

Tillamook County, Oregon



Comprehensive Annual Financial Report

For the Year Ended June 30, 2014

Tillamook County



Land of Cheese, Trees and Ocean Breeze

TILLAMOOK COUNTY, OREGON

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

For the Year Ended June 30, 2014

Prepared by the Office of County Treasurer

Debbie Clark, Treasurer

Tillamook County



Land of Cheese, Trees and Ocean Breeze

TILLAMOOK COUNTY

MEMBERS OF THE GOVERNING BODY

For the Year Ended June 30, 2014

<u>Commissioners</u>	<u>Term Expiration December 31,</u>
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

Tillamook County



Land of Cheese, Trees and Ocean Breeze

TILLAMOOK COUNTY
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INTRODUCTORY SECTION

Tillamook County



Land of Cheese, Trees and Ocean Breeze



TILLAMOOK COUNTY TREASURER'S OFFICE

Land of Cheese, Trees and Ocean Breeze

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

December 15, 2014

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, 2014. This CAFR is published to fulfill the requirements of Oregon Revised Statute Title 28, Chapter 297.425 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 submit 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 + Smith Certified Public Accountants 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 Oregon Revised Statute Title 20, Chapter 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. Other elected officials of the County include 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 public safety; health and welfare services; community development; construction and maintenance of streets and related infrastructure; local government services; and administration and support. 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. Oregon Revised Statute Title 28, Chapter 294.305 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 of Commissioners and three (3) lay members. 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 2014, the seasonally adjusted unemployment rate for Tillamook County was 6.4 percent. It was lower than the Oregon statewide rate of 6.8 percent, but higher than the national rate of 6.1 percent. Tillamook County's unemployment rate ranked ninth (9th) lowest of Oregon's thirty-six (36) counties in June 2014. Last year for the same period, Tillamook County's rate was 7.3 percent while Oregon's was 7.9 percent. Tillamook County's economic base includes lumber and wood products. Dairy farms dominate the County's fertile valley and play a major economic role in the milk product industry. Deep-sea and stream fishing, seafood processing industries, charter and dory boats also contribute to the economy with the associated tourism. The Real market Value of property in Tillamook County is \$5,544,895,609 and the Assessed Value is \$4,259,948,045 for the 2013/2014 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-fourth (1/4) 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 21st Century Act (MAP-21), enacted in July 2012, included mandatory PILT funding for 2013. PILT was extended through the farm bill (P.L. 113-79) as a fully funded, mandatory entitlement program at \$425 million for fiscal year 2014. Without Congressional action to extend 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 has been rated among the worst in the State. 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 in September 2013 and expects to issue the remainder in or about 2018.

The County Road Department's strategy for expending the bond proceeds was to pave small portions of roads throughout the County to "hold the system" together. Portions of twenty-five (25) County roads were paved using about 8036 tons of asphalt. Besides paving, the following

was accomplished: geotechnical analysis of County roads that would be rehabilitated in fiscal year 2015; purchased a used 2003 paving machine and used pavement roller; provided local match to Federal and State grants for the Foss Road MP 6.5 and Meda Loop culvert replacements.

At the November 5, 2013 Special Election, voters passed Measure 29-133 authorizing Tillamook County to collect a ten (10) percent countywide transient lodging tax including within cities. This measure passed with 4,714 or 66.88% yes votes and 2,334 or 33.12% no votes. Total number voting, 7,068 or 49.27% of registered voters. In cities that already had such a tax, the percentage of County tax collected from the guest would be offset by the percentage of city tax paid up to nine (9) percent. By State law, lodging operators may retain five (5) percent of tax collections for their costs. Also by State law, seventy (70) percent of net County lodging tax collections are dedicated for tourism promotion and tourism related facilities. The thirty (30) percent balance is dedicated to County road maintenance, after first deducting the County's costs and expenses for collection and enforcement of the tax.

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.

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 Oregon Revised Statute Title 36, 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 Refunding Bond, Hospital Refunding Bond and Road General Obligation Bond.

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, 2013. 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.

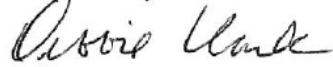
In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal 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-five (25) 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**

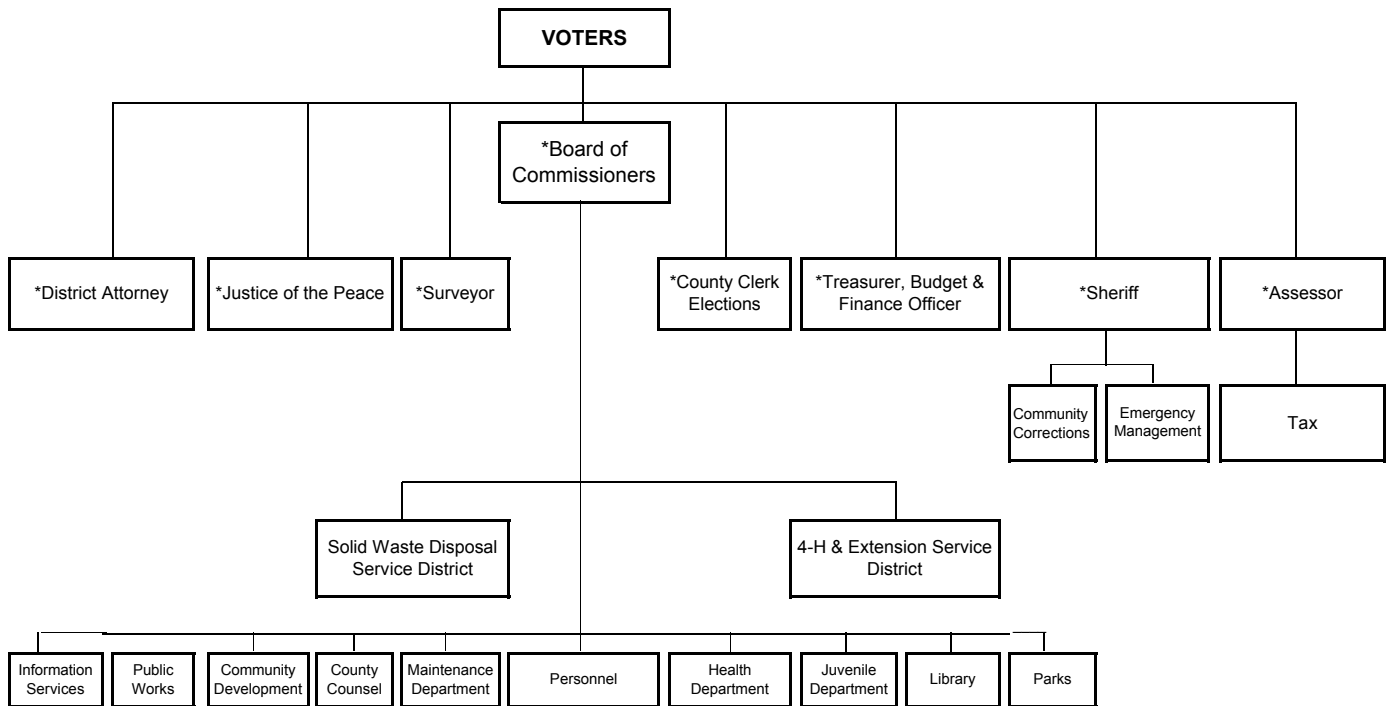
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2013

Executive Director/CEO

Tillamook County

Organizational Chart
Year Ended June 30, 2014



*Elected Official

TILLAMOOK COUNTY
ELECTED OFFICIALS
For the Year Ended June 30, 2014

Board of Commissioners

<u>Name</u>	<u>Term Expiration</u>
William Baertlein	December 31, 2016
Tim Josi	December 31, 2014
Mark Labhart	December 31, 2016

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

FINANCIAL SECTION

Tillamook County



Land of Cheese, Trees and Ocean Breeze



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, 2014, and the related notes to the financial statements, which collectively comprise the County'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.

INDEPENDENT AUDITOR'S REPORT (Continued)

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, 2014, 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, Community Corrections, and Transient Lodging Tax 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.

INDEPENDENT AUDITOR'S REPORT (Continued)

Reports on Other Legal and Regulatory Requirements

Other Reporting Required by Government Auditing Standards

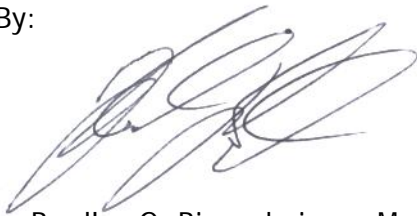
In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2014 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and 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 State Regulations

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have also issued our report dated December 15, 2014, 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 15, 2014

By:

A handwritten signature in black ink, appearing to read 'B. Bingenheimer', is written over a faint, illegible stamp or watermark.

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, 2014 by \$62,466,895 (*net position*). Of this amount \$45,840,626 was the net investment in capital assets; \$16,111,923 was restricted for specific purposes and \$161,642 was unrestricted.

The County's net position decreased by \$251,732 (or 0.4%) which was due primarily to the operations of governmental activities.

The County's governmental funds increased fund balances by \$6,264,650, with the General Fund experiencing a decrease of \$960,573 and the Road, County School, Health Services, Library, Community Corrections, Transient Lodging Tax, Road Improvement Construction and Nonmajor Governmental Funds having a combined increase in fund balance of \$7,225,223.

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 "Nonmajor Governmental Funds." Budgetary comparison statements are presented for the General, Road, County School, Health Services, Library, Community Corrections, Transient Lodging Tax and Road Improvement Construction 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

Basic Financial Statements. (continued)

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 nonmajor governmental funds. 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

FINANCIAL SUMMARY AND ANALYSIS

As mentioned earlier, the County's net position as of June 30, 2014 was \$62,466,895. By far the largest portion of net position 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	
	2014	2013	2014	2013	2014	2013
<u>ASSETS</u>						
Current and other assets	\$ 30,814,944	\$ 23,716,292	\$ 1,708,456	\$ 1,449,875	\$ 32,523,400	\$ 25,166,167
Capital assets, net	48,407,140	48,718,361	2,252,799	2,360,555	50,659,939	51,078,916
Total assets	79,222,084	72,434,653	3,961,255	3,810,430	83,183,339	76,245,083
<u>DEFERRED OUTFLOWS OF RESOURCES</u>						
	38,345	-	-	-	38,345	-
<u>LIABILITIES</u>						
Other liabilities	1,648,951	834,751	152,666	126,660	1,801,617	961,411
Long-term obligations	17,750,086	11,364,076	1,203,086	1,200,969	18,953,172	12,565,045
Total liabilities	19,399,037	12,198,827	1,355,752	1,327,629	20,754,789	13,526,456
<u>NET POSITION</u>						
Net investment in capital assets	43,587,827	42,719,867	2,252,799	2,360,555	45,840,626	45,080,422
Restricted	16,111,923	9,997,128	-	-	16,111,923	9,997,128
Unrestricted	161,642	7,518,831	352,704	122,246	514,346	7,641,077
Total net position	\$ 59,861,392	\$ 60,235,826	\$ 2,605,503	\$ 2,482,801	\$ 62,466,895	\$ 62,718,627

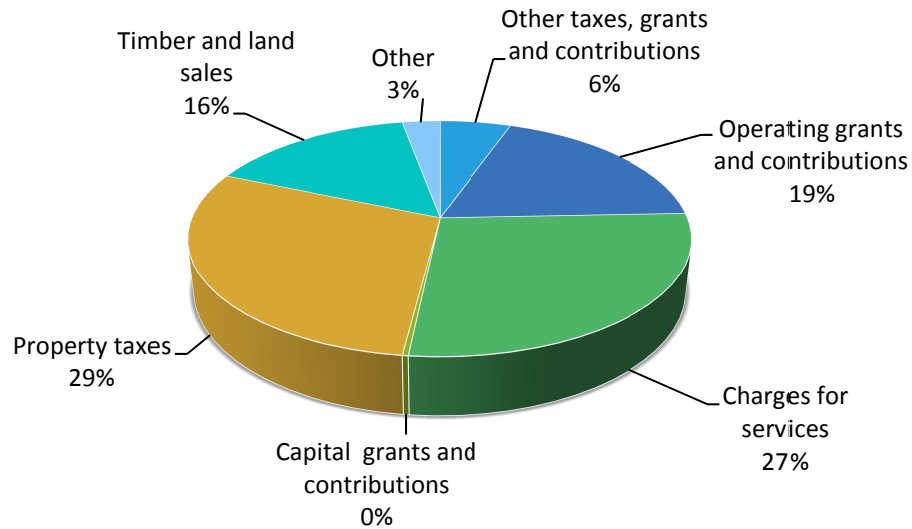
The unrestricted net position of business-type activities represent the current assets of the Solid Waste Service District, which are offset by the liability for landfill post-closure care costs.

Total net position decreased by \$251,732. 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.

MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)

FINANCIAL SUMMARY AND ANALYSIS (continued)

Tillamook County Revenue



Property taxes, comprising 30% 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, Road Construction Debt, Library Construction Debt and subsequent refundings.

For the year ended June 30, 2014, a large percentage of revenues come from property taxes (30%), charges for services (27%) and operating grants and contributions (19%). 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.

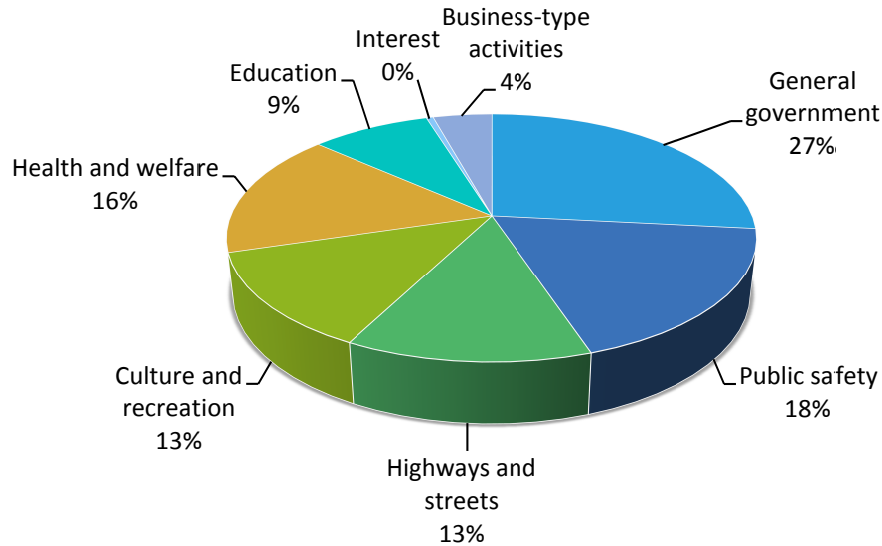
Operating grants and contributions primarily fund the community health center, public works, community corrections, children and families programs and mental health services.

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

MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)

FINANCIAL SUMMARY AND ANALYSIS (continued)

Tillamook County Functional Expenses



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 expenses 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 expenses 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

FINANCIAL SUMMARY AND ANALYSIS (continued)

Governmental activities decreased the County's net assets by \$374,434. The key elements of this decrease are as follows:

TILLAMOOK COUNTY'S CHANGES IN NET POSITION

	Governmental Activities		Business-type Activities		Totals	
	2014	2013	2014	2013	2014	2013
Revenues						
Program revenues:						
Charges for services	\$ 9,829,483	\$ 8,103,176	\$ 1,946,113	\$ 1,768,038	\$ 11,775,596	\$ 9,871,214
Operating grants and contributions	8,174,975	7,846,715	1,371	-	8,176,346	7,846,715
Capital grants and contributions	134,813	125,774	-	19,800	134,813	145,574
General revenues:						
Property taxes	12,682,828	10,907,719	-	-	12,682,828	10,907,719
Transient lodging taxes	468,760	-	-	-	468,760	-
Other taxes	175,692	187,171	-	-	175,692	187,171
Other grants and contributions	1,692,103	1,506,904	-	-	1,692,103	1,506,904
Timber and land sales	6,781,116	7,636,245	-	-	6,781,116	7,636,245
Other	1,223,706	946,153	17,701	7,339	1,241,407	953,492
Total revenues	<u>41,163,476</u>	<u>37,259,857</u>	<u>1,965,185</u>	<u>1,795,177</u>	<u>43,128,661</u>	<u>39,055,034</u>
Expenses						
General government	11,560,270	10,451,617	-	-	11,560,270	10,451,617
Public safety	7,912,221	7,616,317	-	-	7,912,221	7,616,317
Highways and streets	5,495,551	4,746,759	-	-	5,495,551	4,746,759
Culture and recreation	5,533,318	5,028,281	-	-	5,533,318	5,028,281
Health and welfare	7,074,190	6,199,816	-	-	7,074,190	6,199,816
Education	3,748,080	3,420,184	-	-	3,748,080	3,420,184
Interest on long-term obligations	214,280	365,650	-	-	214,280	365,650
Solid waste	-	-	1,842,483	1,986,866	1,842,483	1,986,866
Total expenses	<u>41,537,910</u>	<u>37,828,624</u>	<u>1,842,483</u>	<u>1,986,866</u>	<u>43,380,393</u>	<u>39,815,490</u>
Change in net position	(374,434)	(568,767)	122,702	(191,689)	(251,732)	(760,456)
Net position - beginning	<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>
Net position - ending	<u>\$ 59,861,392</u>	<u>\$ 60,235,826</u>	<u>\$ 2,605,503</u>	<u>\$ 2,482,801</u>	<u>\$ 62,466,895</u>	<u>\$ 62,718,627</u>

Governmental Activities

The decrease in net position is attributed to increased expenses for general government, highways and streets, and health and welfare programs.

Business-type Activities

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

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

FINANCIAL ANALYSIS OF FUNDS

As of June 30, 2014, the County's governmental funds reported a combined fund balance of \$27,433,839, which is an increase of \$6,264,650 from June 30, 2013.

The General Fund is the primary operating fund of the County. As of June 30, 2014, the General Fund balance is \$9,226,561, which is a decrease of \$960,573 from June 30, 2013. 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 \$799,784 during 2013-14. Revenues increased \$1,330,632 and expenditures increased \$663,070.

The County School Fund receives state timber revenues which are passed on to public school districts within the County. The fund balance decreased \$376,906 due to timing of pass-through distributions.

The Health Services Fund balance increased to \$345,686 from \$62,566 at June 30, 2014. A transfer from the General Fund in the amount of \$178,000 primarily contributed to this increase.

The Library Fund had a decrease in fund balance of \$330,527 which is due primarily to a transfer out of \$500,000 to the Nonmajor Library Reserve Fund.

The Community Corrections Fund experienced an increase in fund balance of \$20,516. The programs funding is determined biennially by the Oregon State Legislature.

The Transient Lodging Tax Fund is new for the 2013-14 fiscal year and ended the year with a fund balance of \$290,293.

The Road Improvement Construction fund is also new for the 2013-14 fiscal year and was created with the issuance of \$7,200,000 in general obligation bonds issued to pay for improvements to highways and streets within the County. At June 30, 2014 the fund balance is \$5,844,793.

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 \$2,605,503 as of June 30, 2014.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

GENERAL FUND BUDGETARY HIGHLIGHTS

The County prepares its General Fund 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 \$240,350 transferred from contingency to other appropriation categories. Actual revenues in the General Fund were \$173,166 more than anticipated and actual expenditures were \$868,186 less than appropriations, demonstrating a generally prudent spending policy.

CAPITAL ASSETS AND DEBT ADMINISTRATION

As of June 30, 2014, the County had invested \$50,659,939 in total capital assets, net of depreciation, which is a net decrease of \$418,977 from June 30, 2013. 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 \$311,221 and business-type activities decreased by \$107,756. 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, 2014 amounted to \$18,953,172. 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 \$3,860,372 in principal on long-term obligations, a reduction of 33 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	\$	9,340,000
Unamortized premiums		568,363
Loans payable		744,603
Capital leases		11,140
Compensated absences		1,311,163
Net other post-employment benefits		5,777,643
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.

MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)

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

STATEMENT OF NET POSITION

June 30, 2014

	Governmental Activities	Business-type Activities	Totals
<u>ASSETS</u>			
Cash and investments	\$ 25,547,559	\$ 1,404,443	\$ 26,952,002
Receivables, net	4,118,121	304,013	4,422,134
Net pension obligation asset	1,149,264	-	1,149,264
Capital assets:			
Land, improvements, and construction in progress	7,585,315	125,000	7,710,315
Other capital assets, net	40,821,825	2,127,799	42,949,624
TOTAL ASSETS	79,222,084	3,961,255	83,183,339
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Excess of reacquisition price over the amount of debt refunded	38,345	-	38,345
<u>LIABILITIES</u>			
Accounts payable and accrued expenses	1,453,209	152,666	1,605,875
Accrued interest	34,905	-	34,905
Unearned revenue	160,837	-	160,837
Long-term obligations:			
Due within one year	3,345,322	111,352	3,456,674
Due in more than one year	14,404,764	1,091,734	15,496,498
TOTAL LIABILITIES	19,399,037	1,355,752	20,754,789
<u>NET POSITION</u>			
Net investment in capital assets	43,587,827	2,252,799	45,840,626
Restricted for:			
Debt service	256,581	-	256,581
Highways and streets	9,306,845	-	9,306,845
Schools and education	1,057,937	-	1,057,937
Health services	438,878	-	438,878
County library	2,541,408	-	2,541,408
Grants	435,718	-	435,718
Public safety	674,061	-	674,061
County fair	284,865	-	284,865
Parks	532,442	-	532,442
Other purposes	583,188	-	583,188
Unrestricted	161,642	352,704	514,346
TOTAL NET POSITION	\$ 59,861,392	\$ 2,605,503	\$ 62,466,895

See accompanying notes

TILLAMOOK COUNTY
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2014

Functions/Programs	Program Revenue				Net (Expense) Revenue and Changes in Net Position		Totals
	Expenses	Operating		Capital Grants	Governmental Activities	Business-type Activities	
		Charges for Services	Grants and Contributions	and Contributions			
Governmental activities:							
General government	\$ 11,560,270	\$ 2,912,809	\$ 399,356	\$ -	\$ (8,248,105)		\$ (8,248,105)
Public safety	7,912,221	798,203	1,385,648	-	(5,728,370)		(5,728,370)
Public works	5,495,551	1,106,357	2,239,024	-	(2,150,170)		(2,150,170)
Culture and recreation	5,533,318	2,207,786	57,980	134,813	(3,132,739)		(3,132,739)
Health and welfare	7,074,190	2,804,328	4,092,967	-	(176,895)		(176,895)
Education	3,748,080	-	-	-	(3,748,080)		(3,748,080)
Interest on long-term obligations	214,280	-	-	-	(214,280)		(214,280)
Total governmental activities	<u>41,537,910</u>	<u>9,829,483</u>	<u>8,174,975</u>	<u>134,813</u>	<u>(23,398,639)</u>		<u>(23,398,639)</u>
Business-type activities:							
Solid waste	1,842,483	1,946,113	1,371	-		\$ 105,001	105,001
Totals	<u>\$ 43,380,393</u>	<u>\$ 11,775,596</u>	<u>\$ 8,176,346</u>	<u>\$ 134,813</u>	<u>(23,398,639)</u>	<u>105,001</u>	<u>(23,293,638)</u>
General revenues							
Taxes:							
Property taxes levied for:							
General purposes					9,494,711	-	9,494,711
Debt service					3,188,117	-	3,188,117
Transient lodging taxes					468,760	-	468,760
Other taxes					175,692	-	175,692
Other grants and contributions not restricted for specific programs					1,692,103	-	1,692,103
Timber and land sales					6,781,116	-	6,781,116
Unrestricted investment earnings					93,112	4,742	97,854
Miscellaneous					1,130,594	12,959	1,143,553
TOTAL GENERAL REVENUES					<u>23,024,205</u>	<u>17,701</u>	<u>23,041,906</u>
CHANGES IN NET POSITION					(374,434)	122,702	(251,732)
NET POSITION - BEGINNING					<u>60,235,826</u>	<u>2,482,801</u>	<u>62,718,627</u>
NET POSITION - ENDING					<u>\$ 59,861,392</u>	<u>\$ 2,605,503</u>	<u>\$ 62,466,895</u>

See accompanying notes

TILLAMOOK COUNTY
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2014

	<u>General</u>	<u>Road</u>	<u>County School</u>	<u>Health Services</u>	<u>Library</u>
ASSETS					
Cash and cash equivalents	\$ 8,438,538	\$ 2,814,144	\$ -	\$ 196,968	\$ 2,351,728
Receivables, net	1,863,982	384,113	641,097	456,712	257,017
Due from other funds	<u>1,275</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 10,303,795</u>	<u>\$ 3,198,257</u>	<u>\$ 641,097</u>	<u>\$ 653,680</u>	<u>\$ 2,608,745</u>
LIABILITIES					
Accounts payable	\$ 621,389	\$ 104,370	\$ -	\$ 307,994	\$ 67,337
Due to other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES	<u>621,389</u>	<u>104,370</u>	<u>-</u>	<u>307,994</u>	<u>67,337</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	<u>455,845</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>176,011</u>
FUND BALANCES					
Restricted	-	3,093,887	641,097	345,686	2,365,397
Assigned	2,687,585	-	-	-	-
Unassigned	<u>6,538,976</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL FUND BALANCES	<u>9,226,561</u>	<u>3,093,887</u>	<u>641,097</u>	<u>345,686</u>	<u>2,365,397</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 10,303,795</u>	<u>\$ 3,198,257</u>	<u>\$ 641,097</u>	<u>\$ 653,680</u>	<u>\$ 2,608,745</u>

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF NET POSITION**

*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 reported as unavailable revenue 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 not an available resource and, therefore, is not reported in the funds.
- The net post-employment benefits obligation is reported in the statement of net position, but is not reported in the funds.
- Long-term 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

Community Corrections	Transient Lodging Tax	Road Improvement Construction	Total Nonmajor Funds	Total Governmental Funds
\$ 277,685	\$ 91,453	\$ 5,947,926	\$ 5,429,117	\$ 25,547,559
15,681	198,840	-	300,679	4,118,121
-	-	-	-	1,275
<u>\$ 293,366</u>	<u>\$ 290,293</u>	<u>\$ 5,947,926</u>	<u>\$ 5,729,796</u>	<u>\$ 29,666,955</u>
\$ 16,604	\$ -	\$ 103,133	\$ 232,382	\$ 1,453,209
-	-	-	1,275	1,275
<u>16,604</u>	<u>-</u>	<u>103,133</u>	<u>233,657</u>	<u>1,454,484</u>
-	-	-	146,776	778,632
276,762	290,293	5,844,793	2,939,218	15,797,133
-	-	-	2,410,145	5,097,730
-	-	-	-	6,538,976
<u>276,762</u>	<u>290,293</u>	<u>5,844,793</u>	<u>5,349,363</u>	<u>27,433,839</u>
<u>\$ 293,366</u>	<u>\$ 290,293</u>	<u>\$ 5,947,926</u>	<u>\$ 5,729,796</u>	

48,407,140

778,632

(160,837)

1,149,264

(5,777,643)

(12,007,348)

\$ 59,861,392

TILLAMOOK COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2014

	<u>General</u>	<u>Road</u>	<u>County School</u>	<u>Health Services</u>	<u>Library</u>
REVENUES					
Property taxes	\$ 6,324,350	\$ -	\$ 559	\$ -	\$ 2,732,009
Transient lodging tax	-	-	-	-	-
Licenses, permits and fees	1,154,659	37,409	-	-	-
Intergovernmental	2,001,492	2,821,290	194,089	2,497,012	4,796
Charges for services	419,417	891,938	-	3,034,937	-
Fines and forfeitures	309,639	-	-	-	12,805
Timber and land sales	3,809,852	-	2,867,887	-	-
Interest	59,671	7,000	2,607	115	9,873
Intercounty charges	1,267,306	30,000	-	-	-
Miscellaneous	165,404	833,160	-	53,908	92,211
TOTAL REVENUES	<u>15,511,790</u>	<u>4,620,797</u>	<u>3,065,142</u>	<u>5,585,972</u>	<u>2,851,694</u>
EXPENDITURES					
Current					
General government	10,048,222	-	-	-	-
Public safety	6,067,706	-	-	-	-
Highways and streets	-	3,246,686	-	-	-
Culture and recreation	-	-	-	-	2,664,043
Health and welfare	57,501	-	-	5,376,080	-
Education	-	-	3,442,048	-	-
Capital outlay	106,710	578,815	-	38,325	18,178
Debt service					
Principal	99,353	37,838	-	5,560	-
Interest	12,265	762	-	887	-
TOTAL EXPENDITURES	<u>16,391,757</u>	<u>3,864,101</u>	<u>3,442,048</u>	<u>5,420,852</u>	<u>2,682,221</u>
Excess (deficiency) of revenues over expenditure	<u>(879,967)</u>	<u>756,696</u>	<u>(376,906)</u>	<u>165,120</u>	<u>169,473</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	429,548	61,288	-	178,000	-
Sale of capital assets	2,899	-	-	-	-
Issuance of debt	-	-	-	-	-
Refunding bonds issued	-	-	-	-	-
Premium on issuance of debt	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-
Transfers out	(513,053)	(18,200)	-	(60,000)	(500,000)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(80,606)</u>	<u>43,088</u>	<u>-</u>	<u>118,000</u>	<u>(500,000)</u>
Net change in fund balances	(960,573)	799,784	(376,906)	283,120	(330,527)
Fund balances at beginning of year	10,187,134	2,294,103	1,018,003	62,566	2,695,924
Fund balances at end of year	<u>\$ 9,226,561</u>	<u>\$ 3,093,887</u>	<u>\$ 641,097</u>	<u>\$ 345,686</u>	<u>\$ 2,365,397</u>

See accompanying notes

Community Corrections	Transient Lodging Tax	Road Improvement Construction	Total Nonmajor Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ 3,608,866	\$ 12,665,784
-	468,760	-	-	468,760
-	-	-	9,646	1,201,714
667,105	-	-	1,824,015	10,009,799
122,012	-	-	2,512,849	6,981,153
-	-	-	103,567	426,011
-	-	-	-	6,677,739
-	62	-	13,784	93,112
-	-	-	-	1,297,306
<u>2,276</u>	<u>-</u>	<u>-</u>	<u>190,344</u>	<u>1,337,303</u>
<u>791,393</u>	<u>468,822</u>	<u>-</u>	<u>8,263,071</u>	<u>41,158,681</u>
-	100,000	-	757,571	10,905,793
766,664	-	-	66,498	6,900,868
-	-	1,615,693	59,917	4,922,296
-	-	-	2,059,558	4,723,601
-	-	-	1,327,693	6,761,274
-	-	-	299,389	3,741,437
4,213	-	277,563	295,505	1,319,309
-	-	-	2,855,000	2,997,751
<u>-</u>	<u>-</u>	<u>-</u>	<u>372,471</u>	<u>386,385</u>
<u>770,877</u>	<u>100,000</u>	<u>1,893,256</u>	<u>8,093,602</u>	<u>42,658,714</u>
<u>20,516</u>	<u>368,822</u>	<u>(1,893,256)</u>	<u>169,469</u>	<u>(1,500,033)</u>
-	-	-	863,253	1,532,089
-	-	-	-	2,899
-	-	7,200,000	-	7,200,000
-	-	-	2,075,000	2,075,000
-	-	538,049	175,881	713,930
-	-	-	(2,227,146)	(2,227,146)
<u>-</u>	<u>(78,529)</u>	<u>-</u>	<u>(362,307)</u>	<u>(1,532,089)</u>
<u>-</u>	<u>(78,529)</u>	<u>7,738,049</u>	<u>524,681</u>	<u>7,764,683</u>
20,516	290,293	5,844,793	694,150	6,264,650
<u>256,246</u>	<u>-</u>	<u>-</u>	<u>4,655,213</u>	<u>21,169,189</u>
<u>\$ 276,762</u>	<u>\$ 290,293</u>	<u>\$ 5,844,793</u>	<u>\$ 5,349,363</u>	<u>\$ 27,433,839</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, 2014**

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ 6,264,650

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

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

Capitalized expenditures	\$ 1,484,777	
Depreciation	<u>(1,795,998)</u>	(311,221)

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. 17,044

Governmental funds report, as revenues, certain payments for services to be provided in future periods. (15,098)

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. (17,483)

The change in other post-employment benefits are reported as additional expenses in the statement of activities (1,594,286)

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. Additionally, the issuance of debt is an other financing source in the funds but increases long-term obligations in the statement of net position. 2,997,751

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Accrued interest	35,339	
Amortization of premiums received on the issuance of long-term obligations	145,567	
Amortization of the excess of the requisition price over the balance remaining of long-term obligations refunded	(8,801)	
Compensated absences	<u>(126,112)</u>	<u>45,993</u>

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ (374,434)

TILLAMOOK COUNTY

GENERAL FUND

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

For the Year Ended June 30, 2014

	<u>Budget</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property taxes	\$ 6,220,000	\$ 6,220,000	\$ 6,346,656	\$ 126,656
Licenses, permits and fees	1,412,500	1,412,500	1,144,212	(268,288)
Intergovernmental	1,720,355	1,720,355	1,895,933	175,578
Charges for services	372,000	372,000	394,605	22,605
Fines and forfeitures	410,000	410,000	286,249	(123,751)
Timber and land sales	3,905,000	3,905,000	4,227,034	322,034
Investment earnings	40,000	40,000	50,397	10,397
Intercounty charges	1,350,500	1,350,500	1,267,307	(83,193)
Miscellaneous	<u>266,550</u>	<u>266,550</u>	<u>257,678</u>	<u>(8,872)</u>
TOTAL REVENUES	<u>15,696,905</u>	<u>15,696,905</u>	<u>15,870,071</u>	<u>173,166</u>
EXPENDITURES				
Board of county commissioners	858,700	863,000	852,865	10,135
Land sales	10,800	44,570	44,035	535
Justice court	343,150	343,150	317,134	26,016
Juvenile department	602,250	602,250	562,851	39,399
District attorney	1,046,055	1,046,055	1,019,996	26,059
County clerk	549,875	549,875	524,579	25,296
County assessor	1,375,300	1,375,300	1,331,305	43,995
County treasurer	520,050	550,430	545,802	4,628
Tax department	296,350	298,750	292,235	6,515
Courthouse building	502,250	502,250	489,249	13,001
Sheriff - criminal	2,785,800	2,785,800	2,623,652	162,148
Sheriff - jail	3,022,200	3,010,690	2,817,833	192,857
Sheriff - marine	251,150	262,660	261,545	1,115
Communications	72,100	72,100	62,123	9,977
Emergency services	186,250	186,250	179,949	6,301
Community development	1,320,760	1,401,640	1,272,692	128,948
County surveyor	310,300	310,300	300,715	9,585
Information services	1,069,950	1,069,950	969,101	100,849
General government	747,000	835,620	830,160	5,460
Non-departmental	321,318	321,318	302,770	18,548
Mental health services	59,000	59,000	57,501	1,499
Motorpool	500	500	-	500
Personnel	343,900	343,900	318,730	25,170
Operating contingency	<u>250,000</u>	<u>9,650</u>	<u>-</u>	<u>9,650</u>
TOTAL EXPENDITURES	<u>16,845,008</u>	<u>16,845,008</u>	<u>15,976,822</u>	<u>868,186</u>

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	\$ (1,148,103)	\$ (1,148,103)	\$ (106,751)	\$ 1,041,352
OTHER FINANCING SOURCES (USES)				
Transfers in	669,300	669,300	429,548	(239,752)
Sale of captial assets	-	-	2,899	2,899
Transfers out	<u>(511,000)</u>	<u>(511,000)</u>	<u>(513,053)</u>	<u>2,053</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>158,300</u>	<u>158,300</u>	<u>(80,606)</u>	<u>(234,800)</u>
Net change in fund balances	(989,803)	(989,803)	(187,357)	802,446
Fund balances - beginning	<u>5,600,000</u>	<u>5,600,000</u>	<u>5,810,395</u>	<u>210,395</u>
Fund balances - ending	<u>\$ 4,610,197</u>	<u>\$ 4,610,197</u>	<u>\$ 5,623,038</u>	<u>\$ 1,012,841</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, 2014**

	<u>Budget</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Licenses, permits and fees	\$ 20,000	\$ 20,000	\$ 37,409	\$ 17,409
Intergovernmental	2,209,260	2,209,260	2,832,270	623,010
Charges for services	299,000	299,000	977,167	678,167
Investment earnings	10,000	10,000	7,000	(3,000)
Intercounty charges	30,000	30,000	30,000	-
Miscellaneous	<u>50,000</u>	<u>50,000</u>	<u>677,682</u>	<u>627,682</u>
TOTAL REVENUES	<u>2,618,260</u>	<u>2,618,260</u>	<u>4,561,528</u>	<u>1,943,268</u>
EXPENDITURES				
Personal services	2,064,200	2,064,200	1,940,176	124,024
Materials and services	1,190,200	1,347,540	1,329,953	17,587
Capital outlay	365,000	632,050	631,909	141
Contingency	<u>500,000</u>	<u>75,610</u>	<u>-</u>	<u>75,610</u>
TOTAL EXPENDITURES	<u>4,119,400</u>	<u>4,119,400</u>	<u>3,902,038</u>	<u>217,362</u>
Excess (deficiency) of revenues over expenditures	<u>(1,501,140)</u>	<u>(1,501,140)</u>	<u>659,490</u>	<u>2,160,630</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	137,000	137,000	61,288	(75,712)
Transfers out	<u>(18,200)</u>	<u>(18,200)</u>	<u>(18,200)</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>118,800</u>	<u>118,800</u>	<u>43,088</u>	<u>(75,712)</u>
Net change in fund balance	(1,382,340)	(1,382,340)	702,578	2,084,918
Fund balance at beginning of year	<u>2,440,000</u>	<u>2,440,000</u>	<u>2,081,619</u>	<u>(358,381)</u>
Fund balance at end of year	<u>\$ 1,057,660</u>	<u>\$ 1,057,660</u>	<u>\$ 2,784,197</u>	<u>\$ 1,726,537</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, 2014**

	<u>Budget</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property taxes	\$ -	\$ -	\$ 559	\$ 559
Intergovernmental	-	-	194,089	194,089
Timber and land sales	3,510,000	3,510,000	3,244,793	(265,207)
Investment earnings	<u>5,000</u>	<u>5,000</u>	<u>2,607</u>	<u>(2,393)</u>
 TOTAL REVENUES	 3,515,000	 3,515,000	 3,442,048	 (72,952)
 EXPENDITURES				
Materials and services	<u>3,515,000</u>	<u>3,515,000</u>	<u>3,442,048</u>	<u>72,952</u>
 Net change in fund balance	 -	 -	 -	 -
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</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, 2014**

	Budget		Actual	Variance
	Original	Final		
REVENUES				
Intergovernmental	\$ 2,573,418	\$ 2,573,418	\$ 2,497,012	\$ (76,406)
Charges for services	3,359,962	3,359,962	2,789,724	(570,238)
Investment earnings	600	600	115	(485)
Miscellaneous	124,590	124,590	78,756	(45,834)
TOTAL REVENUES	6,058,570	6,058,570	5,365,607	(692,963)
EXPENDITURES				
Personal services	4,390,720	4,271,170	3,364,219	906,951
Materials and services	1,741,650	1,861,200	1,853,082	8,118
Capital outlay	79,500	79,500	44,772	34,728
TOTAL EXPENDITURES	6,211,870	6,211,870	5,262,073	949,797
Excess (deficiency) of revenues over expenditures	(153,300)	(153,300)	103,534	256,834
OTHER FINANCING SOURCES (USES)				
Transfers in	178,000	178,000	178,000	-
Transfers out	(60,000)	(60,000)	(60,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	118,000	118,000	118,000	-
Net change in fund balance	(35,300)	(35,300)	221,534	256,834
Fund balance at beginning of year	35,300	35,300	(49,454)	(84,754)
Fund balance at end of year	\$ -	\$ -	\$ 172,080	\$ 172,080

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, 2014**

	<u>Budget</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property taxes	\$ 2,635,000	\$ 2,635,000	\$ 2,747,069	\$ 112,069
Intergovernmental	5,000	5,000	4,796	(204)
Fines and forfeitures	7,500	7,500	12,806	5,306
Investment earnings	10,000	10,000	9,873	(127)
Miscellaneous	<u>112,500</u>	<u>112,500</u>	<u>135,561</u>	<u>23,061</u>
TOTAL REVENUES	<u>2,770,000</u>	<u>2,770,000</u>	<u>2,910,105</u>	<u>140,105</u>
EXPENDITURES				
Personal services	1,761,900	1,761,900	1,706,061	55,839
Materials and services	836,500	908,940	908,041	899
Capital outlay	-	18,180	18,178	2
Contingency	<u>250,000</u>	<u>159,380</u>	<u>-</u>	<u>159,380</u>
TOTAL EXPENDITURES	<u>2,848,400</u>	<u>2,848,400</u>	<u>2,632,280</u>	<u>216,120</u>
Excess (deficiency) of revenues over expenditures	(78,400)	(78,400)	277,825	356,225
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(500,000)</u>	<u>(500,000)</u>	<u>(500,000)</u>	<u>-</u>
Net change in fund balance	(578,400)	(578,400)	(222,175)	356,225
Fund balance at beginning of year	<u>1,900,000</u>	<u>1,900,000</u>	<u>2,567,863</u>	<u>667,863</u>
Fund balance at end of year	<u>\$ 1,321,600</u>	<u>\$ 1,321,600</u>	<u>\$ 2,345,688</u>	<u>\$ 1,024,088</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, 2014**

	Budget			
	Original	Final	Actual	Variance
REVENUES				
Intergovernmental	\$ 560,800	\$ 560,800	\$ 783,646	\$ 222,846
Charges for services	95,000	95,000	122,012	27,012
Miscellaneous	5,000	5,000	2,171	(2,829)
TOTAL REVENUES	660,800	660,800	907,829	247,029
EXPENDITURES				
Personal services	454,800	492,700	461,226	31,474
Materials and services	366,280	324,650	291,567	33,083
Capital outlay	500	4,230	4,213	17
Contingency	39,220	39,220	-	39,220
TOTAL EXPENDITURES	860,800	860,800	757,006	103,794
Net change in fund balance	(200,000)	(200,000)	150,823	350,823
Fund balance at beginning of year	200,000	200,000	125,555	(74,445)
Fund balance at end of year	\$ -	\$ -	\$ 276,378	\$ 276,378

See accompanying notes

TILLAMOOK COUNTY

**TRANSIENT LODGING TAX FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2014**

	Budget		Actual	Variance
	Original	Final		
REVENUES				
Transient lodging tax	\$ 375,000	\$ 375,000	\$ 269,920	\$ (105,080)
Investment earnings	-	-	62	62
TOTAL REVENUES	375,000	375,000	269,982	(105,018)
EXPENDITURES				
Materials and services	263,000	263,000	100,000	163,000
Excess (deficiency) of revenues over expenditures	112,000	112,000	169,982	57,982
OTHER FINANCING SOURCES (USES)				
Transfers out	(112,000)	(112,000)	(78,529)	(33,471)
Net change in fund balance	-	-	91,453	91,453
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	\$ -	\$ -	\$ 91,453	\$ 91,453

See accompanying notes

TILLAMOOK COUNTY
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2014

	Business-type Activities			Total Enterprise Funds
	Solid Waste	Solid Waste Sinking	Solid Waste Post Closure Reserve	
<u>ASSETS</u>				
Current assets				
Cash and investments	\$ 242,586	\$ 666,476	\$ 495,381	\$ 1,404,443
Receivables	304,013	-	-	304,013
Total current assets	<u>546,599</u>	<u>666,476</u>	<u>495,381</u>	<u>1,708,456</u>
Capital assets				
Land and construction in progress	125,000	-	-	125,000
Other capital assets, net	2,127,799	-	-	2,127,799
Total capital assets, net	<u>2,252,799</u>	<u>-</u>	<u>-</u>	<u>2,252,799</u>
TOTAL ASSETS	<u>2,799,398</u>	<u>666,476</u>	<u>495,381</u>	<u>3,961,255</u>
<u>LIABILITIES</u>				
Current liabilities				
Accounts payable and accrued expenses	152,666	-	-	152,666
Accumulated compensated absences	2,826	-	-	2,826
Current portion of landfill post-closure care liability	108,526	-	-	108,526
Total current liabilities	264,018	-	-	264,018
Landfill post-closure care liability	<u>1,091,734</u>	<u>-</u>	<u>-</u>	<u>1,091,734</u>
TOTAL LIABILITIES	<u>1,355,752</u>	<u>-</u>	<u>-</u>	<u>1,355,752</u>
<u>NET POSITION</u>				
Net investment in capital assets	2,252,799	-	-	2,252,799
Unrestricted	<u>(809,153)</u>	<u>666,476</u>	<u>495,381</u>	<u>352,704</u>
TOTAL NET POSITION	<u>\$ 1,443,646</u>	<u>\$ 666,476</u>	<u>\$ 495,381</u>	<u>\$ 2,605,503</u>

See accompanying notes

TILLAMOOK COUNTY
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Year Ended June 30, 2014

	Business-type Activities			Total Enterprises Funds
	Solid Waste	Solid Waste Sinking	Solid Waste Post Closure Reserve	
	Solid Waste	Sinking	Reserve	
REVENUES				
Charges for services	\$ 1,808,523	\$ -	\$ -	\$ 1,808,523
OPERATING EXPENSES				
Personal services	134,772	-	-	134,772
Other supplies and expenses	1,588,478	-	-	1,588,478
Depreciation	119,233	-	-	119,233
Total operating expenses	1,842,483	-	-	1,842,483
Operating (loss)	(33,960)	-	-	(33,960)
NONOPERATING REVENUES (EXPENSES)				
Assessments	137,590	-	-	137,590
Interest and investment earnings	928	2,300	1,514	4,742
Miscellaneous	14,330	-	-	14,330
Total nonoperating revenue (expenses)	152,848	2,300	1,514	156,662
Income (loss) before transfers	118,888	2,300	1,514	122,702
Transfers	(100,000)	-	100,000	-
Change in net position	18,888	2,300	101,514	122,702
Net position - beginning	1,424,758	664,176	393,867	2,482,801
Net position - ending	\$ 1,443,646	\$ 666,476	\$ 495,381	\$ 2,605,503

See accompanying notes

TILLAMOOK COUNTY

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 For the Year Ended June 30, 2014

	Business-type Activities			Total Enterprise Funds
	Solid Waste	Solid Waste Sinking	Solid Waste Post Closure Reserve	
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 1,695,290	\$ -	\$ -	\$ 1,695,290
Payments to suppliers	(1,562,472)	-	-	(1,562,472)
Payments to employees	(132,655)	-	-	(132,655)
Other	14,330	-	-	14,330
Net cash provided by operating activities	<u>14,493</u>	<u>-</u>	<u>-</u>	<u>14,493</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Assessments of property owners	137,590	-	-	137,590
Transfers in	-	-	100,000	100,000
Transfers out	(100,000)	-	-	(100,000)
Net cash provided by non-capital financing activities	<u>37,590</u>	<u>-</u>	<u>100,000</u>	<u>137,590</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Grants	-	-	-	-
Purchases of capital assets	(19,000)	-	-	(19,000)
Net cash provided by capital and related financing activities	<u>(19,000)</u>	<u>-</u>	<u>-</u>	<u>(19,000)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest	928	2,300	1,514	4,742
Net increase in cash and cash equivalents	34,011	2,300	101,514	137,825
Cash and cash equivalents - beginning of year	201,052	664,176	393,867	1,259,095
Cash and cash equivalents - end of year	<u>\$ 235,063</u>	<u>\$ 666,476</u>	<u>\$ 495,381</u>	<u>\$ 1,396,920</u>
Reconciliation of operating (loss) to net cash provided by operating activities				
Operating (loss)	\$ (33,960)	\$ -	\$ -	\$ (33,960)
Adjustments to reconcile operating (loss) to net cash provided by operating activities				
Depreciation	119,233	-	-	119,233
Other	14,330	-	-	14,330
(Increase) in receivables	(113,233)	-	-	(113,233)
Increase (decrease) in liabilities				
Accounts payable and accrued expenses	26,006	-	-	26,006
Accumulated compensated absences	2,117	-	-	2,117
Landfill post-closure care liability	-	-	-	-
Net cash provided by operating activities	<u>\$ 14,493</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,493</u>

See accompanying notes

TILLAMOOK COUNTY

**STATEMENT OF NET POSITION
FIDUCIARY FUNDS
June 30, 2014**

	Tillamook County Retirement Plan for Employees Pension	
	Trust	Agency Fund
ASSETS		
Cash and cash equivalents	\$ 577,835	\$ 876,107
Receivables, net	-	4,777,829
Investments, at fair value:		
Fixed income securities	3,785,708	-
Mutual funds	48,708,254	-
TOTAL ASSETS	53,071,797	5,653,936
LIABILITIES		
Due to other governments	-	\$ 5,653,936
NET POSITION		
Net position held in trust for pension benefits	\$ 53,071,797	

See accompanying notes

TILLAMOOK COUNTY

**STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
For the Year Ended June 30, 2014**

	Tillamook County Retirement Plan for Employees Pension Trust
ADDITIONS	
Employer contributions	\$ 2,956,962
Investment earnings, net	<u>6,592,029</u>
Total additions	<u>9,548,991</u>
DEDUCTIONS	
Benefits	2,657,212
Administrative expenses	<u>129,252</u>
Total deductions	<u>2,786,464</u>
Change in net position	6,762,527
Net position - beginning of year	<u>46,309,270</u>
Net position - end of year	<u>\$ 53,071,797</u>

See accompanying notes

TILLAMOOK COUNTY

NOTES TO BASIC FINANCIAL STATEMENTS June 30, 2014

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 sources are 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 eliminated 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, proprietary, 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 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 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 health department which provides medical assistance to residents. 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.

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.

Transient Lodging Tax – accounts for the collection of a 10 percent lodging tax from temporary overnight stays at hotels, motels, and other similar establishments within the County.

Road Improvement Construction – accounts for road improvement projects within the county funded by the issuance of general obligation bonded debt.

The County reports the following major proprietary funds:

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 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 unavailable 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 earned 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 liability balance did not change. The estimated liability is \$1,200,260 at June 30, 2014.

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

i. Government-wide statements

On the statement of net position, 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)

ii. 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.

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	Community Corrections	Transient Lodging Tax	Road Improvement Construction
Net change in fund balances - generally accepted accounting principles basis	\$ (960,573)	\$ 799,784	\$ (376,906)	\$ 283,120	\$ (330,527)	\$ 20,516	\$ 290,293	\$ 5,844,793
Revenues:								
Revenues of separately budgeted funds which are included in the general fund on the governmental fund statements	(9,274)	-	-	-	-	-	-	-
(Increase) decrease in property taxes and other receivables susceptible to accrual, recognized as revenues on the generally accepted accounting principles basis	337,850	(59,269)	376,906	(220,365)	63,821	116,436	(198,840)	-
Increase (decrease) in deferred revenues	29,705	-	-	-	(5,410)	-	-	-
	<u>358,281</u>	<u>(59,269)</u>	<u>376,906</u>	<u>(220,365)</u>	<u>58,411</u>	<u>116,436</u>	<u>(198,840)</u>	<u>-</u>
Expenditures:								
Increase (decrease) in accounts and accrued expenditures recognized as expenditures on the generally accepted accounting principles basis	414,935	(37,937)	-	158,779	49,941	13,871	-	103,133
Net change in fund balances - budgetary basis	<u>\$ (187,357)</u>	<u>\$ 702,578</u>	<u>\$ -</u>	<u>\$ 221,534</u>	<u>\$ (222,175)</u>	<u>\$ 150,823</u>	<u>\$ 91,453</u>	<u>\$ 5,947,926</u>

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:

	General	Road	County School	Health Services	Library	Community Corrections	Transient Lodging Tax	Road Improvement Construction
Beginning fund balances - generally accepted accounting principles basis	\$ 10,187,134	\$ 2,294,103	\$ 1,018,003	\$ 62,566	\$ 2,695,924	\$ 256,246	\$ -	\$ -
Beginning 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	-	-
Beginning fund balance - budgetary basis	<u>\$ 5,810,395</u>	<u>\$ 2,081,619</u>	<u>\$ -</u>	<u>\$ (49,454)</u>	<u>\$ 2,567,863</u>	<u>\$ 125,555</u>	<u>\$ -</u>	<u>\$ -</u>
Ending fund balances - generally accepted accounting principles basis	\$ 9,226,561	\$ 3,093,887	\$ 641,097	\$ 345,686	\$ 2,365,397	\$ 276,762	\$ 290,293	\$ 5,844,793
Ending balances of separately budgeted funds which are included in the general fund on the governmental fund statements	(2,687,585)	-	-	-	-	-	-	-
Differences in revenue recognition	(1,408,137)	(384,113)	(641,097)	(456,712)	(81,006)	(15,681)	(198,840)	-
Difference in expenditure recognition	492,199	74,423	-	283,106	61,297	15,297	-	103,133
Ending fund balance - budgetary basis	<u>\$ 5,623,038</u>	<u>\$ 2,784,197</u>	<u>\$ -</u>	<u>\$ 172,080</u>	<u>\$ 2,345,688</u>	<u>\$ 276,378</u>	<u>\$ 91,453</u>	<u>\$ 5,947,926</u>

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

3. Deposits and Investments

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

Investments, including amounts held in pooled cash and investments, are stated at fair value. In accordance with Governmental Accounting Standards Board (GASB) Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, investments with a remaining maturity of more than one year, at the time of purchase are stated at fair value. Fair value is determined at the quoted market price, if available, otherwise the fair value is estimated based on the amount at which the investment could be exchanged in a current transaction between willing parties, other than in a forced liquidation sale. Investments in the State of Oregon Local Government Investment Pool (LGIP) are stated at fair value.

The Oregon State Treasury administers the LGIP. The LGIP is an unrated, open-ended, no-load, diversified portfolio offered to any agency, political subdivision or public corporation of the state who by law is made the custodian of, or has control of, any fund. The LGIP is commingled with the State's short-term funds. To provide regulatory oversight, the Oregon Legislature established the Oregon Short-Term Fund Board and LGIP investments are approved by the Oregon Investment Council. The fair value of the County's position in the LGIP is the same as the value of the pool shares.

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

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

As of June 30, 2014, investments were as follows:

	<u>Maturities</u>	<u>Rating</u>	<u>Fair Value</u>
State Treasurer's Investment Pool	N/A	Not Rated	\$ 24,075,980
Corporate Bonds	N/A	Not Rated	2,091,755
Pension Trust Investments:			
Money Market Fund	N/A	Not Rated	577,836
U.S. Treasury Notes	2/15/16-2/15/17	AAA	3,785,707
Mutual Funds	N/A	Not Rated	<u>48,708,254</u>
Total			<u>\$ 79,239,532</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. 92 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 \$2,091,755 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, 2014, \$1,203,602 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. Deposits and investments at June 30, 2014, are as follows:

Total investments	\$ 79,239,532
Cash on hand	10,354
Deposits with financial institutions	<u>1,650,020</u>
Total deposits and investments	<u>\$ 80,899,906</u>

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

3. Deposits and Investments (continued)

B. Cash and investments by fund:

<u>Governmental activities/funds</u>		
General	\$	8,438,538
Road		2,814,144
Health Services		196,968
Library		2,351,728
Community Corrections		277,685
Transient Lodging Tax		91,453
Road Improvement Construction		5,947,926
Nonmajor funds		<u>5,429,117</u>
Total governmental activities/funds		<u>25,547,559</u>
<u>Business-type activities/Enterprise funds</u>		
Solid Waste		242,586
Solid Waste Sinking		666,476
Post Closure Reserve		<u>495,381</u>
Total business-type activities/Enterprise funds		<u>1,404,443</u>
<u>Fiduciary funds</u>		
Tillamook County Retirement Plan for Employees Pension Trust Agency		53,071,797
		<u>876,107</u>
Total fiduciary funds		<u>53,947,904</u>
Total cash and investments	\$	<u>80,899,906</u>

4. Receivables

A. Receivables at June 30, 2014, are as follows:

Governmental Funds / Activities

	General	Road	County School	Health Services	Library	Community Corrections	Transient Lodging Tax	Nonmajor Funds	Total Governmental Funds
Property taxes	\$ 537,970	\$ -	\$ -	\$ -	\$ 207,879	\$ -	\$ -	\$ 176,891	\$ 922,740
Unsegregated taxes	58,872	-	-	-	22,834	-	-	21,147	102,853
Accounts	249,895	13,916	-	94,742	26,304	15,681	-	89,068	489,606
State timber allotment	866,622	-	641,097	-	-	-	-	13,573	1,521,292
Other	150,623	370,197	-	423,510	-	-	198,840	-	1,143,170
Less: allowance for uncollectible accounts	-	-	-	(61,540)	-	-	-	-	(61,540)
	<u>\$ 1,863,982</u>	<u>\$ 384,113</u>	<u>\$ 641,097</u>	<u>\$ 456,712</u>	<u>\$ 257,017</u>	<u>\$ 15,681</u>	<u>\$ 198,840</u>	<u>\$ 300,679</u>	<u>\$ 4,118,121</u>

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

4. Receivables (continued)

A. Receivables at June 30, 2014 are as follows: (continued)

	Business-type	
	Activities/ Enterprise Fund	Fiduciary Fund
	Solid Waste	Agency
Property taxes	\$ -	\$ 2,714,585
Unsegregated taxes	-	298,427
Assessments	20,148	-
Accounts	283,865	-
State timber allotment	-	1,328,029
Other	-	3,131,877
Less: allowance for uncollectible accounts	-	(2,695,089)
	<u>\$ 304,013</u>	<u>\$ 4,777,829</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, 2013	2013-14 Levies	Adjustments	Net Interest (Discounts)	Collections	Balances June 30, 2014
Current	\$ -	\$ 49,134,320	\$ (202,040)	\$ (1,181,016)	\$ 45,939,837	\$ 1,811,427
2012-13	1,997,639	-	(125,860)	46	863,732	1,008,093
2011-12	970,259	-	(1,351)	-	472,427	496,481
2010-11	564,064	-	(1,283)	-	395,733	167,048
2009-10	239,072	-	(1,258)	-	193,346	44,468
2008-09	65,660	-	(1,212)	-	31,070	33,378
Prior	94,342	-	(1,075)	-	16,937	76,330
	<u>\$ 3,931,036</u>	<u>\$ 49,134,320</u>	<u>\$ (334,079)</u>	<u>\$ (1,180,970)</u>	<u>\$ 47,913,082</u>	<u>\$ 3,637,225</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 \$2,588,500 for the retirement of long-term debt principal and interest due in 2014-15.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

4. Receivables (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	\$ 429,548	\$ 513,053
Road	61,288	18,200
Health Services	178,000	60,000
Library	-	500,000
Transient Lodging Tax	-	78,529
Nonmajor Funds	863,253	362,307
Solid Waste	-	100,000
Post Closure Reserve	<u>100,000</u>	<u>-</u>
	<u>\$ 1,632,089</u>	<u>\$ 1,632,089</u>

6. Capital Assets

A. Capital asset activity for governmental activities for the year ended June 30, 2014 was as follows:

	<u>Balances July 1, 2013</u>	<u>Additions</u>	<u>Reclassifications and Deletions</u>	<u>Balances June 30, 2014</u>
Capital assets not being depreciated				
Land	\$ 5,377,282	\$ -	\$ -	\$ 5,377,282
Construction in progress	<u>1,637,256</u>	<u>697,361</u>	<u>126,584</u>	<u>2,208,033</u>
Total capital assets not being depreciated	<u>\$ 7,014,538</u>	<u>\$ 697,361</u>	<u>\$ 126,584</u>	<u>\$ 7,585,315</u>
Capital assets being depreciated				
Land improvements	\$ 1,973,344	\$ -	\$ -	\$ 1,973,344
Buildings	32,678,247	173,200	-	32,851,447
Equipment	9,704,427	632,246	77,300	10,259,373
Infrastructure	<u>22,826,524</u>	<u>108,554</u>	<u>-</u>	<u>22,935,078</u>
Total capital assets being depreciated	<u>67,182,542</u>	<u>914,000</u>	<u>77,300</u>	<u>68,019,242</u>
Less accumulated depreciation for:				
Land improvements	865,303	45,371	-	910,674
Buildings	9,303,414	825,775	-	10,129,189
Equipment	8,022,491	519,673	77,300	8,464,864
Infrastructure	<u>7,287,511</u>	<u>405,179</u>	<u>-</u>	<u>7,692,690</u>
Total accumulated depreciation	<u>25,478,719</u>	<u>1,795,998</u>	<u>77,300</u>	<u>27,197,417</u>
Total capital assets being depreciated	<u>\$ 41,703,823</u>	<u>\$ (881,998)</u>	<u>\$ -</u>	<u>\$ 40,821,825</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, 2014 was as follows:

	Balances July 1, 2013	Additions	Reclassifications and Deletions	Balances June 30, 2014
Capital assets not being depreciated				
Land	\$ 125,000	\$ -	\$ -	\$ 125,000
Capital assets being depreciated				
Land improvements	\$ 1,026,790	\$ -	\$ -	\$ 1,026,790
Buildings	3,035,249	11,477	-	3,046,726
Equipment	215,698	-	-	215,698
Total capital assets being depreciated	<u>4,277,737</u>	<u>11,477</u>	<u>-</u>	<u>4,289,214</u>
Less accumulated depreciation for:				
Land improvements	431,365	25,147	-	456,512
Buildings	1,484,406	88,865	-	1,573,271
Equipment	126,411	5,221	-	131,632
Total accumulated depreciation	<u>2,042,182</u>	<u>119,233</u>	<u>-</u>	<u>2,161,415</u>
Total capital assets being depreciated	<u>\$ 2,235,555</u>	<u>\$ (107,756)</u>	<u>\$ -</u>	<u>\$ 2,127,799</u>

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

Governmental activities

General government	\$ 172,195
Public safety	396,377
Public works	560,646
Culture and recreation	632,891
Health and welfare	27,246
Education	<u>6,643</u>

Total governmental activities \$ 1,795,998

Business-type activities

Solid waste	<u>\$ 119,233</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>Nonmajor Funds</u>	<u>Totals</u>
Property taxes	\$ 455,845	\$ 176,011	\$ 146,776	\$ 778,632

8. Long-Term Obligations

A. Long-term obligation transactions for the year ended June 30, 2014, are as follows:

<i>Governmental activities</i>	<u>Balances July 1, 2013</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balances June 30, 2014</u>	<u>Balances Due Within One Year</u>
<u>Bonded Debt</u>					
1999 General Obligation Refunding Bonds – original issue \$5,115,000, 15 years, interest from 3.2 to 4.7 percent					
Principal	\$ 625,000	\$ -	\$ 625,000	\$ -	
Interest	14,688	14,687	29,375	-	
	<u>639,688</u>	<u>14,687</u>	<u>654,375</u>	<u>-</u>	
2002 General Obligation Refunding Bonds – original issue \$6,580,000, 14 years, interest from 1.8 to 4.7 percent					
Principal	2,120,000	-	775,000	1,345,000	\$ 810,000
Interest	44,232	112,910	128,540	28,602	
	<u>2,164,232</u>	<u>112,910</u>	<u>903,540</u>	<u>1,373,602</u>	
2003 General Obligation – original issue \$3,700,000, 20 years, interest from 2.0 to 4.5 percent					
Principal	2,355,000	-	2,355,000	-	
Interest	4,169	14,714	18,883	-	
	<u>2,359,169</u>	<u>14,714</u>	<u>2,373,883</u>	<u>-</u>	
2013 General Obligation Refunding Bonds – original issue \$2,075,000, 10 years, interest from 3.0 to 4.0 percent					
Principal	-	2,075,000	10,000	2,065,000	170,000
Premium	-	159,720	19,222	140,498	25,295
Interest	-	60,183	60,183	-	
	<u>-</u>	<u>2,294,903</u>	<u>89,405</u>	<u>2,205,498</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, 2013	Additions	Reductions	Balances June 30, 2014	Balances Due Within One Year
<u>Bonded Debt (continued)</u>					
2013 Road Bond – original issue of \$7,200,000, 6 years, interest from 3.000 to 4.105 percent					
Principal	\$ -	\$ 7,200,000	\$ 1,270,000	\$ 5,930,000	\$ 1,095,000
Premium	-	554,210	126,345	427,865	150,268
Interest	-	183,126	183,126	-	
	<u>-</u>	<u>7,937,336</u>	<u>1,579,471</u>	<u>6,357,865</u>	
<u>Loans</u>					
Oregon Economic Development Department (OEDD) – annual installments of \$36,617.51, including interest at 6 percent					
Principal	204,412	-	24,353	180,059	25,814
Interest	7,155	11,413	12,265	6,303	
	<u>211,567</u>	<u>11,413</u>	<u>36,618</u>	<u>186,362</u>	
Oregon Department of Transportation (ODOT) – annual installments of \$65,833.07, including interest at 0.5 percent					
Principal	152,382	-	37,838	114,544	38,027
Interest	-	762	762	-	
	<u>152,382</u>	<u>762</u>	<u>38,600</u>	<u>114,544</u>	
TLC Federal Credit Union – annual installments of \$75,000 with no interest					
Principal	525,000	-	75,000	450,000	75,000
<u>Capital Lease</u>					
Ford Motor Credit Co. – monthly installments of \$537.21, including interest at 6.25 percent					
Principal	16,700	-	5,560	11,140	5,918
Interest	-	887	887	-	
	<u>16,700</u>	<u>887</u>	<u>6,447</u>	<u>11,140</u>	
Compensated absences	<u>1,182,225</u>	<u>986,646</u>	<u>860,534</u>	<u>1,308,337</u>	950,000
Net other post-employment benefits	<u>4,183,357</u>	<u>1,594,286</u>	<u>-</u>	<u>5,777,643</u>	-
Total long-term obligations	11,434,320	12,968,544	6,617,873	17,784,991	<u>\$ 3,345,322</u>
Interest	<u>70,244</u>	<u>398,682</u>	<u>434,021</u>	<u>34,905</u>	
Principal	<u>\$ 11,364,076</u>	<u>\$ 12,569,862</u>	<u>\$ 6,183,852</u>	<u>\$ 17,750,086</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, 2013	Additions	Reductions	June 30, 2014	Due Within One Year
Landfill post-closure care liability	\$ 1,200,260	\$ -	\$ -	\$ 1,200,260	\$ 108,526
Compensated absences	709	4,204	2,087	2,826	2,826
	<u>\$ 1,200,969</u>	<u>\$ 4,204</u>	<u>\$ 2,087</u>	<u>\$ 1,203,086</u>	<u>\$ 111,352</u>

B. Future maturities

The future maturities of obligation outstanding as of June 30, 2014, are as follows:

i. Bonded debt:

Fiscal Year	2002 Refunding		2013 Refunding		Road Bond		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2015	\$ 810,000	\$ 62,405	\$ 170,000	\$ 79,200	\$ 1,095,000	\$ 217,800	\$ 2,075,000	\$ 359,405
2016	535,000	25,145	180,000	72,200	1,140,000	173,100	1,855,000	270,445
2017	-	-	185,000	64,900	1,185,000	125,975	1,370,000	190,875
2018	-	-	195,000	57,300	1,230,000	77,050	1,425,000	134,350
2019	-	-	200,000	49,400	1,280,000	26,225	1,480,000	75,625
2020-23	-	-	1,135,000	116,900	-	-	1,135,000	116,900
	<u>\$ 1,345,000</u>	<u>\$ 87,550</u>	<u>\$ 2,065,000</u>	<u>\$ 439,900</u>	<u>\$ 5,930,000</u>	<u>\$ 620,150</u>	<u>\$ 9,340,000</u>	<u>\$ 1,147,600</u>

ii. Loans:

Fiscal Year	OEDD		ODOT		TLC	Totals	
	Principal	Interest	Principal	Interest	Principal	Principal	Interest
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	29,004	7,613	38,301	192	75,000	142,305	7,805
2018	30,745	5,873	-	-	75,000	105,745	5,873
2019	32,589	4,028	-	-	75,000	107,589	4,028
2020	34,544	2,073	-	-	75,000	109,544	2,073
	<u>\$ 180,059</u>	<u>\$ 39,646</u>	<u>\$ 114,544</u>	<u>\$ 1,149</u>	<u>\$ 450,000</u>	<u>\$ 744,603</u>	<u>\$ 40,795</u>

iii. Capital Lease:

Fiscal Year	Ford Motor Credit Co.	
	Principal	Interest
2015	5,918	529
2016	5,222	150
	<u>\$ 11,140</u>	<u>\$ 679</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.

As of June 30, 2014 accumulated and unpaid compensated absences amounted to \$1,308,337 for governmental activities and \$2,826 for business-type activities.

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, 2013, of 411 includes 220 active employees, 8 disabled employees, 36 terminated employees entitled to benefits and 147 retired employees with deferred benefits. Of the 220 active employees covered by the Plan, 80 were non-vested, 126 were vested, and 14 were over retirement age. Of the 36 terminated members, 2 were entitled to their account balances only and 34 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, 2013, 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:

<u>Year Ended June 30,</u>	<u>Annual Required Contributions</u>	<u>Employer Contributions</u>	<u>Percentage Contributed</u>
2014	\$ 2,974,444	\$ 2,956,961	99%
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%

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

<u>Actuarial Valuation as of July 1,</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability</u>	<u>Unfunded Actuarial Accrued Liability</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>Unfunded Actuarial Accrued Liability as a Percent of Covered Payroll</u>
2013	\$ 45,656,806	\$ 57,770,013	\$ 12,113,207	79%	\$ 11,769,768	103%
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%

The following table presents the annual pension cost and change in net pension obligation for the County estimated as of June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Annual Required Contribution (ARC)	\$ 2,209,096	\$ 1,961,749
Interest on Net Pension Obligation	(28,815)	(58,456)
Adjustment to Annual Required Contribution	<u>794,163</u>	<u>491,427</u>
Annual Pension Cost	2,974,444	2,394,720
Contributions made	<u>(2,956,961)</u>	<u>(2,311,164)</u>
Change in Net Pension Obligation	(17,483)	83,556
Net Pension Obligation (Asset) - beginning of year	<u>(1,166,747)</u>	<u>(1,250,303)</u>
Net Pension Obligation (Asset) - end of year	<u><u>\$(1,149,264)</u></u>	<u><u>\$(1,166,747)</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, 2014	\$ 2,974,444	\$ 2,956,961	99.41%	\$ (1,149,264)
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)

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, 2014, employees of the County had accumulated 8,260 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	\$ 613,113
Amortization of UAAL	<u>2,403,228</u>
Annual required contribution	<u>\$3,016,341</u>

The net OPEB obligation as of June 30, 2014 was calculated as follows:

Annual required contribution	\$3,016,341
Interest on prior year Net OPEB	146,417
Adjustment to ARC	503,012
Contributions made	<u>(1,065,460)</u>
Increase in net OPEB obligation	1,594,286
Net OPEB obligation at beginning of year	<u>4,183,357</u>
Net OPEB obligation at end of year	<u>\$5,777,643</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, 2014, 2013 and 2012 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, 2014	\$ 2,659,749	40.06%	\$ 5,777,643
June 30, 2013	1,675,198	50.07%	4,183,357
June 30, 2012	1,630,926	45.58%	3,346,853

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 general inflation rate of 2.75 percent, 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.

<u>Actuarial Valuation as of August 1,</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability</u>	<u>Unfunded Actuarial Accrued Liability</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll</u>
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	\$ 278,587
Oregon and Federal laws restrict the use of state gas tax and a portion of Federal Forest Fees for road repairs and improvements	<u>3,183,465</u>
Total	<u>\$ 3,462,052</u>

Schools and education:

Federal laws requires a portion of Federal Forest Fees to be distributed to schools	\$ 641,097
The 4H Extension Service District has its own taxing authority	<u>416,840</u>
Total	<u>\$ 1,057,937</u>

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 \$ 2,541,408

Public safety

Oregon law restricts the use of funds for community corrections, court security and fines collected under SB 1065 \$ 622,753

Other purposes:

Transient lodging tax \$ 290,293

The voters of Tillamook County approved a separate levy for veteran's services 4,280

Total \$ 294,573

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:

Fund balances :	General	Road	County School	Health Services	Library	Community Corrections	Transient Lodging Tax	Road Improvement Construction	Other Governmental Funds	Total
Restricted for:										
Highways and streets	\$ -	\$ 3,093,887	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,844,793	\$ 368,165	\$ 9,306,845
Schools and education	-	-	641,097	-	-	-	-	-	398,213	1,039,310
Health services	-	-	-	345,686	-	-	-	-	93,192	438,878
County library	-	-	-	-	2,365,397	-	-	-	-	2,365,397
Grants	-	-	-	-	-	-	-	-	178,390	178,390
Public safety	-	-	-	-	-	276,762	-	-	397,299	674,061
County fair	-	-	-	-	-	-	-	-	284,865	284,865
Parks	-	-	-	-	-	-	-	-	532,442	532,442
Debt service	-	-	-	-	-	-	-	-	136,429	136,429
Other purposes	-	-	-	-	-	-	290,293	-	550,223	840,516
Assigned for:										
Capital project: Revenue stabilization	2,070,954	-	-	-	-	-	-	-	2,410,145	2,410,145
Post-employment liabilities	616,631	-	-	-	-	-	-	-	-	616,631
Unassigned:	<u>6,538,976</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,538,976</u>
Total fund balances	<u>\$ 9,226,561</u>	<u>\$ 3,093,887</u>	<u>\$ 641,097</u>	<u>\$ 345,686</u>	<u>\$ 2,365,397</u>	<u>\$ 276,762</u>	<u>\$ 290,293</u>	<u>\$ 5,844,793</u>	<u>\$ 5,349,363</u>	<u>\$ 27,433,839</u>

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

Deficit fund balances of nonmajor funds

The Veteran's Service Fund ended the year with a deficit of \$3,717. The deficit will be corrected in subsequent periods as revenues become available.

**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 budgeted separately, but do not meet the definition of a special revenue, debt service, capital project or permanent fund as defined in generally accepted accounting principles. Accordingly, these funds have been combined with the General Fund for purposes 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, 2014

	General	Revenue Stabilization	Post Employment Liability Reserve	Totals
ASSETS				
Cash and cash equivalents	\$ 5,750,953	\$ 2,070,954	\$ 616,631	\$ 8,438,538
Receivables, net	1,863,982	-	-	1,863,982
Due from other funds	1,275	-	-	1,275
TOTAL ASSETS	\$ 7,616,210	\$ 2,070,954	\$ 616,631	\$ 10,303,795
 LIABILITIES				
Accounts payable	\$ 621,389	\$ -	\$ -	\$ 621,389
 DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	455,845	-	-	455,845
 FUND BALANCES				
Assigned	-	2,070,954	616,631	2,687,585
Unassigned	6,538,976	-	-	6,538,976
TOTAL FUND BALANCES	6,538,976	2,070,954	616,631	9,226,561
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 7,616,210	\$ 2,070,954	\$ 616,631	\$ 10,303,795

TILLAMOOK COUNTY

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

GENERAL FUNDS

For the Year Ended June 30, 2014

	<u>General</u>	<u>Revenue Stabilization</u>	<u>Post Employment Liability Reserve</u>	<u>Totals</u>
REVENUES				
Property taxes	\$ 6,324,350	\$ -	\$ -	\$ 6,324,350
Licenses, permits and fees	1,154,659	-	-	1,154,659
Intergovernmental	2,001,492	-	-	2,001,492
Charges for services	419,417	-	-	419,417
Fines and forfeitures	309,639	-	-	309,639
Timber and land sales	3,809,852	-	-	3,809,852
Interest	50,397	7,146	2,128	59,671
Intercounty charges	1,267,306	-	-	1,267,306
Miscellaneous	165,404	-	-	165,404
TOTAL REVENUES	<u>15,502,516</u>	<u>7,146</u>	<u>2,128</u>	<u>15,511,790</u>
EXPENDITURES				
Current				
General government	10,048,222	-	-	10,048,222
Public safety	6,067,706	-	-	6,067,706
Health and welfare	57,501	-	-	57,501
Capital outlay	106,710	-	-	106,710
Debt service				
Principal	99,353	-	-	99,353
Interest	12,265	-	-	12,265
TOTAL EXPENDITURES	<u>16,391,757</u>	<u>-</u>	<u>-</u>	<u>16,391,757</u>
Excess (deficiency) of revenues over expenditures	<u>(889,241)</u>	<u>7,146</u>	<u>2,128</u>	<u>(879,967)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	429,548	-	-	429,548
Sale of capital assets	2,899	-	-	2,899
Transfers out	(513,053)	-	-	(513,053)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(80,606)</u>	<u>-</u>	<u>-</u>	<u>(80,606)</u>
Net change in fund balances	(969,847)	7,146	2,128	(960,573)
Fund balances at beginning of year	7,508,823	2,063,808	614,503	10,187,134
Fund balances at end of year	<u>\$ 6,538,976</u>	<u>\$ 2,070,954</u>	<u>\$ 616,631</u>	<u>\$ 9,226,561</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, 2014**

	Budget	Actual	Variance
REVENUES			
Investment earnings	\$ 9,000	\$ 7,146	\$ (1,854)
OTHER FINANCING SOURCES (USES)			
Transfers out	(400,000)	-	400,000
Net change in fund balance	(391,000)	7,146	398,146
Fund balance at beginning of year	1,760,000	2,063,808	303,808
Fund balance at end of year	\$ 1,369,000	\$ 2,070,954	\$ 701,954

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, 2014**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Investment earnings	\$ 3,000	\$ 2,128	\$ (872)
EXPENDITURES			
Contingency	<u>618,000</u>	<u>-</u>	<u>618,000</u>
Net change in fund balance	(615,000)	2,128	617,128
Fund balance at beginning of year	<u>615,000</u>	<u>614,503</u>	<u>(497)</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 616,631</u>	<u>\$ 616,631</u>

TILLAMOOK COUNTY

**ROAD IMPROVEMENT CONSTRUCTION - MAJOR CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2014**

	Budget	Actual	Variance
EXPENDITURES			
Materials and services	\$ 1,500,000	\$ 1,512,560	\$ (12,560)
Capital outlay	13,500,000	277,563	13,222,437
TOTAL EXPENDITURES	15,000,000	1,790,123	13,209,877
OTHER FINANCING SOURCES (USES)			
Issuance of debt	15,000,000	7,200,000	(7,800,000)
Premium on issuance of debt	-	538,049	538,049
TOTAL OTHER FINANCING SOURCES (USES)	15,000,000	7,738,049	(7,261,951)
Net change in fund balance	-	5,947,926	5,947,926
Fund balance at beginning of year	-	-	-
Fund balance at end of year	\$ -	\$ 5,947,926	\$ 5,947,926

NONMAJOR GOVERNMENTAL FUNDS

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.

NONMAJOR GOVERNMENTAL FUNDS (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.

NONMAJOR GOVERNMENTAL FUNDS (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.

Road – accounts for payment of general obligation bond principal and interest related the construction of improvements to County highways and streets

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 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
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2014

	<u>Special Revenue Funds</u>					
	<u>General Government</u>	<u>Public Safety</u>	<u>Highways and Streets - Bike Path</u>	<u>Culture and Recreation</u>	<u>Health and Welfare - Mediation Program</u>	<u>Education - Tillamook County 4-H and Extension Service District</u>
<u>ASSETS</u>						
Cash and investments	\$ 802,011	\$ 407,643	\$ 89,578	\$ 873,942	\$ 93,192	\$ 380,556
Receivables	10,522	7,224	-	81,844	-	37,971
TOTAL ASSETS	<u>\$ 812,533</u>	<u>\$ 414,867</u>	<u>\$ 89,578</u>	<u>\$ 955,786</u>	<u>\$ 93,192</u>	<u>\$ 418,527</u>
<u>LIABILITIES</u>						
Accounts payable and accrued expenditures	\$ 74,648	\$ 17,568	\$ -	\$ 138,479	\$ -	\$ 1,687
Due to other funds	1,275	-	-	-	-	-
TOTAL LIABILITIES	<u>75,923</u>	<u>17,568</u>	<u>-</u>	<u>138,479</u>	<u>-</u>	<u>1,687</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Unavailable revenue	7,997	-	-	-	-	18,627
<u>FUND BALANCES</u>						
Restricted	728,613	397,299	89,578	817,307	93,192	398,213
Assigned	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>728,613</u>	<u>397,299</u>	<u>89,578</u>	<u>817,307</u>	<u>93,192</u>	<u>398,213</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 812,533</u>	<u>\$ 414,867</u>	<u>\$ 89,578</u>	<u>\$ 955,786</u>	<u>\$ 93,192</u>	<u>\$ 418,527</u>

Debt Service Funds

Hospital	Road	Library	Capital Projects Funds	Totals
\$ 56,224	\$ 859	\$ 36,380	\$ 2,688,732	\$ 5,429,117
<u>74,115</u>	<u>65,522</u>	<u>23,481</u>	<u>-</u>	<u>300,679</u>
<u>\$ 130,339</u>	<u>\$ 66,381</u>	<u>\$ 59,861</u>	<u>\$ 2,688,732</u>	<u>\$ 5,729,796</u>
\$ -	\$ -	\$ -	\$ -	\$ 232,382
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,275</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>233,657</u>
<u>56,691</u>	<u>45,470</u>	<u>17,991</u>	<u>-</u>	<u>146,776</u>
73,648	20,911	41,870	278,587	2,939,218
<u>-</u>	<u>-</u>	<u>-</u>	<u>2,410,145</u>	<u>2,410,145</u>
<u>73,648</u>	<u>20,911</u>	<u>41,870</u>	<u>2,688,732</u>	<u>5,349,363</u>
<u>\$ 130,339</u>	<u>\$ 66,381</u>	<u>\$ 59,861</u>	<u>\$ 2,688,732</u>	<u>\$ 5,729,796</u>

TILLAMOOK COUNTY

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2014**

	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
REVENUES						
Property taxes	\$ 126,082	\$ -	\$ -	\$ -	\$ -	\$ 288,230
Licenses, permits and fees	9,646	-	-	-	-	-
Intergovernmental	318,390	797	-	128,854	1,315,277	60,697
Charges for services	95,950	-	-	2,257,232	12,657	-
Fines and forfeitures	49,305	54,262	-	-	-	-
Interest	1,172	1,588	296	2,523	316	1,451
Miscellaneous	131,509	536	-	58,299	-	-
TOTAL REVENUES	<u>732,054</u>	<u>57,183</u>	<u>296</u>	<u>2,446,908</u>	<u>1,328,250</u>	<u>350,378</u>
EXPENDITURES						
Current:						
General government	736,145	-	-	-	-	-
Public safety	-	66,498	-	-	-	-
Highways and streets	-	-	-	-	-	-
Culture and recreation	-	-	-	2,059,558	-	-
Health and welfare	-	-	-	-	1,327,693	-
Education	-	-	-	-	-	299,389
Capital outlay	15,114	248	-	253,332	-	-
Debt service						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
TOTAL EXPENDITURES	<u>751,259</u>	<u>66,746</u>	<u>-</u>	<u>2,312,890</u>	<u>1,327,693</u>	<u>299,389</u>
Excess (deficiency) of revenues over expenditures	<u>(19,205)</u>	<u>(9,563)</u>	<u>296</u>	<u>134,018</u>	<u>557</u>	<u>50,989</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	2,053	-	18,200	-	-	-
Sale of capital assets	-	-	-	-	-	-
Refunding bonds issued	-	-	-	-	-	-
Premium on issuance of debt	-	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	-
Transfers out	(135,000)	(150,725)	-	-	-	(10,000)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(132,947)</u>	<u>(150,725)</u>	<u>18,200</u>	<u>-</u>	<u>-</u>	<u>(10,000)</u>
Net change in fund balances	(152,152)	(160,288)	18,496	134,018	557	40,989
Fund balances - beginning	880,765	557,587	71,082	683,289	92,635	357,224
Fund balances - ending	<u>\$ 728,613</u>	<u>\$ 397,299</u>	<u>\$ 89,578</u>	<u>\$ 817,307</u>	<u>\$ 93,192</u>	<u>\$ 398,213</u>

Debt Service Funds

Hospital	Jail	Road	Library	Capital Projects Funds	Totals
\$ 846,843	\$ 608,987	\$ 1,473,942	\$ 264,782	\$ -	\$ 3,608,866
-	-	-	-	-	9,646
-	-	-	-	-	1,824,015
-	-	-	-	147,010	2,512,849
-	-	-	-	-	103,567
666	208	96	178	5,290	13,784
-	-	-	-	-	190,344
<u>847,509</u>	<u>609,195</u>	<u>1,474,038</u>	<u>264,960</u>	<u>152,300</u>	<u>8,263,071</u>
795	-	-	20,631	-	757,571
-	-	-	-	-	66,498
-	-	-	-	59,917	59,917
-	-	-	-	-	2,059,558
-	-	-	-	-	1,327,693
-	-	-	-	-	299,389
-	-	-	-	26,811	295,505
775,000	625,000	1,270,000	185,000	-	2,855,000
<u>96,505</u>	<u>29,375</u>	<u>183,127</u>	<u>63,464</u>	<u>-</u>	<u>372,471</u>
<u>872,300</u>	<u>654,375</u>	<u>1,453,127</u>	<u>269,095</u>	<u>86,728</u>	<u>8,093,602</u>
<u>(24,791)</u>	<u>(45,180)</u>	<u>20,911</u>	<u>(4,135)</u>	<u>65,572</u>	<u>169,469</u>
-	-	-	-	843,000	863,253
-	-	-	-	-	-
-	-	-	2,075,000	-	2,075,000
-	-	-	175,881	-	175,881
-	-	-	(2,227,146)	-	(2,227,146)
-	(21,852)	-	-	(44,730)	(362,307)
-	(21,852)	-	23,735	798,270	524,681
(24,791)	(67,032)	20,911	19,600	863,842	694,150
<u>98,439</u>	<u>67,032</u>	<u>-</u>	<u>22,270</u>	<u>1,824,890</u>	<u>4,655,213</u>
<u>\$ 73,648</u>	<u>\$ -</u>	<u>\$ 20,911</u>	<u>\$ 41,870</u>	<u>\$ 2,688,732</u>	<u>\$ 5,349,363</u>

TILLAMOOK COUNTY

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL SPECIAL REVENUE FUNDS
GENERAL GOVERNMENT FUNDS
June 30, 2014**

	Mitigation Grants	Video Lottery	Forest Timber Trust	Juvenile Trust	Law Library	BPS Surcharge
<u>ASSETS</u>						
Cash and investments	\$ 219,464	\$ 8,622	\$ 52,963	\$ 16,400	\$ 37,170	\$ 23,602
Receivables	-	-	-	-	-	-
TOTAL ASSETS	\$ 219,464	\$ 8,622	\$ 52,963	\$ 16,400	\$ 37,170	\$ 23,602
<u>LIABILITIES</u>						
Accounts payable and accrued expenditures	\$ 41,074	\$ -	\$ 2,942	\$ -	\$ 649	\$ 18,832
Due to other funds	-	-	-	-	-	-
TOTAL LIABILITIES	41,074	-	2,942	-	649	18,832
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Unavailable revenue	-	-	-	-	-	-
<u>FUND BALANCES</u>						
Restricted	178,390	8,622	50,021	16,400	36,521	4,770
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 219,464	\$ 8,622	\$ 52,963	\$ 16,400	\$ 37,170	\$ 23,602

<u>PLCP</u>	<u>Clerks Records</u>	<u>Federal Title III</u>	<u>Veteran's Services</u>	<u>Technology</u>	<u>Totals</u>
\$ 11,526	\$ 26,633	\$ 257,328	\$ -	\$ 148,303	\$ 802,011
<u>-</u>	<u>-</u>	<u>-</u>	<u>10,522</u>	<u>-</u>	<u>10,522</u>
<u>\$ 11,526</u>	<u>\$ 26,633</u>	<u>\$ 257,328</u>	<u>\$ 10,522</u>	<u>\$ 148,303</u>	<u>\$ 812,533</u>
\$ 3,709	\$ -	\$ -	\$ 4,967	\$ 2,475	\$ 74,648
<u>-</u>	<u>-</u>	<u>-</u>	<u>1,275</u>	<u>-</u>	<u>1,275</u>
<u>3,709</u>	<u>-</u>	<u>-</u>	<u>6,242</u>	<u>2,475</u>	<u>75,923</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>7,997</u>	<u>-</u>	<u>7,997</u>
<u>7,817</u>	<u>26,633</u>	<u>257,328</u>	<u>(3,717)</u>	<u>145,828</u>	<u>728,613</u>
<u>\$ 11,526</u>	<u>\$ 26,633</u>	<u>\$ 257,328</u>	<u>\$ 10,522</u>	<u>\$ 148,303</u>	<u>\$ 812,533</u>

Tillamook County



Land of Cheese, Trees and Ocean Breeze

TILLAMOOK COUNTY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL SPECIAL REVENUE FUNDS
PUBLIC SAFETY FUNDS
June 30, 2014

	Court	Law	Sheriff	SB 1065	Tillamook	
	Security	Enforcement	Trust	Assessment and Conviction	Narcotics Team	Totals
<u>ASSETS</u>						
Cash and investments	\$ 280,320	\$ 212	\$ 21,209	\$ 74,239	\$ 31,663	\$ 407,643
Receivables	<u>7,131</u>	<u>-</u>	<u>-</u>	<u>93</u>	<u>-</u>	<u>7,224</u>
TOTAL ASSETS	<u>\$ 287,451</u>	<u>\$ 212</u>	<u>\$ 21,209</u>	<u>\$ 74,332</u>	<u>\$ 31,663</u>	<u>\$ 414,867</u>
<u>LIABILITIES</u>						
Accounts payable and accrued expenditures	\$ 15,792	\$ -	\$ 1,776	\$ -	\$ -	\$ 17,568
<u>FUND BALANCES</u>						
Restricted	<u>271,659</u>	<u>212</u>	<u>19,433</u>	<u>74,332</u>	<u>31,663</u>	<u>397,299</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 287,451</u>	<u>\$ 212</u>	<u>\$ 21,209</u>	<u>\$ 74,332</u>	<u>\$ 31,663</u>	<u>\$ 414,867</u>

TILLAMOOK COUNTY

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL SPECIAL REVENUE FUNDS
CULTURE AND RECREATION FUNDS
June 30, 2014**

	<u>County Fair</u>	<u>Parks Operations</u>	<u>Totals</u>
<u>ASSETS</u>			
Cash and investments	\$ 284,865	\$ 589,077	\$ 873,942
Receivables	-	81,844	81,844
 TOTAL ASSETS	 \$ 284,865	 \$ 670,921	 \$ 955,786
 <u>LIABILITIES</u>			
Accounts payable and accrued expenditures	\$ -	\$ 138,479	\$ 138,479
 <u>FUND BALANCES</u>			
Restricted	284,865	532,442	817,307
 TOTAL LIABILITIES AND FUND BALANCES	 \$ 284,865	 \$ 670,921	 \$ 955,786

TILLAMOOK COUNTY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL CAPITAL PROJECT FUNDS
June 30, 2014

	Tillamook County 4-H and Extension							
	Vehicle Reserve	Library Reserve	Fair Reserve	Building Reserve	Trask Road Project	Road Construction Grant Projects	Building Improvement	Totals
<u>ASSETS</u>								
Cash and investments	\$ 270,868	\$ 771,220	\$ 20,000	\$ 11,407	\$ 278,587	\$ 818,490	\$ 518,160	\$ 2,688,732
<u>FUND BALANCES</u>								
Restricted	\$ -	\$ -	\$ -	\$ -	\$ 278,587	\$ -	\$ -	\$ 278,587
Assigned	270,868	771,220	20,000	11,407	-	818,490	518,160	2,410,145
TOTAL FUND BALANCES	\$ 270,868	\$ 771,220	\$ 20,000	\$ 11,407	\$ 278,587	\$ 818,490	\$ 518,160	\$ 2,688,732

TILLAMOOK COUNTY

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
GENERAL GOVERNMENT FUNDS
For the Year Ended June 30, 2014**

	Mitigation Grants	Video Lottery	Forest Timber Trust	Juvenile Trust	Law Library	BPS Surcharge
REVENUES						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses, permits and fees	-	-	-	-	-	-
Intergovernmental	-	131,537	40,000	-	-	64,856
Charges for services	-	-	-	-	17,491	-
Fines and forfeitures	-	-	-	-	-	-
Interest	-	157	-	57	-	-
Miscellaneous	121,329	-	-	46	-	-
TOTAL REVENUES	<u>121,329</u>	<u>131,694</u>	<u>40,000</u>	<u>103</u>	<u>17,491</u>	<u>64,856</u>
EXPENDITURES						
General government	218,000	114,200	30,315	400	11,379	55,630
Capital outlay	15,114	-	-	-	-	-
TOTAL EXPENDITURES	<u>233,114</u>	<u>114,200</u>	<u>30,315</u>	<u>400</u>	<u>11,379</u>	<u>55,630</u>
Excess (deficiency) of revenues over expenditures	<u>(111,785)</u>	<u>17,494</u>	<u>9,685</u>	<u>(297)</u>	<u>6,112</u>	<u>9,226</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers out	-	(135,000)	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>(135,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(111,785)	(117,506)	9,685	(297)	6,112	9,226
Fund balances - beginning	290,175	126,128	40,336	16,697	30,409	(4,456)
Fund balances - ending	<u>\$ 178,390</u>	<u>\$ 8,622</u>	<u>\$ 50,021</u>	<u>\$ 16,400</u>	<u>\$ 36,521</u>	<u>\$ 4,770</u>

**Nestucca
Valley**

PLCP	Clerks Records	Federal Title III	Veteran's Services	Community Campus	Technology	Totals
\$ -	\$ -	\$ -	\$ 126,082	\$ -	\$ -	\$ 126,082
-	9,646	-	-	-	-	9,646
-	-	79,697	2,300	-	-	318,390
78,459	-	-	-	-	-	95,950
-	-	-	-	-	49,305	49,305
70	75	703	110	-	-	1,172
32	-	-	10,052	50	-	131,509
<u>78,561</u>	<u>9,721</u>	<u>80,400</u>	<u>138,544</u>	<u>50</u>	<u>49,305</u>	<u>732,054</u>
104,774	1,087	17,633	163,138	-	19,589	736,145
-	-	-	-	-	-	15,114
<u>104,774</u>	<u>1,087</u>	<u>17,633</u>	<u>163,138</u>	<u>-</u>	<u>19,589</u>	<u>751,259</u>
<u>(26,213)</u>	<u>8,634</u>	<u>62,767</u>	<u>(24,594)</u>	<u>50</u>	<u>29,716</u>	<u>(19,205)</u>
-	-	-	-	2,053	-	2,053
-	-	-	-	-	-	(135,000)
-	-	-	-	2,053	-	(132,947)
(26,213)	8,634	62,767	(24,594)	2,103	29,716	(152,152)
<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>\$ 7,817</u>	<u>\$ 26,633</u>	<u>\$ 257,328</u>	<u>\$ (3,717)</u>	<u>\$ -</u>	<u>\$ 145,828</u>	<u>\$ 728,613</u>

TILLAMOOK COUNTY

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
PUBLIC SAFETY FUNDS
For the Year Ended June 30, 2014**

	SB 1065						
	Court	Law	Sheriff	Assessment and	Tillamook	North	
	Security	Enforcement	Trust	Conviction	Narcotics Team	Coast Drug Task Force	Totals
REVENUES							
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 797	\$ -	\$ 797
Fines and forfeitures	40,197	1,085	8,035	2,750	2,195	-	54,262
Interest	1,071	-	69	338	110	-	1,588
Miscellaneous	-	-	536	-	-	-	536
TOTAL REVENUES	<u>41,268</u>	<u>1,085</u>	<u>8,640</u>	<u>3,088</u>	<u>3,102</u>	<u>-</u>	<u>57,183</u>
EXPENDITURES							
Public safety	21,977	8,277	11,697	18,600	4,500	1,447	66,498
Capital outlay	248	-	-	-	-	-	248
TOTAL EXPENDITURES	<u>22,225</u>	<u>8,277</u>	<u>11,697</u>	<u>18,600</u>	<u>4,500</u>	<u>1,447</u>	<u>66,746</u>
Excess (deficiency) of revenues over expenditures	19,043	(7,192)	(3,057)	(15,512)	(1,398)	(1,447)	(9,563)
OTHER FINANCING SOURCES (USES)							
Transfers out	(50,000)	-	-	(20,000)	-	(80,725)	(150,725)
Net change in fund balances	(30,957)	(7,192)	(3,057)	(35,512)	(1,398)	(82,172)	(160,288)
Fund balances - beginning	302,616	7,404	22,490	109,844	33,061	82,172	557,587
Fund balances - ending	<u>\$ 271,659</u>	<u>\$ 212</u>	<u>\$ 19,433</u>	<u>\$ 74,332</u>	<u>\$ 31,663</u>	<u>\$ -</u>	<u>\$ 397,299</u>

TILLAMOOK COUNTY

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL SPECIAL REVENUE FUNDS
CULTURE AND RECREATION FUNDS
For the Year Ended June 30, 2014**

	<u>County Fair</u>	<u>Parks Operations</u>	<u>Totals</u>
REVENUES			
Intergovernmental	\$ 50,964	\$ 77,890	\$ 128,854
Charges for services	823,281	1,433,951	2,257,232
Interest	719	1,804	2,523
Miscellaneous	<u>16,386</u>	<u>41,913</u>	<u>58,299</u>
TOTAL REVENUES	<u>891,350</u>	<u>1,555,558</u>	<u>2,446,908</u>
EXPENDITURES			
Culture and recreation	804,114	1,255,444	2,059,558
Capital outlay	<u>61,218</u>	<u>192,114</u>	<u>253,332</u>
TOTAL EXPENDITURES	<u>865,332</u>	<u>1,447,558</u>	<u>2,312,890</u>
Net change in fund balances	26,018	108,000	134,018
Fund balances - beginning	<u>258,847</u>	<u>424,442</u>	<u>683,289</u>
Fund balances - ending	<u>\$ 284,865</u>	<u>\$ 532,442</u>	<u>\$ 817,307</u>

TILLAMOOK COUNTY

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
HEALTH AND WELFARE FUNDS
For the Year Ended June 30, 2014**

	<u>Mental Health</u>	<u>Mediation Program</u>	<u>Totals</u>
REVENUES			
Intergovernmental	\$ 1,315,277	\$ -	\$ 1,315,277
Charges for services	-	12,657	12,657
Interest	-	316	316
	<hr/>	<hr/>	<hr/>
TOTAL REVENUES	1,315,277	12,973	1,328,250
EXPENDITURES			
Health and welfare	1,315,277	12,416	1,327,693
	<hr/>	<hr/>	<hr/>
Net change in fund balances	-	557	557
Fund balances - beginning	-	92,635	92,635
	<hr/>	<hr/>	<hr/>
Fund balances - ending	<u>\$ -</u>	<u>\$ 93,192</u>	<u>\$ 93,192</u>

TILLAMOOK COUNTY

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
NONMAJOR CAPITAL PROJECT FUNDS
For the Year Ended June 30, 2014**

	Tillamook County 4-H and Extension							Totals
	Vehicle Reserve	Library Reserve	Fair Reserve	Building Reserve	Trask Road Project	Road Construction Grant Projects	Building Improvement	
REVENUES								
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ 147,010	\$ -	\$ -	\$ 147,010
Interest	935	1,685	-	20	796	-	1,854	5,290
TOTAL REVENUES	<u>935</u>	<u>1,685</u>	<u>-</u>	<u>20</u>	<u>147,806</u>	<u>-</u>	<u>1,854</u>	<u>152,300</u>
EXPENDITURES								
Current:								
Highways and streets	-	-	-	-	59,469	448	-	59,917
Capital outlay	-	-	-	-	-	-	26,811	26,811
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>59,469</u>	<u>448</u>	<u>26,811</u>	<u>86,728</u>
Excess (deficiency) of revenues over expenditures	935	1,685	-	20	88,337	(448)	(24,957)	65,572
OTHER FINANCING SOURCES (USES)								
Transfers in	-	500,000	-	10,000	-	333,000	-	843,000
Transfers out	-	-	-	-	(44,730)	-	-	(44,730)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>500,000</u>	<u>-</u>	<u>10,000</u>	<u>(44,730)</u>	<u>333,000</u>	<u>-</u>	<u>798,270</u>
Net change in fund balances	935	501,685	-	10,020	43,607	332,552	(24,957)	863,842
Fund balances - beginning	269,933	269,535	20,000	1,387	234,980	485,938	543,117	1,824,890
Fund balances - ending	<u>\$ 270,868</u>	<u>\$ 771,220</u>	<u>\$ 20,000</u>	<u>\$ 11,407</u>	<u>\$ 278,587</u>	<u>\$ 818,490</u>	<u>\$ 518,160</u>	<u>\$ 2,688,732</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, 2014**

	Budget	Actual	Variance
REVENUES			
Intergovernmental	\$ 3,940,000	\$ 10,000	\$ (3,930,000)
Miscellaneous	9,000	121,329	112,329
TOTAL REVENUES	3,949,000	131,329	(3,817,671)
EXPENDITURES			
Materials and services	2,249,000	177,924	2,071,076
Capital outlay	1,700,000	15,114	1,684,886
TOTAL EXPENDITURES	3,949,000	193,038	3,755,962
Net change in fund balance	-	(61,709)	(61,709)
Fund balance at beginning of year	-	281,173	281,173
Fund balance at end of year	\$ -	\$ 219,464	\$ 219,464

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, 2014**

	Budget	Actual	Variance
REVENUES			
Intergovernmental	\$ 140,000	\$ 174,453	\$ 34,453
Investment earnings	600	157	(443)
TOTAL REVENUES	140,600	174,610	34,010
EXPENDITURES			
Materials and services	115,600	114,200	1,400
Excess (deficiency) of revenues over expenditures	25,000	60,410	35,410
OTHER FINANCING SOURCES (USES)			
Transfers out	(135,000)	(135,000)	-
Net change in fund balance	(110,000)	(74,590)	35,410
Fund balance at beginning of year	110,000	83,212	(26,788)
Fund balance at end of year	\$ -	\$ 8,622	\$ 8,622

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, 2014**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Intergovernmental	\$ 40,000	\$ 40,000	\$ -
EXPENDITURES			
Materials and services	<u>70,000</u>	<u>27,373</u>	<u>42,627</u>
Net change in fund balance	(30,000)	12,627	42,627
Fund balance at beginning of year	<u>30,000</u>	<u>40,336</u>	<u>10,336</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 52,963</u>	<u>\$ 52,963</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, 2014**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Investment earnings	\$ -	\$ 57	\$ 57
Miscellaneous	<u>800</u>	<u>46</u>	<u>(754)</u>
TOTAL REVENUES	800	103	(697)
EXPENDITURES			
Materials and services	<u>10,000</u>	<u>400</u>	<u>9,600</u>
Net change in fund balance	(9,200)	(297)	8,903
Fund balance at beginning of year	<u>15,550</u>	<u>16,697</u>	<u>1,147</u>
Fund balance at end of year	<u>\$ 6,350</u>	<u>\$ 16,400</u>	<u>\$ 10,050</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, 2014**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Charges for services	\$ 18,000	\$ 17,491	\$ (509)
EXPENDITURES			
Materials and services	<u>33,000</u>	<u>10,815</u>	<u>22,185</u>
Net change in fund balance	(15,000)	6,676	21,676
Fund balance at beginning of year	<u>15,000</u>	<u>30,494</u>	<u>15,494</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 37,170</u>	<u>\$ 37,170</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, 2014**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Intergovernmental	\$ 150,000	\$ 64,856	\$ (85,144)
EXPENDITURES			
Materials and services	<u>150,000</u>	<u>44,593</u>	<u>105,407</u>
Net change in fund balance	-	20,263	20,263
Fund balance at beginning of year	<u>-</u>	<u>3,339</u>	<u>3,339</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 23,602</u>	<u>\$ 23,602</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, 2014**

	Budget	Actual	Variance
REVENUES			
Charges for services	\$ 64,000	\$ 78,468	\$ 14,468
Investment earnings	<u>300</u>	<u>70</u>	<u>(230)</u>
TOTAL REVENUES	<u>64,300</u>	<u>78,570</u>	<u>14,270</u>
EXPENDITURES			
Personal services	96,400	93,692	2,708
Materials and services	<u>11,900</u>	<u>8,619</u>	<u>3,281</u>
TOTAL EXPENDITURES	<u>108,300</u>	<u>102,311</u>	<u>5,989</u>
Net change in fund balance	(44,000)	(23,741)	20,259
Fund balance at beginning of year	<u>44,000</u>	<u>34,085</u>	<u>(9,915)</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 10,344</u>	<u>\$ 10,344</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, 2014**

	Budget	Actual	Variance
REVENUES			
Licenses, permits and fees	\$ 10,000	\$ 9,646	\$ (354)
Investment earnings	100	75	(25)
TOTAL REVENUES	10,100	9,721	(379)
EXPENDITURES			
Materials and services	19,100	1,087	18,013
Capital outlay	1,000	-	1,000
TOTAL EXPENDITURES	20,100	1,087	19,013
Net change in fund balance	(10,000)	8,634	18,634
Fund balance at beginning of year	10,000	17,999	7,999
Fund balance at end of year	\$ -	\$ 26,633	\$ 26,633

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, 2014**

	Budget	Actual	Variance
REVENUES			
Intergovernmental	\$ -	\$ 79,697	\$ 79,697
Investment earnings	-	703	703
	-	80,400	80,400
TOTAL REVENUES	-	80,400	80,400
EXPENDITURES			
Materials and services	90,000	17,633	72,367
Net change in fund balance	(90,000)	62,767	152,767
Fund balance at beginning of year	90,000	194,561	104,561
Fund balance at end of year	\$ -	\$ 257,328	\$ 257,328

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, 2014**

	Budget	Actual	Variance
REVENUES			
Property taxes	\$ 124,000	\$ 126,777	\$ 2,777
Intergovernmental	17,500	10,701	(6,799)
Investment earnings	100	110	10
Miscellaneous	<u>-</u>	<u>10,052</u>	<u>10,052</u>
TOTAL REVENUES	<u>141,600</u>	<u>147,640</u>	<u>6,040</u>
EXPENDITURES			
Personal services	141,070	137,749	3,321
Materials and services	<u>25,530</u>	<u>21,202</u>	<u>4,328</u>
TOTAL EXPENDITURES	<u>166,600</u>	<u>158,951</u>	<u>7,649</u>
Net change in fund balance	(25,000)	(11,311)	13,689
Fund balance at beginning of year	<u>25,000</u>	<u>9,367</u>	<u>(15,633)</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ (1,944)</u></u>	<u><u>\$ (1,944)</u></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, 2014**

	Budget	Actual	Variance
REVENUES			
Miscellaneous	\$ 1,800	\$ 50	\$ (1,750)
EXPENDITURES			
Materials and services	8,175	-	8,175
Excess (deficiency) of revenues over expenditures	(6,375)	50	6,425
OTHER FINANCING SOURCES (USES)			
Transfers in	-	2,053	(2,053)
Net change in fund balance	(6,375)	2,103	8,478
Fund balance at beginning of year	6,375	(2,103)	(8,478)
Fund balance at end of year	\$ -	\$ -	\$ -

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, 2014**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Fines and forfeitures	\$ 20,000	\$ 49,305	\$ 29,305
EXPENDITURES			
Materials and services	100,000	17,114	82,886
Capital outlay	<u>5,000</u>	<u>-</u>	<u>5,000</u>
TOTAL EXPENDITURES	<u>105,000</u>	<u>17,114</u>	<u>87,886</u>
Net change in fund balance	(85,000)	32,191	117,191
Fund balance at beginning of year	<u>85,000</u>	<u>116,112</u>	<u>31,112</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 148,303</u>	<u>\$ 148,303</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, 2014**

	Budget	Actual	Variance
REVENUES			
Fines and forfeitures	\$ 40,000	\$ 40,176	\$ 176
Investment earnings	1,400	1,071	(329)
TOTAL REVENUES	41,400	41,247	(153)
EXPENDITURES			
Materials and services	8,000	6,185	1,815
Capital outlay	243,400	248	243,152
TOTAL EXPENDITURES	251,400	6,433	244,967
Excess (deficiency) of revenues over expenditures	(210,000)	34,814	244,814
OTHER FINANCING SOURCES (USES)			
Transfers out	(50,000)	(50,000)	-
Net change in fund balance	(260,000)	(15,186)	244,814
Fund balance at beginning of year	260,000	295,506	35,506
Fund balance at end of year	\$ -	\$ 280,320	\$ 280,320

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, 2014**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Fines and forfeitures	\$ 20,000	\$ 1,085	\$ (18,915)
EXPENDITURES			
Materials and services	<u>20,000</u>	<u>9,010</u>	<u>10,990</u>
Net change in fund balance	-	(7,925)	(7,925)
Fund balance at beginning of year	<u>-</u>	<u>8,137</u>	<u>8,137</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 212</u>	<u>\$ 212</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, 2014**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Fines and forfeitures	\$ 5,000	\$ 8,035	\$ 3,035
Investment earnings	-	69	69
Miscellaneous	<u>5,000</u>	<u>536</u>	<u>(4,464)</u>
 TOTAL REVENUES	 10,000	 8,640	 (1,360)
 EXPENDITURES			
Materials and services	<u>30,000</u>	<u>9,921</u>	<u>20,079</u>
 Net change in fund balance	 (20,000)	 (1,281)	 18,719
Fund balance at beginning of year	<u>20,000</u>	<u>22,490</u>	<u>2,490</u>
 Fund balance at end of year	 <u>\$ -</u>	 <u>\$ 21,209</u>	 <u>\$ 21,209</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, 2014**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Fines and forfeitures	\$ 10,000	\$ 2,684	\$ (7,316)
Investment earnings	<u>100</u>	<u>338</u>	<u>238</u>
TOTAL REVENUES	<u>10,100</u>	<u>3,022</u>	<u>(7,078)</u>
EXPENDITURES			
Materials and services	59,100	18,600	40,500
Contingency	<u>1,000</u>	<u>-</u>	<u>1,000</u>
TOTAL EXPENDITURES	<u>60,100</u>	<u>18,600</u>	<u>41,500</u>
Excess (deficiency) of revenues over expenditures	(50,000)	(15,578)	34,422
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(20,000)</u>	<u>(20,000)</u>	<u>-</u>
Net change in fund balance	(70,000)	(35,578)	34,422
Fund balance at beginning of year	<u>70,000</u>	<u>109,817</u>	<u>39,817</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 74,239</u>	<u>\$ 74,239</u>

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, 2014**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Fines and forfeitures	\$ 10,000	\$ 2,195	\$ (7,805)
Investment earnings	<u>-</u>	<u>110</u>	<u>110</u>
TOTAL REVENUES	10,000	3,102	(6,898)
EXPENDITURES			
Materials and services	<u>40,000</u>	<u>4,500</u>	<u>35,500</u>
Net change in fund balance	(30,000)	(1,398)	28,602
Fund balance at beginning of year	<u>30,000</u>	<u>33,061</u>	<u>3,061</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 31,663</u>	<u>\$ 31,663</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, 2014**

	Budget	Actual	Variance
REVENUES			
Intergovernmental	\$ 36,500	\$ -	\$ (36,500)
EXPENDITURES			
Materials and services	<u>1,450</u>	<u>1,447</u>	<u>3</u>
Excess (deficiency) of revenues over expenditures	35,050	(1,447)	(36,497)
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(80,726)</u>	<u>(80,725)</u>	<u>1</u>
Net change in fund balance	(45,676)	(82,172)	(36,496)
Fund balance at beginning of year	<u>45,676</u>	<u>82,172</u>	<u>36,496</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

TILLAMOOK COUNTY

**BIKE PATH - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2014**

	Budget	Actual	Variance
REVENUES			
Investment earnings	\$ 500	\$ 296	\$ (204)
EXPENDITURES			
Contingency	63,700	-	63,700
Excess (deficiency) of revenues over expenditures	(63,200)	296	63,496
OTHER FINANCING SOURCES (USES)			
Transfers in	18,200	18,200	-
Transfers out	(25,000)	-	(25,000)
TOTAL OTHER FINANCING SOURCES (USES)	(6,800)	18,200	(25,000)
Net change in fund balance	(70,000)	18,496	88,496
Fund balance at beginning of year	70,000	71,082	1,082
Fund balance at end of year	\$ -	\$ 89,578	\$ 89,578

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, 2014**

	Budget	Actual	Variance
REVENUES			
Intergovernmental	\$ 48,000	\$ 50,964	\$ 2,964
Charges for services	735,410	823,281	87,871
Investment earnings	1,500	719	(781)
Miscellaneous	17,900	16,386	(1,514)
TOTAL REVENUES	802,810	891,350	88,540
EXPENDITURES			
Personal services	212,940	199,828	13,112
Materials and services	609,090	604,286	4,804
Capital outlay	61,225	61,218	7
Contingency	8,775	-	8,775
TOTAL EXPENDITURES	892,030	865,332	26,698
Excess (deficiency) of revenues over expenditures	(89,220)	26,018	115,238
OTHER FINANCING SOURCES (USES)			
Transfers out	-	-	-
Net change in fund balance	(89,220)	26,018	115,238
Fund balance at beginning of year	146,130	258,847	112,717
Fund balance at end of year	\$ 56,910	\$ 284,865	\$ 227,955

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, 2014**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Charges for services	\$ 1,189,000	\$ 1,430,900	\$ 241,900
Investment earnings	2,000	1,804	(196)
Miscellaneous	<u>42,350</u>	<u>41,913</u>	<u>(437)</u>
TOTAL REVENUES	<u>1,321,250</u>	<u>1,552,507</u>	<u>231,257</u>
EXPENDITURES			
Personal services	605,860	492,576	113,284
Materials and services	655,270	650,712	4,558
Capital outlay	<u>185,120</u>	<u>185,092</u>	<u>28</u>
TOTAL EXPENDITURES	<u>1,446,250</u>	<u>1,328,380</u>	<u>117,870</u>
Net change in fund balance	(125,000)	224,127	349,127
Fund balance at beginning of year	<u>300,000</u>	<u>361,032</u>	<u>61,032</u>
Fund balance at end of year	<u>\$ 175,000</u>	<u>\$ 585,159</u>	<u>\$ 410,159</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, 2014**

	Budget	Actual	Variance
REVENUES			
Intergovernmental	\$ 1,500,000	\$ 1,315,277	\$ (184,723)
EXPENDITURES			
Materials and services	1,500,000	1,315,277	184,723
Net change in fund balance	-	-	-
Fund balance at beginning of year	-	-	-
Fund balance at end of year	\$ -	\$ -	\$ -

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, 2014**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Charges for services	\$ 10,000	\$ 12,657	\$ 2,657
Investment earnings	<u>400</u>	<u>316</u>	<u>(84)</u>
TOTAL REVENUES	10,400	12,973	2,573
EXPENDITURES			
Materials and services	<u>101,000</u>	<u>12,416</u>	<u>88,584</u>
Net change in fund balance	(90,600)	557	91,157
Fund balance at beginning of year	<u>90,600</u>	<u>92,635</u>	<u>2,035</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 93,192</u>	<u>\$ 93,192</u>

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, 2014**

	Budget	Actual	Variance
REVENUES			
Property taxes	\$ 267,320	\$ 289,818	\$ 22,498
Intergovernmental	56,980	69,024	12,044
Investment earnings	1,000	1,451	451
TOTAL REVENUES	325,300	360,293	34,993
EXPENDITURES			
Personal services	200,800	200,800	-
Materials and services	153,300	103,176	50,124
Contingency	70,000	-	70,000
TOTAL EXPENDITURES	424,100	303,976	120,124
Excess (deficiency) of revenues over expenditures	(98,800)	56,317	155,117
OTHER FINANCING SOURCES (USES)			
Transfers out	(10,000)	(10,000)	-
Net change in fund balance	(108,800)	46,317	155,117
Fund balance at beginning of year	289,800	334,239	44,439
Fund balance at end of year	\$ 181,000	\$ 380,556	\$ 199,556

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, 2014**

	Budget	Actual	Variance
REVENUES			
Property taxes	\$ 845,605	\$ 852,827	\$ 7,222
Investment earnings	500	666	166
TOTAL REVENUES	846,105	853,493	7,388
EXPENDITURES			
Materials and services	600	795	(195)
Debt service	871,505	871,505	-
TOTAL EXPENDITURES	872,105	872,300	(195)
Net change in fund balance	(26,000)	(18,807)	7,193
Fund balance at beginning of year	75,000	75,031	31
Fund balance at end of year	\$ 49,000	\$ 56,224	\$ 7,224

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, 2014**

	Budget	Actual	Variance
REVENUES			
Property taxes	\$ 619,775	\$ 626,784	\$ 7,009
Investment earnings	<u>200</u>	<u>208</u>	<u>8</u>
TOTAL REVENUES	<u>619,975</u>	<u>626,992</u>	<u>7,017</u>
EXPENDITURES			
Materials and services	600	-	600
Debt service	<u>654,375</u>	<u>654,375</u>	<u>-</u>
TOTAL EXPENDITURES	<u>654,975</u>	<u>654,375</u>	<u>600</u>
Excess (deficiency) of revenues over expenditures	(35,000)	(27,383)	7,617
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>-</u>	<u>(21,852)</u>	<u>21,852</u>
Net change in fund balance	(35,000)	(49,235)	(14,235)
Fund balance at beginning of year	<u>50,000</u>	<u>49,235</u>	<u>(765)</u>
Fund balance at end of year	<u><u>\$ 15,000</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (15,000)</u></u>

TILLAMOOK COUNTY

**ROAD - DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2014**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Property taxes	\$ 1,448,300	\$ 1,453,890	\$ 5,590
Investment earnings	<u>-</u>	<u>96</u>	<u>96</u>
TOTAL REVENUES	<u>1,448,300</u>	<u>1,453,986</u>	<u>5,686</u>
EXPENDITURES			
Materials and services	968	-	968
Debt service	<u>1,447,332</u>	<u>1,453,127</u>	<u>(5,795)</u>
TOTAL EXPENDITURES	<u>1,448,300</u>	<u>1,453,127</u>	<u>(4,827)</u>
Net change in fund balance	-	859	859
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 859</u>	<u>\$ 859</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, 2014**

	Budget	Actual	Variance
REVENUES			
Property taxes	\$ 263,219	\$ 266,760	\$ 3,541
Investment earnings	<u>150</u>	<u>178</u>	<u>28</u>
TOTAL REVENUES	<u>263,369</u>	<u>266,938</u>	<u>3,569</u>
EXPENDITURES			
Materials and services	600	20,631	(20,031)
Debt service	<u>271,769</u>	<u>248,464</u>	<u>23,305</u>
TOTAL EXPENDITURES	<u>272,369</u>	<u>269,095</u>	<u>3,274</u>
Excess (deficiency) of revenues over expenditures	<u>(9,000)</u>	<u>(2,157)</u>	<u>6,843</u>
OTHER FINANCING SOURCES (USES)			
Issuance of debt	-	2,075,000	(2,075,000)
Premium on issuance of debt	-	175,881	(175,881)
Payment to refunded bond escrow agent	<u>-</u>	<u>(2,227,146)</u>	<u>2,227,146</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>23,735</u>	<u>(23,735)</u>
Net change in fund balance	(9,000)	21,578	30,578
Fund balance at beginning of year	<u>10,000</u>	<u>14,802</u>	<u>4,802</u>
Fund balance at end of year	<u><u>\$ 1,000</u></u>	<u><u>\$ 36,380</u></u>	<u><u>\$ 35,380</u></u>

The variance in materials and services above does not represent an overexpenditure in violation of ORS 294.338(1) as it resulted from the expenditure of bond proceeds issued to refund previously issued bonds as allowed by ORS 294.338(4)(c).

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, 2014**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Investment earnings	\$ 1,200	\$ 935	\$ (265)
EXPENDITURES			
Capital outlay	<u>271,200</u>	<u>-</u>	<u>271,200</u>
Net change in fund balance	(270,000)	935	270,935
Fund balance at beginning of year	<u>270,000</u>	<u>269,933</u>	<u>(67)</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 270,868</u>	<u>\$ 270,868</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, 2014**

	Budget	Actual	Variance
REVENUES			
Investment earnings	\$ 1,000	\$ 1,685	\$ 685
EXPENDITURES			
Capital outlay	100,000	-	100,000
Contingency	201,000	-	201,000
TOTAL EXPENDITURES	701,000	-	701,000
Excess (deficiency) of revenues over expenditures	(700,000)	1,685	701,685
OTHER FINANCING SOURCES (USES)			
Transfers in	500,000	500,000	-
Net change in fund balance	(200,000)	501,685	701,685
Fund balance at beginning of year	200,000	269,535	69,535
Fund balance at end of year	\$ -	\$ 771,220	\$ 771,220

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, 2014**

	Budget	Actual	Variance
EXPENDITURES			
Capital outlay	\$ 20,000	\$ -	\$ 20,000
Contingency	10,000	-	10,000
TOTAL EXPENDITURES	30,000	-	30,000
Excess (deficiency) of revenues over expenditures	(30,000)	-	30,000
OTHER FINANCING SOURCES (USES)			
Transfers in	20,000	-	(20,000)
Net change in fund balance	(10,000)	-	10,000
Fund balance at beginning of year	20,000	20,000	-
Fund balance at end of year	\$ 10,000	\$ 20,000	\$ 10,000

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, 2014**

	Budget	Actual	Variance
REVENUES			
Investment earnings	\$ 50	\$ 20	\$ (30)
EXPENDITURES			
Capital outlay	10,150	-	10,150
Excess (deficiency) of revenues over expenditures	(10,100)	20	10,120
OTHER FINANCING SOURCES (USES)			
Transfers in	10,000	10,000	-
Net change in fund balance	(100)	10,020	10,120
Fund balance at beginning of year	100	1,387	1,287
Fund balance at end of year	\$ -	\$ 11,407	\$ 11,407

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, 2014**

	Budget	Actual	Variance
REVENUES			
Charges for services	\$ -	\$ 147,010	\$ 147,010
Investment earnings	<u>500</u>	<u>796</u>	<u>296</u>
TOTAL REVENUES	<u>500</u>	<u>147,806</u>	<u>147,306</u>
EXPENDITURES			
Materials and services	59,470	59,469	1
Contingency	<u>96,300</u>	<u>-</u>	<u>96,300</u>
TOTAL EXPENDITURES	<u>155,770</u>	<u>59,469</u>	<u>96,301</u>
Excess (deficiency) of revenues over expenditures	(155,270)	88,337	243,607
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(44,730)</u>	<u>(44,730)</u>	<u>-</u>
Net change in fund balance	(200,000)	43,607	243,607
Fund balance at beginning of year	<u>200,000</u>	<u>234,980</u>	<u>34,980</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ 278,587</u></u>	<u><u>\$ 278,587</u></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, 2014**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Intergovernmental	\$ 6,900,000	\$ -	\$ (6,900,000)
Investment earnings	<u>1,000</u>	<u>-</u>	<u>(1,000)</u>
TOTAL REVENUES	6,976,000	-	(6,976,000)
EXPENDITURES			
Materials and services	<u>7,789,000</u>	<u>448</u>	<u>7,788,552</u>
Excess (deficiency) of revenues over expenditures	(813,000)	(448)	812,552
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>333,000</u>	<u>333,000</u>	<u>-</u>
Net change in fund balance	(480,000)	332,552	812,552
Fund balance at beginning of year	<u>480,000</u>	<u>485,938</u>	<u>5,938</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 818,490</u>	<u>\$ 818,490</u>

TILLAMOOK COUNTY

**BUILDING IMPROVEMENT - CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2014**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Investment earnings	\$ 3,000	\$ 1,854	\$ (1,146)
EXPENDITURES			
Materials and services	110,000	-	110,000
Capital outlay	<u>300,000</u>	<u>92,873</u>	<u>207,127</u>
TOTAL EXPENDITURES	<u>410,000</u>	<u>92,873</u>	<u>317,127</u>
Net change in fund balance	(407,000)	(91,019)	315,981
Fund balance at beginning of year	<u>600,000</u>	<u>609,179</u>	<u>9,179</u>
Fund balance at end of year	<u>\$ 193,000</u>	<u>\$ 518,160</u>	<u>\$ 325,160</u>

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



Land of Cheese, Trees and Ocean Breeze

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, 2014**

	Budget	Actual	Variance
REVENUES			
Assessments	\$ 225,000	\$ 234,096	\$ 9,096
Intergovernmental	-	-	-
Charges for services	1,573,800	1,602,204	28,404
Investment earnings	2,000	928	(1,072)
Miscellaneous	500	10,910	10,410
TOTAL REVENUES	1,801,300	1,848,138	46,838
EXPENDITURES			
Personal services	135,700	130,125	5,575
Materials and services	1,693,700	1,559,281	134,419
Capital outlay	20,000	18,730	1,270
Contingency	184,900	-	184,900
TOTAL EXPENDITURES	2,034,300	1,708,136	326,164
Excess (deficiency) of revenues over expenditures	(233,000)	140,002	373,002
OTHER FINANCING SOURCES (USES)			
Transfers out	(100,000)	(100,000)	-
Net change in fund balance	(333,000)	40,002	373,002
Fund balance at beginning of year	345,000	199,910	(145,090)
Fund balance at end of year	\$ 12,000	239,912	\$ 227,912
Reconciliation to generally accepted accounting principles:			
Receivables		304,013	
Capital assets, net		2,252,799	
Accounts payable and accrued expenses		(149,992)	
Accumulated compenstaed absences		(2,826)	
Landfill post-closure care liability		(1,200,260)	
Net position at end of year		\$ 1,443,646	

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, 2014**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Investment earnings	\$ 3,000	\$ 2,300	\$ (700)
EXPENDITURES			
Contingency	<u>370,000</u>	<u>-</u>	<u>370,000</u>
Excess (deficiency) of revenues over expenditures	<u>(367,000)</u>	<u>2,300</u>	<u>369,300</u>
Net change in fund balance	(367,000)	2,300	369,300
Fund balance at beginning of year	<u>667,000</u>	<u>664,176</u>	<u>(2,824)</u>
Fund balance at end of year	<u>\$ 300,000</u>	<u>\$ 666,476</u>	<u>\$ 366,476</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, 2014**

	Budget	Actual	Variance
REVENUES			
Investment earnings	\$ 2,000	\$ 1,514	\$ (486)
OTHER FINANCING SOURCES (USES)			
Transfers in	100,000	100,000	-
Net change in fund balance	102,000	101,514	(486)
Fund balance at beginning of year	390,000	393,867	3,867
Fund balance at end of year	\$ 492,000	\$ 495,381	\$ 3,381

Tillamook County



Land of Cheese, Trees and Ocean Breeze

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, 2014

	<u>Balances</u> <u>July 1, 2013</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balances</u> <u>June 30, 2014</u>
ASSETS				
Cash and investments	\$ 1,028,522	\$ 61,898,161	\$ 62,050,576	\$ 876,107
Receivables	<u>5,878,809</u>	<u>38,910,837</u>	<u>40,011,817</u>	<u>4,777,829</u>
TOTAL ASSETS	<u>\$ 6,907,331</u>	<u>\$ 100,808,998</u>	<u>\$ 102,062,393</u>	<u>\$ 5,653,936</u>
LIABILITIES				
Due to other governments	<u>\$ 6,907,331</u>	<u>\$ 100,808,998</u>	<u>\$ 102,062,393</u>	<u>\$ 5,653,936</u>

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

TILLAMOOK COUNTY

SCHEDULE OF CAPITAL ASSETS
GOVERNMENTAL ACTIVITIES

June 30, 2014

CAPITAL ASSETS

Land	\$ 5,377,282
Land improvements	1,973,344
Buildings	32,851,447
Equipment	10,259,373
Infrastructure	22,935,078
Construction in progress	<u>2,208,033</u>

TOTAL CAPITAL ASSETS \$ 75,604,557

INVESTMENT IN CAPITAL ASSETS

General fund	\$ 10,348,915
Special revenue funds	29,764,485
Capital project funds	<u>35,491,157</u>

TOTAL INVESTMENT IN CAPITAL ASSETS \$ 75,604,557

TILLAMOOK COUNTY

**SCHEDULE OF CAPITAL ASSETS BY FUNCTION AND ACTIVITY
GOVERNMENTAL ACTIVITIES
June 30, 2014**

<u>Function and Activity</u>	<u>Totals</u>	<u>Land</u>				<u>Infrastructure</u>	<u>Construction in Progress</u>
		<u>Land</u>	<u>Improvements</u>	<u>Buildings</u>	<u>Equipment</u>		
General government:							
Board of County Commissioners	\$ 25,260	\$ -	\$ -	\$ -	\$ 25,260	\$ -	\$ -
District Attorney	71,512	-	-	-	71,512	-	-
County Clerk	247,888	-	-	-	247,888	-	-
County Assessor	155,828	-	-	-	155,828	-	-
Courthouse Building	2,311,934	702,367	-	1,509,699	99,868	-	-
County Surveyor	55,991	-	-	-	55,991	-	-
Community Development	742,184	550,186	-	-	191,998	-	-
Data Processing	689,718	-	-	33,782	655,936	-	-
Juvenile	44,495	-	-	-	44,495	-	-
Personnel	18,578	-	-	-	18,578	-	-
Other - unclassified	1,935,144	345,056	-	705,187	779,901	-	105,000
Total general government	6,298,532	1,597,609	-	2,248,668	2,347,255	-	105,000
Public safety							
County Sheriff	1,965,378	-	42,678	122,471	1,800,229	-	-
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	-	-
Total public safety	10,861,116	-	42,678	8,415,515	2,402,923	-	-
Public works	30,853,154	1,475,557	11,560	85,102	4,361,926	22,832,933	2,086,076
Culture and recreation							
Parks	5,202,063	2,227,960	1,603,378	989,791	261,832	102,145	16,957
Library	4,748,530	22,000	-	4,462,962	263,568	-	-
Fair	4,542,078	54,156	88,128	4,024,067	375,727	-	-
Total culture and recreation	14,492,671	2,304,116	1,691,506	9,476,820	901,127	102,145	16,957
Health, welfare and sanitation	12,453,900	-	-	12,213,227	240,673	-	-
Education	645,184	-	227,600	412,115	5,469	-	-
Total capital assets	\$ 75,604,557	\$ 5,377,282	\$ 1,973,344	\$ 32,851,447	\$ 10,259,373	\$ 22,935,078	\$ 2,208,033

TILLAMOOK COUNTY

**SCHEDULE OF CHANGES IN CAPITAL ASSETS BY FUNCTION AND ACTIVITY
GOVERNMENT ACTIVITIES
For the Year Ended June 30, 2014**

<u>Function and Activity</u>	<u>Balances July 1, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balances June 30, 2014</u>
General government				
Board of County Commissioners	\$ 36,675	\$ -	\$ 11,415	\$ 25,260
District Attorney	71,512	-	-	71,512
County Clerk	247,888	-	-	247,888
County Assessor	164,728	-	8,900	155,828
Courthouse Building	2,239,142	123,415	50,623	2,311,934
County Surveyor	55,991	-	-	55,991
Community Development	704,397	37,787	-	742,184
Data Processing	565,087	194,631	70,000	689,718
Juvenile	44,495	-	-	44,495
Personnel	18,578	-	-	18,578
Other - unclassified	1,935,144	-	-	1,935,144
Total general government	<u>6,083,637</u>	<u>355,833</u>	<u>140,938</u>	<u>6,298,532</u>
Public safety				
County Sheriff	1,883,512	102,851	20,985	1,965,378
Communications	70,288	-	-	70,288
Commission on Children and Families	11,832	-	-	11,832
Corrections	8,562,500	-	-	8,562,500
Courts	251,118	-	-	251,118
Total public safety	<u>10,779,250</u>	<u>102,851</u>	<u>20,985</u>	<u>10,861,116</u>
Public works	<u>29,918,071</u>	<u>977,044</u>	<u>41,961</u>	<u>30,853,154</u>
Culture and recreation				
Parks	5,053,173	148,890	-	5,202,063
Library	4,721,787	26,743	-	4,748,530
Fair	4,542,078	-	-	4,542,078
Total culture and recreation	<u>14,317,038</u>	<u>175,633</u>	<u>-</u>	<u>14,492,671</u>
Health, welfare and sanitation	<u>12,453,900</u>	<u>-</u>	<u>-</u>	<u>12,453,900</u>
Education	<u>645,184</u>	<u>-</u>	<u>-</u>	<u>645,184</u>
Total capital assets	<u>\$ 74,197,080</u>	<u>\$ 1,611,361</u>	<u>\$ 203,884</u>	<u>\$ 75,604,557</u>

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, 2014

Obligation	Interest Rates	Date of Issue	Principal				Interest Matured and Paid	
			Outstanding July 1, 2013	Issued Current Yr.	Matured and Paid	Defeased Current Yr.		Outstanding June 30, 2014
General obligation bond issues								
1999 Refunding	3.2% - 4.7%	3/11/1999	\$ 625,000	\$ -	\$ 625,000	\$ -	\$ -	\$ 29,375
2002 Refunding	1.8% - 4.7%	5/2/2002	2,120,000	-	775,000	-	1,345,000	128,540
2003	2.0% - 4.5%	12/17/2003	2,355,000	-	175,000	2,180,000	-	18,883
2013 Refunding	3.0% - 4.1%	9/23/2013	-	2,075,000	10,000	-	2,065,000	60,183
2013 Road	3.0% - 4.1%	9/23/2013	-	7,200,000	1,270,000	-	5,930,000	183,126
Total general obligation bond issues			5,100,000	9,275,000	2,855,000	2,180,000	9,340,000	420,107
Loans								
OEDD	6.00%	3/1/2000	204,412	-	24,353	-	180,059	12,265
ODOT	0.50%	12/1/2002	152,382	-	37,838	-	114,544	762
TLC	0%	2/25/2008	525,000	-	75,000	-	450,000	-
			881,794	-	137,191	-	744,603	13,027
Capital Leases								
FMC	6.25%	5/23/2012	16,700	-	5,560	-	11,140	887
Total			\$ 5,998,494		\$ 2,997,751		\$ 10,095,743	\$ 434,021

TILLAMOOK COUNTY

**SCHEDULE OF GOVERNMENTAL LONG-TERM OBLIGATIONS
FUTURE DEBT SERVICE REQUIREMENTS
June 30, 2014**

	General Obligation Bond Issues					
	2002 Refunding		2013 Refunding		2013 Road	
	Principal	Interest	Principal	Interest	Principal	Interest
2014-15	\$ 810,000	\$ 62,405	\$ 170,000	\$ 79,200	\$ 1,095,000	\$ 217,800
2015-16	535,000	25,145	180,000	72,200	1,140,000	173,100
2016-17	-	-	185,000	64,900	1,185,000	125,975
2017-18	-	-	195,000	57,300	1,230,000	77,050
2018-19	-	-	200,000	49,400	1,280,000	26,225
2019-20	-	-	210,000	41,200		
2020-21	-	-	220,000	32,600		
2021-22	-	-	225,000	23,700		
2022-23	-	-	235,000	14,500		
2023-24	-	-	245,000	4,900		
	<u>\$ 1,345,000</u>	<u>\$ 87,550</u>	<u>\$ 2,065,000</u>	<u>\$ 439,900</u>	<u>\$ 5,930,000</u>	<u>\$ 620,150</u>

Loans					Capital Lease				
OEDD		ODOT		TLC	FMC		Totals		
Principal	Interest	Principal	Interest	Principal	Principal	Interest	Principal	Interest	
\$ 25,814	\$ 10,804	\$ 38,027	\$ 573	\$ 75,000	\$ 5,918	\$ 529	\$ 2,219,759	\$ 371,311	
27,363	9,255	38,216	384	75,000	5,222	150	2,000,801	280,234	
29,004	7,612	38,301	192	75,000	-	-	1,512,305	198,679	
30,745	5,873	-	-	75,000	-	-	1,530,745	140,223	
32,589	4,028	-	-	75,000	-	-	1,587,589	79,653	
34,544	2,074	-	-	75,000	-	-	319,544	43,274	
-	-	-	-	-	-	-	220,000	32,600	
-	-	-	-	-	-	-	225,000	23,700	
-	-	-	-	-	-	-	235,000	14,500	
-	-	-	-	-	-	-	245,000	4,900	
<u>\$ 180,059</u>	<u>\$ 39,646</u>	<u>\$ 114,544</u>	<u>\$ 1,149</u>	<u>\$ 450,000</u>	<u>\$ 11,140</u>	<u>\$ 679</u>	<u>\$ 10,095,743</u>	<u>\$ 1,189,074</u>	

TILLAMOOK COUNTY

SCHEDULE OF CASH RECEIPTS AND TURNS OVERS FOR ELECTED OFFICIALS

As of and for the Year Ended June 30, 2014

Elected Officials	Cash and Investments Balances July 1, 2013	Cash Receipts	Cash Turnovers and Disbursements to County Treasurer and Others	Cash and Investments Balances June 30, 2014
Clerk	\$ -	\$ 251,534	\$ 251,534	\$ -
Justice of the Peace	-	267,729	267,729	-
Sheriff	49,549	2,377,298	2,385,112	41,735
Surveyor	-	16,572	16,572	-
Tax Collector	43,582	48,143,258	48,186,840	-
Treasurer	19,851,495	148,707,939	141,077,925	27,481,509
Total cash and investments	\$ 19,944,626	\$ 199,764,330	\$ 192,185,712	\$ 27,523,244
Cash and investments as of June 30, 2014				
Deposits with financial institutions				\$ 1,479,451
Cash on hand				10,354
Corporate debt obligation securities				2,091,755
State treasurer's investment pool				<u>23,941,684</u>
Cash and investments for elected officials				27,523,244
Cash held by County Fair Board				304,865
Held by custodian under pension plan, primarily mutual funds				<u>53,071,797</u>
Total cash and investments				<u>\$ 80,899,906</u>
Reported in the basic financial statements as:				
Governmental activities - cash and investments				\$ 25,547,559
Business-type activities - cash and investments				1,404,443
Pension trust				
Cash				577,835
Investments in fixed income securities				3,785,708
Investments in mutual funds				48,708,254
Agency funds - cash and cash equivalents				<u>876,107</u>
				<u>\$ 80,899,906</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



Land of Cheese, Trees and Ocean Breeze

TILLAMOOK COUNTY
NET POSITION BY COMPONENT
Last Ten Fiscal Years

	Fiscal Year Ended June 30,									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Governmental activities										
Net investment capital asset	\$38,311,397	\$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
Restricted	10,747,326	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
Unrestricted	10,802,669	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
Total governmental activities net position	<u>\$59,861,392</u>	<u>\$60,235,826</u>	<u>\$60,804,593</u>	<u>\$59,308,673</u>	<u>\$58,503,106</u>	<u>\$57,275,085</u>	<u>\$53,120,479</u>	<u>\$48,696,018</u>	<u>\$44,278,940</u>	<u>\$39,661,493</u>
Business-type activities										
Net investment capital asset	\$ 2,252,799	\$ 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
Unrestricted	352,704	122,246	219,089	659,708	724,915	569,978	1,005,008	991,608	723,497	285,305
Total business-type activities net position	<u>\$ 2,605,503</u>	<u>\$ 2,482,801</u>	<u>\$ 2,674,490</u>	<u>\$ 2,816,648</u>	<u>\$ 2,809,966</u>	<u>\$ 2,681,989</u>	<u>\$ 2,638,858</u>	<u>\$ 2,446,246</u>	<u>\$ 2,243,659</u>	<u>\$ 1,870,991</u>
Totals - all activities										
Net investment capital asset	\$40,564,196	\$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
Restricted	10,747,326	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
Unrestricted	11,155,373	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
Total net position	<u>\$62,466,895</u>	<u>\$62,718,627</u>	<u>\$63,479,083</u>	<u>\$62,125,321</u>	<u>\$61,313,072</u>	<u>\$59,957,074</u>	<u>\$55,759,337</u>	<u>\$51,142,264</u>	<u>\$46,522,599</u>	<u>\$41,532,484</u>

TILLAMOOK COUNTY
CHANGES IN NET POSITION
Last Ten Fiscal Years

	Fiscal Year Ended June 30,									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Expenses										
Governmental activities										
General government	\$ 11,560,270	\$ 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
Public safety	7,912,221	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
Highways and streets	5,495,551	4,746,759	4,431,828	4,825,966	4,482,036	2,317,050	3,847,477	3,810,554	4,610,247	4,391,196
Culture and recreation	5,533,318	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
Health and welfare	7,074,190	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
Education	3,748,080	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
Interest on long-term debt	214,280	363,477	393,364	454,086	511,485	564,404	614,666	634,634	719,839	805,846
Total governmental activities expenses	41,537,910	37,828,624	35,488,014	36,600,800	34,209,020	33,377,074	35,877,908	34,792,811	35,402,356	33,372,959
Business-type activities										
Solid waste	1,842,483	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
Total expenses	\$ 43,380,393	\$ 39,815,490	\$ 37,485,564	\$ 38,464,290	\$ 35,772,127	\$ 35,076,620	\$ 37,715,608	\$ 36,541,229	\$ 36,781,867	\$ 34,650,234
Program revenues										
Governmental activities										
Charges for services										
General government	\$ 2,912,809	\$ 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
Public safety	798,203	916,654	827,688	812,281	679,201	713,007	734,387	803,006	890,652	869,356
Highways and streets	1,106,357	549,505	574,350	533,556	282,259	437,649	204,262	485,292	804,708	283,674
Culture and recreation	2,207,786	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
Health and welfare	2,804,328	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
Education	-	-	-	29	-	267	-	-	-	-
Operating grants and contributions	8,174,975	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
Capital grants and contributions	134,813	125,774	2,506,529	1,275,535	95,231	1,498,018	1,529,350	489,909	417,834	8,518,424
Total governmental activities program revenues	18,139,271	16,075,665	18,946,082	17,978,192	15,507,377	16,457,969	17,283,531	16,419,838	16,882,086	23,229,076
Business-type activities										
Charges for services	1,946,113	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
Operating grants	1,371	-	1,000	46,200	-	5,757	5,972	34,093	16,416	-
Capital grants	-	19,800	70,000	-	-	-	-	-	-	-
Total business-type activities program revenues	1,947,484	1,787,838	1,849,065	1,756,889	1,675,149	1,695,627	1,931,264	1,862,229	1,695,139	1,279,263
Total program revenues	\$ 20,086,755	\$ 17,863,503	\$ 20,795,147	\$ 19,735,081	\$ 17,182,526	\$ 18,153,596	\$ 19,214,795	\$ 18,282,067	\$ 18,577,225	\$ 24,508,339
Net (expense) / revenue										
Governmental activities	\$ (23,398,639)	\$ (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)
Business-type activities	105,001	(199,028)	(148,485)	(106,601)	112,042	(3,919)	93,564	113,811	315,628	1,988
Total net (expense) / revenue	\$ (23,293,638)	\$ (21,951,987)	\$ (16,690,417)	\$ (18,729,209)	\$ (18,589,601)	\$ (16,923,024)	\$ (18,500,813)	\$ (18,259,162)	\$ (18,204,642)	\$ (10,141,895)
General revenues and other changes in net position										
Governmental activities										
Property taxes	\$ 12,682,828	\$ 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
Other taxes	644,452	187,171	179,630	161,778	200,083	197,973	177,285	179,739	167,918	156,096
Unrestricted grants and contributions	1,692,103	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
Timber and land sales	6,781,116	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
Unrestricted investment earnings	93,112	86,255	86,692	98,664	187,697	534,977	977,682	1,057,756	902,182	308,439
Assessments	-	-	-	-	-	-	-	-	-	37,600
Miscellaneous	1,130,594	858,761	1,235,353	1,214,859	704,016	1,022,062	1,127,360	1,243,564	1,134,351	857,047
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)
Total governmental activities	23,024,205	21,184,192	18,037,852	19,428,175	19,929,664	21,073,710	23,018,838	22,790,051	23,137,717	19,914,039
Business-type activities										
Assessments	-	-	-	-	-	-	-	-	-	15,930
Unrestricted investment earnings	4,742	5,056	5,068	7,351	14,499	45,084	97,007	85,932	54,826	211,262
Miscellaneous	12,959	2,283	1,259	105,932	1,436	1,966	2,041	2,844	2,214	3,170
Total business-type activities	17,701	7,339	6,327	113,283	15,935	47,050	99,048	88,776	57,040	230,362
Total general revenues and other changes in net position	\$ 23,041,906	\$ 21,191,531	\$ 18,044,179	\$ 19,541,458	\$ 19,945,599	\$ 21,120,760	\$ 23,117,886	\$ 22,878,827	\$ 23,194,757	\$ 20,144,401
Change in net position										
Governmental activities	\$ (374,434)	\$ (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
Business-type activities	122,702	(191,689)	(142,158)	6,682	127,977	43,131	192,612	202,587	372,668	232,350
Total change in net position	\$ (251,732)	\$ (760,456)	\$ 1,353,762	\$ 812,249	\$ 1,355,998	\$ 4,197,736	\$ 4,617,073	\$ 4,619,665	\$ 4,990,115	\$ 10,002,506

TILLAMOOK COUNTY

GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
Last Ten Fiscal Years

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Property</u> <u>Taxes</u>	<u>State Fuel</u> <u>Taxes</u>	<u>Other</u> <u>Taxes</u>	<u>Totals</u>
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
2014	12,682,828	1,869,562	644,452	15,196,842

TILLAMOOK COUNTY

FUND BALANCES OF GOVERNMENTAL FUNDS Last Ten Fiscal Years

	Fiscal Year Ended June 30,									
	2014	2013	2012	2011*	2010	2009	2008	2007	2006	2005
General fund										
Unreserved	\$ -	\$ -	\$ -	\$ -	\$ 8,043,291	\$ 6,882,209	\$ 6,821,346	\$ 7,337,984	\$ 7,812,327	\$ 6,138,135
Assigned	2,687,585	2,678,311	-	-	-	-	-	-	-	-
Unassigned	6,538,976	7,508,823	10,416,940	10,718,830	-	-	-	-	-	-
Total General fund	<u>9,226,561</u>	<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>
All other governmental funds										
Reserved	-	-	-	-	206,774	235,337	215,949	322,142	470,259	556,992
Unreserved, reported in:										
Special revenue funds	-	-	-	-	11,771,220	11,575,922	10,390,356	9,476,705	7,512,996	5,602,952
Capital projects funds	-	-	-	-	1,759,915	1,886,440	4,116,286	4,174,993	6,922,753	11,667,869
Restricted	15,797,133	9,392,145	8,907,041	9,477,736	-	-	-	-	-	-
Assigned	2,410,145	1,589,910	1,644,400	1,458,727	-	-	-	-	-	-
Unassigned	-	-	-	(4,370)	-	-	-	-	-	-
Total all other governmental funds	<u>18,207,278</u>	<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>
Total all governmental funds	<u>\$27,433,839</u>	<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>

* 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.

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

TILLAMOOK COUNTY

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS Last Ten Fiscal Years

	Fiscal Year Ended June 30,									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Revenues										
Property taxes	\$12,665,784	\$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
Transient lodging tax	468,760	-	-	-	-	-	-	-	-	-
Licences, permits and fees	1,201,714	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
Intergovernmental	10,009,799	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
Charges for services	6,981,153	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
Fines and forfeitures	426,011	436,745	552,940	630,989	631,219	486,735	569,179	607,473	445,869	459,416
Timber and land sales	6,677,739	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
Interest	93,112	86,350	86,692	98,664	187,697	534,977	977,682	1,057,756	902,182	308,439
Assessments	-	-	-	-	-	-	-	-	-	37,600
Intercounty charges	1,297,306	1,213,233	1,348,615	1,409,253	1,174,756	944,018	906,294	922,130	903,355	1,056,203
Miscellaneous	1,337,303	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
Total revenues	41,158,681	37,153,859	36,227,736	37,413,445	35,371,238	38,241,300	39,482,409	38,728,049	40,494,068	43,728,298
Expenditures										
General government	10,905,793	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
Public safety	6,900,868	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
Highways and streets	4,922,296	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
Culture and recreation	4,723,601	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
Health and welfare	6,761,274	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
Education	3,741,437	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
Capital outlay	1,319,309	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
Debt service										
Principal	2,997,751	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
Interest	386,385	302,268	366,414	425,377	480,636	532,455	580,997	634,573	689,531	813,994
Total expenditures	42,658,714	36,954,188	36,943,832	37,545,487	34,201,746	39,415,281	40,707,933	40,162,748	41,741,681	34,645,931
Excess (deficiency) of revenues over expenditures	(1,500,033)	199,671	(716,096)	(132,042)	1,169,492	(1,173,981)	(1,225,524)	(1,434,699)	(1,247,613)	9,082,367
Other financing sources (uses)										
Transfers in	1,532,089	987,965	596,881	1,403,034	658,665	600,626	880,100	1,885,220	1,424,161	1,061,538
Transfers (out)	(1,532,089)	(987,965)	(596,881)	(1,403,034)	(658,665)	(600,626)	(880,100)	(1,877,118)	(1,424,161)	(1,061,538)
Issuance of debt	9,275,000	-	22,882	-	31,800	168,200	700,000	20,086	-	-
Premium on issuance of debt	713,930	-	-	-	-	-	-	-	-	-
Payments to refund bond escrow agent	(2,227,146)	-	-	-	-	-	-	-	-	-
Proceeds from sale of capital assets	2,899	1,137	10,672	1,765	-	41,751	757,637	-	-	-
Total other financing sources (uses)	7,764,683	1,137	33,554	1,765	31,800	209,951	1,457,637	28,188	-	-
Net change in fund balances	\$ 6,264,650	\$ 200,808	\$ (682,542)	\$ (130,277)	\$ 1,201,292	\$ (964,030)	\$ 232,113	\$ (1,406,511)	\$ (1,247,613)	\$ 9,082,367
Debt service as a percentage of non-capital expenditures	7.96%	5.21%	5.77%	5.43%	5.89%	5.54%	5.09%	5.53%	5.46%	5.99%

TILLAMOOK COUNTY

**ASSESSED VALUE AND
ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
For the Last Ten Fiscal Years**

Fiscal Year Ended June 30,	Real Property		Personal Property	Less Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate Per \$1,000	Estimated True Cash Value	Total Taxable Assessed Value as a Percent of Estimated True Cash Value
	Residential	Commercial						
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%
2014	3,997,673,288	251,397,292	35,069,514	24,192,049	4,259,948,045	2.95079	5,544,895,609	76.83%

Source: Tillamook County Department of Assessment and Taxation

TILLAMOOK COUNTY

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

Fiscal Year Ended June 30,	Tillamook County			Overlapping Rates			Total Direct and Overlapping Tax Rates
	Operating	Debt Service	Totals	Cities	Schools	Other Districts	
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
2014	2.1688	0.7820	2.9508	0.4350	5.8231	2.1189	11.3278

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 PROPERTY TAXPAYERS

June 30, 2014 and 2005

Taxpayer	2013-2014 Assessed Valuation	Rank	Percentage of Total Assessed Value	2004-2005 Assessed Valuation	Rank	Percentage of Total Assessed Value
Private Enterprises:						
Tillamook County Creamery Association	\$ 69,847,002	2	1.640 %	\$ 42,594,548	2	1.495 %
Stimson Lumber	57,548,609	3	1.351	14,862,631	5	0.522
Simpson Timber Company	-	n/a	n/a	21,674,404	3	0.761
Hampton Lumber	16,588,510	5	0.389	10,696,130	6	0.375
Port of Tillamook Bay	-	n/a	n/a	8,076,428	7	0.283
Texas Commerce Bank National Association	15,454,250	6	0.363	7,328,560	12	0.257
Pacific Carriage Limited	12,469,400	8	0.293	7,409,217	10	0.260
Tillamook Country Smoker Inc.	8,777,780	10	0.206	7,881,730	8	0.277
Port of Garibaldi	-	n/a	n/a	7,625,969	9	0.268
Subtotal	<u>180,685,551</u>		<u>4.241</u>	<u>128,149,617</u>		<u>4.497</u>
Public Utilities:						
Tillamook Public Utility District	76,126,910	1	1.787	44,507,590	1	1.562
United Telephone Co. of NW	-	n/a	n/a	17,361,800	4	0.609
Centurylink	22,355,200	4	0.525	-	n/a	n/a
WCI Cable, Inc.	10,329,800	9	0.242	7,405,100	11	0.260
Charter Communications	<u>16,134,400</u>	7	<u>0.379</u>	<u>-</u>	n/a	<u>n/a</u>
Subtotal	<u>124,946,310</u>		<u>2.933</u>	<u>69,274,490</u>		<u>2.431</u>
All other	<u>3,954,316,184</u>		<u>92.825</u>	<u>2,652,000,198</u>		<u>93.071</u>
Total	<u>\$4,259,948,045</u>		<u>100.000 %</u>	<u>\$2,849,424,305</u>		<u>100.000 %</u>

n/a - not applicable

Source: Tillamook County Department of Assessment and Taxation

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	Percentage of Levy		Amount	Percentage of Levy
2005	\$4,252,989	\$1,538,072	\$2,096,604	\$7,887,665	\$6,777,166	85.92%	\$1,106,116	\$7,883,282	99.94%
2006	4,497,252	1,624,238	1,704,606	7,826,096	6,819,481	87.14%	1,002,232	7,821,713	99.94%
2007	4,781,050	1,725,278	1,656,568	8,162,896	7,908,010	96.88%	250,503	8,158,513	99.95%
2008	5,089,615	2,213,408	1,715,611	9,018,634	8,667,941	96.11%	345,276	9,013,217	99.94%
2009	5,375,313	2,449,708	1,910,687	9,735,708	9,280,397	95.32%	447,078	9,727,475	99.92%
2010	5,616,132	2,561,980	1,864,135	10,042,248	9,545,435	95.05%	486,347	10,031,782	99.90%
2011	5,803,056	2,649,644	1,865,052	10,317,752	9,712,049	94.13%	574,867	10,286,916	99.70%
2012	5,991,857	2,737,136	1,873,083	10,602,076	9,849,650	92.90%	634,785	10,484,435	98.89%
2013	6,153,490	2,810,936	1,841,518	10,805,944	10,321,146	95.51%	246,346	10,567,492	97.79%
2014	6,342,504	2,896,381	3,331,328	12,570,213	12,102,656	96.28%	-	12,102,656	96.28%

Source: Tillamook County Assessment and Taxation Department

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

TILLAMOOK COUNTY

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

Fiscal Year Ended June 30,	Governmental Activities				Percentage of Personal Income	Debt Per Capita
	General Obligation Bonds	Loans and Notes	Capital Leases	Total		
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	0.84%	301.32
2013	5,100,000	881,794	16,700	5,998,494	n/a	237.22
2014	9,340,000	744,603	11,140	10,095,743	n/a	398.77

n/a - Personal income information not available

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 is derived from demographic information presented on page 127.

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

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
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
2014	9,340,000	125,883	9,214,117	0.216%	364

Per Capita information is derived from demographic statistics presented on page 127.

TILLAMOOK COUNTY

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

June 30, 2014

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percent Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
City of Bay City	\$ 650,014	100.0000	\$ 650,014
City of Garibaldi	471,368	100.0000	471,368
City of Rockaway Beach	1,079,257	100.0000	1,079,257
City of Wheeler	1,003,755	100.0000	1,003,755
Nehalem Bay Rural Fire Protection District	2,410,000	99.5720	2,399,685
Neskowin Regional Sanitary District	379,499	100.0000	379,499
Netarts-Oceanside Sanitary District	11,024,018	100.0000	11,024,018
North Lincoln Fire and Rescue District #1	4,950,000	1.1534	57,093
Norhwest Regional ESD	5,125,000	6.4726	331,721
Pacific City Joint Water-Sanitary Authority	4,245,000	100.0000	4,245,000
Port of Tillamook Bay	380,000	100.0000	380,000
Tillamook Bay Community College	9,575,000	100.0000	9,575,000
Tillamook Co. School District No. 9	20,279,933	100.0000	20,279,933
Tillamook Co. School District No. 56	12,455,000	100.0000	12,455,000
Tillamook Co. School District No. 101	12,070,000	99.9030	12,058,292
Yamhill Co. School District No. 30J	2,430,000	0.9682	23,527
Willamette Education Service District	19,274,968	0.0103	1,992
Total overlapping debt			76,415,154
Tillamook County direct debt	9,340,000	100.0000	9,340,000
Total			<u>\$ 85,755,154</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 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**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Debt limit	\$ 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	\$ 110,897,912
Total net debt applicable to limit	<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>	<u>9,340,000</u>
Legal debt margin	<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>	<u>\$ 101,557,912</u>
Legal debt margin as a percentage of debt limit	78.20%	79.73%	87.40%	90.94%	92.29%	92.81%	93.40%	94.27%	95.34%	91.58%

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**

Fiscal Year	Population	Personal Income (amounts expressed in thousands)	Per Capital Personal Income	Public School Enrollment	Unemployment Rate
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	906,876	35,863	3,232	8.2%
2013	25,287	n/a	n/a	3,184	7.3%
2014	25,317	n/a	n/a	3,168	5.9%

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	2014			2005		
	Employees	Rank	Percent of Total County Employment	Employees	Rank	Percent of Total County Employment
Tillamook County Creamery Association	423	1	3.34%	500	1	4.21%
Tillamook County General Hospital	400	2	3.15%	310	2	2.61%
Tillamook School District #9	266	3	2.10%	264	5	2.22%
Tillamook Country Smoker	250	4	1.97%	300	3	2.53%
Tillamook County	233	5	1.84%	275	4	2.32%
Fred Meyer	220	6	1.73%	210	6	1.77%
Tillamook Lumber	215	7	1.70%	183	7	1.54%
Nestucca Ridge Development	150	8	1.18%	n/a	n/a	n/a
Fallon Logging	130	9	1.02%	125	9	1.05%
Stimson Lumber	127	10	1.00%	120	10	1.01%
Neah-Kah-Nie School District	100	11	0.79%	127	8	1.07%
Total number of individuals employed	12,683			11,876		

n/a - information is not available

Source: Tillamook County Treasurer

TILLAMOOK COUNTY
FULL-TIME EQUIVALENT
EMPLOYEES BY FUNCTION
Last Ten Fiscal Years

<u>Function</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>	<u>2014</u>
General government	63.00	72.50	68.40	73.00	70.00	63.25	60.94	61.94	63.50	66.25
Public safety	93.00	85.50	89.55	84.00	84.75	75.50	78.77	73.00	74.75	75.75
Highways and streets	35.00	30.00	30.50	30.50	26.00	27.50	24.00	25.00	24.00	26.50
Culture and recreation	27.00	25.00	25.56	25.50	28.53	29.08	39.83	44.33	44.83	28.45
Health and welfare	50.00	32.75	36.40	38.80	40.40	37.90	34.08	36.10	37.50	35.28
Solid waste	1.00	1.00	1.00	1.00	1.00	1.00	1.50	1.75	2.50	1.50
	<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>	<u>233.73</u>

Source: Tillamook County Human Resources

TILLAMOOK COUNTY

**OPERATING INDICATORS BY FUNCTION
Last Ten Fiscal Years**

Function	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Public safety										
Arrests	765	1,015	1,606	1,547	1,765	1,219	1,418	697	563	638
Highways and streets										
Resurfacing (miles)	*18.2	*12.33	4.0	8.9	2.6	10.1	7.7	5.0	2.6	6.8
Culture and recreation										
Library books checked out	321,610	312,592	323,053	327,328	379,740	390,669	432,742	407,016	392,097	427,104
County fair attendance	69,679	71,180	73,193	71,198	73,333	74,202	70,762	72,269	72,000	76,798
Health and welfare										
Health department encounters	18,487	20,991	19,742	20,646	18,356	17,729	17,019	13,521	16,071	16,031
Solid waste										
Refuse collected (tons)	17,000	23,567	24,201	26,092	21,655	21,338	20,142	19,712	20,160	20,243

* 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	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Public safety										
Justice centers	1	1	1	1	1	1	1	1	1	1
Patrol units	20	20	20	32	32	28	30	17	20	22
Inmate beds	120	120	120	120	120	120	120	120	120	120
Highways and streets										
Miles of paved roads	281	281	281	281	283	286	281	281	280	280
Miles of gravel roads	97	97	97	97	97	100	96	96	96	96
Bridges	96	96	96	96	96	96	99	99	100	101
Culture and recreation										
Parks acreage	2,760	2,760	2,760	2,760	2,760	2,765	2,765	2,765	2,700	2,700
Library branches	6	6	6	6	6	6	6	6	6	6
Library book titles	129,292	113,650	142,550	155,053	120,492	131,000	209,333	185,000	122,174	157,051
Museums	1	1	1	1	1	1	1	1	1	1
Fairground acreage	65	65	65	63	63	63	63	63	63	63
Health and welfare										
Clinics	3	3	3	3	3	3	3	3	3	3
Solid waste										
Transfer stations	3	3	3	3	3	3	3	3	3	3

Source: Various County departments

No capital asset indicators are available for the general government function

**INDEPENDENT AUDITOR'S REPORT REQUIRED BY
OREGON STATE REGULATIONS**

Tillamook County



Land of Cheese, Trees and Ocean Breeze



INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS

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, 2014, and have issued our report thereon dated December 15, 2014.

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).

**INDEPENDENT AUDITOR’S REPORT REQUIRED BY
OREGON STATE REGULATIONS (Continued)**

In connection with our testing nothing came to our attention that caused us to believe that 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>
Road Improvement Construction			
Materials and services	\$ 1,500,000	\$ 1,512,560	\$ (12,560)
Hospital - Debt Service Fund			
Materials and services	600	795	(195)
Road - Debt Service Fund			
Debt Service	1,447,332	1,453,127	(5,795)

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 15, 2014

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 discretely presented component units and remaining fund information of TILLAMOOK COUNTY, as of and for the year ended June 30, 2014, 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 15, 2014.

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 2014-1 that we consider to be a significant deficiency.

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 (Continued)

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 15, 2014



**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, 2014. 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, 2014.

INDEPENDENT AUDITOR'S 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 15, 2014

TILLAMOOK COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2014

Section I Summary of Auditors' Results

Financial Statements

Type of auditor's report issued:	<i>Unmodified</i>
Internal controls over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	Yes
Noncompliance material to financial statements noted?	No

Federal awards

Internal control over major federal programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported

Type of auditor's report issued on compliance for major federal programs:	<i>Unmodified</i>
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Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?	No
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Identification of major federal programs:

CFDA Number(s)	Name of Federal Program or Cluster
10.665	Schools and Roads - Grants to States
97.036	Disaster Grants - Public Assistance

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

2014-1

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

None

TILLAMOOK COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2014

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
<i>Department of Agriculture</i>			
Food and Nutrition Service			
Passed through Oregon State Department of Human Services and Health Authority Special Supplemental Nutrition Program for Women, Infants and Children	10.557		\$ 98,116
Forest Service			
Passed through Oregon Department of Administrative Services Schools and Roads - Grants to States	10.665		840,289
Total Department of Agriculture			<u>938,405</u>
<i>Department of Commerce</i>			
National Oceanic and Atmospheric Administration			
Passed through Oregon Department of Land Conservation and Development Coastal Zone Management Administration Awards	11.419	CPA 12-032	<u>25,200</u>
<i>Department of the Interior</i>			
Bureau of Land Management			
Distribution of Receipts to State and Local Governments	15.227		207,156
Payment in Lieu of Tax	15.226		<u>49,053</u>
Total Department of the Interior			<u>256,209</u>
<i>Department of Justice</i>			
Office of Juvenile Justice and Delinquency Prevention			
Passed through Oregon Commission on Children and Families Juvenile Accountability Incentive Block Grant	16.523	2012-6329	5,276
Bureau of Justice Assistance			
State Criminal Alien Assistance Program	16.606	2013-AP-BX-0372	2,085
Recovery Act - Assistance to Rural Law Enforcement to Combat Crime and Drugs Competitive Grant Program	16.810	2009-SB-B9-1859	525
Passed through Oregon State Criminal Justice Services Division Edward Byrne Memorial State and Local Law Enforcement Assistance Edward Byrne Memorial Justice Assistance Grant Program	16.738	LE19-11	11,464
Office of Victims of Crime			
Passed through Oregon State Criminal Justice Division Crime Victims Assistance	16.575	VOCA NC-FR-2012	21,705
Total Department of Justice			<u>41,055</u>

See accompanying notes

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 Transportation</i>			
National Highway Traffic Safety Administration			
Passed through Oregon State Sheriff's Association			
State and Community Highway Safety	20.600		1,704
Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601		1,968
Total Department of Transportation			<u>3,672</u>
<i>Environmental Protection Agency</i>			
Office of Water			
Passed through Oregon Department of Human Services			
State Public Water System Supervision	66.432		8,991
Capitalization Grants for Drinking Water State Revolving Funds	66.468		7,974
Total Environmental Protection Agency			<u>16,965</u>
<i>Department of Homeland Security</i>			
Passed through Oregon State Marine Board			
Boating Safety Financial Assistance	97.012		130,714
Passed through State Department of Land Conservation and Development			
Community Assistance Program State Support Services Element	97.023		2,030
Passed through Oregon State Police Office of Emergency Management			
Disaster Grants-Public Assistance	97.036		380,247
Emergency Management Performance Grants	97.042	13-529 12-532	59,837 46,054
Subtotal Emergency Management Performance Grants			<u>105,891</u>
Total Department of Homeland Security			<u>618,882</u>
<i>Department of Health and Human Services</i>			
Office of Population Affairs			
Passed through Oregon State Department of Human Services and Health Authority			
Family Planning - Services	93.217		35,504
Administration for Children and Families			
Passed through Oregon Commission on Children and Families			
Promoting Safe and Stable Families	93.556		3,030
Passed through Oregon Department of Education			
Promoting Safe and Stable Families	93.556		3,411
Subtotal Promoting Safe and Stable Families			<u>6,441</u>
Passed through Oregon Commission on Children and Families	93.667		17,898
Social Services Block Grant			
Passed through Oregon Department of Justice			
Child Support Enforcement	93.563	07-GOV-DA-22	88,059
Centers for Medicare and Medicaid Services			
Passed through Oregon State Department of Human Services and Health Authority			
Medical Assistance Program	93.778		2,411
Passed through Oregon Commission on Children and Families			
Medical Assistance Program	93.778		7,859
Passed through Oregon Department of Education			
Medical Assistance Program	93.778		7,621
Subtotal Medical Assistance Program			<u>17,891</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>
<i>Department of Health and Human Services (continued)</i>			
Centers for Disease Control and Prevention -			
Passed through Oregon State Department of Human Services and Health Authority			
Public Health Emergency Preparedness	93.069		<u>61,858</u>
Project Grant and Cooperative Agreements for Tuberculosis Control Programs	93.116		<u>275</u>
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	93.539		<u>3,996</u>
Health Resources and Services Administration			
Consolidated Health Centers	93.224		<u>1,446,645</u>
Immunization Cooperative Agreements	93.268		<u>1,200</u>
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		<u>290,381</u>
OSPHD PH Infrastructure Yr 3	93.507		<u>6,666</u>
Maternal and Child Health Services Block Grant to the States	93.994		<u>26,981</u>
Substance Abuse and Mental Health Services Administration			
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		<u>100,000</u>
Block Grants for Community Mental Health Services	93.958		<u>27,544</u>
Block Grants for Prevention and Treatment of Substance Abuse	93.959		<u>101,859</u>
Total Department of Health and Human Services			<u>2,233,198</u>
Total Expenditures of Federal Awards			<u>\$ 4,133,586</u>

See accompanying notes

TILLAMOOK COUNTY

NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 30, 2014

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.