent Event

In September 2013, the County issued bonded debt in the amount of \$9,275,000. \$7,200,000 will be used for improvements and repairs to County roads and \$2,075,000 will be used to refund the 2003 general obligation bond.

**COMBINING AND INDIVIDUAL FUND FINANCIAL  
STATEMENTS AND SCHEDULES**

# Tillamook County



*Land of Cheese, Trees and Ocean Breeze*

## **GENERAL FUNDS**

The County has two funds, which are separately budgeted, which do not meet the definition of a special revenue, debt service, capital project or permanent fund in accordance with generally accepted accounting principles. Accordingly, these funds have been combined with the General Fund for the purpose of the fund financial statements:

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

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

**TILLAMOOK COUNTY**

**COMBINING BALANCE SHEET**

**GENERAL FUNDS**

**June 30, 2013**

	<b>General</b>	<b>Revenue Stabilization</b>	<b>Post Employment Liability Reserve</b>	<b>Totals</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 5,914,066	\$ 2,063,808	\$ 614,503	\$ 8,592,377
Receivables, net	2,199,073	-	-	2,199,073
Due from other funds	13,626	-	-	13,626
<b>TOTAL ASSETS</b>	<b>\$ 8,126,765</b>	<b>\$ 2,063,808</b>	<b>\$ 614,503</b>	<b>\$ 10,805,076</b>
 <b>LIABILITIES</b>				
Accounts payable	\$ 191,802	\$ -	\$ -	\$ 191,802
 <b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue	426,140	-	-	426,140
 <b>FUND BALANCES</b>				
Assigned	-	2,063,808	614,503	2,678,311
Unassigned	7,508,823	-	-	7,508,823
<b>TOTAL FUND BALANCES</b>	<b>7,508,823</b>	<b>2,063,808</b>	<b>614,503</b>	<b>10,187,134</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 8,126,765</b>	<b>\$ 2,063,808</b>	<b>\$ 614,503</b>	<b>\$ 10,805,076</b>

**TILLAMOOK COUNTY**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES**

**GENERAL FUNDS**

**For the Year Ended June 30, 2013**

	<u>General</u>	<u>Revenue Stabilization</u>	<u>Post Employment Liability Reserve</u>	<u>Totals</u>
<b>REVENUES</b>				
Property taxes	\$ 6,100,924	\$ -	\$ -	\$ 6,100,924
Licenses, permits and fees	1,131,650	-	-	1,131,650
Intergovernmental	1,728,416	-	-	1,728,416
Charges for services	467,935	-	-	467,935
Fines and forfeitures	231,702	-	-	231,702
Timber and land sales	4,202,512	-	-	4,202,512
Interest	36,291	8,590	2,557	47,438
Intercounty charges	1,183,233	-	-	1,183,233
Miscellaneous	342,424	-	-	342,424
<b>TOTAL REVENUES</b>	<u>15,425,087</u>	<u>8,590</u>	<u>2,557</u>	<u>15,436,234</u>
<b>EXPENDITURES</b>				
Current				
General government	9,208,708	-	-	9,208,708
Public safety	5,719,966	-	-	5,719,966
Health and welfare	55,000	-	-	55,000
Capital outlay	315,255	-	-	315,255
Debt service				
Principal	97,974	-	-	97,974
Interest	13,643	-	-	13,643
<b>TOTAL EXPENDITURES</b>	<u>15,410,546</u>	<u>-</u>	<u>-</u>	<u>15,410,546</u>
Excess (deficiency) of revenues over expenditures	<u>14,541</u>	<u>8,590</u>	<u>2,557</u>	<u>25,688</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	254,369	-	-	254,369
Sale of capital assets	1,137	-	-	1,137
Transfers out	(511,000)	-	-	(511,000)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(255,494)</u>	<u>-</u>	<u>-</u>	<u>(255,494)</u>
Net change in fund balances	(240,953)	8,590	2,557	(229,806)
Fund balances at beginning of year	7,749,776	2,055,218	611,946	10,416,940
Fund balances at end of year	<u>\$ 7,508,823</u>	<u>\$ 2,063,808</u>	<u>\$ 614,503</u>	<u>\$ 10,187,134</u>

**TILLAMOOK COUNTY**

**REVENUE STABILIZATION - GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL  
For the Year Ended June 30, 2013**

	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>REVENUES</b>			
Investment earnings	\$ 8,000	\$ 8,590	\$ 590
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	(800,000)	-	800,000
Net change in fund balance	(792,000)	8,590	800,590
Fund balance at beginning of year	2,000,000	2,055,218	55,218
Fund balance at end of year	\$ 1,208,000	\$ 2,063,808	\$ 855,808



**TILLAMOOK COUNTY**

**POST EMPLOYMENT LIABILITY RESERVE - GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL  
For the Year Ended June 30, 2013**

	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>REVENUES</b>			
Investment earnings	\$ 3,000	\$ 2,557	\$ (443)
<b>EXPENDITURES</b>			
Contingency	613,000	-	613,000
Net change in fund balance	(610,000)	2,557	612,557
Fund balance at beginning of year	610,000	611,946	1,946
Fund balance at end of year	\$ -	\$ 614,503	\$ 614,503

# Tillamook County



*Land of Cheese, Trees and Ocean Breeze*

## **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.

*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.

*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.

*Nestucca Valley Community Campus* - to account for revenues and expenses related to County owned property located in Hebo.

*Technology* - to account for a special assessment on traffic citations to fund the purchase of new technology for E-ticketing.

## **OTHER GOVERNMENTAL FUNDS (NON-MAJOR) (Continued)**

### **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 through December 31, 2012. Beginning April 24, 2013, the County allocates a portion of fines to this fund.

*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.

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

*North Coast Drug Task Force* - accounts for grant revenues used for expenditures for drug enforcement activities in Lincoln, Tillamook and Clatsop Counties.

#### 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.

*Parks Operations* - accounts for the operations and management of County parks.

#### 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.

#### 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.

## **OTHER GOVERNMENTAL FUNDS (NON-MAJOR) (Continued)**

### **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:

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

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

*Fair* – accounts for resources to construct capital improvements to the fairgrounds.

*Fair Reserve* – accounts for resources to acquire or construct capital improvements to the fairgrounds.

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

*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.

*Road Construction Grant Projects* – accounts for resources to be used for specific road construction projects.

*Building Improvement* – accounts for capital improvements to County buildings

**TILLAMOOK COUNTY**  
**COMBINING BALANCE SHEET**  
**OTHER GOVERNMENTAL FUNDS (NON-MAJOR)**  
**June 30, 2013**

	<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>
<b><u>ASSETS</u></b>						
Cash and investments	\$ 829,559	\$ 551,183	\$ 71,082	\$ 624,778	\$ 92,635	\$ 334,239
Receivables	72,783	7,137	-	78,793	-	48,462
<b>TOTAL ASSETS</b>	<b><u>\$ 902,342</u></b>	<b><u>\$ 558,320</u></b>	<b><u>\$ 71,082</u></b>	<b><u>\$ 703,571</u></b>	<b><u>\$ 92,635</u></b>	<b><u>\$ 382,701</u></b>
<b><u>LIABILITIES</u></b>						
Accounts payable and accrued expenditures	\$ 11,237	\$ 733	\$ -	\$ 20,282	\$ -	\$ 6,274
Due to other funds	2,103	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b><u>13,340</u></b>	<b><u>733</u></b>	<b><u>-</u></b>	<b><u>20,282</u></b>	<b><u>-</u></b>	<b><u>6,274</u></b>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>						
Unavailable revenue	8,237	-	-	-	-	19,203
<b><u>FUND BALANCES</u></b>						
Restricted	880,765	557,587	71,082	683,289	92,635	357,224
Assigned	-	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b><u>880,765</u></b>	<b><u>557,587</u></b>	<b><u>71,082</u></b>	<b><u>683,289</u></b>	<b><u>92,635</u></b>	<b><u>357,224</u></b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b><u>\$ 902,342</u></b>	<b><u>\$ 558,320</u></b>	<b><u>\$ 71,082</u></b>	<b><u>\$ 703,571</u></b>	<b><u>\$ 92,635</u></b>	<b><u>\$ 382,701</u></b>

**Debt Service Funds**

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<b>Hospital</b>	<b>Jail</b>	<b>Library</b>	<b>Capital Project Funds</b>	<b>Totals</b>
\$ 75,031	\$ 49,235	\$ 14,802	\$ 1,890,952	\$ 4,533,496
<u>84,280</u>	<u>64,442</u>	<u>26,538</u>	<u>-</u>	<u>382,435</u>
<u>\$ 159,311</u>	<u>\$ 113,677</u>	<u>\$ 41,340</u>	<u>\$ 1,890,952</u>	<u>\$ 4,915,931</u>
\$ -	\$ -	\$ -	\$ 66,062	\$ 104,588
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,103</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>66,062</u>	<u>106,691</u>
<u>60,872</u>	<u>46,645</u>	<u>19,070</u>	<u>-</u>	<u>154,027</u>
98,439	67,032	22,270	234,980	3,065,303
<u>-</u>	<u>-</u>	<u>-</u>	<u>1,589,910</u>	<u>1,589,910</u>
<u>98,439</u>	<u>67,032</u>	<u>22,270</u>	<u>1,824,890</u>	<u>4,655,213</u>
<u>\$ 159,311</u>	<u>\$ 113,677</u>	<u>\$ 41,340</u>	<u>\$ 1,890,952</u>	<u>\$ 4,915,931</u>

**TILLAMOOK COUNTY**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE**

**OTHER GOVERNMENTAL FUNDS (NON-MAJOR)**

**For the Year Ended June 30, 2013**

	Special Revenue Funds					
	General Government	Public Safety	Highways and Streets - Bike Path	Culture and Recreation	Health and Welfare	Education - Tillamook County 4-H and Extension Service District
<b>REVENUES</b>						
Property taxes	\$ 122,266	\$ -	\$ -	\$ -	\$ -	\$ 279,378
Licenses, permits and fees	10,996	-	-	-	-	-
Intergovernmental	401,946	12,100	-	48,110	1,134,043	71,567
Charges for services	79,677	-	-	1,962,428	11,985	-
Fines and forfeitures	46,812	145,886	-	-	-	-
Interest	1,526	1,879	336	2,666	393	1,467
Miscellaneous	216,084	1,825	-	66,098	-	-
<b>TOTAL REVENUES</b>	<u>879,307</u>	<u>161,690</u>	<u>336</u>	<u>2,079,302</u>	<u>1,146,421</u>	<u>352,412</u>
<b>EXPENDITURES</b>						
Current:						
General government	749,495	-	-	-	-	-
Public safety	-	71,460	-	-	-	-
Highways and streets	-	-	-	-	-	-
Culture and recreation	-	-	-	1,907,531	-	-
Health and welfare	-	-	-	-	1,147,342	-
Education	-	-	-	-	-	290,211
Capital outlay	10,146	-	-	43,054	-	-
Debt service						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>759,641</u>	<u>71,460</u>	<u>-</u>	<u>1,950,585</u>	<u>1,147,342</u>	<u>290,211</u>
Excess (deficiency) of revenues over expenditures	<u>119,666</u>	<u>90,230</u>	<u>336</u>	<u>128,717</u>	<u>(921)</u>	<u>62,201</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	-	18,000	-	-	-
Transfers out	(125,000)	(74,368)	(25,000)	(10,000)	-	(10,000)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(125,000)</u>	<u>(74,368)</u>	<u>(7,000)</u>	<u>(10,000)</u>	<u>-</u>	<u>(10,000)</u>
Net change in fund balances	(5,334)	15,862	(6,664)	118,717	(921)	52,201
Fund balances - beginning	886,099	541,725	77,746	564,572	93,556	305,023
Fund balances - ending	<u>\$ 880,765</u>	<u>\$ 557,587</u>	<u>\$ 71,082</u>	<u>\$ 683,289</u>	<u>\$ 92,635</u>	<u>\$ 357,224</u>



**Debt Service Funds**

<b>Hospital</b>	<b>Jail</b>	<b>Library</b>	<b>Capital Project Funds</b>	<b>Totals</b>
\$ 854,938	\$ 660,680	\$ 275,649	\$ -	\$ 2,192,911
-	-	-	-	10,996
-	-	-	98,604	1,766,370
-	-	-	191,423	2,245,513
-	-	-	-	192,698
754	243	167	7,686	17,117
-	-	-	10,123	294,130
<u>855,692</u>	<u>660,923</u>	<u>275,816</u>	<u>307,836</u>	<u>6,719,735</u>
530	431	530	21,019	772,005
-	-	-	-	71,460
-	-	-	413,356	413,356
-	-	-	1,284	1,908,815
-	-	-	-	1,147,342
-	-	-	-	290,211
-	-	-	399,750	452,950
745,000	600,000	170,000	-	1,515,000
<u>128,540</u>	<u>56,975</u>	<u>103,110</u>	<u>-</u>	<u>288,625</u>
<u>874,070</u>	<u>657,406</u>	<u>273,640</u>	<u>835,409</u>	<u>6,859,764</u>
<u>(18,378)</u>	<u>3,517</u>	<u>2,176</u>	<u>(527,573)</u>	<u>(140,029)</u>
-	-	-	378,000	396,000
-	-	-	-	(244,368)
-	-	-	378,000	151,632
(18,378)	3,517	2,176	(149,573)	11,603
<u>116,817</u>	<u>63,515</u>	<u>20,094</u>	<u>1,974,463</u>	<u>4,643,610</u>
<u>\$ 98,439</u>	<u>\$ 67,032</u>	<u>\$ 22,270</u>	<u>\$ 1,824,890</u>	<u>\$ 4,655,213</u>

**TILLAMOOK COUNTY**

**COMBINING BALANCE SHEET  
OTHER GOVERNMENTAL SPECIAL REVENUE FUNDS  
GENERAL GOVERNMENT FUNDS  
June 30, 2013**

	<b>Mitigation Grants</b>	<b>Video Lottery</b>	<b>Forest Timber Trust</b>	<b>Juvenile Trust</b>	<b>Law Library</b>	<b>BPS Surcharge</b>
<b><u>ASSETS</u></b>						
Cash and investments	\$ 281,173	\$ 83,212	\$ 40,336	\$ 16,697	\$ 30,494	\$ 3,339
Receivables	10,000	42,916	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 291,173</b>	<b>\$ 126,128</b>	<b>\$ 40,336</b>	<b>\$ 16,697</b>	<b>\$ 30,494</b>	<b>\$ 3,339</b>
<b><u>LIABILITIES</u></b>						
Accounts payable and accrued expenditures	\$ 998	\$ -	\$ -	\$ -	\$ 85	\$ 7,795
Due to other funds	-	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>998</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>85</b>	<b>7,795</b>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>						
Unavailable revenue	-	-	-	-	-	-
<b><u>FUND BALANCES</u></b>						
Restricted	290,175	126,128	40,336	16,697	30,409	(4,456)
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 291,173</b>	<b>\$ 126,128</b>	<b>\$ 40,336</b>	<b>\$ 16,697</b>	<b>\$ 30,494</b>	<b>\$ 3,339</b>

<b>Nestucca Valley</b>						
<b>PLCP</b>	<b>Clerks Records</b>	<b>Federal Title III</b>	<b>Veteran's Services</b>	<b>Community Campus</b>	<b>Technology</b>	<b>Totals</b>
\$ 35,631	\$ 17,999	\$ 194,561	\$ 10,005	\$ -	\$ 116,112	\$ 829,559
9	-	-	19,858	-	-	72,783
<u>\$ 35,640</u>	<u>\$ 17,999</u>	<u>\$ 194,561</u>	<u>\$ 29,863</u>	<u>\$ -</u>	<u>\$ 116,112</u>	<u>\$ 902,342</u>
\$ 1,610	\$ -	\$ -	\$ 749	\$ -	\$ -	\$ 11,237
-	-	-	-	2,103	-	2,103
<u>1,610</u>	<u>-</u>	<u>-</u>	<u>749</u>	<u>2,103</u>	<u>-</u>	<u>13,340</u>
-	-	-	8,237	-	-	8,237
<u>34,030</u>	<u>17,999</u>	<u>194,561</u>	<u>20,877</u>	<u>(2,103)</u>	<u>116,112</u>	<u>880,765</u>
<u>\$ 35,640</u>	<u>\$ 17,999</u>	<u>\$ 194,561</u>	<u>\$ 29,863</u>	<u>\$ -</u>	<u>\$ 116,112</u>	<u>\$ 902,342</u>

# Tillamook County



*Land of Cheese, Trees and Ocean Breeze*

**TILLAMOOK COUNTY**  
**COMBINING BALANCE SHEET**  
**OTHER GOVERNMENTAL SPECIAL REVENUE FUNDS**  
**PUBLIC SAFETY FUNDS**  
**June 30, 2013**

	<b>SB 1065</b>						
	<b>Court</b>	<b>Law</b>	<b>Sheriff</b>	<b>Assessment</b>	<b>Tillamook</b>	<b>North Coast</b>	
	<b>Security</b>	<b>Enforcement</b>	<b>Trust</b>	<b>and</b>	<b>Narcotics</b>	<b>Drug Task</b>	<b>Totals</b>
				<b>Conviction</b>	<b>Team</b>	<b>Force</b>	
<b><u>ASSETS</u></b>							
Cash and investments	\$ 295,506	\$ 8,137	\$ 22,490	\$ 109,817	\$ 33,061	\$ 82,172	\$ 551,183
Receivables	7,110	-	-	27	-	-	7,137
<b>TOTAL ASSETS</b>	<b><u>\$ 302,616</u></b>	<b><u>\$ 8,137</u></b>	<b><u>\$ 22,490</u></b>	<b><u>\$ 109,844</u></b>	<b><u>\$ 33,061</u></b>	<b><u>\$ 82,172</u></b>	<b><u>\$ 558,320</u></b>
<b><u>LIABILITIES</u></b>							
Accounts payable and accrued expenditures	\$ -	\$ 733	\$ -	\$ -	\$ -	\$ -	\$ 733
<b><u>FUND BALANCES</u></b>							
Restricted	302,616	7,404	22,490	109,844	33,061	82,172	557,587
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 302,616</u></b>	<b><u>\$ 8,137</u></b>	<b><u>\$ 22,490</u></b>	<b><u>\$ 109,844</u></b>	<b><u>\$ 33,061</u></b>	<b><u>\$ 82,172</u></b>	<b><u>\$ 558,320</u></b>

**TILLAMOOK COUNTY**  
**COMBINING BALANCE SHEET**  
**OTHER GOVERNMENTAL SPECIAL REVENUE FUNDS**  
**CULTURE AND RECREATION FUNDS**  
**June 30, 2013**

	<b>County Fair</b>	<b>Parks Operations</b>	<b>Totals</b>
<b><u>ASSETS</u></b>			
Cash and investments	\$ 258,847	\$ 365,931	\$ 624,778
Receivables	-	78,793	78,793
<b>TOTAL ASSETS</b>	<b>\$ 258,847</b>	<b>\$ 444,724</b>	<b>\$ 703,571</b>
 <b><u>LIABILITIES</u></b>			
Accounts payable and accrued expenditures	\$ -	\$ 20,282	\$ 20,282
 <b><u>FUND BALANCES</u></b>			
Restricted	258,847	424,442	683,289
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 258,847</b>	<b>\$ 444,724</b>	<b>\$ 703,571</b>

**TILLAMOOK COUNTY**  
**COMBINING BALANCE SHEET**  
**OTHER GOVERNMENTAL CAPITAL PROJECT FUNDS**  
**June 30, 2013**

	<b>Vehicle Reserve</b>	<b>Library Reserve</b>	<b>Fair Reserve</b>	<b>Tillamook County 4-H and Extension Building Reserve</b>	<b>Trask Road Project</b>	<b>Road Construction Grant Projects</b>	<b>Building Improvement</b>	<b>Totals</b>
<b><u>ASSETS</u></b>								
Cash and investments	\$ 269,933	\$ 269,535	\$ 20,000	\$ 1,387	\$ 234,980	\$ 485,938	\$ 609,179	\$ 1,890,952
<b><u>LIABILITIES</u></b>								
Accounts payable and accrued expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 66,062	\$ 66,062
<b><u>FUND BALANCES</u></b>								
Restricted	-	-	-	-	234,980	-	-	234,980
Assigned	269,933	269,535	20,000	1,387	-	485,938	543,117	1,589,910
TOTAL FUND BALANCES	269,933	269,535	20,000	1,387	234,980	485,938	543,117	1,824,890
TOTAL LIABILITIES AND FUND BALANCES	\$ 269,933	\$ 269,535	\$ 20,000	\$ 1,387	\$ 234,980	\$ 485,938	\$ 609,179	\$ 1,890,952

**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, 2013**

	Mitigation Grants	Video Lottery	Forest Timber Trust	Juvenile Trust	Law Library	BPS Surcharge
<b>REVENUES</b>						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses, permits and fees	-	-	-	-	-	-
Intergovernmental	10,000	178,755	40,000	-	-	65,596
Charges for services	-	-	-	-	16,893	-
Fines and forfeitures	-	-	-	-	-	-
Interest	38	470	-	70	-	-
Miscellaneous	195,833	-	-	383	60	-
<b>TOTAL REVENUES</b>	<u>205,871</u>	<u>179,225</u>	<u>40,000</u>	<u>453</u>	<u>16,953</u>	<u>65,596</u>
<b>EXPENDITURES</b>						
General government	204,860	117,600	20,235	463	7,767	102,319
Capital outlay	10,146	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>215,006</u>	<u>117,600</u>	<u>20,235</u>	<u>463</u>	<u>7,767</u>	<u>102,319</u>
Excess (deficiency) of revenues over expenditures	(9,135)	61,625	19,765	(10)	9,186	(36,723)
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers out	-	(125,000)	-	-	-	-
Net change in fund balances	(9,135)	(63,375)	19,765	(10)	9,186	(36,723)
Fund balances - beginning	299,310	189,503	20,571	16,707	21,223	32,267
<b>Fund balances - ending</b>	<u>\$ 290,175</u>	<u>\$ 126,128</u>	<u>\$ 40,336</u>	<u>\$ 16,697</u>	<u>\$ 30,409</u>	<u>\$ (4,456)</u>



**Nestucca  
Valley**

<b>PLCP</b>	<b>Clerks Records</b>	<b>Federal Title III</b>	<b>Veteran's Services</b>	<b>Community Campus</b>	<b>Technology</b>	<b>Totals</b>
\$ -	\$ -	\$ -	\$ 122,266	\$ -	\$ -	\$ 122,266
-	10,996	-	-	-	-	10,996
-	-	66,031	41,564	-	-	401,946
62,784	-	-	-	-	-	79,677
-	-	-	-	-	46,812	46,812
223	50	580	95	-	-	1,526
-	-	-	720	19,088	-	216,084
<u>63,007</u>	<u>11,046</u>	<u>66,611</u>	<u>164,645</u>	<u>19,088</u>	<u>46,812</u>	<u>879,307</u>
100,401	1,034	2,295	153,643	27,566	11,312	749,495
-	-	-	-	-	-	10,146
<u>100,401</u>	<u>1,034</u>	<u>2,295</u>	<u>153,643</u>	<u>27,566</u>	<u>11,312</u>	<u>759,641</u>
(37,394)	10,012	64,316	11,002	(8,478)	35,500	119,666
-	-	-	-	-	-	(125,000)
(37,394)	10,012	64,316	11,002	(8,478)	35,500	(5,334)
<u>71,424</u>	<u>7,987</u>	<u>130,245</u>	<u>9,875</u>	<u>6,375</u>	<u>80,612</u>	<u>886,099</u>
<u>\$ 34,030</u>	<u>\$ 17,999</u>	<u>\$ 194,561</u>	<u>\$ 20,877</u>	<u>\$ (2,103)</u>	<u>\$ 116,112</u>	<u>\$ 880,765</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, 2013**

	<b>Court Security</b>	<b>Law Enforcement</b>	<b>Sheriff Trust</b>	<b>SB 1065 Assessment and Conviction</b>	<b>Tillamook Narcotics Team</b>	<b>North Coast Drug Task Force</b>	<b>Totals</b>
<b>REVENUES</b>							
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,100	\$ 12,100
Fines and forfeitures	75,066	14,591	2,008	52,962	1,259	-	145,886
Interest	1,279	-	98	353	149	-	1,879
Miscellaneous	-	1,300	525	-	-	-	1,825
<b>TOTAL REVENUES</b>	<b>76,345</b>	<b>15,891</b>	<b>2,631</b>	<b>53,315</b>	<b>1,408</b>	<b>12,100</b>	<b>161,690</b>
<b>EXPENDITURES</b>							
Public safety	19,654	17,118	3,952	18,700	5,800	6,236	71,460
Excess (deficiency) of revenues over expenditures	56,691	(1,227)	(1,321)	34,615	(4,392)	5,864	90,230
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers out	(50,000)	-	-	(20,000)	-	(4,368)	(74,368)
Net change in fund balances	6,691	(1,227)	(1,321)	14,615	(4,392)	1,496	15,862
Fund balances - beginning	295,925	8,631	23,811	95,229	37,453	80,676	541,725
Fund balances - ending	<b>\$ 302,616</b>	<b>\$ 7,404</b>	<b>\$ 22,490</b>	<b>\$ 109,844</b>	<b>\$ 33,061</b>	<b>\$ 82,172</b>	<b>\$ 557,587</b>

**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, 2013**

	<u>County Fair</u>	<u>Parks Operations</u>	<u>Totals</u>
<b>REVENUES</b>			
Intergovernmental	\$ 48,110	\$ -	\$ 48,110
Charges for services	756,180	1,206,248	1,962,428
Interest	1,023	1,643	2,666
Miscellaneous	<u>24,154</u>	<u>41,944</u>	<u>66,098</u>
<b>TOTAL REVENUES</b>	<u>829,467</u>	<u>1,249,835</u>	<u>2,079,302</u>
<b>EXPENDITURES</b>			
Culture and recreation	827,439	1,080,092	1,907,531
Capital outlay	<u>28,100</u>	<u>14,954</u>	<u>43,054</u>
<b>TOTAL EXPENDITURES</b>	<u>855,539</u>	<u>1,095,046</u>	<u>1,950,585</u>
Excess (deficiency) of revenues over expenditures	(26,072)	154,789	128,717
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	<u>(10,000)</u>	<u>-</u>	<u>(10,000)</u>
Net change in fund balances	(36,072)	154,789	118,717
Fund balances - beginning	<u>294,919</u>	<u>269,653</u>	<u>564,572</u>
Fund balances - ending	<u>\$ 258,847</u>	<u>\$ 424,442</u>	<u>\$ 683,289</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, 2013**

	<u>Mental Health</u>	<u>Mediation Program</u>	<u>Totals</u>
<b>REVENUES</b>			
Intergovernmental	\$ 1,134,043	\$ -	\$ 1,134,043
Charges for services	-	11,985	11,985
Interest	-	393	393
	<hr/>	<hr/>	<hr/>
<b>TOTAL REVENUES</b>	1,134,043	12,378	1,146,421
<b>EXPENDITURES</b>			
Health and welfare	1,134,043	13,299	1,147,342
	<hr/>	<hr/>	<hr/>
Net change in fund balances	-	(921)	(921)
Fund balances - beginning	-	93,556	93,556
	<hr/>	<hr/>	<hr/>
Fund balances - ending	<u>\$ -</u>	<u>\$ 92,635</u>	<u>\$ 92,635</u>

**TILLAMOOK COUNTY**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
OTHER GOVERNMENTAL CAPITAL PROJECT FUNDS  
For the Year Ended June 30, 2013**

	Tillamook County 4-H and Extension								Totals
	Vehicle Reserve	Library Reserve	Fair Fair	Fair Reserve	Building Reserve	Trask Road Project	Road Construction Grant Projects	Building Improvement	
<b>REVENUES</b>									
Intergovernmental	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 98,604	\$ -	\$ 98,604
Charges for services	-	-	-	-	-	191,423	-	-	191,423
Interest	1,062	1,061	345	-	381	1,045	1,195	2,597	7,686
Miscellaneous	-	-	6,678	-	-	-	-	3,445	10,123
<b>TOTAL REVENUES</b>	<u>1,062</u>	<u>1,061</u>	<u>7,023</u>	<u>-</u>	<u>381</u>	<u>192,468</u>	<u>99,799</u>	<u>6,042</u>	<u>307,836</u>
<b>EXPENDITURES</b>									
Current:									
Highways and streets	-	-	-	-	-	287,551	125,805	-	413,356
Culture and recreation	-	-	1,284	-	-	-	-	-	1,284
Capital outlay	-	-	232,062	-	101,376	-	-	66,312	399,750
<b>TOTAL EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>233,346</u>	<u>-</u>	<u>101,376</u>	<u>287,551</u>	<u>125,805</u>	<u>87,331</u>	<u>835,409</u>
Excess (deficiency) of revenues over expenditures	1,062	1,061	(226,323)	-	(100,995)	(95,083)	(26,006)	(81,289)	(527,573)
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers in	-	25,000	-	10,000	10,000	-	333,000	-	378,000
Net change in fund balances	1,062	26,061	(226,323)	10,000	(90,995)	(95,083)	306,994	(81,289)	(149,573)
Fund balances - beginning	<u>268,871</u>	<u>243,474</u>	<u>226,323</u>	<u>10,000</u>	<u>92,382</u>	<u>330,063</u>	<u>178,944</u>	<u>624,406</u>	<u>1,974,463</u>
Fund balances - ending	<u>\$ 269,933</u>	<u>\$ 269,535</u>	<u>\$ -</u>	<u>\$ 20,000</u>	<u>\$ 1,387</u>	<u>\$ 234,980</u>	<u>\$ 485,938</u>	<u>\$ 543,117</u>	<u>\$ 1,824,890</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, 2013**

	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>REVENUES</b>			
Intergovernmental	\$ 4,841,000	\$ -	\$ (4,841,000)
Investment earnings	-	38	38
Miscellaneous	3,659,000	208,878	(3,450,122)
<b>TOTAL REVENUES</b>	<b>8,500,000</b>	<b>208,916</b>	<b>(8,291,084)</b>
<b>EXPENDITURES</b>			
Materials and services	6,830,000	248,998	6,581,002
Capital outlay	1,670,000	10,146	1,659,854
<b>TOTAL EXPENDITURES</b>	<b>8,500,000</b>	<b>259,144</b>	<b>8,240,856</b>
Net change in fund balance	-	(50,228)	(50,228)
Fund balance at beginning of year	-	331,401	331,401
Fund balance at end of year	<b>\$ -</b>	<b>\$ 281,173</b>	<b>\$ 281,173</b>

**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, 2013**

	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>REVENUES</b>			
Intergovernmental	\$ 125,000	\$ 182,761	\$ 57,761
Investment earnings	<u>800</u>	<u>470</u>	<u>(330)</u>
<b>TOTAL REVENUES</b>	<u>125,800</u>	<u>183,231</u>	<u>57,431</u>
<b>EXPENDITURES</b>			
Materials and services	117,600	117,600	-
Contingency	<u>2,850</u>	<u>-</u>	<u>2,850</u>
<b>TOTAL EXPENDITURES</b>	<u>120,450</u>	<u>117,600</u>	<u>2,850</u>
 Excess (deficiency) of revenues over expenditures	 5,350	 65,631	 60,281
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	<u>(125,000)</u>	<u>(125,000)</u>	<u>-</u>
 Net change in fund balance	 (119,650)	 (59,369)	 60,281
Fund balance at beginning of year	<u>130,000</u>	<u>142,581</u>	<u>12,581</u>
 Fund balance at end of year	 <u>\$ 10,350</u>	 <u>\$ 83,212</u>	 <u>\$ 72,862</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, 2013**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Intergovernmental	\$ 40,000	\$ 40,000	\$ -
<b>EXPENDITURES</b>			
Materials and services	<u>80,000</u>	<u>20,235</u>	<u>59,765</u>
Net change in fund balance	(40,000)	19,765	59,765
Fund balance at beginning of year	<u>40,000</u>	<u>20,571</u>	<u>(19,429)</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 40,336</u>	<u>\$ 40,336</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, 2013**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Investment earnings	\$ -	\$ 70	\$ 70
Miscellaneous	<u>1,200</u>	<u>383</u>	<u>(817)</u>
<b>TOTAL REVENUES</b>	1,200	453	(747)
<b>EXPENDITURES</b>			
Materials and services	<u>10,000</u>	<u>463</u>	<u>9,537</u>
Net change in fund balance	(8,800)	(10)	8,790
Fund balance at beginning of year	<u>15,650</u>	<u>16,707</u>	<u>1,057</u>
Fund balance at end of year	<u>\$ 6,850</u>	<u>\$ 16,697</u>	<u>\$ 9,847</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, 2013**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Charges for services	\$ 18,000	\$ 16,893	\$ (1,107)
Miscellaneous	<u>-</u>	<u>60</u>	<u>60</u>
<b>TOTAL REVENUES</b>	18,000	16,953	(1,047)
<b>EXPENDITURES</b>			
Materials and services	<u>33,000</u>	<u>8,906</u>	<u>24,094</u>
Net change in fund balance	(15,000)	8,047	23,047
Fund balance at beginning of year	<u>15,000</u>	<u>22,447</u>	<u>7,447</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 30,494</u>	<u>\$ 30,494</u>

**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, 2013**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Intergovernmental	\$ 150,000	\$ 65,596	\$ (84,404)
<b>EXPENDITURES</b>			
Materials and services	<u>150,000</u>	<u>94,524</u>	<u>55,476</u>
Net change in fund balance	-	(28,928)	(28,928)
Fund balance at beginning of year	<u>-</u>	<u>32,267</u>	<u>32,267</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 3,339</u>	<u>\$ 3,339</u>

**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, 2013**

	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>REVENUES</b>			
Charges for services	\$ 54,000	\$ 62,775	\$ 8,775
Investment earnings	<u>300</u>	<u>223</u>	<u>(77)</u>
<b>TOTAL REVENUES</b>	<u>54,300</u>	<u>62,998</u>	<u>8,698</u>
<b>EXPENDITURES</b>			
Personal services	97,415	93,487	3,928
Materials and services	17,400	6,948	10,452
Capital outlay	5,000	-	5,000
Contingency	<u>4,485</u>	<u>-</u>	<u>4,485</u>
<b>TOTAL EXPENDITURES</b>	<u>124,300</u>	<u>100,435</u>	<u>23,865</u>
Net change in fund balance	(70,000)	(37,437)	32,563
Fund balance at beginning of year	<u>70,000</u>	<u>71,522</u>	<u>1,522</u>
<b>Fund balance at end of year</b>	<u><u>\$ -</u></u>	<u><u>\$ 34,085</u></u>	<u><u>\$ 34,085</u></u>

**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, 2013**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Licenses, permits and fees	\$ 10,000	\$ 10,996	\$ 996
Investment earnings	<u>100</u>	<u>50</u>	<u>(50)</u>
<b>TOTAL REVENUES</b>	<u>10,100</u>	<u>11,046</u>	<u>946</u>
<b>EXPENDITURES</b>			
Materials and services	19,100	1,034	18,066
Capital outlay	<u>1,000</u>	<u>-</u>	<u>1,000</u>
<b>TOTAL EXPENDITURES</b>	<u>20,100</u>	<u>1,034</u>	<u>19,066</u>
Net change in fund balance	(10,000)	10,012	20,012
Fund balance at beginning of year	<u>10,000</u>	<u>7,987</u>	<u>(2,013)</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 17,999</u>	<u>\$ 17,999</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, 2013**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Intergovernmental	\$ -	\$ 66,031	\$ 66,031
Investment earnings	<u>-</u>	<u>580</u>	<u>580</u>
<b>TOTAL REVENUES</b>	-	66,611	66,611
<b>EXPENDITURES</b>			
Materials and services	<u>80,000</u>	<u>2,295</u>	<u>77,705</u>
Net change in fund balance	(80,000)	64,316	144,316
Fund balance at beginning of year	<u>80,000</u>	<u>130,245</u>	<u>50,245</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 194,561</u>	<u>\$ 194,561</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, 2013**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Property taxes	\$ 121,000	\$ 122,088	\$ 1,088
Intergovernmental	17,500	33,163	15,663
Investment earnings	500	95	(405)
Miscellaneous	<u>-</u>	<u>720</u>	<u>720</u>
<b>TOTAL REVENUES</b>	<u>139,000</u>	<u>156,066</u>	<u>17,066</u>
<b>EXPENDITURES</b>			
Personal services	146,600	125,941	20,659
Materials and services	30,200	28,608	1,592
Capital outlay	1,200	-	1,200
Contingency	<u>1,000</u>	<u>-</u>	<u>1,000</u>
<b>TOTAL EXPENDITURES</b>	<u>179,000</u>	<u>154,549</u>	<u>24,451</u>
Net change in fund balance	(40,000)	1,517	41,517
Fund balance at beginning of year	<u>40,000</u>	<u>7,850</u>	<u>(32,150)</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 9,367</u>	<u>\$ 9,367</u>

**TILLAMOOK COUNTY**

**NESTUCCA VALLEY COMMUNITY CAMPUS - SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL  
For the Year Ended June 30, 2013**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Miscellaneous	\$ 19,087	\$ 19,088	\$ 1
<b>EXPENDITURES</b>			
Materials and services	<u>25,462</u>	<u>27,566</u>	<u>(2,104)</u>
Net change in fund balance	(6,375)	(8,478)	(2,103)
Fund balance at beginning of year	<u>6,375</u>	<u>6,375</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ (2,103)</u>	<u>\$ (2,103)</u>



**TILLAMOOK COUNTY**

**TECHNOLOGY - SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL  
For the Year Ended June 30, 2013**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Fines and forfeitures	\$ 20,000	\$ 46,812	\$ 26,812
<b>EXPENDITURES</b>			
Materials and services	95,000	11,312	83,688
Capital outlay	<u>75,000</u>	<u>-</u>	<u>75,000</u>
<b>TOTAL EXPENDITURES</b>	<u>170,000</u>	<u>11,312</u>	<u>158,688</u>
Net change in fund balance	(150,000)	35,500	185,500
Fund balance at beginning of year	<u>150,000</u>	<u>80,612</u>	<u>(69,388)</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 116,112</u>	<u>\$ 116,112</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, 2013**

	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>REVENUES</b>			
Fines and forfeitures	\$ 25,000	\$ 68,009	\$ 43,009
Investment earnings	1,500	1,279	(221)
<b>TOTAL REVENUES</b>	<b>26,500</b>	<b>69,288</b>	<b>42,788</b>
<b>EXPENDITURES</b>			
Materials and services	21,200	19,654	1,546
Capital outlay	235,300	-	235,300
<b>TOTAL EXPENDITURES</b>	<b>256,500</b>	<b>19,654</b>	<b>236,846</b>
Excess (deficiency) of revenues over expenditures	(230,000)	49,634	279,634
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	(50,000)	(50,000)	-
Net change in fund balance	(280,000)	(366)	279,634
Fund balance at beginning of year	280,000	295,872	15,872
Fund balance at end of year	<b>\$ -</b>	<b>\$ 295,506</b>	<b>\$ 295,506</b>

**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, 2013**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Fines and forfeitures	\$ 20,000	\$ 14,591	\$ (5,409)
Miscellaneous	<u>-</u>	<u>1,300</u>	<u>1,300</u>
<b>TOTAL REVENUES</b>	20,000	15,891	(4,109)
<b>EXPENDITURES</b>			
Materials and services	<u>20,000</u>	<u>17,083</u>	<u>2,917</u>
Net change in fund balance	-	(1,192)	(1,192)
Fund balance at beginning of year	<u>-</u>	<u>9,329</u>	<u>9,329</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 8,137</u>	<u>\$ 8,137</u>

**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, 2013**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Fines and forfeitures	\$ 5,000	\$ 2,008	\$ (2,992)
Investment earnings	-	98	98
Miscellaneous	<u>5,000</u>	<u>525</u>	<u>(4,475)</u>
<b>TOTAL REVENUES</b>	10,000	2,631	(7,369)
<b>EXPENDITURES</b>			
Materials and services	<u>30,000</u>	<u>4,490</u>	<u>25,510</u>
Net change in fund balance	(20,000)	(1,859)	18,141
Fund balance at beginning of year	<u>20,000</u>	<u>24,349</u>	<u>4,349</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 22,490</u>	<u>\$ 22,490</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, 2013**

	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>REVENUES</b>			
Fines and forfeitures	\$ 30,000	\$ 52,975	\$ 22,975
Investment earnings	1,000	353	(647)
<b>TOTAL REVENUES</b>	<b>31,000</b>	<b>53,328</b>	<b>22,328</b>
<b>EXPENDITURES</b>			
Materials and services	106,200	18,700	87,500
Contingency	4,800	-	4,800
<b>TOTAL EXPENDITURES</b>	<b>111,000</b>	<b>18,700</b>	<b>92,300</b>
Excess (deficiency) of revenues over expenditures	(80,000)	34,628	114,628
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	(20,000)	(20,000)	-
Net change in fund balance	(100,000)	14,628	114,628
Fund balance at beginning of year	100,000	95,189	(4,811)
Fund balance at end of year	<b>\$ -</b>	<b>\$ 109,817</b>	<b>\$ 109,817</b>

**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, 2013**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Fines and forfeitures	\$ 10,000	\$ 1,259	\$ (8,741)
Investment earnings	<u>-</u>	<u>149</u>	<u>149</u>
<b>TOTAL REVENUES</b>	10,000	1,408	(8,592)
<b>EXPENDITURES</b>			
Materials and services	<u>40,000</u>	<u>5,885</u>	<u>34,115</u>
Net change in fund balance	(30,000)	(4,477)	25,523
Fund balance at beginning of year	<u>30,000</u>	<u>37,538</u>	<u>7,538</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 33,061</u>	<u>\$ 33,061</u>

**TILLAMOOK COUNTY**

**NORTH COAST DRUG TASK FORCE - SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL  
For the Year Ended June 30, 2013**

	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>REVENUES</b>			
Intergovernmental	\$ 26,000	\$ 26,082	\$ 82
<b>EXPENDITURES</b>			
Materials and services	20,000	18,771	1,229
Excess (deficiency) of revenues over expenditures	6,000	7,311	1,311
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	(6,000)	(4,368)	1,632
Net change in fund balance	-	2,943	2,943
Fund balance at beginning of year	-	79,229	79,229
Fund balance at end of year	\$ -	\$ 82,172	\$ 82,172

**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, 2013**

	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>REVENUES</b>			
Investment earnings	\$ 1,000	\$ 336	\$ (664)
<b>EXPENDITURES</b>			
Contingency	<u>177,500</u>	<u>-</u>	<u>177,500</u>
Excess (deficiency) of revenues over expenditures	<u>(176,500)</u>	<u>336</u>	<u>176,836</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	18,000	18,000	-
Transfers out	<u>(25,000)</u>	<u>(25,000)</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(7,000)</u>	<u>(7,000)</u>	<u>-</u>
Net change in fund balance	(183,500)	(6,664)	176,836
Fund balance at beginning of year	<u>183,500</u>	<u>77,746</u>	<u>(105,754)</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ 71,082</u></u>	<u><u>\$ 71,082</u></u>



**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, 2013**

	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>REVENUES</b>			
Intergovernmental	\$ 49,700	\$ 48,110	\$ (1,590)
Charges for services	729,950	756,180	26,230
Investment earnings	1,500	1,023	(477)
Miscellaneous	20,900	24,154	3,254
<b>TOTAL REVENUES</b>	<b>802,050</b>	<b>829,467</b>	<b>27,417</b>
<b>EXPENDITURES</b>			
Personal services	259,500	259,089	411
Materials and services	572,450	568,350	4,100
Capital outlay	28,100	28,100	-
Contingency	40,000	-	40,000
<b>TOTAL EXPENDITURES</b>	<b>900,050</b>	<b>855,539</b>	<b>44,511</b>
Excess (deficiency) of revenues over expenditures	(98,000)	(26,072)	71,928
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	(10,000)	(10,000)	-
Net change in fund balance	(108,000)	(36,072)	71,928
Fund balance at beginning of year	169,200	294,919	125,719
Fund balance at end of year	<b>\$ 61,200</b>	<b>\$ 258,847</b>	<b>\$ 197,647</b>

**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, 2013**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Charges for services	\$ 1,217,510	\$ 1,216,846	\$ (664)
Investment earnings	2,000	1,643	(357)
Miscellaneous	<u>38,900</u>	<u>41,944</u>	<u>3,044</u>
<b>TOTAL REVENUES</b>	<u>1,258,410</u>	<u>1,260,433</u>	<u>2,023</u>
<b>EXPENDITURES</b>			
Personal services	679,580	586,660	92,920
Materials and services	525,620	497,829	27,791
Capital outlay	53,210	14,954	38,256
Contingency	<u>25,000</u>	<u>-</u>	<u>25,000</u>
<b>TOTAL EXPENDITURES</b>	<u>1,283,410</u>	<u>1,099,443</u>	<u>183,967</u>
Net change in fund balance	(25,000)	160,990	185,990
Fund balance at beginning of year	<u>200,000</u>	<u>200,042</u>	<u>42</u>
<b>Fund balance at end of year</b>	<u>\$ 175,000</u>	<u>\$ 361,032</u>	<u>\$ 186,032</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, 2013**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Intergovernmental	\$ 1,500,000	\$ 1,134,043	\$ (365,957)
<b>EXPENDITURES</b>			
Materials and services	<u>1,500,000</u>	<u>1,134,043</u>	<u>365,957</u>
Net change in fund balance	-	-	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ -</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, 2013**

	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>REVENUES</b>			
Charges for services	\$ 12,000	\$ 11,985	\$ (15)
Investment earnings	1,000	393	(607)
<b>TOTAL REVENUES</b>	13,000	12,378	(622)
<b>EXPENDITURES</b>			
Materials and services	103,000	15,252	87,748
Net change in fund balance	(90,000)	(2,874)	87,126
Fund balance at beginning of year	90,000	95,509	5,509
Fund balance at end of year	\$ -	\$ 92,635	\$ 92,635

**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, 2013**

	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>REVENUES</b>			
Property taxes	\$ 267,800	\$ 278,974	\$ 11,174
Intergovernmental	40,000	62,928	22,928
Investment earnings	1,000	1,467	467
<b>TOTAL REVENUES</b>	<b>308,800</b>	<b>343,369</b>	<b>34,569</b>
<b>EXPENDITURES</b>			
Personal services	186,400	186,400	-
Materials and services	145,400	101,279	44,121
Contingency	70,000	-	70,000
<b>TOTAL EXPENDITURES</b>	<b>401,800</b>	<b>287,679</b>	<b>114,121</b>
Excess (deficiency) of revenues over expenditures	(93,000)	55,690	148,690
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	(10,000)	(10,000)	-
Net change in fund balance	(103,000)	45,690	148,690
Fund balance at beginning of year	287,300	288,549	1,249
Fund balance at end of year	<b>\$ 184,300</b>	<b>\$ 334,239</b>	<b>\$ 149,939</b>

**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, 2013**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Property taxes	\$ 843,640	\$ 854,570	\$ 10,930
Investment earnings	<u>500</u>	<u>754</u>	<u>254</u>
<b>TOTAL REVENUES</b>	<u>844,140</u>	<u>855,324</u>	<u>11,184</u>
<b>EXPENDITURES</b>			
Materials and services	600	530	70
Debt service	<u>873,540</u>	<u>873,540</u>	<u>-</u>
<b>TOTAL EXPENDITURES</b>	<u>874,140</u>	<u>874,070</u>	<u>70</u>
Net change in fund balance	(30,000)	(18,746)	11,254
Fund balance at beginning of year	<u>80,000</u>	<u>93,777</u>	<u>13,777</u>
Fund balance at end of year	<u>\$ 50,000</u>	<u>\$ 75,031</u>	<u>\$ 25,031</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, 2013**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Property taxes	\$ 652,000	\$ 660,428	\$ 8,428
Investment earnings	<u>200</u>	<u>243</u>	<u>43</u>
<b>TOTAL REVENUES</b>	<u>652,200</u>	<u>660,671</u>	<u>8,471</u>
<b>EXPENDITURES</b>			
Materials and services	600	431	169
Debt service	<u>656,975</u>	<u>656,975</u>	<u>-</u>
<b>TOTAL EXPENDITURES</b>	<u>657,575</u>	<u>657,406</u>	<u>169</u>
Net change in fund balance	(5,375)	3,265	8,640
Fund balance at beginning of year	<u>40,375</u>	<u>45,970</u>	<u>5,595</u>
Fund balance at end of year	<u>\$ 35,000</u>	<u>\$ 49,235</u>	<u>\$ 14,235</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, 2013**

	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>REVENUES</b>			
Property taxes	\$ 274,460	\$ 275,434	\$ 974
Investment earnings	<u>250</u>	<u>167</u>	<u>(83)</u>
<b>TOTAL REVENUES</b>	<u>274,710</u>	<u>275,601</u>	<u>891</u>
<b>EXPENDITURES</b>			
Materials and services	600	530	70
Debt service	<u>273,110</u>	<u>273,110</u>	<u>-</u>
<b>TOTAL EXPENDITURES</b>	<u>273,710</u>	<u>273,640</u>	<u>70</u>
Net change in fund balance	1,000	1,961	961
Fund balance at beginning of year	<u>5,000</u>	<u>12,841</u>	<u>7,841</u>
Fund balance at end of year	<u><u>\$ 6,000</u></u>	<u><u>\$ 14,802</u></u>	<u><u>\$ 8,802</u></u>



**TILLAMOOK COUNTY**

**VEHICLE RESERVE - CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL  
For the Year Ended June 30, 2013**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Investment earnings	\$ 2,000	\$ 1,062	\$ (938)
<b>EXPENDITURES</b>			
Capital outlay	<u>270,000</u>	<u>-</u>	<u>270,000</u>
Net change in fund balance	(268,000)	1,062	269,062
Fund balance at beginning of year	<u>268,000</u>	<u>268,871</u>	<u>871</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 269,933</u>	<u>\$ 269,933</u>

**TILLAMOOK COUNTY**

**LIBRARY RESERVE - CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL  
For the Year Ended June 30, 2013**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Investment earnings	\$ 700	\$ 1,061	\$ 361
<b>EXPENDITURES</b>			
Capital outlay	75,000	-	75,000
Contingency	<u>180,700</u>	<u>-</u>	<u>180,700</u>
<b>TOTAL EXPENDITURES</b>	<u>255,700</u>	<u>-</u>	<u>255,700</u>
Excess (deficiency) of revenues over expenditures	(255,000)	1,061	256,061
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	<u>25,000</u>	<u>25,000</u>	<u>-</u>
Net change in fund balance	(230,000)	26,061	256,061
Fund balance at beginning of year	<u>230,000</u>	<u>243,474</u>	<u>13,474</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 269,535</u>	<u>\$ 269,535</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, 2013**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Investment earnings	\$ 345	\$ 345	\$ -
Miscellaneous	<u>6,678</u>	<u>6,678</u>	<u>-</u>
<b>TOTAL REVENUES</b>	<u>7,023</u>	<u>7,023</u>	<u>-</u>
<b>EXPENDITURES</b>			
Materials and services	1,284	1,284	-
Capital outlay	<u>234,002</u>	<u>234,002</u>	<u>-</u>
<b>TOTAL EXPENDITURES</b>	<u>235,286</u>	<u>235,286</u>	<u>-</u>
Net change in fund balance	(228,263)	(228,263)	-
Fund balance at beginning of year	<u>228,263</u>	<u>228,263</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**TILLAMOOK COUNTY**

**FAIR RESERVE - CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL  
For the Year Ended June 30, 2013**

	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>EXPENDITURES</b>			
Capital outlay	\$ 10,000	\$ -	\$ 10,000
Contingency	10,000	-	10,000
<b>TOTAL EXPENDITURES</b>	20,000	-	20,000
Excess (deficiency) of revenues over expenditures	(20,000)	-	20,000
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	10,000	10,000	-
Net change in fund balance	(10,000)	10,000	20,000
Fund balance at beginning of year	10,000	10,000	-
Fund balance at end of year	\$ -	\$ 20,000	\$ 20,000

**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, 2013**

	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>REVENUES</b>			
Investment earnings	\$ 300	\$ 381	\$ 81
<b>EXPENDITURES</b>			
Capital outlay	102,300	101,376	924
Excess (deficiency) of revenues over expenditures	(102,000)	(100,995)	1,005
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	10,000	10,000	-
Net change in fund balance	(92,000)	(90,995)	1,005
Fund balance at beginning of year	92,000	92,382	382
Fund balance at end of year	\$ -	\$ 1,387	\$ 1,387

**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, 2013**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Charges for services	\$ 270,000	\$ 286,843	\$ 16,843
Investment earnings	<u>500</u>	<u>1,045</u>	<u>545</u>
<b>TOTAL REVENUES</b>	270,500	287,888	17,388
<b>EXPENDITURES</b>			
Materials and services	<u>492,000</u>	<u>293,246</u>	<u>198,754</u>
Net change in fund balance	(221,500)	(5,358)	216,142
Fund balance at beginning of year	<u>221,500</u>	<u>240,338</u>	<u>18,838</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 234,980</u>	<u>\$ 234,980</u>

**TILLAMOOK COUNTY**

**ROAD CONSTRUCTION GRANT PROJECTS - CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL  
For the Year Ended June 30, 2013**

	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>REVENUES</b>			
Intergovernmental	\$ 3,044,660	\$ 129,467	\$ (2,915,193)
Investment earnings	-	1,195	1,195
<b>TOTAL REVENUES</b>	3,044,660	130,662	(2,913,998)
<b>EXPENDITURES</b>			
Materials and services	3,044,660	156,668	2,887,992
Excess (deficiency) of revenues over expenditures	-	(26,006)	(26,006)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	333,000	333,000	-
Net change in fund balance	333,000	306,994	(26,006)
Fund balance at beginning of year	100,000	178,944	78,944
Fund balance at end of year	\$ 433,000	\$ 485,938	\$ 52,938

**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, 2013**

	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>REVENUES</b>			
Investment earnings	\$ 3,000	\$ 2,597	\$ (403)
Miscellaneous	-	3,445	3,445
	3,000	6,042	3,042
<b>TOTAL REVENUES</b>	<b>3,000</b>	<b>6,042</b>	<b>3,042</b>
<b>EXPENDITURES</b>			
Materials and services	110,000	21,019	88,981
Capital outlay	393,000	250	392,750
	503,000	21,269	481,731
<b>TOTAL EXPENDITURES</b>	<b>503,000</b>	<b>21,269</b>	<b>481,731</b>
Net change in fund balance	(500,000)	(15,227)	484,773
Fund balance at beginning of year	600,000	624,406	24,406
	600,000	624,406	24,406
<b>Fund balance at end of year</b>	<b>\$ 100,000</b>	<b>\$ 609,179</b>	<b>\$ 509,179</b>



## **Proprietary Funds**

Proprietary funds provide services and charge for those services on a cost recovery basis, including capital costs. The comparisons of budget to actual for those funds are 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, 2013**

	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
<b>REVENUES</b>			
Assessments	\$ 225,000	\$ 231,484	\$ 6,484
Intergovernmental	-	19,800	19,800
Charges for services	1,668,500	1,625,698	(42,802)
Investment earnings	2,000	897	(1,103)
Miscellaneous	-	2,283	2,283
<b>TOTAL REVENUES</b>	<b>1,895,500</b>	<b>1,880,162</b>	<b>(15,338)</b>
<b>EXPENDITURES</b>			
Personal services	120,055	108,348	11,707
Materials and services	1,646,825	1,609,079	37,746
Capital outlay	20,000	19,000	1,000
Contingency	156,620	-	156,620
<b>TOTAL EXPENDITURES</b>	<b>1,943,500</b>	<b>1,736,427</b>	<b>207,073</b>
Excess (deficiency) of revenues over expenditures	(48,000)	143,735	191,735
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	(100,000)	(100,000)	-
Net change in fund balance	(148,000)	43,735	191,735
Fund balance at beginning of year	160,000	156,175	(3,825)
Fund balance at end of year	<b>\$ 12,000</b>	<b>199,910</b>	<b>\$ 187,910</b>
<b>Reconciliation to generally accepted accounting principles:</b>			
Receivables		190,780	
Capital assets, net		2,360,555	
Accounts payable and accrued expenses		(125,518)	
Accumulated compenstaed absences		(709)	
Landfill post-closure costs		(1,200,260)	
Net position at end of year		<b>\$ 1,424,758</b>	

**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, 2013**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Investment earnings	\$ 3,000	\$ 2,765	\$ (235)
<b>EXPENDITURES</b>			
Contingency	<u>300,000</u>	<u>-</u>	<u>300,000</u>
Excess (deficiency) of revenues over expenditures	<u>(297,000)</u>	<u>2,765</u>	<u>299,765</u>
Net change in fund balance	(297,000)	2,765	299,765
Fund balance at beginning of year	<u>597,000</u>	<u>661,411</u>	<u>64,411</u>
Fund balance at end of year	<u>\$ 300,000</u>	<u>\$ 664,176</u>	<u>\$ 364,176</u>

**TILLAMOOK COUNTY**

**SOLID WASTE POST CLOSURE RESERVE - ENTERPRISE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL  
For the Year Ended June 30, 2013**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Investment earnings	\$ -	\$ 1,394	\$ 1,394
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Net change in fund balance	100,000	101,394	1,394
Fund balance at beginning of year	<u>333,333</u>	<u>292,473</u>	<u>(40,860)</u>
Fund balance at end of year	<u>\$ 433,333</u>	<u>\$ 393,867</u>	<u>\$ (39,466)</u>

## **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**

**AGENCY FUND**

**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**

**For the Year Ended June 30, 2013**

	<b>Balances</b>			<b>Balances</b>
	<b>July 1, 2012</b>	<b>Additions</b>	<b>Deductions</b>	<b>June 30, 2013</b>
<b>ASSETS</b>				
Cash and investments	\$ 1,147,318	\$ 58,036,803	\$ 58,155,599	\$ 1,028,522
Receivables	<u>4,961,026</u>	<u>59,236,747</u>	<u>58,318,964</u>	<u>5,878,809</u>
<b>TOTAL ASSETS</b>	<u>\$ 6,108,344</u>	<u>\$117,273,550</u>	<u>\$116,474,563</u>	<u>\$ 6,907,331</u>
<b>LIABILITIES</b>				
Due to other governments	<u>\$ 6,108,344</u>	<u>\$117,273,550</u>	<u>\$116,474,563</u>	<u>\$ 6,907,331</u>

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

**TILLAMOOK COUNTY**

**SCHEDULE OF CAPITAL ASSETS  
GOVERNMENTAL ACTIVITIES**

**June 30, 2013**

**CAPITAL ASSETS**

Land	\$ 5,377,282
Land improvements	1,973,344
Buildings	32,678,248
Equipment	9,704,427
Infrastructure	22,826,524
Construction in progress	<u>1,637,255</u>

**TOTAL CAPITAL ASSETS** \$ 74,197,080

**INVESTMENT IN CAPITAL ASSETS**

General fund	\$ 10,323,075
Special revenue funds	28,435,401
Capital project funds	<u>35,438,604</u>

**TOTAL INVESTMENT IN CAPITAL ASSETS** \$ 74,197,080



**TILLAMOOK COUNTY**

**SCHEDULE OF CAPITAL ASSETS BY FUNCTION AND ACTIVITY  
GOVERNMENTAL ACTIVITIES  
June 30, 2013**

<u>Function and Activity</u>	<u>Totals</u>	<u>Land</u>			<u>Equipment</u>	<u>Infrastructure</u>	<u>Construction in Progress</u>
		<u>Land</u>	<u>Improvements</u>	<u>Buildings</u>			
General government:							
Board of County Commissioners	\$ 36,675	\$ -	\$ -	\$ -	\$ 36,675	\$ -	\$ -
District Attorney	71,512	-	-	-	71,512	-	-
County Clerk	247,888	-	-	-	247,888	-	-
County Assessor	164,728	-	-	-	164,728	-	-
Courthouse Building	2,239,142	702,367	-	1,386,284	99,868	-	50,623
County Surveyor	55,991	-	-	-	55,991	-	-
Community Development	704,397	550,186	-	-	154,211	-	-
Data Processing	565,087	-	-	33,782	461,305	-	70,000
Juvenile	44,495	-	-	-	44,495	-	-
Personnel	18,578	-	-	-	18,578	-	-
Other - unclassified	1,935,144	345,056	-	705,187	779,901	-	105,000
<b>Total general government</b>	<b>6,083,637</b>	<b>1,597,609</b>	<b>-</b>	<b>2,125,253</b>	<b>2,135,152</b>	<b>-</b>	<b>225,623</b>
Public safety							
County Sheriff	1,883,512	-	42,678	90,686	1,750,148	-	-
Communications	70,288	-	-	31,258	39,030	-	-
Commission on Children and Families	11,832	-	-	-	11,832	-	-
Corrections	8,562,500	-	-	8,036,470	526,030	-	-
Courts	251,118	-	-	225,316	25,802	-	-
<b>Total public safety</b>	<b>10,779,250</b>	<b>-</b>	<b>42,678</b>	<b>8,383,730</b>	<b>2,352,842</b>	<b>-</b>	<b>-</b>
<b>Public works</b>	<b>29,918,071</b>	<b>1,475,557</b>	<b>11,560</b>	<b>85,103</b>	<b>4,107,695</b>	<b>22,826,524</b>	<b>1,411,632</b>
Culture and recreation							
Parks	5,053,173	2,227,960	1,603,378	989,791	232,044	-	-
Library	4,721,787	22,000	-	4,444,962	254,825	-	-
Fair	4,542,078	54,156	88,128	4,024,067	375,727	-	-
<b>Total culture and recreation</b>	<b>14,317,038</b>	<b>2,304,116</b>	<b>1,691,506</b>	<b>9,458,820</b>	<b>862,596</b>	<b>-</b>	<b>-</b>
<b>Health, welfare and sanitation</b>	<b>12,453,900</b>	<b>-</b>	<b>-</b>	<b>12,213,227</b>	<b>240,673</b>	<b>-</b>	<b>-</b>
<b>Education</b>	<b>645,184</b>	<b>-</b>	<b>227,600</b>	<b>412,115</b>	<b>5,469</b>	<b>-</b>	<b>-</b>
<b>Total capital assets</b>	<b>\$74,197,080</b>	<b>\$5,377,282</b>	<b>\$ 1,973,344</b>	<b>\$32,678,248</b>	<b>\$ 9,704,427</b>	<b>\$ 22,826,524</b>	<b>\$ 1,637,255</b>

**TILLAMOOK COUNTY**

**SCHEDULE OF CHANGES IN CAPITAL ASSETS BY FUNCTION AND ACTIVITY  
GOVERNMENT ACTIVITIES  
For the Year Ended June 30, 2013**

<u>Function and Activity</u>	<u>Balances June 30, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balances June 30, 2013</u>
<b>General government</b>				
Board of County Commissioners	\$ 36,675	\$ -	\$ -	\$ 36,675
District Attorney	71,512	-	-	71,512
County Clerk	247,888	-	-	247,888
County Assessor	173,628	-	8,900	164,728
Courthouse Building	2,173,302	65,840	-	2,239,142
County Surveyor	55,991	-	-	55,991
Community Development	723,912	-	19,515	704,397
Data Processing	461,935	103,152	-	565,087
Juvenile	44,495	-	-	44,495
Personnel	18,578	-	-	18,578
Other - unclassified	1,942,116	-	6,972	1,935,144
<b>Total general government</b>	<b>5,950,032</b>	<b>168,992</b>	<b>35,387</b>	<b>6,083,637</b>
<b>Public safety</b>				
County Sheriff	1,795,537	200,063	112,088	1,883,512
Communications	59,838	10,450	-	70,288
Commission on Children and Families	11,832	-	-	11,832
Corrections	8,562,500	-	-	8,562,500
Courts	251,118	-	-	251,118
<b>Total public safety</b>	<b>10,680,825</b>	<b>210,513</b>	<b>112,088</b>	<b>10,779,250</b>
<b>Public works</b>	<b>30,479,593</b>	<b>958,341</b>	<b>1,519,863</b>	<b>29,918,071</b>
<b>Culture and recreation</b>				
Parks	5,053,173	-	-	5,053,173
Library	4,721,787	-	-	4,721,787
Fair	4,207,356	886,442	551,720	4,542,078
<b>Total culture and recreation</b>	<b>13,982,316</b>	<b>886,442</b>	<b>551,720</b>	<b>14,317,038</b>
<b>Health, welfare and sanitation</b>	<b>12,448,000</b>	<b>5,900</b>	<b>-</b>	<b>12,453,900</b>
<b>Education</b>	<b>645,184</b>	<b>-</b>	<b>-</b>	<b>645,184</b>
<b>Total capital assets</b>	<b>\$ 74,185,950</b>	<b>\$ 2,230,188</b>	<b>\$ 2,219,058</b>	<b>\$ 74,197,080</b>

## **GOVERNMENTAL LONG-TERM OBLIGATIONS**

# Tillamook County



*Land of Cheese, Trees and Ocean Breeze*

**TILLAMOOK COUNTY**

**SCHEDULE OF GOVERNMENTAL LONG-TERM OBLIGATIONS  
PRINCIPAL AND INTEREST TRANSACTIONS  
For the Year Ended June 30, 2013**

<u>Obligation</u>	<u>Interest Rates</u>	<u>Date of Issue</u>	<u>Outstanding June 30, 2012</u>	<u>Principal Matured and Paid</u>	<u>Outstanding June 30, 2013</u>	<u>Interest Matured and Paid</u>
General obligation bond issues						
1999 Refunding	3.2% - 4.7%	3/11/1999	\$ 1,225,000	\$ 600,000	\$ 625,000	\$ 56,976
2002 Refunding	1.8% - 4.7%	5/2/2002	2,865,000	745,000	2,120,000	128,540
2003	2.0% - 4.5%	12/17/2003	2,525,000	170,000	2,355,000	103,110
Total general obligation bond issues			<u>6,615,000</u>	<u>1,515,000</u>	<u>5,100,000</u>	<u>288,626</u>
Loans						
OEDD	6.00%	3/1/2000	227,386	22,974	204,412	13,643
ODOT	0.50%	12/1/2002	190,032	37,650	152,382	950
TLC	0%	2/25/2008	600,000	75,000	525,000	-
			<u>1,017,418</u>	<u>135,624</u>	<u>881,794</u>	<u>14,593</u>
Capital Leases						
FMC	6.25%	5/23/2012	21,924	5,224	16,700	1,222
Total			<u>\$ 7,654,342</u>	<u>\$ 1,655,848</u>	<u>\$ 5,998,494</u>	<u>\$ 304,441</u>

**TILLAMOOK COUNTY**

**SCHEDULE OF GOVERNMENTAL LONG-TERM OBLIGATIONS**

**FUTURE DEBT SERVICE REQUIREMENTS**

**June 30, 2013**

	<b>General Obligation Bond Issues</b>					
	<b>1999 Refunding</b>		<b>2002 Refunding</b>		<b>2003</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
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
2020-21	-	-	-	-	230,000	38,925
2021-22	-	-	-	-	240,000	28,350
2022-23	-	-	-	-	250,000	17,325
2023-24	-	-	-	-	260,000	5,850
	<u>\$ 625,000</u>	<u>\$ 29,375</u>	<u>\$2,120,000</u>	<u>\$ 184,055</u>	<u>\$ 2,355,000</u>	<u>\$ 610,328</u>

<b>Loans</b>				<b>Capital Lease</b>			<b>Totals</b>	
<b>OEDD</b>		<b>ODOT</b>		<b>TLC</b>	<b>FMC</b>		<b>Principal</b>	<b>Interest</b>
<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Principal</b>	<b>Interest</b>		
\$ 24,353	\$ 12,265	\$ 37,838	\$ 761	\$ 75,000	\$ 5,560	\$ 887	\$ 1,717,751	\$ 236,562
25,814	10,804	38,027	573	75,000	5,918	529	1,134,759	164,423
27,363	9,255	38,216	384	75,000	5,222	150	870,801	117,967
29,004	7,612	38,301	192	75,000	-	-	337,305	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	-	-	75,000	-	-	329,544	51,124
-	-	-	-	-	-	-	230,000	38,925
-	-	-	-	-	-	-	240,000	28,350
-	-	-	-	-	-	-	250,000	17,325
-	-	-	-	-	-	-	260,000	5,850
<b>\$204,412</b>	<b>\$ 51,911</b>	<b>\$152,382</b>	<b>\$ 1,910</b>	<b>\$ 525,000</b>	<b>\$ 16,700</b>	<b>\$ 1,566</b>	<b>\$ 5,998,494</b>	<b>\$ 879,145</b>

**TILLAMOOK COUNTY**

**SCHEDULE OF CASH RECEIPTS AND TURNS OVERS FOR ELECTED OFFICIALS  
As of and for the Year Ended June 30, 2013**

<b>Elected Officials</b>	<b>Cash and Investments Balances June 30, 2012</b>	<b>Cash Receipts</b>	<b>Cash Turnovers and Disbursements to County Treasurer and Others</b>	<b>Cash and Investments Balances June 30, 2013</b>
Clerk	\$ -	\$ 267,521	\$ 267,521	\$ -
Justice of the Peace	-	242,760	242,760	-
Sheriff	40,924	60,183	51,558	49,549
Surveyor	-	26,840	26,840	-
Tax Collector	8,661	45,106,918	45,071,997	43,582
Treasurer	20,462,700	141,551,589	142,162,794	19,851,495
<b>Total cash and investments</b>	<b>\$ 20,512,285</b>	<b>\$ 187,255,811</b>	<b>\$ 187,823,470</b>	<b>\$ 19,944,626</b>
<b>Cash and investments as of June 30, 2013</b>				
Deposits with financial institutions				\$ 1,809,390
Cash on hand				54,306
U.S. Government Agencies				1,841,738
Corporate Debt Obligation Securities				2,066,742
State Treasurer's Investment Pool				<u>14,172,450</u>
Cash and investments for elected officials				19,944,626
Cash held by County Fair Board				278,847
Held by custodian under pension plan, primarily mutual funds				<u>46,309,270</u>
Total cash and investments				<u>\$ 66,532,743</u>
<b>Reported in the Basic Financial Statements as:</b>				
Governmental activities - cash and investments				\$ 17,935,856
Business-type activities - cash and investments				1,259,095
Pension trust				
Cash				310,122
Investments in fixed income securities				7,461,144
Investments in mutual funds				38,538,004
Agency funds - cash and investments				<u>1,028,522</u>
				<u>\$ 66,532,743</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**

**Net Position by Component  
Last Ten Fiscal Years**

	Fiscal Year Ended June 30,									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>Governmental activities</b>										
Net investment capital asset	\$ 42,719,867	\$ 42,615,214	\$ 44,019,014	\$ 37,071,660	\$ 36,042,826	\$ 31,862,585	\$ 28,288,674	\$ 22,952,895	\$ 19,415,441	\$ 15,073,481
Restricted	9,988,891	9,150,515	9,617,647	3,777,499	4,423,745	4,756,637	5,995,709	8,618,799	10,457,167	2,271,966
Unrestricted	7,527,068	9,038,864	5,672,012	17,653,947	16,808,514	16,501,257	14,411,635	12,707,246	9,788,885	12,545,890
<b>Total governmental activities net position</b>	<b>\$ 60,235,826</b>	<b>\$ 60,804,593</b>	<b>\$ 59,308,673</b>	<b>\$ 58,503,106</b>	<b>\$ 57,275,085</b>	<b>\$ 53,120,479</b>	<b>\$ 48,696,018</b>	<b>\$ 44,278,940</b>	<b>\$ 39,661,493</b>	<b>\$ 29,891,337</b>
<b>Business-type activities</b>										
Net investment capital asset	\$ 2,360,555	\$ 2,455,401	\$ 2,156,940	\$ 2,085,051	\$ 2,112,011	\$ 1,633,850	\$ 1,454,638	\$ 1,520,162	\$ 1,585,686	\$ 1,626,812
Unrestricted	122,246	219,089	659,708	724,915	569,978	1,005,008	991,608	723,497	285,305	11,829
<b>Total business-type activities net position</b>	<b>\$ 2,482,801</b>	<b>\$ 2,674,490</b>	<b>\$ 2,816,648</b>	<b>\$ 2,809,966</b>	<b>\$ 2,681,989</b>	<b>\$ 2,638,858</b>	<b>\$ 2,446,246</b>	<b>\$ 2,243,659</b>	<b>\$ 1,870,991</b>	<b>\$ 1,638,641</b>
<b>Totals - all activities</b>										
Net investment capital asset	\$ 45,080,422	\$ 45,070,615	\$ 46,175,954	\$ 39,156,711	\$ 38,154,837	\$ 33,496,435	\$ 29,743,312	\$ 24,473,057	\$ 21,001,127	\$ 16,700,293
Restricted	9,988,891	9,150,515	9,617,647	3,777,499	4,423,745	4,756,637	5,995,709	8,618,799	10,457,167	2,271,966
Unrestricted	7,649,314	9,257,953	6,331,720	18,378,862	17,378,492	17,506,265	15,403,243	13,430,743	10,074,190	12,557,719
<b>Total net position</b>	<b>\$ 62,718,627</b>	<b>\$ 63,479,083</b>	<b>\$ 62,125,321</b>	<b>\$ 61,313,072</b>	<b>\$ 59,957,074</b>	<b>\$ 55,759,337</b>	<b>\$ 51,142,264</b>	<b>\$ 46,522,599</b>	<b>\$ 41,532,484</b>	<b>\$ 31,529,978</b>

TILLAMOOK COUNTY

Changes in Net Position  
Last Ten Fiscal Years

	Fiscal Year Ended June 30,									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>Expenses</b>										
<b>Governmental activities</b>										
General government	\$ 10,453,790	\$ 9,934,062	\$ 10,897,384	\$ 9,331,403	\$ 11,000,094	\$ 11,151,831	\$ 10,329,572	\$ 10,017,377	\$ 8,482,212	\$ 7,789,199
Public safety	7,616,317	7,719,096	7,754,878	7,482,483	7,119,266	7,356,213	7,626,060	7,094,277	6,993,692	6,072,669
Highways and streets	4,746,759	4,431,828	4,825,966	4,482,036	2,317,050	3,847,477	3,810,354	4,610,247	4,391,196	3,440,140
Culture and recreation	5,028,281	4,951,190	4,490,789	4,288,657	3,930,672	3,583,838	2,989,953	2,809,252	3,118,685	2,807,429
Health and welfare	6,199,816	5,703,431	5,290,597	5,093,360	4,836,871	4,673,434	5,141,431	5,324,185	6,067,370	6,323,321
Education	3,420,184	2,355,043	2,887,100	3,019,596	3,608,717	4,650,449	4,260,607	4,827,179	3,513,958	3,103,404
Interest on long-term debt	363,477	393,364	454,086	511,485	564,404	614,666	634,634	719,839	805,846	760,816
<b>Total governmental activities expenses</b>	<b>37,828,624</b>	<b>35,488,014</b>	<b>36,600,800</b>	<b>34,209,020</b>	<b>33,377,074</b>	<b>35,877,908</b>	<b>34,792,811</b>	<b>35,402,356</b>	<b>33,372,959</b>	<b>30,296,978</b>
<b>Business-type activities</b>										
Solid waste	1,986,866	1,997,550	1,863,490	1,563,107	1,699,546	1,837,700	1,748,418	1,379,511	1,277,275	1,132,552
<b>Total expenses</b>	<b>\$ 39,815,490</b>	<b>\$ 37,485,564</b>	<b>\$ 38,464,290</b>	<b>\$ 35,772,127</b>	<b>\$ 35,076,620</b>	<b>\$ 37,715,608</b>	<b>\$ 36,541,229</b>	<b>\$ 36,781,867</b>	<b>\$ 34,650,234</b>	<b>\$ 31,429,530</b>
<b>Program revenues</b>										
<b>Governmental activities</b>										
Charges for services										
General government	\$ 2,730,216	\$ 3,268,622	\$ 3,350,795	\$ 3,093,560	\$ 2,491,513	\$ 2,846,402	\$ 3,479,240	\$ 3,197,562	\$ 2,932,916	\$ 2,773,203
Public safety	916,654	827,888	812,281	679,201	713,007	734,387	803,006	890,652	869,356	996,560
Highways and streets	549,505	574,350	533,556	282,259	437,649	204,262	485,292	804,708	283,674	138,638
Culture and recreation	2,123,390	1,756,832	1,844,767	1,864,620	1,693,575	1,672,903	1,554,426	1,508,389	1,329,529	1,255,443
Health and welfare	1,783,411	1,818,001	1,684,237	1,799,361	1,827,733	1,850,471	1,651,769	1,954,317	2,052,064	1,952,027
Education	-	-	29	-	267	-	-	-	-	-
Operating grants and contributions	7,846,715	8,194,060	8,476,992	7,693,145	7,796,207	8,445,756	7,956,196	8,108,624	7,243,113	7,773,742
Capital grants and contributions	125,774	2,506,529	1,275,535	95,231	1,498,018	1,529,350	489,909	417,834	8,518,424	845,177
<b>Total governmental activities program revenues</b>	<b>16,075,665</b>	<b>18,946,082</b>	<b>17,978,192</b>	<b>15,507,377</b>	<b>16,457,969</b>	<b>17,283,531</b>	<b>16,419,838</b>	<b>16,882,086</b>	<b>23,229,076</b>	<b>15,734,790</b>
<b>Business-type activities</b>										
Charges for services	1,768,038	1,778,065	1,710,689	1,675,149	1,689,870	1,925,292	1,828,136	1,678,723	1,279,263	1,105,658
Operating grants	-	1,000	46,200	-	5,757	5,972	34,093	16,416	-	-
Capital grants	19,800	70,000	-	-	-	-	-	-	-	-
<b>Total business-type activities program revenues</b>	<b>1,787,838</b>	<b>1,849,065</b>	<b>1,756,889</b>	<b>1,675,149</b>	<b>1,695,627</b>	<b>1,931,264</b>	<b>1,862,229</b>	<b>1,695,139</b>	<b>1,279,263</b>	<b>1,105,658</b>
<b>Total program revenues</b>	<b>\$ 17,863,503</b>	<b>\$ 20,795,147</b>	<b>\$ 19,735,081</b>	<b>\$ 17,182,526</b>	<b>\$ 18,153,596</b>	<b>\$ 19,214,795</b>	<b>\$ 18,282,067</b>	<b>\$ 18,577,225</b>	<b>\$ 24,508,339</b>	<b>\$ 16,840,448</b>
<b>Net (expense) / revenue</b>										
Governmental activities	\$ (21,752,959)	\$ (16,541,932)	\$ (18,622,608)	\$ (18,701,643)	\$ (16,919,105)	\$ (18,594,377)	\$ (18,372,973)	\$ (18,520,270)	\$ (10,143,883)	\$ (14,562,188)
Business-type activities	(199,028)	(148,485)	(106,601)	112,042	(3,919)	93,564	113,811	315,628	1,988	(26,894)
<b>Total net (expense) / revenue</b>	<b>\$ (21,951,987)</b>	<b>\$ (16,690,417)</b>	<b>\$ (18,729,209)</b>	<b>\$ (18,589,601)</b>	<b>\$ (16,923,024)</b>	<b>\$ (18,500,813)</b>	<b>\$ (18,259,162)</b>	<b>\$ (18,204,642)</b>	<b>\$ (10,141,895)</b>	<b>\$ (14,589,082)</b>
<b>General revenues and other changes in net position</b>										
<b>Governmental activities</b>										
Property taxes	\$ 10,907,719	\$ 10,712,390	\$ 10,414,096	\$ 10,083,863	\$ 9,786,714	\$ 9,206,760	\$ 8,278,392	\$ 7,867,969	\$ 7,982,592	\$ 7,096,992
Other taxes	187,171	179,630	161,778	200,083	197,973	177,285	179,739	167,918	156,096	157,012
Unrestricted grants and contributions	1,506,904	3,465,267	4,746,992	5,449,169	5,906,234	6,722,787	7,017,641	7,840,581	6,445,884	6,074,788
Timber and land sales	7,636,245	2,342,060	2,789,366	3,304,836	3,596,833	4,072,039	4,517,564	5,639,887	4,644,545	3,237,047
Unrestricted investment earnings	86,255	86,692	98,664	187,697	534,977	977,682	1,057,756	902,182	308,439	126,296
Assessments	-	-	-	-	-	-	-	-	37,600	-
Miscellaneous	858,761	1,235,353	1,214,859	704,016	1,022,062	1,127,360	1,243,564	1,134,351	857,047	99,497
Gain (Loss) on disposition of property	1,137	16,460	2,420	-	28,917	734,925	-	(11,550)	(24,619)	-
Transfers	-	-	-	-	-	-	8,102	-	-	-
Prior period adjustments	-	-	-	-	-	-	487,293	(403,621)	(493,545)	-
<b>Total governmental activities</b>	<b>21,184,192</b>	<b>18,037,852</b>	<b>19,428,175</b>	<b>19,929,664</b>	<b>21,073,710</b>	<b>23,018,838</b>	<b>22,790,051</b>	<b>23,137,717</b>	<b>19,914,039</b>	<b>16,791,632</b>
<b>Business-type activities</b>										
Assessments	-	-	-	-	-	-	-	-	15,930	210,021
Unrestricted investment earnings	5,056	5,068	7,351	14,499	45,084	97,007	85,932	54,826	211,262	10,678
Miscellaneous	2,283	1,259	105,932	1,436	1,966	2,041	2,844	2,214	3,170	1,862
<b>Total business-type activities</b>	<b>7,339</b>	<b>6,327</b>	<b>113,283</b>	<b>15,935</b>	<b>47,050</b>	<b>99,048</b>	<b>88,776</b>	<b>57,040</b>	<b>230,362</b>	<b>222,561</b>
<b>Total general revenues and other changes in net position</b>	<b>\$ 21,191,531</b>	<b>\$ 18,044,179</b>	<b>\$ 19,541,458</b>	<b>\$ 19,945,599</b>	<b>\$ 21,120,760</b>	<b>\$ 23,117,886</b>	<b>\$ 22,878,827</b>	<b>\$ 23,194,757</b>	<b>\$ 20,144,401</b>	<b>\$ 17,014,193</b>
<b>Change in net position</b>										
Governmental activities	\$ (568,767)	\$ 1,495,920	\$ 805,567	\$ 1,228,021	\$ 4,154,605	\$ 4,424,461	\$ 4,417,078	\$ 4,617,447	\$ 9,770,156	\$ 2,229,444
Business-type activities	(191,689)	(142,158)	6,682	127,977	43,131	192,612	202,587	372,668	232,350	195,667
<b>Total change in net position</b>	<b>\$ (760,456)</b>	<b>\$ 1,353,762</b>	<b>\$ 812,249</b>	<b>\$ 1,355,998</b>	<b>\$ 4,197,736</b>	<b>\$ 4,617,073</b>	<b>\$ 4,619,665</b>	<b>\$ 4,990,115</b>	<b>\$ 10,002,506</b>	<b>\$ 2,425,111</b>

**TILLAMOOK COUNTY**

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

<u>Fiscal Year Ended June 30,</u>	<u>Property Taxes</u>	<u>State Fuel Taxes</u>	<u>Other Taxes</u>	<u>Totals</u>
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
2010	10,083,863	1,333,076	200,083	11,617,022
2011	10,414,096	1,695,486	161,778	12,271,360
2012	10,712,390	1,772,683	179,630	12,664,703
2013	10,907,719	1,787,725	187,171	12,882,615

# TILLAMOOK COUNTY

## Fund Balances of Governmental Funds Last Ten Fiscal Years

	Fiscal Year Ended June 30,									
	2013	2012	2011*	2010	2009	2008	2007	2006	2005	2004
<b>General fund</b>										
Unreserved	\$ -	\$ -	\$ -	\$ 8,043,291	\$ 6,882,209	\$ 6,821,346	\$ 7,337,984	\$ 7,812,327	\$ 6,138,135	\$ 5,626,426
Assigned	2,678,311	-	-	-	-	-	-	-	-	-
Unassigned	7,508,823	10,416,940	10,718,830	-	-	-	-	-	-	-
<b>Total General fund</b>	<u>10,187,134</u>	<u>10,416,940</u>	<u>10,718,830</u>	<u>8,043,291</u>	<u>6,882,209</u>	<u>6,821,346</u>	<u>7,337,984</u>	<u>7,812,327</u>	<u>6,138,135</u>	<u>5,626,426</u>
<b>All other governmental funds</b>										
Reserved	-	-	-	206,774	235,337	215,949	322,142	470,259	556,992	358,143
Unreserved, reported in:										
Special revenue funds	-	-	-	11,771,220	11,575,922	10,390,356	9,476,705	7,512,996	5,602,952	5,132,411
Capital projects funds	-	-	-	1,759,915	1,886,440	4,116,286	4,174,993	6,922,753	11,667,869	3,761,538
Restricted	9,392,145	8,907,041	9,477,736	-	-	-	-	-	-	-
Assigned	1,589,910	1,644,400	1,458,727	-	-	-	-	-	-	-
Unassigned	-	-	(4,370)	-	-	-	-	-	-	-
<b>Total all other governmental funds</b>	<u>10,982,055</u>	<u>10,551,441</u>	<u>10,932,093</u>	<u>13,737,909</u>	<u>13,697,699</u>	<u>14,722,591</u>	<u>13,973,840</u>	<u>14,906,008</u>	<u>17,827,813</u>	<u>9,252,092</u>
<b>Total all governmental funds</b>	<u>\$ 21,169,189</u>	<u>\$ 20,968,381</u>	<u>\$ 21,650,923</u>	<u>\$ 21,781,200</u>	<u>\$ 20,579,908</u>	<u>\$ 21,543,937</u>	<u>\$ 21,311,824</u>	<u>\$ 22,718,335</u>	<u>\$ 23,965,948</u>	<u>\$ 14,878,518</u>

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.

\* The County implemented the provisions of GASB 54 for the year ended June 30, 2011 which requires fund balance to be presented in the categories of unspendable, restricted, committed, assigned and unassigned.

# TILLAMOOK COUNTY

## Changes in Fund Balances of Governmental Funds Last Ten Fiscal Years

	Fiscal Year Ended June 30,									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<b>Revenues</b>										
Property taxes	\$ 10,943,530	\$ 10,714,016	\$ 10,333,210	\$ 9,987,473	\$ 9,639,855	\$ 9,106,933	\$ 8,271,003	\$ 7,930,381	\$ 8,059,139	\$ 7,189,829
Licences, permits and fees	1,180,674	627,586	600,973	1,303,389	1,171,341	1,494,431	2,075,166	1,946,936	1,558,172	1,438,510
Intergovernmental	9,530,283	11,963,865	14,536,914	13,526,561	16,274,582	17,116,589	16,111,821	16,668,427	22,323,685	15,106,846
Charges for services	5,148,972	5,612,304	5,381,155	4,384,487	4,208,498	4,150,954	4,071,257	4,843,870	4,261,631	3,973,124
Fines and forfeitures	436,745	552,940	630,989	631,219	486,735	569,179	607,473	445,869	459,416	451,661
Timber and land sales	7,522,718	2,292,024	2,743,241	3,190,547	3,537,254	3,996,788	4,306,537	5,471,766	4,483,877	3,084,565
Interest	86,350	86,692	98,664	187,697	534,977	977,682	1,057,756	902,182	308,439	126,296
Assessments	-	-	-	-	-	-	-	-	37,600	-
Intercounty charges	1,213,233	1,348,615	1,409,253	1,174,756	944,018	906,294	922,130	903,355	1,056,203	998,251
Miscellaneous	1,091,354	3,029,694	1,679,046	985,109	1,444,040	1,163,559	1,304,906	1,381,282	1,180,136	197,529
<b>Total revenues</b>	<b>37,153,859</b>	<b>36,227,736</b>	<b>37,413,445</b>	<b>35,371,238</b>	<b>38,241,300</b>	<b>39,482,409</b>	<b>38,728,049</b>	<b>40,494,068</b>	<b>43,728,298</b>	<b>32,566,611</b>
<b>Expenditures</b>										
General government	9,980,713	9,265,504	10,528,662	8,853,114	10,993,130	11,164,760	9,977,228	8,786,171	8,376,287	7,705,725
Public safety	6,848,038	6,796,559	7,121,264	6,812,616	7,168,431	7,196,260	7,230,929	6,704,170	6,662,805	5,808,071
Highways and streets	3,255,373	3,949,224	4,262,450	3,567,824	3,559,452	3,914,600	3,525,984	4,317,729	4,074,452	3,228,909
Culture and recreation	4,399,019	4,150,125	3,945,989	3,694,391	3,484,882	3,349,109	2,959,789	2,750,275	2,894,294	2,720,726
Health and welfare	6,002,697	5,507,666	5,193,134	4,902,771	4,984,677	4,685,745	5,125,135	5,295,462	5,831,335	6,072,876
Education	3,413,540	2,348,399	2,880,506	3,012,953	3,624,999	4,650,241	4,255,495	4,820,624	3,510,257	3,098,897
Capital outlay	1,139,566	2,977,910	1,665,946	1,406,921	3,648,289	3,873,732	5,152,551	7,181,096	1,297,647	1,901,943
Debt service										
Principal	1,612,974	1,582,031	1,522,159	1,470,520	1,418,966	1,292,489	1,301,064	1,196,623	1,184,860	1,227,674
Interest	302,268	366,414	425,377	480,636	532,455	580,997	634,573	689,531	813,994	652,918
<b>Total expenditures</b>	<b>36,954,188</b>	<b>36,943,832</b>	<b>37,545,487</b>	<b>34,201,746</b>	<b>39,415,281</b>	<b>40,707,933</b>	<b>40,162,748</b>	<b>41,741,681</b>	<b>34,645,931</b>	<b>32,417,739</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>199,671</b>	<b>(716,096)</b>	<b>(132,042)</b>	<b>1,169,492</b>	<b>(1,173,981)</b>	<b>(1,225,524)</b>	<b>(1,434,699)</b>	<b>(1,247,613)</b>	<b>9,082,367</b>	<b>148,872</b>
<b>Other financing sources (uses)</b>										
Transfers in	987,965	596,881	1,403,034	658,665	600,626	880,100	1,885,220	1,424,161	1,061,538	430,975
Transfers (out)	(987,965)	(596,881)	(1,403,034)	(658,665)	(600,626)	(880,100)	(1,877,118)	(1,424,161)	(1,061,538)	(430,975)
Issuance of debt	-	22,882	-	31,800	168,200	700,000	20,086	-	-	3,627,572
Proceeds from sale of capital assets	1,137	10,672	1,765	-	41,751	757,637	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>1,137</b>	<b>33,554</b>	<b>1,765</b>	<b>31,800</b>	<b>209,951</b>	<b>1,457,637</b>	<b>28,188</b>	<b>-</b>	<b>-</b>	<b>3,627,572</b>
<b>Net change in fund balances</b>	<b>\$ 200,808</b>	<b>\$ (682,542)</b>	<b>\$ (130,277)</b>	<b>\$ 1,201,292</b>	<b>\$ (964,030)</b>	<b>\$ 232,113</b>	<b>\$ (1,406,511)</b>	<b>\$ (1,247,613)</b>	<b>\$ 9,082,367</b>	<b>\$ 3,776,444</b>
<b>Debt service as a percentage of non-capital expenditures</b>	<b>5.21%</b>	<b>5.77%</b>	<b>5.43%</b>	<b>5.89%</b>	<b>5.54%</b>	<b>5.09%</b>	<b>5.53%</b>	<b>5.46%</b>	<b>5.99%</b>	<b>6.16%</b>

**TILLAMOOK COUNTY**

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

<b>Fiscal Year Ended</b>	<b>Real Property</b>		<b>Personal Property</b>	<b>Less Tax Exempt Property</b>	<b>Total Taxable Assessed Value</b>	<b>Total Direct Tax Rate Per \$1,000</b>	<b>Estimated True Cash Value</b>	<b>Total Taxable Assessed Value as a Percent of Estimated True Cash Value</b>
	<b>Residential</b>	<b>Commercial</b>						
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	2.76820	3,582,116,191	79.55%
2006	3,019,269,563	205,177,567	47,507,858	262,940,467	3,009,014,521	2.60090	3,573,714,064	84.20%
2007	3,199,178,598	210,113,615	37,436,764	251,192,873	3,195,536,104	2.55450	5,278,805,832	60.54%
2008	3,385,980,549	223,595,793	37,844,699	241,726,113	3,405,694,928	2.64810	6,656,583,154	51.16%
2009	3,551,626,421	236,873,215	38,814,289	224,342,768	3,602,971,157	2.70213	6,993,018,810	51.52%
2010	3,530,324,543	224,635,617	36,955,960	23,991,465	3,767,924,655	2.78721	6,566,645,351	57.38%
2011	3,662,030,160	231,781,361	32,730,571	29,478,600	3,897,063,492	2.73831	6,103,214,368	63.85%
2012	3,787,401,830	234,540,379	31,261,564	27,447,136	4,025,756,637	2.72053	5,775,140,616	69.71%
2013	3,884,369,104	249,835,018	31,527,484	31,435,222	4,134,296,384	2.68420	5,467,447,448	75.62%

Source: Tillamook County Department of Assessment and Taxation



**TILLAMOOK COUNTY**

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

<b>Fiscal Year Ended June 30,</b>	<b>Tillamook County</b>			<b>Overlapping Rates</b>			<b>Total Direct and Overlapping Tax Rates</b>
	<b>Operating</b>	<b>Debt Service</b>	<b>Totals</b>	<b>Cities</b>	<b>Schools</b>	<b>Other Districts</b>	
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	2.0361	0.6120	2.6481	0.5336	5.9876	1.7710	10.9403
2009	2.1444	0.5578	2.7021	0.4891	5.9704	1.6992	10.8608
2010	2.2698	0.5174	2.7872	0.4818	6.0263	2.0485	11.3438
2011	2.2433	0.4950	2.7383	0.4699	5.9601	1.9295	11.0978
2012	2.2399	0.4806	2.7205	0.4432	5.9871	1.9517	11.1025
2013	2.2268	0.4574	2.6842	0.4315	5.8299	1.9004	10.8461

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**

**PRINCIPAL TAXPAYERS**

**June 30, 2013 and 2004**

<b>Taxpayer</b>	<b>2012-2013 Assessed Valuation</b>	<b>Rank</b>	<b>Percentage of Total Assessed Value</b>	<b>2003-2004 Assessed Valuation</b>	<b>Rank</b>	<b>Percentage of Total Assessed Value</b>
<b>Private Enterprises:</b>						
Tillamook County Creamery Association	\$ 56,512,298	2	1.367 %	\$ 43,167,068	2	1.592 %
Stimson Lumber	50,699,522	3	1.226	14,483,610	6	0.534
Simpson Timber Company	-	n/a	n/a	14,483,610	3	0.534
Hampton Lumber	16,253,900	5	0.393	11,811,500	5	0.436
Port of Tillamook Bay	-	n/a	-	8,222,225	9	0.303
Texas Commerce Bank National Association	14,244,830	6	0.345	7,115,110	12	0.262
CEF Lease Residual Holdings LLC	-	n/a	n/a	5,628,260	14	0.208
Pacific Carriage Limited	10,115,000	9	0.245	-	n/a	n/a
Nestucca Ridge Development Inc.	9,623,990	10	0.233	-	n/a	n/a
Tillamook Country Smoker Inc.	8,820,060	11	0.213	8,587,320	13	0.317
Nestucca Forests LLC	8,752,589	12	0.212	-	n/a	n/a
Port of Garibaldi	-	n/a	n/a	7,465,790	10	0.275
<b>Subtotal</b>	<b>175,022,189</b>		<b>4.233</b>	<b>120,964,493</b>		<b>4.460</b>
<b>Public Utilities:</b>						
Tillamook Public Utility District	74,225,570	1	1.795	43,168,068	1	1.592
United Telephone Co. of NW	-	n/a	n/a	15,321,576	4	0.565
Centurylink	23,081,600	4	0.558	-	n/a	n/a
WCI Cable, Inc.	13,903,400	7	0.336	5,889,020	7	0.217
Charter Communications	10,953,000	8	0.265	4,979,278	15	0.184
Nehalem Telecommunications Inc.	8,189,000	13	0.198	-	n/a	n/a
<b>Subtotal</b>	<b>130,352,570</b>		<b>3.153</b>	<b>69,357,942</b>		<b>2.557</b>
<b>All other</b>	<b>3,828,921,625</b>		<b>92.614</b>	<b>2,521,742,184</b>		<b>92.982</b>
<b>Total</b>	<b>\$ 4,134,296,384</b>		<b>100.000 %</b>	<b>\$ 2,712,064,619</b>		<b>100.000 %</b>

Source: Tillamook County Assessor's Department

n/a - not applicable

**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	Debt Service	Totals	Amount	Percent of Levy		Amount	Percentage of Levy
2004	\$ 4,014,898	\$ 1,464,006	\$ 1,484,855	\$ 6,963,759	\$ 6,462,531	92.8	\$ 498,416	\$ 6,960,947	99.96
2005	4,252,989	1,538,072	2,096,604	7,887,665	6,777,166	85.9	1,107,687	7,884,853	99.96
2006	4,497,252	1,624,238	1,704,606	7,826,096	6,819,481	87.1	1,003,803	7,823,284	99.96
2007	4,781,050	1,725,278	1,656,568	8,162,896	7,908,010	96.9	250,926	8,158,936	99.95
2008	5,089,615	2,213,408	1,715,611	9,018,634	8,667,941	96.1	341,421	9,009,362	99.90
2009	5,375,313	2,449,708	1,910,687	9,735,708	9,280,397	95.3	438,709	9,719,106	99.83
2010	5,616,132	2,561,980	1,864,135	10,042,248	9,545,435	95.1	439,109	9,984,544	99.43
2011	5,803,056	2,649,644	1,865,052	10,317,752	9,712,049	94.1	467,740	10,179,789	98.66
2012	5,991,857	2,737,136	1,873,083	10,602,076	9,849,650	92.9	516,585	10,366,235	97.78
2013	6,153,490	2,810,936	1,841,518	10,805,944	10,321,146	95.5	-	10,321,146	95.51

Source: Tillamook County Assessment and Taxation Department

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

**TILLAMOOK COUNTY**

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

<b>Fiscal Year Ended June 30,</b>	<b>Governmental Activities</b>				<b>Percentage of Personal Income</b>	<b>Debt Per Capita</b>
	<b>General Obligation Bonds</b>	<b>Loans and Notes</b>	<b>Capital Leases</b>	<b>Total</b>		
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	1.75%	552.31
2008	12,065,000	1,345,759	14,377	13,425,136	1.65%	536.19
2009	10,780,000	1,220,655	10,515	12,011,170	1.47%	481.85
2010	9,445,000	1,284,274	6,376	10,735,650	1.29%	431.34
2011	8,060,000	1,151,551	1,940	9,213,491	1.06%	364.89
2012	6,615,000	1,017,418	21,925	7,654,343	n/a	301.32
2013	5,100,000	881,794	16,700	5,998,494	n/a	237.22

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 126.

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**

**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
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
2010	9,445,000	206,774	9,238,226	0.245%	371
2011	8,060,000	194,893	7,865,107	0.202%	311
2012	6,615,000	200,426	6,414,574	0.159%	253
2013	5,100,000	187,741	4,912,259	0.119%	194

Per Capita information is derived from demographic statistics presented on page 126.

**TILLAMOOK COUNTY**

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**

**June 30, 2013**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percent Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Cannon Beach RFPD	\$ 145,000	1.0593	\$ 1,536
Nehalem Bay Rural Fire Protection District	2,475,000	99.5111	2,462,900
North Lincoln Fire and Rescue District #1	5,330,000	1.1152	59,440
City of Bay City	693,831	100.0000	693,831
City of Garibaldi	486,170	100.0000	486,170
City of Rockaway Beach	1,094,307	100.0000	1,094,307
City of Wheeler	1,022,975	100.0000	1,022,975
Neskowin Regional Sanitary District	379,499	100.0000	379,499
Netarts-Oceanside Sanitary District	11,281,000	100.0000	11,281,000
Pacific City Joint Water-Sanitary Authority	4,460,000	100.0000	4,460,000
Port of Tillamook Bay	465,000	100.0000	465,000
Northwest Regional ESD	5,490,000	6.6867	367,100
Tillamook Co. School District No. 9	21,392,291	100.0000	21,392,291
Tillamook Co. School District No. 56	13,180,000	100.0000	13,180,000
Tillamook Co. School District No. 101	12,525,000	99.9065	12,513,289
Tillamook Bay Community College	9,965,000	100.0000	9,965,000
Yamhill Co. School District No. 30J	2,495,000	0.9694	24,187
Willamette Education Service District	20,617,280	0.0097	2,000
Total overlapping debt			79,850,524
Tillamook County direct debt	5,998,494	100.0000	5,998,494
Total			<u>\$ 85,849,018</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**

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Debt limit	\$ 66,312,826	\$ 71,642,324	\$ 71,474,281	\$ 105,576,117	\$ 133,131,663	\$ 139,860,376	\$ 131,332,907	\$ 122,064,287	\$ 115,502,812	\$ 109,348,949
Total net debit applicable to limit	<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>	<u>9,445,000</u>	<u>8,060,000</u>	<u>6,615,000</u>	<u>5,100,000</u>
Legal debt margin	\$ <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>	\$ <u>121,887,907</u>	\$ <u>114,004,287</u>	\$ <u>108,887,812</u>	\$ <u>104,248,949</u>

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

\$ 5,467,447,448

\$ 109,348,949

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**

**DEMOGRAPHIC AND ECONOMIC STATISTICS**

**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Population</b>	<b>Personal Income (amounts expressed in thousands)</b>	<b>Per Capita Personal Income</b>	<b>Public School Enrollment</b>	<b>Unemployment Rate</b>
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	802,643	31,625	3,437	4.8%
2008	25,038	815,087	32,554	3,332	4.3%
2009	24,927	816,933	32,773	3,301	9.2%
2010	24,889	834,099	33,011	3,278	8.6%
2011	25,250	868,635	34,194	3,239	8.6%
2012	25,403	n/a	n/a	3,232	8.2%
2013	25,287	n/a	n/a	3,184	7.3%

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**

**Principal Employers  
Current Year and Nine Years Ago**

Employer	2013			2004		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Tillamook County Creamery Association	453	1	3.68%	360	1	3.26%
Tillamook County General Hospital	375	2	3.04%	300	2	2.72%
Fred Meyer	300	3	2.43%	150	6	1.36%
Tillamook County	286	4	2.32%	250	3	2.26%
Tillamook School District #9	266	5	2.16%	n/a	n/a	n/a
Tillamook Country Smoker	173	6	1.40%	200	4	1.81%
Nestucca Ridge Development	165	7	1.34%	n/a	n/a	n/a
Fallon Logging	140	8	1.14%	n/a	n/a	n/a
Tillamook Lumber	133	9	1.08%	168	5	1.52%
Neah-Kah-Nie School District	109	10	0.88%	n/a	n/a	n/a
<b>Total number of individuals employed</b>	<b>12,322</b>			<b>11,039</b>		

Source: Tillamook County Almanac

n/a - information is not available

**TILLAMOOK COUNTY**

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

<u>Function</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
General government	62.50	63.00	72.50	68.40	73.00	70.00	63.25	60.94	61.94	63.50
Public safety	84.30	93.00	85.50	89.55	84.00	84.75	75.50	78.77	73.00	74.75
Highways and streets	35.00	35.00	30.00	30.50	30.50	26.00	27.50	24.00	25.00	24.00
Culture and recreation	25.25	27.00	25.00	25.56	25.50	28.53	29.08	39.83	44.33	44.83
Health and welfare	50.00	50.00	32.75	36.40	38.80	40.40	37.90	34.08	36.10	37.50
Solid waste	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.50	1.75	2.50
	<u>258.05</u>	<u>269.00</u>	<u>246.75</u>	<u>251.41</u>	<u>252.80</u>	<u>250.68</u>	<u>234.23</u>	<u>235.12</u>	<u>242.12</u>	<u>247.08</u>

Source: Tillamook County Human Resources

**TILLAMOOK COUNTY**

**Operating Indicators by Function  
Last Ten Fiscal Years**

Function	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Public safety</b>										
Arrests	529	765	1,015	1,606	1,547	1,765	1,219	1,418	697	563
<b>Highways and streets</b>										
Resurfacing (miles)	4.7	*18.2	*12.33	4.0	8.9	2.6	10.1	7.7	5.0	2.6
<b>Culture and recreation</b>										
Library books checked out	344,290	321,610	312,592	323,053	327,328	379,740	390,669	432,742	407,016	392,097
County fair attendance	66,308	69,679	71,180	73,193	71,198	73,333	74,202	70,762	72,269	72,000
<b>Health and welfare</b>										
Health department encounters	17,770	18,487	20,991	19,742	20,646	18,356	17,729	17,019	13,521	16,071
<b>Solid waste</b>										
Refuse collected (tons)	19,538	17,000	23,567	24,201	26,092	21,655	21,338	20,142	19,712	20,160

\* 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	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Public safety</b>										
Justice centers	1	1	1	1	1	1	1	1	1	1
Patrol units	18	20	20	20	32	32	28	30	17	20
Inmate beds	120	120	120	120	120	120	120	120	120	120
<b>Highways and streets</b>										
Miles of paved roads	281	281	281	281	281	283	286	281	281	280
Miles of gravel roads	97	97	97	97	97	97	100	96	96	96
Bridges	96	96	96	96	96	96	96	99	99	100
<b>Culture and recreation</b>										
Parks acreage	2,760	2,760	2,760	2,760	2,760	2,760	2,765	2,765	2,765	2,700
Library branches	6	6	6	6	6	6	6	6	6	6
Library book titles	129,292	129,292	113,650	142,550	155,053	120,492	131,000	209,333	185,000	122,174
Museums	1	1	1	1	1	1	1	1	1	1
Fairground acreage	65	65	65	65	63	63	63	63	63	63
<b>Health and welfare</b>										
Clinics	3	3	3	3	3	3	3	3	3	3
<b>Solid waste</b>										
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

**INDEPENDENT AUDITOR'S REPORT REQUIRED BY  
THE MINIMUM STANDARDS FOR AUDITS OF  
OREGON MUNICIPAL CORPORATIONS**



**INDEPENDENT AUDITOR'S REPORT REQUIRED BY THE  
MINIMUM STANDARDS FOR AUDITS OF OREGON MUNICIPAL CORPORATIONS**

Board of Commissioners  
TILLAMOOK COUNTY  
Tillamook, Oregon

We have audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of TILLAMOOK COUNTY as of and for the year ended June 30, 2013, and have issued our report thereon dated December 02, 2013.

**Compliance**

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 grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial 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.

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

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

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

Expenditures in excess of appropriations (which is prohibited by ORS 294.435) occurred as follows:

<u>Fund/Category</u>	<u>Appropriation</u>	<u>Actual</u>	<u>Variance</u>
Nestucca Valley Community Campus			
Materials and Services	\$ 25,462	\$ 27,566	\$ (2,104)

**Internal Control OAR 162-10-0230**

In planning and performing our audit of the financial statements, we considered the County’s internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County’s internal control. Accordingly, we do not express an opinion on the effectiveness of the County’s internal control. Deficiencies in internal control, if any, were communicated separately

**Restriction on Use**

This report is intended solely for the information and use of the board of directors/council members/commissioners and management of **TILLAMOOK COUNTY** and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than these parties.

Boldt Carlisle + Smith  
 Certified Public Accountants  
 Salem, Oregon  
 December 02, 2013

By:



Bradley G. Bingenheimer, Member



**GRANT COMPLIANCE – SINGLE AUDIT**

# Tillamook County



*Land of Cheese, Trees and Ocean Breeze*

**INDEPENDENT AUDITOR'S 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, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of TILLAMOOK COUNTY, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated December 02, 2013.

**Internal Control Over Financial Reporting**

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2013-1 that we consider to be a significant deficiency.

Board of County Commissioners  
TILLAMOOK COUNTY  
Tillamook, Oregon

**Compliance and Other Matters**

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

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Boldt Carlisle & Smith*

Boldt Carlisle + Smith  
Certified Public Accountants  
Salem, Oregon  
December 02, 2013



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH  
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

Board of County Commissioners  
TILLAMOOK COUNTY  
Tillamook, Oregon

**Report on Compliance for Each Major Federal Program**

We have audited the County's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2013. 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.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

***Opinion on Each Major Federal Program***

In our opinion, TILLAMOOK COUNTY, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

Board of County Commissioners  
TILLAMOOK COUNTY  
Tillamook, Oregon

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

**Report on Internal Control Over Compliance**

Management of TILLAMOOK COUNTY, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

*Boldt Carlisle & Smith*

Boldt Carlisle + Smith  
Certified Public Accountants  
Salem, Oregon  
December 02, 2013

**TILLAMOOK COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the Year Ended June 30, 2013**

**Section I Summary of Auditors' Results**

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***Financial Statements***

Type of auditor's report issued:	<i>Unqualified</i>
Internal controls over financial reporting:	
Material weakness(es) identified?	No
Significant deficiencies identified that are not considered to be material weakness(es)?	Yes
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:	<i>Unqualified</i>
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:

CFDA Number(s)	<u>Name of Federal Program or Cluster</u>
93.224	Consolidated Health Centers

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**

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2013-1

**Criteria**

The preparation of the financial statements is the responsibility of management. Management is also responsible for designing and implementing internal controls over the preparation of the financial statements.

## **SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)**

### **Condition**

The auditor has prepared the financial statements (a nonattest service) on behalf of management. Therefore management has not designed or implemented controls over the preparation of the financial statements. Management has identified the Treasurer as having suitable skills, knowledge or experience to accept responsibility for the financial statements.

### **Cause**

Management has performed a cost-benefit analysis and determined it is most efficient to have the auditors prepare the financial statements in conjunction with the audit of the financial statements.

### **Effect**

Management believes there are no negative effects, or potentially negative effects on the financial statements.

### **Response**

Management has determined that it is not cost effective to correct this deficiency in internal controls.

## **Section III - Federal Award Findings and Questioned Costs**

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None



TILLAMOOK COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended June 30, 2013

<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>			
<b>Food and Nutrition Service</b>			
Passed through Oregon State Department of Human Services and Health Authority Special Supplemental Nutrition Program for Women, Infants and Children WIC Grants To States (WGS)	10.557 10.578		\$ 112,745 8,930
<b>Forest Service</b>			
Schools and Roads - Grants to Counties Passed through Oregon Department of Administrative Service: Schools and Roads - Grants to States	10.666 10.665		98,605 867,843
Total Department of Agriculture			<u>1,088,123</u>
<i>Department of Commerce</i>			
<b>National Oceanic and Atmospheric Administration</b>			
Passed through Oregon Department of Land Conservation and Development Coastal Zone Management Administration Awards	11.419	CPA 12-032 TR 306-11-015	25,200 10,000
Total Department of Commerce			<u>35,200</u>
<i>Department of the Interior</i>			
<b>Bureau of Land Management</b>			
Distribution of Receipts to State and Local Government Payment in Lieu of Tax	15.227 15.226		187,105 43,556
Total Department of the Interior			<u>230,661</u>
<i>Department of Justice</i>			
<b>Office of Juvenile Justice and Delinquency Prevention</b>			
Passed through Oregon Commission on Children and Families Juvenile Accountability Incentive Block Grant	16.523		7,090
<b>Bureau of Justice Assistance</b>			
Passed through Oregon State Criminal Justice Services Division Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program Edward Byrne Memorial Justice Assistance Grant Program	16.580 16.738	LE19-10	539 38,344
<b>Office of Victims of Crime</b>			
Passed through Oregon State Criminal Justice Division Crime Victims Assistance	16.575	VOCA NC-FR-2010 VOCA NC-FR-2012	6,596 17,236
Total Department of Justice			<u>69,805</u>

Continued on next page

**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>
<b><i>Department of Transportation</i></b>			
<b>Federal Highway Administration</b>			
Passed through Oregon Department of Transportation State and Community Highway Safety	20.600		576
<b>National Highway Traffic Safety Administration</b>			
Passed through Oregon State Sheriff's Association Alcohol Impaired Driving Countermeasures Incentive Grants	20.601		2,928
State and Community Highway Safety	20.600		2,640
Total Department of Transportation			<u>6,144</u>
<b><i>Environmental Protection Agency</i></b>			
<b>Office of Water</b>			
Passed through Oregon Department of Human Services: State Public Water System Supervisor	66.432		13,300
Capitalization Grants for Drinking Water State Revolving Fund:	66.468		6,860
Total Environmental Protection Agency:			<u>20,160</u>
<b><i>Department of Homeland Security</i></b>			
Passed through Oregon State Marine Board Boating Safety Financial Assistance	97.012		124,434
Passed through Oregon State Police Office of Emergency Management Hazard Mitigation Grants	97.039		87,461
Public Assistance Grants	97.036		47,336
Emergency Management Performance Grant:	97.042	11-530	68,672
Total Department of Homeland Security:			<u>327,903</u>
<b><i>Department of Health and Human Services</i></b>			
<b>Office of Population Affairs</b>			
Passed through Oregon State Department of Human Services and Health Authority: Family Planning - Services	93.217		40,381
<b>Administration for Children and Families</b>			
Passed through Oregon Commission on Children and Families Promoting Safe and Stable Families	93.556		2,849
Foster Care - Title IV-E	93.658		11,812
Social Services Block Grant	93.667		11,089
Passed through Oregon Department of Justice Child Support Enforcement	93.563		66,340
<b>Centers for Medicare and Medicaid Services</b>			
Passed through Oregon Commission on Children and Families Medical Assistance Program	93.778		13,676
<b>Centers for Disease Control and Prevention -</b>			
Passed through Oregon State Department of Human Services and Health Authority: Public Health Emergency Preparedness: PPHF 2012 - Prevention and Public Health Fund (Affordable Care Act) - Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance financed in part by 2012 Prevention and Public Health Funds	93.069		90,779
HIV Prevention Activities Health Department Base:	93.539		24,123
	93.940		790

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**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 (continued)</i>			
<b>Health Resources and Services Administration</b>			
Consolidated Health Centers	93.224		1,665,814
Passed through Oregon State Department of Human Services and Health Authority			
Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Program	93.505		221,187
HIV Care Formula Grants	93.917		9,716
Maternal and Child Health Services Block Grant to the State:	93.994		34,207
<b>Substance Abuse and Mental Health Services Administration</b>			
Passed through Oregon State Department of Human Services and Health Authority			
Substance Abuse and Mental Health Services-Projects of Regional and National Significance	93.243		100,000
Block Grants for Community Mental Health Service	93.958		27,544
Block Grants for Prevention and Treatment of Substance Abuse	93.959		8,545
			<u>2,328,852</u>
Total Department of Health and Human Services:			<u>2,328,852</u>
Total Expenditures of Federal Awards:			<u>\$ 4,106,848</u>

*See accompanying notes*

**TILLAMOOK COUNTY**

**NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**June 30, 2013**

***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 accounting principles generally accepted in the United States of America.